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ESTABLISHING TRANSPARENCY FRAMEWORK FOR THE REPUBLIC OF SERBIA

MID-TERM REVIEW REPORT

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**Acronyms and Abbreviations**

2BUR Second Biennial Update Report

3NC Third National Communication

BUR Biennial Update Report

CBIT Capacity-Building Initiative for Transparency

CEO Chief Executive Officer

CO UNDP Country Office

COP Conference of Parties

CSO Civil Society Organization

CTA Chief Technical Advisor

ETF Enhanced Transparency Framework

EU European Union

GEF Global Environment Facility

GHG Greenhouse Gas

INDC Intended Nationally Determined Contributions

IPCC Intergovernmental Panel on Climate Change

KM Knowledge Management

M&E Monitoring and Evaluation

MEP Ministry of Environmental Protection

MRV Monitoring, Reporting and Verification

NC National Communication

NCCC National Climate Change Committee

NDC Nationally Determined Contributions

NIM National Implementation Modality

NGO Non-Governmental Organization

PB Project Board

PCA Paris Climate Agreement

PIR Project Implementation Review

PMU Project Management Unit

PPG Project Preparation Grant

PSC Project Steering Committee

QPR Quarterly Progress Report

SEPA Serbian Environment Protection Agency

TT Tracking Tool

UNDP United Nations Development Programme

UNFCCC United Nations Framework Convention on Climate Change

**Acknowledgement**

The MTR Team would like to express appreciation to the Project Implementing Unit for sharing all relevant documents on the project and to all interviewed project stakeholders for participation in the dialogue about key findings and pertinent issues of the review. Through provision of the documentation and their valuable insights and candid opinions on the project implementation and results, they have collectively contributed to the smooth conduct and effective completion of this review.

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# Executive Summary

**Project Information Table**

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| --- | --- | --- | --- |
| **Project Title** | Establishing Transparency Framework for the Republic of Serbia | | |
| UNDP Project ID (PIMS #): | 6211 | PIF Approval Date: | 18 May 2018 |
| GEF Project ID (PMIS #): | 10029 | CEO Endorsement Date: | 11 January 2019 |
| Country(ies): | Serbia | ProDoc Signature Date: | 8 March 2019 |
| Region: | CEE | Date project manager hired: |  |
| Focal Area: | Climate Change | Inception Workshop date: | 24 April 2019 |
| GEF Focal Area Strategic Objective: | GEF-6  CBIT | Midterm Review Date: | January – February 2021 |
| Trust Fund: | GEF CBIT TF | Planned closing date: | 8 March 2022 |
| Executing Agency/ Implementing Partner | UNDP Serbia | | |
| Other execution partners: |  | | |
| **Project Financing** | *at CEO endorsement (US$)* | *at Midterm Review (US$)* | |
| [1] GEF financing: | 1,000,000 | 584,521.69 | |
| [2] UNDP contribution: | 68,000 (in kind) | - | |
| [3] Government: | 32,000 (in kind) | - | |
| [4] Other partners: Climate Promise | - | 64,372.83 | |
| [5] Total co-financing [2 + 3+ 4]: |  | 64,372.83 | |
| PROJECT TOTAL COSTS [1 + 5] | 1,200,000 | 648,894.52 | |

**Project Description**

The development objective of the CBIT project is to accelerate Serbia’s movement towards a low-carbon and climate resilience development pathway by mainstreaming and integrating climate change considerations into development strategies and sector-based policy frameworks and linking the relevant policies and measures with a routine mechanism for climate change monitoring, reporting and verification.

The immediate objective of the project is to assist the Government of Serbia with establishing a National Transparency Framework to enhance implementation of Serbia’s commitments under the PCA and abide by its transparency provisions.

In particular, the project aims at finalizing and launching a Monitoring, Reporting, and Verification (MRV) system in order to provide more accurate information and analysis of the instruments selected for mitigation and adaptation to climate change. The functional MRV system is also needed to formulate and effectively implement climate change-related policies and measures as expressed in the NDC. It is a prerequisite for a more intensive engagement of stakeholders, including local governments and the private sector in a gender-inclusive manner. Finally, the project aims at using training and peer exchanges to strengthen capacity for transparency and allow for more ambitious commitments in the NDCs over time.

Specifically, the CBIT project was designed to:

• support the Government of Serbia in mainstreaming and integrating climate change considerations into development strategies and sector-based policy frameworks by strengthening and sustaining efforts to monitor, report, and verify activities to address climate change,

• assist the Government of Serbia with strengthening the methodologies and tools necessary to enhance transparency as described in Article 13 of the Paris Agreement,

• accelerate Serbia’s EU accession process in the area of environment, energy and climate change, contributing to creation of enabling policy and institutional environment for effective implementation of relevant EU Acquis and related national legal acts.

**Project Progress Summary**

The project has engaged a relatively wide range of national stakeholders through establishment of an Inter-Ministerial Working Group with representation of a number of line ministries, agencies and institutes responsible for collection of data related to mitigation and adaptation aspects of climate reporting.

The capacity building component of the project progressed well and the mid-term targets were achieved, although progress was slowed down due to COVID-19 outbreak in 2020. The national MRV system, including an IT platform, as well as compilation of Modalities, Procedures and Guidelines for transparency in climate reporting were still under development at the time of the MTR but there are all signs that the new MRV system could be operational by the end of 2021.

The management arrangements for the project established in line with the NIM modality with support of the UNDP CO were found functional and the project monitoring & evaluation framework, planning of work and reporting are considered effective and efficient. Project finances are well managed and additional source of co-financing was utilized in addition to the in-kind co-financing pledged at the project inception.

The project has built on previous work on gender mainstreaming for climate reporting in Serbia and has established a working framework for systematic collection of data and assessment of relation between climate change and gender equality.

Overall, the progress towards the results of the project is adjudged as ‘Satisfactory’ and the project is expected to achieve a majority of the planned targets.

**MTR Ratings & Achievement Summary**

|  |  |  |
| --- | --- | --- |
| **Measure** | **MTR Rating[[1]](#footnote-1)** | **Achievement Description[[2]](#footnote-2)** |
| Progress Towards Results | Project Objective  Rating: Satisfactory (S) | Mid-term target on quality of the MRV system achieved, mid-term target for institutional capacity pending on approval of the revised Law on Climate Change |
| Outcome 1  Rating: Satisfactory (S) | Mid-term targets achieved for capacity building on mitigation aspects, development of the MRV system on-going |
| Outcome 2  Rating: Satisfactory (S) | Mid-term targets achieved for capacity building on adaptation aspects, development of the MRV system on-going |
| Outcome 3  Rating: Moderately Satisfactory (MS) | Project short of mid-term targets for training of local governments and businesses for climate reporting  2 emission factors for GHG inventory recalculated  Estimates of carbon sinks improved based on soil organic carbon and litter  Mid-term targets on project peer exchanges achieved |
| Outcome 4  Rating: Satisfactory (S) | Project experience actively disseminated in the region and beyond |
| Project Implementation & Adaptive Management | Rating: Satisfactory (S) | Functional, effective and efficient management arrangement, project governance, monitoring& evaluation as well as reporting and communication |
| Sustainability | Rating. Likely (L) | No major risks to sustainability identified |

**Recommendations Summary Table**

|  |  |
| --- | --- |
| **No.** | **Recommendation** |
| 1. | The Project Management Unit should undertake revision of the project results framework in order to have measurable indicators and realistic end-of-project target values. The revised logframe should be put for approval by the Project Board. |
| 2. | The Project Management Unit should ensure that the next PIR includes justification of rating of progress towards the Project Development Objective from the Government Implementing Partner and the GEF OFP. |
| 3. | The Project Management Unit should ensure that information is recorded on relation of the trainings to the project Outcomes and data from evaluation of training activities is collected and included in the project implementation reports |
| 4. | The Government should ensure adequate manpower dedicated exclusively to MRV activities and consider mechanisms for addressing staff shortages such as outsourcing certain tasks to organizations outside the Government. Such organizations could include a university, a research institute, or a consulting company, selected on the basis of technical competency and expertise for compilation and reporting of CC data and information |
| 5. | The project Implementing Partners should consider options for building resilience against staff turnover and minimization of its negative effects on MRV activities. Mechanisms for retention of institutional memory include thorough succession planning and systematic involvement of junior staff in training and support activities (as opposed to one-off training activities) |
| 6. | UNDP CO in cooperation with the Government should consider approach for ensuring sustainable building of national institutional capacity and expertise for transparency work through gradual reduction of independence from external support |
| 7. | UNDP CO in cooperation with the Government should consider approaches for longer-term institutionalization of MVR-related training with increased involvement of academia and domestic training institutes |
| 8. | The Project Management Unit should ensure that training on use of MRV includes training of policy-makers’ technical experts on ways of information exchange between technical experts and policy-makers |
| 9. | The Project Management Unit should consider increased delivery of trainings for local governments on adaptation and vulnerability assessment |
| 10. | The project Implementing Partners should consider use of unspent project budget allocated under Outcome 4 for development and implementation of communication and public outreach activities aiming at businesses and general public |

# Introduction

This report presents the findings of the Mid-Term Review of the UNDP/GEF project “Establishing Transparency Framework for the Republic of Serbia’. The project is financed by GEF under the Capacity-Building Initiative for Transparency (CBIT) established by GEF-6 under the Paris Agreement on Climate Change (further referred to as “the CBIT project”).

## Purpose of the MTR and Objectives

As outlined in the GEF Monitoring and Evaluation Policy, Mid-Term Evaluations (also known as Mid-Term Reviews, MTRs) are a mandatory requirement for all GEF-financed full-sized projects and constitute an important part of the GEF projects’ monitoring and evaluation plan. MTRs are primarily a monitoring tool to identify challenges and outline corrective actions to ensure that a project is on track to achieve maximum results by its completion. In order to fulfil the above purpose, MTRs are conducted in order to assess the projects’ progress towards results, implementation and adaptive management for improvement of outcomes, facilitate early identification of risks to sustainability and provide supportive recommendations.

The objective of MTR is to provide the project partners i.e. GEF, UNDP, key stakeholders/ private institutions and the Government of Serbia, with an independent assessment of progress towards achievement of the project objectives and outcomes as specified in the Project Document. MTR also provides independent assessment of early signs of project success or failure with the goal of identifying the necessary changes to be made in order to set the project on-track to achieve its intended results. Last but not least, MTR also reviews the project’s strategy and its risks to sustainability.

As a standard requirement for all projects financed by GEF, this MTR has been initiated by the project Implementing Agency, in this case UNDP. This MTR has been conducted according to the guidance, rules and procedures established by UNDP and GEF as reflected in the UNDP Evaluation Guidance for GEF Financed Projects[[3]](#footnote-3).

## Scope and Methodology

This MTR covers all activities undertaken in the framework of the CBIT project. The time scope of the MTR is the implementation period of the project from March 2019 up to February 2021. The geographic scope of the evaluation is Serbia.

The MTR has been carried out using a participatory approach that seeks to inform and consult with key stakeholders associated with the project using the primary evaluation criteria for GEF MTRs listed in the Terms of Reference for the evaluation, i.e. Project Strategy, Progress towards Results, Project Implementation & Adaptive Management, and Sustainability.

TOR for the MTR is provided as Annex 1.

## MTR Approach and Data Collection Methods

The MTR used the following evaluation instruments:

*Evaluation Matrix:* An evaluation matrix was constructed based on the evaluation scope presented in the TOR. The matrix is structured along the four GEF evaluation criteria for MTRs and includes principal evaluation questions. The matrix provided overall direction for the evaluation and was used as a basis for interviewing stakeholders and reviewing project documents. The evaluation matrix is provided as Annex 2.

*Documentation Review:* The evaluators conducted a review of documents that were made available by the UNDP CO as well as other documents found from various other sources.

*Interviews:* The evaluators conducted a number of face-to-face consultations with the key project stakeholders using semi-structured interview questions. Through the interviews, the consultants obtained information about the key informants’ impressions and experiences from implementation of the project. Triangulation of results, i.e. comparing information from different sources, such as documentation and interviews, or interviews on the same subject with different stakeholders, was used to corroborate or check the reliability of evidence. The list of people interviewed and the interview guide are provided as Annex 3 and Annex 4.

*Data analysis:* The evaluators used a combination of the above methods for gathering information in order to triangulate information and data and thereby ensure their accuracy and robustness. After the data collection phase with conducting interviews, observing selected outputs and reviewing data from existing data sources, data analysis followed as the final phase of MTR. Data analysis involved organizing and classifying the information collected, tabulating it, summarizing it, and comparing the results with other appropriate information to extract useful information that responds to the evaluation questions and fulfils the purposes of MTR. In this process the evaluators took care of checking factual evidence ensuring its accuracy and translating the data into usable formats or units of analysis related to the evaluation questions. Annex 5 provides the list of the documents reviewed.

The evaluators used basic gender-responsive tools that included data on gender disaggregated participation in the project activities and assessment of the level of institutional capacity and actions of the project implementing partners for integrating gender into the climate change monitoring and reporting, as well as capability for addressing knowledge gaps on gender issues in climate change. Since this is a general evaluation report without a specific focus on gender, the gender-related findings are reported under the cross-cutting section on mainstreaming.

## Structure of the MTR Report

This report closely follows the structure of the MTR report outlined in the Terms of Reference that was prepared by UNDP Country Office in Serbia as the commissioning unit for this MTR.

The following elements that have been covered in the MTR:

*Project Strategy*

• Project design

• Results framework/logframe

*Progress Towards Results*

• Progress towards outcomes analysis

• Remaining barriers to achieving the project objective

*Project Implementation and Adaptive Management*

• Management arrangements

• Work planning

• Finance and co-finance

• Project-level monitoring and evaluation systems

• Stakeholder engagement

• Reporting and communications

*Sustainability*

• Financial risks to sustainability

• Socio-economic risks to sustainability

• Institutional framework and governance risks to sustainability

• Environmental risks to sustainability

The first part of the report describes the project background and summarizes factual information that was assembled during the initial data collection phase. The second part contains information that was collected through consultations with the key stakeholders and desk review of relevant documentation. The third part provides evidence-based conclusions connected to the findings from the second part and recommendations in the form of corrective actions for the design, implementation, management arrangements as well as for monitoring and evaluation of the project.

## Constraints and Limitations

The findings and conclusions contained in this report are based primarily on a thorough desk review of documents that were made available to the evaluators. Since this was virtual evaluation conducted through on-line discussion platforms, there were no constraints and limitations due to the COVID-19 outbreak.

The MTR consultants were able to conduct a detailed assessment of progress towards the expected results.

# Project Description and Background Context

## Project Context

Paris Agreement, in full Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCC), also called Paris Climate Agreement (PCA), is a landmark environmental accord that was adopted at the UNFCCC Conference of the Parties (COP21) in Paris in December 2015 to improve upon and replace the Kyoto Protocol. The PCA entered into force on 4 November 2016 and has been signed by 197 countries out which 179 countries also formally adopted the PCA .

Under the PCA, Parties to UNFCCC endorsed ambitious goals to substantially reduce global greenhouse gas (GHG) emissions in order to keep the average global temperature increase well below 2°C above the preindustrial levels, while pursuing options to limit the increase to 1.5 °C. The Agreement includes commitments from all Parties to cut their climate-altering pollution and strengthen those commitments over time. It also provides a pathway for developed countries to assist developing and transitional countries in their climate mitigation and adaptation efforts.

A key result of the PCA negotiations was the establishment of an enhanced transparency framework for tracking and reporting the progress of existing and future commitments of the Parties, with included built-in flexibility for non-Annex I Parties. For this reason, the Capacity-building Initiative for Transparency (CBIT) was created at the request of the Parties to help strengthen the institutional and technical capacities of non-Annex I countries to meet the enhanced transparency requirements defined in Article 13 of the Agreement. Consequently, the Parties requested GEF to support establishment of the CBIT through voluntary contributions during the GEF-6 and future replenishment cycles. Following COP 21, GEF established the CBIT within one year due to high levels of donor support and successful engagement with countries and other PCA stakeholders.

In anticipation of adoption of the PCA, countries publicly outlined their post-2020 climate actions they intended to take under the global PCA framework in the context of their national priorities, circumstances and capabilities - known as their Intended Nationally Determined Contributions (INDCs). Once countries formally adopted the PCA, the word “intended” was dropped and an INDC was converted into a Nationally Determined Contribution (NDC). Under the provisions of the PCA, a country is expected to submit an updated NDC every five years to represent a progression beyond the country’s first INDC/NDC.

In its INDC submitted on 25 June 2015, Serbia committed to reduce its GHG emissions by 9.8% from 1990 levels by 2030. As a consequence of Serbia’s ratification of the PCA in July 2017, Serbia's INDC was converted into NDC. The country now needs to enact robust climate and energy policies that will enable the implementation of its NDC pledge and allow the country to strengthen its commitments in coming years. Although the country has already made significant progress in establishing an effective institutional and legal framework to combat climate change, there is a need to strengthen capacity and improve information sharing among responsible and competent institutions at the national and local levels. The resulting transparency framework should create an enabling environment for decision-making regarding future objectives, targets, and priority policies and measures for mitigation and adaptation.

## Problems that the project addresses

Before the project, Serbia did not have a systematic planning, reporting and monitoring system for climate change mitigation and adaptation based on reliable data. Although main climate related challenges had been identified through the UNFCCC reporting processes, the support provided for compilation of NCs and BURs did not create a transparent and sustainable system for improved national planning and decision making, for tracking and renewing the NDCs in line with the ETF requirements of the Paris Agreement.

In particular, Serbia did not have a national system for data/information collection, based on involvement of all relevant stakeholders, for continuous monitoring, reporting of undertaken measures, as well as for their upscaling.

The root cause lays in the fact that climate related issues had not been sufficiently integrated into sectorial policies due to lack of coordination among different competent institutions in terms of planning, implementation, monitoring and reporting on sectorial measures. Also, there were no clear guiding documents, neither methodologies, to facilitate sector-based inputs to climate policy planning and development.

The process of formulating Serbia’s first NDC was based on assistance received through the NC and BUR preparation projects. This support, as well as such as the EU funded project for development of Climate Change Strategy and Action Plan, was mainly based on external expert assistance and did not result in significant increase of capacities of relevant state institutions, such as the Ministry of Environmental Protection, but also other relevant Government institutions in charge of agriculture, energy, construction etc.). In particular, the external assistance did not create sufficient national expertise for development of long-term policies and macroeconomic or sectoral models for testing different scenarios.

The lack of human and institutional capacities to plan and specially to track progress on GHG emission reduction and adaptation policies and measures, particularly in specific sectors, also precluded development of socio-economic assessment models for identification of climate related financing.

Besides insufficient human and institutional capacities, Serbia did not have methodologies, guidelines and tools for assessing climate impacts in different sectors, for cost analyses, for loss and damage assessments, as well as for reporting, information and data exchange. Also, there was a lack of coordination and common planning in the field of adaptation and disaster risk reduction at all levels of governance. Last but not least, there was no nexus between the mitigation and adaptation planning. The gaps in national capacities and expertise had caused strong dependency on international consultants with negative impacts on the sustainability of the national measurement and reporting system.

## Project description and strategy

The development objective of the CBIT project is to accelerate Serbia’s movement towards a low-carbon and climate resilience development pathway by mainstreaming and integrating climate change considerations into development strategies and sector-based policy frameworks and linking the relevant policies and measures with a routine mechanism for climate change monitoring, reporting and verification.

The immediate objective of the project is to assist the Government of Serbia with establishing a National Transparency Framework to enhance implementation of Serbia’s commitments under the PCA and abide by its transparency provisions.

In particular, the project aims at finalizing and launching a Monitoring, Reporting, and Verification (MRV) system in order to provide more accurate information and analysis of the instruments selected for mitigation and adaptation to climate change. The functional MRV system is also needed to formulate and effectively implement climate change-related policies and measures as expressed in the NDC. It is a prerequisite for a more intensive engagement of stakeholders, including local governments and the private sector in a gender-inclusive manner. Finally, the project aims at using training and peer exchanges to strengthen capacity for transparency and allow for more ambitious commitments in the NDCs over time.

Specifically, the CBIT project was designed to:

• support the Government of Serbia in mainstreaming and integrating climate change considerations into development strategies and sector-based policy frameworks by strengthening and sustaining efforts to monitor, report, and verify activities to address climate change,

• assist the Government of Serbia with strengthening the methodologies and tools necessary to enhance transparency as described in Article 13 of the Paris Agreement,

• accelerate Serbia’s EU accession process in the area of environment, energy and climate change, contributing to creation of enabling policy and institutional environment for effective implementation of relevant EU Acquis and related national legal acts.

The results framework of the CBIT project is composed of the following 4 Components/Outcomes:

Component/Outcome 1: National transparency capacity for tracking NDC progress from mitigation activities is strong,

Component/Outcome 2: National transparency capacity for tracking NDC progress from adaptation activities is strong,

Component/Outcome 3: MRV system for the NDC, including financing for institutions, local communities and businesses, is in place,

Component/Outcome 4: Knowledge Management (KM) and monitoring & evaluation (M&E).

## Expected project results

Global Environmental Benefits: The CBIT project is expected to strengthen the capacity of national institutions for designing actions and policies for achieving the Government’s national and international climate change commitments (NDCs in particular) and thus limiting Serbia’s contribution to the global environmental threat of climate change. In line with the Paris Climate Agreement, it is expected that Serbia revisits the NDCs and prepares enabling policy environment for compliance in terms of defining, monitoring and reporting on climate change mitigation as well as adaptation measures.

Apart from climate change, the project is also expected to assist Serbia to respond effectively to the challenges of other global processes, such as implementing the SDGs and Sendai Framework for Action on Disaster Risk Reduction.

Socio-Economic Benefits: The scope of the MRV system and transparency framework is relevant to all sectors and actions related to climate change. It goes beyond reducing greenhouse gases in order to capture the country path to a sustainable, resilient and low-carbon emission economy and thus promote long-term sustainable socio-economic development, economic growth and improving living standards for the citizens of Serbia.

In particular, the project is expected to assist Serbia to comply with the EU accession obligations and commitments by establishing complementary MRV system with MRV requirements of the EU.

Knowledge Management: The project is expected to generate a significant mass of knowledge and technical capacity for establishing a longer term strategic and policy framework for climate change. It is envisaged to share Serbia’s progress and achievements in establishing the transparency framework with other countries under the CBIT global coordination platform and other relevant networks. Specific part of the comprehensive MRV system for transparency will be established for sharing externally information and results produced under the national CBIT, including mechanisms for exchange of information with the EU and other global transparency initiatives. Exchange of experience and capacity building among the countries of the region is expected to produce additional benefits to the national climate change policies and action planning under the NDCs, creating enabling environment for increased climate change-related ambitions in the region.

## Project implementation arrangements

The CBIT project has been implemented following UNDP’s national implementation modality (NIM), according to the Standard Basic Assistance Agreement between UNDP and the Government of Serbia.

The Implementing Partner for this project is the Ministry of Environmental Protection (MoEP) that assumes responsibility as well as accountability for managing the project, including the monitoring and evaluation of project interventions, achieving the project Outcomes, and for the effective use of the project resources.

The technical support for the project is provided by the Regional Technical Advisor at UNDP based in the Istanbul Regional Hub (IRH) that also carries out independent project oversight and monitoring functions.

## Project timing and milestones

The CBIT project was approved for implementation as a medium -size GEF project on October 2016 for the duration of 36 months. The approved GEF project grant amounts to US$ 1,100,000 with the total 100,000 US$ pledged as parallel co-financing commitment by the project Implementing Partners.

The specific timeline of the project is summarized in Table 1 below.

**Table 1:** Key dates for approval and start-up of the project

|  |  |
| --- | --- |
| **Milestone** | **Date** |
| PIF Approval Date | 18 May 2018 |
| CEO Endorsement Date | 11 January 2019 |
| Project Document Signature Date (project start date) | 8 March 2019 |
| Project Inception Workshop | 24 April 2019 |
| Date of the Mid-term Review | January-February 2021 |
| Expected Date of Terminal Evaluation | December 2021 |
| Planned Closing Date | 8 March 2022 |

## Main project stakeholders

The Project Document includes a brief stakeholder analysis and engagement plan that provide an overview of main project stakeholders as well as their respective roles and responsibilities in the CBIT project. The stakeholder engagement plan for the project is the result of an ongoing dialogue with stakeholders throughout the project design and preparation.

MoEP is the responsible institution for implementation of the UNFCCC in Serbia and the Implementing Partner and coordinating body of the CBIT project. Through its Climate Change Division, MoEPs performs a leadership and coordination role for the development of actions needed to fulfill the country’s obligations to the Convention. It acts in coordination with other relevant stakeholders, integrating climate change in the ongoing national activities for reporting and communication through the National Communications and Biennial Update Reports.

The Serbian Environmental Protection Agency (SEPA) is responsible for collecting data in support of the national GHG inventory.

The National Climate Change Committee (NCCC) is responsible for monitoring the development and implementation of national policies on climate change, sectoral policies and other planning documents in terms of their consistency with national climate change policies.

The Serbian Parliament and its Boards (such as the Board for Environmental Protection and Climate Change, Board for Energy, Board for Agriculture, Board for Health and Family Affaires etc.) convene workshops and roundtable discussions with parliamentarians, Government agencies, academia, CSOs, journalists.

Relevant sectoral Ministries, such as the Ministry of Economy, Ministry of Mining and Energy, Ministry of Interior, Ministry of Construction, Transport and Infrastructure are expected to participate in project activities aimed at the preparation of GHG inventories and identification and preparation of mitigation actions.

Under the guidance and coordination of the MoEP, the role of the sectoral Ministries is to provide input into compilation of the National GHG Inventories, as they are responsible for estimation of the respective sectoral emissions according to the IPCC guidelines. Also, besides already quoted institutions, key sectors of relevance to the climate change adaptation will be closely involved into vulnerability assessment and CCA planning, with involvement of the Institute for Meteorology and the Nature Protection Institute of Serbia.

# Findings

This section brings a summary of empirical facts based on data collected during the review. The MTR team paid particular attention to cross-verification of the evaluative evidence using multiple sources of information and, to the extent possible, avoid overreliance on opinions obtained during the interviews.

Before the CBIT project, Serbia received assistance through two “twinning” projects funded by the EU. In 2013 – 2015, the Department for Climate Change of the Ministry of Agriculture and Environmental Protection (MAEP)[[4]](#footnote-4) implemented the project “Creation of a monitoring, reporting and verification system for the successful implementation of the EU Emissions Trading System. The purpose of this IPA 2012-funded project (also known as the EU ETS project), was to establish an MRV system for effective implementation of the EU Directive 2009/29/EC on the emission trading system as well as development of legislative and institutional framework for implementation of the EU ETS Directive.

In 2015-2017, MAEP implemented another twinning project ‘Establishment of a Mechanism for Implementation of Monitoring Mechanism Regulation’ (the EU MMR project). This IPA 13-funded project aimed at establishment of a legal and procedural framework with defined roles and responsibilities of institutions involved in the process of monitoring and reporting on GHG emissions as well as other information relevant to climate change.

Twinning partners from the EU were competent institutions from France, Germany and Austria.

## Project Strategy

The MTR team conducted an analysis of the design of the project as outlined in the Project Document and assessed whether the project strategy is proving to be effective in reaching the desired results. In doing so, the evaluators judged the extent to which the project addresses country priorities and is country driven. Furthermore, the evaluators assessed the extent to which the project objectives are consistent with the priorities and objectives of the GEF.

### Project Design

The CBIT project is aligned with the revision of Serbia’s first NDC as well as with the process of development of the draft Low Carbon Development Strategy of Serbia with the Action Plan, as well as with the development of the draft Climate Change Law that resulted from two EU- funded projects for transposition of the two main climate related pieces of EU Acquis, namely the EU Emissions Trading System and Monitoring Mechanism Regulation.

The project is also consistent with the objectives of improved quality of the GHG emissions data from specific sectors stated in the GEF-funded project for preparation of the revised NC and 2BUR to the UNFCCC[[5]](#footnote-5). This work encompasses development of mitigation actions in terms of GHG emission reductions in key economic sectors as well as measures for increased community resilience and climate change adaptation.

Furthermore, the CBIT project is also aligned with the programming and implementation modalities stipulated in the GEF CBIT programming directions[[6]](#footnote-6) that also stipulate national level priority activities for the child CBIT projects, namely:

1. *Activities to strengthen national institutions for transparency-related activities in line with national priorities,*
2. *Activities to provide relevant tools, training, and assistance for meeting the provisions stipulated in Article 13, and*
3. *Activities to assist with improvement of transparency over time.*

Last but not least, the project is also relevant to the UN mandate and strategy in Serbia. Firstly, it is linked with Output 3.1 of the UNDP Country Programme for 2021-2025:

*Climate change mitigation and adaptation measures designed and implemented, and climate ambition raised*

Secondly, the project is aligned with the Development Partnership Framework for 2016-2020 between the Government of Serbia and the UN Country Team. Outcome 8 under Pillar IV on Environment, Climate Change and Resilient Communities envisages that:

*By 2020, there are improved capacities to combat climate change and manage natural resources and communities are more resilient to the effects of natural and man-made disasters.*

The MTR team concludes that the CBIT project is relevant for the needs, priorities and international commitments of Serbia as the recipient country and is consistent with the strategic and programmatic priorities of the donor and implementing agencies.

The CBIT project is a follow-up to the two EU twinning projects as it also aims at establishment of a legal framework with binding obligations for data collection and their reporting to responsible institutions, monitoring of climate change legislation, strategies and sectoral policies, as well as introducing climate change related issues into the policy-making process.

The CBIT project proposal was originally designed for duration of 48 months. Following the comments from the GEF Secretariat during the PIF review phase, the actual length of the project implementation was set to 36 months only.

### Results Framework/Logframe

The evaluators performed critical analysis of the project results framework in order to establish whether it has the necessary elements and whether it enables measurement of success and progress to success.

The formulation of the CBIT project started with preparation of the Project Identification Form (PIF) that outlined the Project Objective, Outcomes and Outputs. This document also served as a basis for formulation of the Project Document. The results framework contained in the PIF is composed of 3 substantive Components, 5 Outcomes and 17 Outputs while the logframe in the Project Document is composed of 3 Components/Outcomes and 5 Outputs.

It follows from the above comparison that for the original PIF logframe was simplified and the number of Outputs was reduced under the first two Components/Outcomes. The original 6 PIF Outputs under Outcome 1 were replaced by a single Output and the 4 PIF Outputs under Outcome 2 were also substituted by another single Output, as shown in Table 2 below.

**Table 2:** Comparison of the logframes in the PIF and the Project Document

|  |  |  |  |
| --- | --- | --- | --- |
| **Outcome** | **Outputs** | **Outcome** | **Outputs** |
| 1.1. Improvement of institutional and technical capacities for transparency of mitigation in relevant sectors | 1.1.1. Institutional platform for transparency strengthened and reorganized with the initial assessment of capacity building needs and gaps for transparency;  1.1.2. Assessment of the resources (financial and institutional) needed to implement NDC’s specific mitigation policies and measures conducted, with a gender-sensitive approach;  1.1.3. System for the assessment and tracking of the implementation of NDCs mitigation activities and their continuous improvement developed, with a gender-sensitive approach;  1.1.4. NDCs tracking and reporting training programme for specific institutions prepared, with gender sensitive approach;  1.1.5. Capacity building for competent institutions for development of projections that fulfil the criteria of transparency, accuracy, consistency, comparability and completeness conducted;  1.1.6. E- tool for reporting on implementation and for planning and continuous improvement of the NDCs sectoral mitigation activities developed. | 1.National transparency capacity for tracking NDC progress from mitigation activities is strong | 1.1. Institutional and technical capacities for transparency of mitigation in relevant sectors improved |
| 2.1. Improvement of institutional and technical capacities for transparency of adaptation in relevant sectors | 1.1.1. Sectoral vulnerability assessment of climate change impacts conducted;  2.1.2. Analytical approach to costs and benefits of the implementation of NDCs adaptation measures, and financing possibilities prepared and conducted;  2.1.3. E- tool established for reporting on implementation and for planning and continuous improvement of NDC adaptation measures and on occurrences of floods, extreme temperatures, droughts, and other extreme weather, as well as on their consequences;  2.1.4. NDC tracking and reporting training programme on climate change adaptation for specific institutions prepared and conducted, with gender sensitive approach; | 2. National transparency capacity for tracking NDC progress from adaptation activities is strong | 2.1. Institutional and technical capacities for transparency of adaptation in relevant sectors improved |
| 3.1 Domestic MRV system for updating NDCs completed, including MRV to support stakeholders’ engagement | 3.1.1. Protocol for developing the technical inputs needed for updating future NDC on a continuous base elaborated;  3.1.2. Needs and gaps of relevant institutions and local communities for reporting on received financial support vis-à-vis NDC identified; | 3. An MRV system for the NDC, including financing for institutions, local communities and businesses, is in place | 3.1. Domestic MRV system for updating NDCs completed, including MRV to support stakeholders’ engagement. |
| 3.2 Improvement of the National GHG Inventories | 3.2.1. Country-specific emission factor for CO2 from thermo-power plants and industry sector, as well as for Agriculture, LULUCF, developed.  3.2.2. Assessment of available information to include in GHG emission estimations other carbon pools included in the IPCC Guidelines but not estimated in the National GHG Inventory (soil organic carbon and litter) conducted and Inventory improved. | 3.2. National GHG inventories improved |
| 3.3 NDC capacity building through regional peer exchanges | 3.3.1. Regional peer exchanges on NDC planning and implementation and on the enhanced transparency framework conducted; | 3.3. NDC Capacity Built through Peer Exchanges |

It appears that the logframe simplification was overdone particularly with regard to the first two Components. The new Outputs 1.1 and 2.1 are in fact repetitions of the respective Outcomes 1 and 2. The revision made more explicit separation of CC mitigation- and CC adaption-related results. However, Outputs 1.1 - 1.6 in the PIF constituted a logical structure reflecting the elements of the results chain and the Theory of Change. The rearrangement did not contribute to clarity of the logframe as the simplified Output 1.1 is more or less a repetition of Outcome 1 and, similarly, the new Output 2.1 is a mere repetition of Outcome 2.

There is also a notable internal inconsistency in the Project Document related to the project results framework. While the logframe table on pages 32-42 of the PD shows only the five Outputs listed in Table 2 above, the text on pages 17 - 23 contains total 18 substantive Outputs and discusses them in detail.

The above inconsistencies resulted from lack of experience with the design of CBIT projects as the Serbia CBIT project was amongst the first group of submissions under the GEF CBIT funding window. Reportedly, a new template for the CBIT Project Document, designed shortly after the PIF approval, required some level of simplification of the project logframe in comparison with the PIF.

Reportedly, the simplification of the logframe was done during the project development stage and approved by the donor. The resulting deficiencies discussed above do not have major impact on the project results but impede proper monitoring of progress and rigorous evaluation of the achieved results. Complete revamping of the logframe would not be feasible or reasonable at this stage of the project implementation. Therefore, in line with the GEF standard MTR methodology, the further text in this section provides suggestions for specific amendments and/or revisions of the simplified logframe with regard to some Objective and Outcome/Output Indicators and their target values.

The results framework in the Project Document contains 20 indicators established as benchmarks for measurement of achievements of the project at the level of the Project Objective and Outcome/Output. The MTR team found formulation of few indicators not fit for measuring progress in the project. Table 3 summarizes result of this assessment and proposed changes in the logframe indicators and target values.

**Table 3:** Assessment of the Outcome and Objective Indicators in the Project Document

|  |  |  |  |
| --- | --- | --- | --- |
| **Level** | **Indicators in the Project Document** | **Assessment** | **Suggested Modified Indicators** |
| Outcome  1 and 2 | 1a and 2a: Number of users trained on the national MRV system | These are process indicators that do not measure the Outcomes | Number of beneficiaries that increase their capacities as result of training, measured by responses in training self-evaluation |
| Outcome  1 and 2 | 1b and 2b: Level of participation in the MRV system | Formulation of this indicator does not allow for measurement of progress | Number of government agencies accessing data and information in the national MRV system on a regular basis  Number of government agencies mandated by the existing legislation reporting data to the national MRV system on a regular basis |
| Outcome  1 and 2 | 1c and 2c: Degree to which domestic MRV system informs policies and reporting related to mitigation/adaptation | Formulation of this indicator and its target values does not allow for measurement of progress/achievement | Number of national CC legislation and international reports informed by the MRV system |
| Outcome 3.1 | Missing indicator | N.A. | Existence of a fully functional MRV portal |
| Outcome  3.1 | 3.1.a: Number of stakeholders in local governments and businesses trained on the national MRV system (gender-disaggregated) | Indicator measures activity but not results | Number of stakeholders in local governments and businesses that increased their capacities on the ETF as result of training |
| Outcome  3.1 | 3.1.b: Level of participation in the MRV system by local governments and businesses | Formulation of this indicator does not conform to its target values | Number of local governments and businesses reporting data on CCA and CCM (with specified number of sectors) through the MRV system |
| Outcome  3.1 | 3.1.c: Degree to which domestic MRV system informs policies and reporting related to capacity needs, technology transfer, and support received related to climate change and policy documents such as the NDCs | Formulation of this indicator does not allow for measurement of progress | Existence of a part of the MRV system for reporting related to capacity needs, technology transfer and financing |
| Outcome  3.2 | All indicators | Correctly formulated indicators | No change |
| Outcome  3.3 | All indicators | Correctly formulated indicators | No change |
| Objective | OI 1: Quality of MRV Systems | Correctly formulated indicator | No change |
| Objective | OI 2: Qualitative Assessment of Institutional Capacity for Transparency-Related Activities | Correctly formulated indicator | No change |
| Objective | OI 3: Number of direct project beneficiaries | Unclear relevance to the Project Objective | Number of direct project beneficiariesthat increased their capacities to meet enhanced transparency requirements  Target value should be aggregate of the targets under the individual Outcomes |
| Objective | OI 4: Status of Convention obligations on reporting, including mitigation contribution | Indicator and its target value not relevant for the CBIT project | The MRV portal fully functional to inform obligatory reporting under UNFCCC and PCA  Target value –At least one report with inputs from the MRV system submitted to the UNFCCC |

Although development of a functional MRV system is one of the main deliverables under the project, it has not been explicitly included in the results framework. Therefore, it is suggested to insert additional indicator on the development of the MRV including an IT tool into the project logframe. The suggested target value for this indicator is the existence of the operational MRV system with a fully functional IT tool. While the focus of the CBIT project is on establishment of the MRV system as a process, the IT tool is the key element for functionality of the new MRV system.

The formulation of indicators for capacity building (1a, 2a, and 3.1.a) allows for measurement of the training activities but not the increased capacity as a result of the trainings.

Indicators for supply of data and information to the MRV system (1b and 2b) depend on the data reporting mandates given by the existing legislation. A more thorough designation of the obligation for data reporting for the MRV system is expected with approval of the revised Law on Climate Change (LCC). In the remaining time of implementation, the CBIT project will pilot the use of the MRV system with relevant institutions mandated for data reporting in line with the MRV part of the LCC.

Measurement of the degree to which the MRV system informs national policies and reporting (indicators 1c and 2c) is important to promote correct understanding of the purpose of the MRV system and recognizing its value as a sustained evidence base for production of national reports instead of looking at the MRV purely for international reporting. However, the formulation of the indicators does not facilitate operational monitoring of progress in this regard.

The first two Objective Indicators (OI) are transposed from the CBIT Tracking Tool indicators and therefore relevant and appropriate for the project. The OI 3 in the ProDoc measures only number of trained beneficiaries but does not measure impact of the training that is important for achievement of the Project Objective. Also, the target values for the OI 3 are not consistent with the summary of target values for the particular indicators on capacity building.

The mid-term target for the OI 4, namely submission of the 2BUR, is not relevant for the CBIT project as the 2BUR and 3NC are being prepared under the parallel GEF-funded 2BUR/3NC project. It is understood that the rationale for this indicator was to emphasize links between the CBIT and 2BUR/3NC projects. However, submission of 2BUR is a political decision of the Government that is out of control of the CBIT project implementing team. It is therefore suggested to define a end-of-project target value more relevant and realistic for the CBIT project.

## Progress Towards Results

### Progress towards Outcomes analysis

The information presented in this section has been sourced from the first annual Project Implementation Review (PIR) for 2020 supplemented with information collected from interviews of the key project stakeholders.

The progress towards the four project outcomes is presented for each outcome in separate Tables 4-7 and the overall progress towards the project objective is summarized in Table 6.

The Outcome ratings in Tables 2-6 are based on the premise that the project has to be completed within the officially approved implementation period, i.e. by the March 2022. Hence the rating scores are given on the expectation whether the Outcomes will or will not achieve their respective end-of-project targets by the end of the approved project period. The GEF guidelines for mid-term reviews require the evaluators to provide only one overall rating for each Outcome and the overall objective. Rating at the level of outputs is indicated by the colour shading of the last column in Tables 4 – 7 hence no text ratings are given at the level of outputs.

**Table 4:** Achievements at MTR for Outcome 1

|  |
| --- |
| **Component/Outcome 1: National transparency capacity for tracking NDC progress from mitigation activities is strong** |

| **Output 1.1: Institutional and technical capacities for transparency of mitigation in relevant sectors improved** | | | |
| --- | --- | --- | --- |
| **Indicators** | **Mid-Term Targets** | **Status at MTR[[7]](#footnote-7)** | **Rating** |
| 1a: Number of users trained on mitigation-related aspects of the national MRV system | By the end of Q6, least 35 people have been trained on mitigation aspects of the new MRV system (and of those, at least 60 % are women) | Consultative meeting on 23-24 April 2019 (35 participants/24 women)  Impact and risks of climate change – 3 July 2019 (38 participants/18 women)  Dialogue on climate change on 19 -21 November 2019 (32 participants/26 women) | S |
| 1b: Level of participation in the MRV system | By the end of Q6, database access and use of mitigation information is observed in at least 2 government agencies | Only MRV conceptual framework developed but the system not yet functional  Detailed review of GHG inventory process  Consultations with the Forestry Directorate of MoAFWM | S |
| 1c: Degree to which domestic MRV system informs policies and reporting related to mitigation | By the end of Q6, mitigation information from the database has been used to inform national reporting, i.e. to be used for improvement of national CC related legislation | Mitigation information used in off-line mode for preparation of reports (NIR, 2BUR, 3NC,) but improvements needed on data flows and accuracy of estimates and projections | S |

A two-dayinitial consultative meeting was organized in April 2019 with participation of 35 trainees from a variety of stakeholder organizations. Two follow-up trainings were organized in July and November 2019, with the respective number of participants 38 and 32. The sessions covered both mitigation and adaptation aspects of the MRV system. However, the process indicator measures only the number of trainees but does not allow the increase in capacity of the training participants. No reports are available about evaluation of the trainings.

In 2020, a series of webinars were conducted under the Global Support Project (GSP) implemented by UNDP with participation of smaller numbers participants.

At the mid-term of the CBIT project, there is no operational MRV system in Serbia and no central repository of all information related to climate change. Information is separately stored in the individual systems of the involved institutions and stakeholders. The work on the development of the advanced MRV system was still on-going (see more detailed assessment under Output 3.1), therefore the national reporting continued according to the procedures established under the EU twinning projects before the start of the CBIT project.

Under the existing legislation (2009 Law on Air Protection), the Serbian Environmental Protection Agency (SEPA) is in charge of developing the GHG inventory that is combined with the inventory of air pollutants under the LRTAP convention. The usual procedure to obtain data is through direct contacts, without formal institutional arrangements such as a working group that would facilitate the flow of information. Due to the currently limited obligations for reporting on GHG emissions, the SEPA team has to actively look for some data. SEPA then provides the collected data to the MEP team in charge of the development of the international reporting.

Mitigation reporting requirements related to the UNFCCC have been transposed into the draft Law on Climate Change (LCC), except the reporting obligations towards the European Commission that are not yet obligatory for Serbia. The draft LCC mandates the Ministry of Environmental Protection (MEP) for overall coordination and preparation of reports.

The new LCC includes the obligation to SEPA to enter into an agreement with the data providers, which shall define obligations, in particular, about data, time limits, form and method for their submission to the SEPA. The LCC will also oblige the data providers to ensure data quality and conduct control of data quality.

Since the beginning of the CBIT project, SEPA conducted detailed consultations with the Forestry Directorate of MAFWM on data related to the forestry sector. MAFWM is currently working on a new national forestry inventory.

Currently, detailed information on CCM actions proposed in the draft 2BUR follows the most updated version of the reporting templates, and this detailed CCM information is available for improvement of national CC related legislation.

Reportedly, SEPA has also been working on the National Inventory Report (NIR) a key document for its compliance with EU and Paris Agreement transparency commitments but the NIR has not been ready for submission. Recent assessments recommended this work to be accelerated and advocated to increase the capacity for peer review of the NIR and for regular analysis of indicators for GHG emissions (including removal trends) required for key reports mandated under the PCA (in particular NC, BUR and future BTR).

The assessments conducted by international consultants under this project also suggest that there is a need to incorporate more detailed data flows on industrial emissions and improve the accuracy of estimates for other sectors (including transport, residential and commercial fuel use, land use, land use change and forestry, agriculture and waste), as well as implement a QA/QC for compiling, storing, quality checking and reporting its GHG inventory timeseries.

For the draft Climate Strategy, Serbia has compiled a list of mitigation measures and their expected direct GHG reduction/removal impacts and their wider impacts on social, economic, environmental and administrative areas.

A necessary condition for functionality of the MRV system is the approval and enactment of the LCC. Provisions of this overarching law create a legally binding mandates and give legislative power to the institutional arrangements for transparency. The legal mandate for the organizational frameworks will remove current institutional barriers related to data ownership and incentivize data flows. Adoption of the LCC will thus help to formalize the existing collaboration and supply of data and expertise across various Government entities, and between the Government and the private sector. According to information from several project stakeholders, the draft LCC is currently near the end of the legislative approval process and official adoption by the National Assembly is expected around the end of 1st quarter 2021.

**Summary Assessment of Outcome 1:** Capacity building for mitigation-related aspects of the new MRV (Indicator 1a) has been conducted according to the plan. However, no information is available about the extent to which the capacity of participants of the various training activities has improved. Furthermore, there is no explicit linking of the trainings to the individual project Outcomes. Building of sufficient capacities for participation in the MRV system is an important activity but more detailed assessment of the capacities built under this Outcome was not possible because of the lack of data.

Implementation of activities for participation in the MRV (Indicator 1b) has been somewhat slower than expected as a result of delays caused by the COVID-19 outbreak. For the reporting part (Indicator 1c), the latter effect has been further corroborated by the complicated legislative process for adoption of the revised LCC.

However, it is expected that the end-of-project targets will be achieved with eventual minor shortcomings.

The overall progress towards achievement of the end-of-project targets under Outcome 1 is therefore rated **Satisfactory (S).**

**Table 5:** Achievements at MTR for Outcome 2

|  |
| --- |
| **Component/ Outcome 2: National transparency capacity for tracking NDC progress from adaptation activities is strong** |

| **Output 2.1. Institutional and technical capacities for transparency of adaptation in relevant sectors improved** | | | |
| --- | --- | --- | --- |
| **Indicators** | **Mid-Term Targets** | **Status at MTR** | **Rating** |
| 2a: Number of users trained on adaptation-related aspects of the national MRV system (gender-disaggregated | By the end of Q6, at least 35 people have been trained on adaptation aspects of the new MRV system (and of those, at least 60% are women). | Consultative meeting on 23-24 April 2019 (35 participants/24 women)  Impact and risks of climate change – 3 July 2019 (38 participants/18 women)  Dialogue on climate change on 19 -21 November 2019 (32 participants/26 women) | S |
| 2b: Level of participation in the MRV system | By the end of Q6, database access and use of adaptation information is observed in at least 2 government agencies | Only MRV conceptual framework developed but the system not yet functional | S |
| 2c: Degree to which domestic MRV system informs policies and reporting related to CC adaptation | By the end of Q6, adaptation information from the database to been used to inform national reporting, i.e. to be used for improvement of national CC related legislation | Adaptation and vulnerability assessment information used in pre-project modality for preparation of 2BUR and 3NC | MS |

A two-dayinitial consultative meeting was organized in April 2019 with participation of 35 trainees from a variety of stakeholder organizations. Two follow-up trainings were organized in July and November 2019, with the respective number of participants 38 and 32. The sessions covered both mitigation and adaptation aspects of the MRV system. However, the process indicator measures only the number of trainees but does not allow the increase in capacity of the training participants. No reports are available about evaluation of the trainings.

In 2020, a series of webinars were conducted under the Global Support Project (GSP) implemented by UNDP with participation of smaller numbers participants.

Before the CBIT project, information on vulnerabilities, loss and damage, risks, climate trends and scenarios for various previous reports (in particular the 1st National Adaptation Plan and the 2NC) had been compiled by separate efforts on a project basis without coordination and regular engagement of relevant line ministries and other stakeholders. The 2NC also highlighted lack of understanding of the importance of adaptation by the line ministries.

In the course of preparation of the 2BUR and 3NC, new information was compiled including climate observation, climate modelling (future scenarios), evaluation of impacts and development of adaptation measures, selected due to their importance to deal with the identified impacts of climate change. The design of the adaptation measures has not included the development of monitoring systems to track their performance.

Available reports produced during implementation of this project highlight specific data flow challenges related to adaptation, in particular lack of data about sector specific climate impacts and their economic implications including damage and loss analysis, fragmentation of vulnerability and risk assessments, as well as gaps in the availability and communication of hydrometeorological risk information. Status report conducted under this project highlights insufficient capacity (in terms of resources and assigned responsibilities) to compile information on CC adaptation into a coherent form that can be subject to regular updates.

**Summary Assessment of Outcome** **2**: Similar to Outcome 1, the capacity building part of Outcome 2 has been progressing as planned but without explicit linking of the trainings to the Outcome and without tracking of the actual capacity improvements. Further progress has been slowed down due to the COVID-19 outbreak.

However, the level of participation of relevant stakeholders on compilation and use of adaptation information for policy and reporting appears to be less than satisfactory due to limited capability of stakeholders for preparation of assessments of climate impacts and for estimation of effects of mitigation/adaptation actions.

The above deficiencies are being addressed under the GCF-funded project[[8]](#footnote-8) implemented by UNDP and the MAFWM. The GCF project aims at strengthening national capacities on adaptation through effective cooperation and coordination of all relevant institutions and establishing effective information and data flow within the sectors of agriculture, forestry, water management, energy, transport and infrastructure, in order to make all data transparent and accessible, as well as to identify efficient adaptation measures.

Based on the above findings, the progress towards achievement of the end-of-project targets under Outcome 2 **is rated Satisfactory (S).**

**Table 6:** Achievements at MTR for Outcome 3

|  |
| --- |
| **Component/ Outcome 3: Domestic MRV system for updating NDCs completed, including MRV to support stakeholders’ engagement** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Output 3.1: Domestic MRV system for updating NDCs completed, including MRV to support stakeholders’ engagement** | | | |
| **Indicators** | **Mid-Term Targets** | **Status at MTR** | **Rating** |
| 3.1.a: Number of stakeholders in local governments and businesses trained on the national MRV system (gender-disaggregated) | By Q6, at least 25 local governments have been trained in MRV system and reporting on the CCM and CCA related data and activities | 20 local governments trained in October – November 2019  Local Adaptation Plans developed for 3 LGs | S |
| 3.1.b: Level of participation in the MRV system by local governments and businesses | By Q6, at least 25 local governments are reporting data on CCM and CCA in energy, waste management, transport and water management sectors. | A Climate Smart Information System for LGs under development |
| 3.1.c: Degree to which domestic MRV system informs policies and reporting related to capacity needs, technology transfer, and support received related to climate change and policy documents such as the | By Q6, at least 64 businesses have been trained on MRV requirements and reporting obligations  By the end of Q6, database access and use of information for transparency reporting other than mitigation and adaptation information is observed in at least 9 government agencies  By the end of Q6, information on capacity development and support received for climate change projects systematically collected and available in the database | No information on training of businesses  The MRV system is still under development  County-specific climate financing study | MS |
| **Output 3.2: National GHG inventories improved** | | | |
| **Indicators** | **Mid-Term Targets** | **Status at MTR** | **Rating** |
| 3.2.a: Availability of country-specific emission factors | By Q6, at least 2 emission factors have been developed for Serbia’s GHG inventory | Report on net calorific value and emission factor of domestic lignite | S |
| 3.2.b: Scope of estimate of carbon sinks | By Q6, estimates of carbon sinks in Serbia have been broadened to include soil carbon and litter | Report on AFOLU short-term improvements  Report on AFOLU mid- and long-term improvements  Summary report on improvements of AFOLU part of GHG Inventory–Soil organic carbon | S |
| 3.2.c: Use of country-specific emission factors in reporting | N.A. | N.A. |  |
| **Output 3.3: NDC Capacity Built through Peer Exchanges** | | | |
| **Indicators** | **Mid-Term Targets** | **Status at MTR** | **Rating** |
| 3.3.a: Availability of peer exchanges | By Q6, at least 3 peer exchanges have taken place | Regional CB workshop at IRH, 27 February 2019  Regional Workshop in Podgorica, 12-13 February 2020  Webinar with participation of Serbia and North Macedonia, 24 June 2020 | S |
| 3.3.b: Degree to which peer exchange learning is applied | Most or nearly all participants report benefits from participation in post-exchange questionnaires (immediate ex post and three months later) | Information not available |  |

As mentioned in the section ‘Project design’ above, the development of the MRV system has not been included as an explicit result in the project results framework. As the MRV system is the key deliverable of the project, progress in this regard is summarized in the text below.

In 2019, two international consultants with respective expertise on transparency and MRV, were appointed to conduct gaps and needs analysis and assessment of the existing institutional arrangements, data flows, management systems, as well as communication tools for MRV data exchange, collection and reporting. The consultants were also tasked to provide outline and recommendations for development of a robust MRV system on climate change data and information, including relevant indicators and involving a wide range of stakeholders.

Based upon results of the above consultancy, UNDP launched international tender for development of a comprehensive MRV system including development of an online MVR platform and related software. The contract was awarded to the Environment Agency Austria (Umweltbundesamt -UBA). However, due to the COVID-19 outbreak in early 2020, the award of the contract was postponed by about 3 months.

By the end of 2020, UBA delivered a comprehensive report on current national policy and institutional frameworks in the climate change field as well as a proposal for conceptual framework for the MRV that will ensure full compliance with the PCA requirements as well as with the *EU acquis.* At the time of writing of this report, the work was on-going on design of the IT tool for collection and storage of all MRV-relevant data and information as a common data basis to merge all climate-related data and information.

According to the update provided by the UBA consultants involved in the development the MRV system, the delivery of the fully operational MRV system including the IT tool, MPGs and a supporting training programme will be completed as originally planned, i.e. by the end of 2021, despite the initial delay of the contract award. The Project Document does not set any explicit deadline for delivery and commissioning of the MRV system. Nevertheless, the project results framework contains Indicators 1b and 2b (for Outcomes 1 and 2) as well as Indicator 3.1.d under this Outcome with MTR targets for number of agencies accessing and using the electronic MRV system as measures of the level of participation in the new MRV system.

The underlying reason for not including the development of the MRV system as an explicit project result was the expected gradual evolution of the pre-project climate reporting system into a new fully functional MRV system in line with the PCA requirements. However, it would be very difficult to measure progress in using the system. Development of an IT tool for support of the MRV system is far better measurable indicator of progress.

**Output 3.1:** Capacity building trainings for local governments (LG) on development of Local Climate Change Adaptation Action Plans were conducted for more than 50 representatives of 20 LGs within 3 river basins (Kolubara, Zapadna Morava and Gornje Podunavlje). This served as basis for development of Local Adaptation Plans for 3 LGs (Ub, Zrenjanin and Kraljevo).

The current way of data reporting by the LGs will be soon upgraded through a Climate Smart Information System (CSIS) for LGs that is being developed covering energy, traffic, waste management and agriculture. This work is supported by a parallel GEF-funded project ‘Climate Smart Urban Development Challenge’. The CSIS tool will be linked to the comprehensive MRV IT tool developed under the CBIT project.

**Output 3.2:** National CO2 emission factor and net calorific value for lignite that had been used in the 1NC were recalculated and provided as input for preparation of the 2BUR. Furthermore, the project commissioned preparation of two reports with recommendations for short-term, medium- and long-term improvements of the part of the GHG Inventory of the Agriculture, Forestry and Other Land Use (AFOLU) sector, based on analyses of Soil Organic Carbon (SOC) stocks in 1,324 soil profiles from different land use categories in the period 1990-2018. Both reports were prepared by national consultants.

Also, SEPA proposed to develop an integrated inventory reflecting interrelations between GHG and air pollutants that originate from the same activity data and source categories.

**Output 3.3:** The following peer exchanges were organized by the GSP during the CBIT project:

* Regional Capacity- building Workshop for Balkan Countries + Lebanon and Armenia on the Measurement, Reporting and Verification (MRV) and Transparency Framework was held on 27 February 2019 with participation of Serbia. However, this was shortly before the official start of the Serbia CBIT project.
* 3rd Regional Workshop on Supporting the Integration of Gender Considerations into MRV and Transparency Processes in the Western Balkan Countries and Lebanon was held on 12-13 February 2020 in Podgorica, Montenegro. The event gathered representatives of national institutions in charge of climate change MRV and transparency, as well as from institutions in charge of gender equality from Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Lebanon, as well as representatives of France, Germany, UNDP and UNFCCC. All 4 workshop participants from Serbia were women.
* A webinar with participation of Serbia and North Macedonia was organized on 24 June 2020, in order to exchange experiences from implementation of the respective CBIT projects in the two countries and discuss moving towards BTRs under the PCA ETF.

**Summary assessment of Outcome 3:**

Capacity building for LGs progressed well in 2019 but finally stayed short of the MTR target. There is no information about capacity building of businesses.

A study on ‘Climate Financing in Serbia: Overview and Next Steps’ was commissioned as a pioneering attempt to analyse climate change related financing in Serbia. The study, released in December 2020, provides an overview of strategic and legal framework for climate financing as well as the current status of the budgetary framework in Serbia.

A detailed database on support received related to climate change is presented within the draft 2BUR.

Based on the above findings, the progress towards achievement of the end-of-project targets for Outcome 3 is rated **Satisfactory (S).**

**Table 7:** Achievements at MTR for Outcome 4

|  |
| --- |
| **Component/ Outcome 4: Knowledge Management and M&E** |

| **Output 4.1: Not defined** | | | |
| --- | --- | --- | --- |
| **Indicators** | **Mid-Term Targets** | **Status at MTR** | **Rating** |
| 4.1.a: Level of dissemination of knowledge products produced by the project | Findings from the project have been presented internally within UNDP at the CO and regional level | Regional Workshop in Podgorica, 12-13 February 2020  Bilateral Consultation on Mainstreaming Gender into Climate Change: Sharing Experience from Serbia to Kazakhstan, 27 August 2021  Experiences of Serbia and North Macedonia in implementation of their CBIT projects  1st Annual Western Balkan and Eastern Europe Network meeting (virtual), 27 January 2021 | S |
| 4.1.b: Level of compliance with project M&E plan | M&E and adaptive management applied to project in response to needs, mid-term evaluation conducted, and its findings extracted | Mid-Term review conducted according to the M&E plan | S |
| 4.1.c: Absolute levels of awareness / capacity, and relative changes in awareness / capacity of project beneficiaries by gender | Absolute awareness levels and relative changes in awareness among project beneficiaries do not differ significantly between women and men participating in capacity strengthening activities | 60% of the IMWG are women  High percentage of training participants were women  No gender-based difference in awareness among project beneficiaries | S |

For organization of events on knowledge sharing and dissemination, the CBIT project benefited from support from the GSP project.

Experience from the Serbia CBIT project was presented at the 3rd Regional Workshop on Supporting the Integration of Gender Considerations into MRV/Transparency Processes in the Western Balkan Countries and Lebanon in Podgorica on 12 February 2020 and the 1st Annual Western Balkan and Eastern Europe Network meeting (virtual) on 27 January 2021.

In addition to the above, there were two knowledge sharing events, both organized in a virtual mode. In the first one held on 24 June, representatives of the PIU of the Serbia CBIT project presented the experience in strengthening national transparency capacities for tracking NDC progress as well as on components, approaches and steps progress in establishing the national MRV system in Serbia. This exchange of experience allowed other countries in the Western Balkans to learn from Serbian experience.

Another example of knowledge sharing was the Bilateral Consultation on Mainstreaming Gender into Climate Change held on 27 August 2020. This allowed experts and practitioners from Kazakhstan to learn from Serbia’s experience in collecting and analysing sex-disaggregated data, establishing institutional set-up and coordination, as well as performing capacity building exercises on gender and climate change.

The monitoring & evaluation part of Outcome 4 (Indicator 4.1.b) covers the MTR that has been conducted on time and in line with the standard procedures for GEF project implementation. Adaptive management is discussed under the next section of this report.

The knowledge management and awareness part has also been implemented well, hence the **overall rating of Outcome 4 is Satisfactory (S).**

**Table 8:** Achievements related for assessment towards the Project Objective

| **Project Objective: To shift Serbia towards a low-carbon and climate resilience development pathway by mainstreaming and integrating climate change considerations into development strategies and sector-based policy frameworks; ensuring continuity in institutional and technical capacity building; and sustaining these policies and measures with a routine mechanism for climate change monitoring, reporting and verification.** | | | |
| --- | --- | --- | --- |
| **Indicators** | **Mid-Term Targets** | **Status at MTR** | **MTR Rating** |
| Objective Indicator 1 (CBIT TT Indicator 3[[9]](#footnote-9)): Quality of MRV Systems | Rating 6 | Rating 6 | S |
| Objective Indicator 2 (CBIT TT indicator 5[[10]](#footnote-10)): Qualitative Assessment of Institutional Capacity for Transparency-Related Activities | Rating 3 | Rating 2 | S |
| Objective Indicator 3: Number of direct project beneficiaries  Of that group, number of women | 50 direct beneficiaries, of whom 40 are women | About 35 beneficiaries from agencies of the Government and more than 50 beneficiaries from LGs | S |
| Objective Indicator 4 (CBIT TT indicator 4): Status of Convention obligations on reporting, including mitigation contribution | By the end of Q6, the Second BUR will have been submitted to the UNFCCC | 2BUR not submitted | N.A. |

**Assessment of progress towards the Project Objective:**

It follows from the above discussion of achievements under the project substantive Outcomes that the project so far has not had impact on improvement of the quality of the MRV system as the current status is that the new enhanced MRV system was still under development during the MTR and the stakeholder institutions were using the MRV system.

The Objective Indicator 1 is based on CBIT TT Indicator 3 that was developed for quality of MRV systems for tracking results related to low-GHG development and GHG emissions, i.e. only for the mitigation part of the MRV systems. In Serbia, the GHG-related reporting is advanced but not complete and transparent and not all data could be verified. Therefore, it has reached the mid-term target of Rating 6.

The MTR target for the Objective Indicator 2 to have a designated transparency institution with authority or mandate to coordinate transparency activities under Article 13 of PCA. Under the existing legislation, MEP is the designated transparency institution and the same is proposed in the draft revised LCC. Since the LCC has not been approved yet, it is considered that the mid-term rating target has not been achieved at the time of the MTR, hence the pre-project rating 2 is maintained. However, as the LCC is reportedly near the end of the legislative process and the official approval by the National Assembly is expected in 1Q 2021, satisfactory (S) MTR rating is given for both Objective Indicators.

**The summary rating for progress towards the Project Objective is** **Satisfactory (S).**

**Issues to be addressed by the end of the project**

Development and commissioning of the IT tool for the national MRV system as well as compilation of Modalities, Procedures and Guidelines (MPGs) for the ETF are the main activities for the remaining duration of the project as both are of critical importance for the success of the project.

AS already discussed under Outcome 3, the IT platform for the MRV system will enable tracking of progress in participation in the MRV activities as well as use of the MRV system for national reporting. The original INDC and NDC submissions contained limited data with no provisions for monitoring of progress. The MPGs will facilitate reporting on NDCs targets that includes identification of qualitative and quantitative indicators and tracking of progress. Through presentation of the NDC targets and related indicators with defined elements such as baselines, timeframes and information for specific years, the MDGs are one of the principal tools for ensuring transparency of the climate accounting approach.

## Project Implementation and Adaptive Management Arrangements

This section of the MTR report provides assessment of the seven components of the project implementation and adaptive management, namely management arrangements, work planning, finance and co-finance, project-level monitoring and evaluation, management of risks, stakeholder engagement, as well as reporting and communications.

### Management arrangements

The CBIT project was designed for implementation under the NIM in line with the Standard Basic Assistance Agreement between UNDP and the Government of Serbia. MEP as the designated Implementing Partner has provided office space to host the Project Management Unit (PMU) and appointed the Assistant Minister as the National Project Director (NPD).

On basis of a Standard Letter of Agreement, the UNDP CO provides specific services to the project in terms of staffing of the PIU, identification and facilitation of training activities, as well as procurement of goods and services. The same modality had been implemented in all similar previous projects as it builds upon requisite capacities of the UNDP CO, namely thorough understanding of the country’s development challenges, strong reputation with national and international partners, as well as proven capacities in logistics, recruitment, procurement, financial management, and reporting.

Two staff members UNDP CO have been located to the PIU office premises to perform the respective roles of the Project Manager (PM) and the Project Coordinator (PC). The PM has responsibilities for the day-to-day running of the project, including planning, management, implementation, regular monitoring of project results and risks, as well as for reporting of all project results.

The project partners consider the NIM with UNDP support optimal for meticulous implementation of the project. On the other hand, the extensive involvement of the UNDP CO contributes very little to development of national capacity for management of international development assistance projects.

The Project Board (PB) has been established to oversee the project implementation, provide overall strategic direction and play a critical role to review the project progress and approve annual project work and financial plans. The PB membership is limited to two members nominated by MEP, namely the NPD and the Head of the MEP Group on Mitigation in the MEP Climate Change Department, and the Programme Analyst from the UNDP CO. The relatively narrow membership was decided purposefully in order to keep the PB more focused and operational.

In line with the Project Document, an Inter-Ministerial Working Group (IMWG) was established as a consulting body to support the PB. It is composed of 58 representatives of the Implementing Partners, line ministries, other national and provincial institutions, major national companies and NGOs. More about its functioning is in the section ‘Stakeholder engagement’ below.

The Inception Workshop (IW) was conducted on 24 April 2019, i.e. 1.5 months after the official starting date of the project. The participants were the members of the PB and two additional representatives of MEP. The PB members approved the first Annual Work Plan (AWP) prepared in line with the Project Document and TORs for short-term consultancies. Written Inception Report was prepared within one month after the IW.

The IW is also considered as the first PB meeting. The second PB meeting was held on 10 April 2020. Due to the COVID-19 outbreak it was organized as a virtual meeting through the Zoom platform. The participants were presented with a report on the results of the project’s 1st year of implementation and approved the AWP for the 2nd year, including parallel activities and budget under the UNDP Climate Promise[[11]](#footnote-11) developed to enhance the NDC.

The MTR team considers that the established managerial arrangements and frequency of PB meetings are adequate for the size and level of complexity of the project. Therefore, **the management arrangement component is rated Satisfactory (S).**

### Work planning

In consultation with the relevant stakeholders, the PIU prepared AWPs with planned activities, allocated budget and indicative timeframe under each Outcome. AWPs were presented to PB meetings for approval.

The MTR team reviewed Annual Work Plans (AWPs) for the years 2019, 2020 and 2021 and found them realistic with narrative description of planned activities and associated actions, indicators and their annual targets, as well as allocated financial inputs.

Based on the conclusions of the PB meeting held in April 2020, the annual budget for 2020 was reduced due to travel restrictions and adaptive management interventions related to organization of project meetings on-line instead of physical meetings. A budget revision was conducted in order to transfer the reduced amounts to the 2021 annual budget.

**The MTR team rates the project work planning** **Satisfactory (S).**

### Monitoring and evaluation

The Project Document states that the project results as outlined in the results framework will be monitored annually and evaluated periodically during project implementation to ensure the project effectively achieves these results.

The project performance monitoring and evaluation has been conducted at several levels in line with the UNDP Programme and Operations Policies and Procedures (POPP) and the UNDP Evaluation Policy. Operational monitoring is provided in the first instance by the PIU and in the second instance, together with project oversight, by the PB. However, the evaluators noted that there was no systematic compilation of progress data on the output and outcome indicators as agreed in the project results framework.

Project Implementation Review (PIR): The GEF M&E policy requires the Project Manager and the UNDP-GEF Regional Technical Advisor to compile the PIR on annual basis the GEF that covers the reporting period from July (previous year) to June (current year) for each year of project implementation. Until the MTR, one PIR was prepared covering the period from the start of implementation until June 2020. The contributions to the PIR were provided by the Project Manager, the UNDP CO Programme Officer and the UNDP RTA, while contributions from the Government were not provided, reportedly due to the coincidence of the PIR preparation with parliamentary election in Serbia.

The MTR team found the PIR in line with the standard GEF PIR format with adequate level of details in narrative descriptions of achievements during the reporting period as well as justified ratings of progress in project implementation and of overall progress towards the project development objective. However, the overall assessment of progress by the UNDP CO and the Implementing Partner (MEP) could have been more elaborate to fully justify the rating. No input was provided by the GEF Operational Focal Point.

The GEF Tracking Tool (TT): The MTR team reviewed the GEF TT that had been prepared and submitted at the GEF CEO endorsement and the TT prepared before the MTR data collection. The team found that the mid-term TT contains all required information and duly reflect the progress made. Both TTs are provided as a separate Annex 8.

Mid-Term Review was initiated in 4Q of 2020, in line with the assumption made in the Project Document. The ToR, the MTR process and the required outline of the MTR report follow the standard templates and guidance for GEF-financed projects. The MTR team appointed by the commissioning unit is composed of one International Consultant and one National Consultant. Both consultants are independent from the organizations that had been involved in the designing, executing or advising on the project. The MTR report will be submitted in February 2021, i.e. well before the submission deadline of the of the 2nd PIR. The MTR findings and recommendations will be incorporated for implementation in the final year of the project’s duration.

T**he monitoring and evaluation of the project is rated Satisfactory (S).**

### Identification and management of risks

The project document contains a risk matrix with 4 risks identified during the preparatory phase of the project. The matrix is composed of the risk description and type, assessment of risk impacts and probability (both rated on 5-point scales), related mitigation measures, as well as owners of each identified risk. One of the risks is related to project design/implementation and the remaining risks are regarded as political.

The MTR team consider the initial identification of risks and mitigation measures reasonable and sufficiently detailed. However, the interviews with the key stakeholder institutions (MEP, SEPA) revealed that the CC data collection and reporting activities in these institutions are dependent on a small number of individuals and therefore very thin. Recent evaluation of the UNDP Country Programme found that in the area of Serbia’s implementation of international conventions and compliance with the EU acquis, particularly in the area of climate change and energy, the main weakness is lack of capacity, worsened by high staff turnover in government institutions[[12]](#footnote-12). As the CBIT project is oriented towards capacity building of key individuals in the project stakeholder institutions, the risk of human knowledge losses due to dropout of key trained staff should have been identified and recorded at the project inception.

As to the reporting of risks, a periodic re-assessment of the identified risks is recorded in the reports in the UNDP Atlas that are prepared by the PIU. Management of risks marked as critical (defined by concurrent high ratings of impact and probability) is a standard part of the annual PIRs. There were no risks reported under the paragraph Critical Risk Management in the 2020 PIRs.

While the MTR team would agree that none of the risks identified at the project inception fall into the critical risk category, potential loss of the knowledge of processes and products that are essential for functionality of the MRV system would have negative consequences on the system’s sustainability. Therefore, this risk should be considered critical in order to develop timely and effective mitigation measures.

Based on the above, **the rating of the identification and management of risks Marginally Satisfactory (MS).**

### Finance and co-finance

The tables below provide a summary of resources allocation for the project and of level of disbursement of the GEF grant funds as well as the estimated actual amount of co-finance up to MTR.

Table 9 below displays breakdown of the GEF project grant disbursements into the project components.

**Table 9:** Allocation and disbursement of GEF funds (as of 31 December 2020)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Component** | **Budget (US$)** | **Expenditures (US$)** | | | **% Delivery** |
| **2019** | **2020** | **2019-2020** |
| Outcome 1 | 297,900 | 75,708.98 | 84,919.29 | 160,628.27 | 53.92% |
| Outcome 2 | 359,200 | 110,884.68 | 57,164.60 | 168,049.28 | 46.78% |
| Outcome 3 | 287,900 | 77,039.90 | 111,882.03 | 188,921.93 | 65.62% |
| Outcome 4 | 55,000 |  | - | - | 0.00% |
| Project Management | 100,000 | 40,315.34 | 26,606.87 | 66,922.21 | 43.18% |
| **Project Total** | **1,100,000** | **303,948.90** | **280,572.79** | **584,521.69** | 53.14% |

The data in Table 9 shows that as of 31 December 2020 the total disbursement of GEF grant stands at 584,521.69 US$ and the rate of the GEF grant implementation at 53.14%. As the project is about to enter the final year of the implementation period, the outstanding balance of 515, 478 US$ represents a substantial budget available for the remaining 13 months of the project implementation period.

The rates of implementation for the individual project components reflect the achieved progress towards the end-of-project targets described above (see Tables 4-7 and related text).

Overall, the financial data from Table 9 clearly highlight the need to accelerate the implementation for the remaining duration of the project.

The project Combined Delivery Reports (CDRs) indicate strong control over the budget by the PIU and that the budget revisions are being made to best suit the project needs while aligning with the GEF budgeting guidelines.

The co-financing commitment that the Government and other stakeholders made at the project inception (confirmed by means of official co-financing letters provided to PMU) is considered an important indicator to assess the country’s ownership of the project.

Table 10 below summarizes data on co-finance.

**Table 10:** Allocation of resources for the project by funding source (in US$)

|  |  |  |
| --- | --- | --- |
|  | **At Inception** | **At MTR** |
| UNDP (in-kind) | 68,000 | 0 |
| Government (in-kind) | 32,000 | 0 |
| UNDP (in-cash) | 0 | 64,371.83 |
| **Total co-financing** | **100,000** | **64,372.83** |

There was only in-kind co-financing pledged at the project inception by UNDP and MEP. There is no information on the extend of the in-kind contributions at the MTR stage.

As a part of UNDP’s Climate Promise initiative, Serbia has received 65,000 US$ for 2020 as further support to the Government in finalization of the NDC revision and preparation of a country-specific Climate Financing Study to improve finance mechanisms and distinguish resources for CC adaptation and mitigation.

In addition to the Climate Promise, UNDP Serbia also mobilized funding under the Readiness and Support Programme of the Green Climate Fund (GCF). The first phase of a 3-year project is devoted to building national capacity for addressing the country’s climate change vulnerabilities, particularly in the areas related to the agriculture-water management nexus, as well as energy infrastructure, transport infrastructure and construction sectors. The first phase of this project started in January 2020 and total amount mobilized is 1,935,484 US$. However, the GCF project is considered as parallel financing and not co-financing of the CBIT project.

Data displayed in Table 10 indicates that the total co-financing at the MTR stage stands at 64,372.83 US$ that is 64.37% of the co-financing that had been pledged at the project inception.

The MTR evaluators did not find any serious issues related to the financial management of the project and consider the current financial controls for disbursement of the GEF and UNDP funds sufficient.

**The rating for the finance and co-finance is** **Satisfactory (S).**

### Stakeholder engagement

The original Project Document presents a stakeholder analysis through a table including the stakeholders’ names and their respective roles. However, this list is rather generic and does not comprehend the differing positions of the identified stakeholders, namely the distinction between core (involved) and supporting or peripheral stakeholders.

The principal entry point for continuous engagement of stakeholders in the project has been establishment of the IMWG that was constituted with the intention to be based on technical expertise rather than political influence of the project stakeholders.

The majority of IMWG members come from various institutions of the Government but about 25% of the membership represent stakeholders from major companies and NGOs. The structure of IMWG membership is summarized in Table 11 below.

**Table 11:** Stakeholders participating in the IMWG

| **Stakeholder type** | **Stakeholder name** |
| --- | --- |
| National Implementing Partner | Ministry of Environmental Protection (3)  Serbian Environmental Protection Agency (2) |
| Other bodies of the Government direct beneficiaries | Ministry of Agriculture, Forestry and Water Management (5)  Ministry of Mining and Energy (1)  Ministry of Health (1)  Ministry of Finance (1)  Ministry of Public Administration and Local Self-Government (1)  Public Investment Management Office (2)  Hidromet Service of Serbia (2)  Public Policy Secretariat (2)  National Statistical Office (8)  Institute of Public Health (4)  Institute for Nature Conservation (2)  Institute for Soil Science (2) |
| Regional government (Vojvodina) | Provincial Secretariat for Energy, Construction and Traffic (2)  Provincial Institute for Nature Conservation (2) |
| Enterprises | Chamber of Commerce and Industry of Serbia (1)  State Enterprise for Forest Management (2)  Provincial Enterprise for Forest Management (1)  State Enterprise for Water Management (1)  Public Enterprise Roads of Serbia (3)  Oil Industry of Serbia (1)  State Enterprise Elektroprivreda (3) |
| Civil Society Organizations (CSOs) | Coalition 27 (3) |
| Gender | Coordination Body for Gender Equality at the Ministry of Construction, Transport and Infrastructure (1) |

This multi-sectoral group was created upon intensive consultations with a variety of project stakeholder institutions that were invited to decide on number and expertise of their respective members of the group. IMWG meetings are convened upon request of the NPD with variable participation depending on the topic(s) to be discussed.

The IMWG serves as an issue-based platform for discussion of various aspects of the EFT and for peer review of various project reports and knowledge products. Interviewed members of the IMWG expressed their satisfaction with the functionality of the group. In particular, they appreciate IMWG meetings as opportunity to learn about broad range of issues and work of other relevant stakeholders.

The establishment of IMWG with broad membership appears to be good example of attracting interest and commitment from a number of line ministries responsible for provision of sectoral data and information.

Based on the above, the evaluators rate **the stakeholder engagement in the project formulation and implementation Highly Satisfactory (S).**

### Reporting and communication

Reporting during project implementation helps to identify potential issues that may endanger the project’s capacity to achieve its development objectives. Reporting also helps to make informed decisions, offers valuable information for project evaluation, and provides lessons to be learnt for future projects. Effective and timely communication between the PIU and the core stakeholders is a key element in that respect.

Mandatory reporting towards the project Implementing Partners is discussed above under ‘Monitoring and evaluation’. There is no information available on sharing the PIR with the Project Board as the first and only PIR was completed in July 2020 hence the PIR is about to be presented to the next PB meeting in 2021.

Lessons learned from implementation of this project will be available as result of the MTR.

Internal communication about the project between the UNDP-manned PIU and the NPD has been regular and easy due to physical location of the project office in the MEP building and the long history of cooperation between UNDP and MEP.

External communication towards the project stakeholder institutions is ensured through the meetings of the IMWG. This communication channel appears to be very effective as it targets the relevant key personnel in all participating stakeholder institutions and helps the project to get high-level political support.

Another channel of external communication is provided through the web site of the UNDP-GEF climate change portfolio of projects implemented in collaboration between the UNDP and the MEP[[13]](#footnote-13). However, this webpage contains only basic data about the project but no updates on project implementation progress.

The planned communication activities in the project focus on the project stakeholders as the direct project beneficiaries. Lack of planned activities for public outreach is considered as weak part of the project. In parallel with the development of the transparency framework, it is important to reach out to the general public through multiple channels in order to garner support from the public and ensure adequate response of the political system to the needs of the transparency system and mobilization of necessary political and financial support.

In reality, some level of communication towards the public at large is ensured indirectly through participation of representatives of the NGO Coalition 27 on the IMWG. The NGO had been established by civil society organizations in Serbia with the aim of participation in the process of harmonization and implementation of the national policies and regulations with the *EU acquis* in the field of environment and climate change (Chapter 27 in the EU accession negotiations). Each year the NGO produces a Shadow Report as an overview of national achievements in the areas of the Chapter 27, including monitoring of salient issues related to UNFCCC and PCA.

Overall, the reporting and communication is considered effective for this type of project and therefore **the rating given is** **Satisfactory (S).**

The overall rating for the project implementation and adaptive management is based on aggregation of the above ratings for individual components above. Two of the 7 components received the rating Highly Satisfactory (HS), four components are rated Satisfactory (S) and one component is rated Marginally Satisfactory (MS). Therefore, the overall aggregated rating of the project implementation and adaptive management is **Satisfactory (S).**

### Mainstreaming

Serbia has a track record of work on gender aspects in DRR and CC. The 1st study on Gender and Climate Change dates back to 2015 and since then lot of efforts and resources were allocated to capacity building events that helped the country to understand a gender integration process more comprehensively. A Training Handbook was compiled in 2018.

Gender agendas in Serbia fall under the Coordination Body for Gender Equality that is an institutional coordination mechanism (at the level of the Government) for gender equality issues that is mandated to coordinate the work of state administration bodies and other institutions in order to improve gender equality. It also considers the mainstreaming of gender into environment and climate change agendas. The gender-related policy interventions so far culminated with appointment of the UNFCCC gender focal point in February 2020.

Under Component 4, the CBIT project aspires for contribution to gender mainstreaming in reporting on climate change and for strengthening the ability of Serbia to participate actively in addressing the global environmental threat of climate change in a gender responsive manner.

In order to achieve this objective, the project supported design of a gender mainstreamed monitoring framework on climate change through a report prepared by two national consultants that identified key dimensions, indicators and data sources for further gender mainstreaming into design and monitoring of CC climate change policies[[14]](#footnote-14).

The inception phase of establishment of the monitoring framework identified seven key areas for establishment of relation between climate change and gender equality, namely access to resources, participation in decision making in general and particularly in climate change policies, in the economy, employment, but also consumption and household livelihoods, in relation to education and health and in the area of knowledge, attitudes and inclinations towards different types of behaviours that might impact the environment.

The proposed monitoring framework provides guidelines on mainstreaming the gender perspective as a cross-sectoral issue not only in climate change policies but in other relevant policy areas and provides recommendations for further advancement of gender mainstreaming in monitoring climate change and policy making.

During the implementation so far, the PIU made a concerted effort for ensuring and recording women's involvement in the project, namely participation of women in capacity building events. The statistics about the participants in the training component at the MTR stage show a very good gender balance of the trainees.

Representatives of the CBIT project actively participated in the gender-focused network in the Western Balkans and Lebanon supported by the GSP. In the workshop organized in February 2020, the participants exchanged information on status of gender mainstreaming into their respective climate change projects and discussed approaches for inclusion of gender aspects for reporting under UNFCCC (NCs and BURs).

A virtual bilateral consultation on mainstreaming gender into CC was organized in August 2020 for sharing the Serbian experience on gender in CC with Kazakhstan. The Serbian participants presented lessons learned from the country’s experience from accelerated gender mainstreaming process into climate policy through “learning by doing”.

## Sustainability

Sustainability is defined as continuation of benefits from an intervention after a development assistance has been completed. The important aspect here is the sustainability of results, not necessarily sustainability of the activities that had produced the results. The assessment of sustainability requires evaluation of risks that may affect the continued use of the project results.

### Financial sustainability

Over recent years, preparation of GHG inventories and CC reporting in Serbia have been mainly dependent on donor financing. A majority of funds has been provided through three projects funded by the EU IPA II instrument with additional contributions from other sources (e.g. GEF CBIT initiative). It is expected that the continued operation of the MRV system will depend on availability of donor financing.

Environment and Climate Action was one of the priority sectors during the IPA II period (2014-2020) and remains amongst the priority sectors also for the current IPA III period (2021-2027). It is reasonable to expect that the Government will allocate necessary co-financing resources if necessary. Therefore, it is expected that both the UN multilateral funding as well as the EU funding will continue to be available for maintenance and eventual further upgrade of the MRV system until Serbia joins the EU.

Enhanced compliance with the new requirements for transparency in reporting to UNFCCC that is expected as a result of the project will facilitate future access to bilateral and multilateral climate financing sources.

Financial sustainability of the project is rated **Likely (L).**

### Institutional framework and governance sustainability

The existing institutional framework for tracking GHG emissions and CC mitigation actions has been relatively strong in Serbia as a result of the fact that the CBIT project could build upon achievements of the previous support through two EU-funded projects. There is a need to further strengthen the CC adaptation part and also make stronger links with the disaster risk assessments and management.

Harmonization of Serbia’s legislation with *EU acquis* will be the main driver for development of relevant CC institutional and governance frameworks for the years to come. Also, the advanced process of revision of the Climate Change Law indicates strong commitment of the Government to the CC agenda.

Therefore, it is expected that the national institutional and governance frameworks for CC will be sustained and even strengthened during the process of Serbia’s accession to EU. However, the human resources part of the institutions has been fragile due to relatively high staff turnover in relevant institutions of the Government.

Institutional and governance sustainability of the project is rated **Likely (L).**

### Socio-economic sustainability

There are no major social and/or political risks to sustainability of the project results as Serbia remains fully devoted to the process of EU accession and the commitment to and ownership of the MRV system by relevant stakeholders has been stable over the recent years. It is not expected that political preferences would change in the near or medium-term future.

A Study on the Socio-economic Aspects of Climate Change in Serbia was prepared under the CBIT project by two national consultants. Analyses in this study confirm that transformation into a carbon-neutral and climate-adapted society, as well as all other processes, could have negative effects on vulnerable social groups that will require special care. The study also highlighted a need for adaptation of the national education system in order to keep pace with new practices, technologies and sectors related to CC mitigation and adaptation efforts.

The above study identifies root causes of potential negative effects and is therefore a base upon which effective solutions addressing the negative socio-economic effects could be developed.

Based on the above, socio-economic sustainability of the project is rated **Likely (L).**

### Environmental sustainability

Climate change has been high on the political and societal agendas for long term documented by the country’s firm commitment to fulfil the obligations under the UNFCCC and thew PCA. There are no environmental factors that could undermine the project results in the foreseeable future.

Environmental sustainability of the project is rated **Likely (L).**

# Conclusions and Recommendations

Based on the previous section of the fact findings, this section synthesizes and interprets the findings into conclusions that make judgments supported by one or more specific findings. Recommendations are then specific actions the MTR team proposes to be taken by various project stakeholders that are based on the findings and conclusions.

In order to better link the conclusion/recommendation pairs to the evaluative evidence, a concise finding statement is presented first and then followed by the relevant conclusion and recommendation.

Conclusion 1: Insufficiencies in the project results framework, in particular poorly defined indicators and their target values, are not conducive to operational monitoring of progress towards achievement of the Outcomes and Objectives.

Recommendation 1: The Project Management Unit should undertake revision of the project results framework in order to have measurable indicators and realistic end-of-project target values. The revised logframe should be put for approval by the Project Board.

Conclusion 2: Absence of representatives of the Government on mandatory reporting of the project progress does not allow to obtain important insight of the Implementing Partner.

Recommendation 2: The Project Management Unit should ensure that the next PIR includes justification of rating of progress towards the Project Development Objective from the Government Implementing Partner and the GEF OFP.

Conclusion 3: The progress in capacity building is measured by process indicators (e.g. number of people trained). Such indicators do not measure success of the capacity building activities that is important for achievement of the project Outcomes. Furthermore, there are no explicit links of the trainings to individual project Outcomes.

Recommendation 3: The Project Management Unit should ensure that information is recorded on relation of the trainings to the project Outcomes and data from evaluation of training activities is collected and included in the project implementation reports.

Conclusion 4: Governmental institutions using the MRV system are short-staffed in terms of personnel associated with the data collection and reporting for transparency.

Recommendation 4: The Government should ensure adequate manpower dedicated exclusively to MRV activities and consider mechanisms for addressing staff shortages such as outsourcing certain tasks to organizations outside the Government. Such organizations could include a university, a research institute, or a consulting company, selected on the basis of technical competency and expertise for compilation and reporting of CC data and information.

Conclusion 5: Retention of the knowledge and expertise required for regular data collection and reporting is critical for sustainability of the MRV system. Because of relatively high staff turnover in governmental institutions, the risk of loss of knowledge and expertise in the area of MRV is relatively high.

Recommendation 5: The project Implementing Partners should consider options for building resilience against staff turnover and minimization of its negative effects on MRV activities. Mechanisms for retention of institutional memory include thorough succession planning and systematic involvement of junior staff in training and support activities (as opposed to one-off training activities).

Conclusion 6: The continued support provided to Serbia under several projects related to the MRV system development creates opportunity for gradual reduction of reliance on international consultants in the future.

Recommendation 6: UNDP CO in cooperation with the Government should consider approach for ensuring sustainable building of national institutional capacity and expertise for transparency work through gradual reduction of independence from external support.

Conclusion 7: Long-term training as opposed to one-off project-related training activities more cost-effective allows for coordination of different training activities on the same topic and reduce duplication.

Recommendation 7: UNDP CO in cooperation with the Government should consider approaches for longer-term institutionalization of MVR-related training with increased involvement of academia and domestic training institutes.

Conclusion 8: Availability and quality of climate data is critical for advancing medium and long-term adaptation planning. Awareness of the issue of climate change is often lacking on the part of policy makers and data owners, the result being that the implications of the various parts of NCs fail to be understood and do not translate to action.

Recommendation 8: The Project Management Unit should ensure that training on use of MRV includes training of policy-makers’ technical experts on ways of information exchange between technical experts and policy-makers.

Conclusion 9: Building capacities of local governments on adaptation and vulnerability is an effective tool for awareness-raising about impacts of climate change in local communities.

Recommendation 9: The Project Management Unit should consider increased delivery of trainings for local governments on adaptation and vulnerability assessment.

Conclusion 10: Public awareness about CC mitigation and adaptation helps to raise the profile of the work on a transparency system and is therefore an important element contributing to sustainability of the project results.

Recommendation 10: The project Implementing Partners should consider use of unspent project budget allocated under Outcome 4 for development and implementation of communication and public outreach activities aiming at businesses and general public.

## Good practices and lessons learned

The IMWG has successfully brought together experts from a range of line ministries and other relevant stakeholder institutions. Apart from its function as a technical support to the narrow Project Board, the IMWG serves as a platform for discussion enabling to learn about standpoints and interests of a variety of national and few provincial stakeholders related to Serbia’s obligations under the UNFCCC and the PCA. The positive effect of the IMWG confirms the importance of intersectoral cooperation for addressing complex issues such as CC adaptation and mitigation. Through the creation of the IMWG, the project fostered development of closer and more transparent collaboration on CC matters and related policy development in Serbia.

Two experts from SEPA enrolled to special distance learning courses organized by the GHG Management Institute. The access to training on preparation of GHG inventories in 2019 was facilitated under the UNFCCC assistance programme for developing countries. In 2020, this training was part of the UNDP CO and GSP support for national experts from SEPA and the Statistical Office. This is another example of good practice as the parallel UNFCCC funding ensured generation of more in-depth knowledge on critical issues related to GHG measurement, reporting, and verification (MRV) issues. Following successful completion of proficiency exams, the two experts were added to the UNFCCC roster of experts for GHG Inventories. This initiative also helps to stabilize the key experts and contribute to building of resilience against loss of knowledge and institutional memory in key national institutions.

The project further advanced the previous efforts on gender mainstreaming in monitoring climate change and policy making and has certainly contributed to the appointment of the national UNFCCC Gender Focal Point. The significance of this appointment is not only in addressing climate change mitigation and adaptation in gender responsible ways but also as another contribution towards improvement of the socio-economic status of women in Serbia.

1. MTR rating scores are explained in Annex 6 [↑](#footnote-ref-1)
2. Details on the achievement are given in the respective sections Progress towards results, Project implementation and Adaptive management and Sustainability [↑](#footnote-ref-2)
3. Guidance for Conducting Midterm Reviews of UNDP-supported, GEF-financed Projects UNDP-GEF, 2014

   The GEF Monitoring and Evaluation Policy, GEF Evaluation Office, 2010

   UNDP Evaluation Guidelines, UNDP, 2019 [↑](#footnote-ref-3)
4. Ministry of Agriculture and Environmental Protection was split into Ministry of Environmental Protection and Ministry of Agriculture, Forestry and Water Economy as a result of Government reorganization in June 2017 [↑](#footnote-ref-4)
5. Second Biennial Update Report and Third National Communication for the Republic of Serbia under the UNFCCC, GEF Project ID 9733 [↑](#footnote-ref-5)
6. Programming Directions for the Capacity-Building Initiative for Transparency, GEF/C.50/06 [↑](#footnote-ref-6)
7. The indicator assessment key: Green = Achieved, Yellow = On target to be achieved, Red = Not on target to be achieved [↑](#footnote-ref-7)
8. Advancing Medium and Long-Term Adaptation Planning in the Republic of Serbia, UNDP-GCF, 2019 [↑](#footnote-ref-8)
9. Rubric based on CBIT tracking tool (10-point scale) [↑](#footnote-ref-9)
10. Rubric based on CBIT tracking tool (4-point scale) [↑](#footnote-ref-10)
11. UNDP launched its Climate Promise at the UN Climate Action Summit in September 2019 to provide support to over 100 countries. [↑](#footnote-ref-11)
12. Independent Country Programme Evaluation for the Republic of Serbia, UNDP IEO, 2020, p. 19 [↑](#footnote-ref-12)
13. www.klimatskepromene.rs [↑](#footnote-ref-13)
14. Gender Sensitive Data and Indicators for Project: Establishing Transparency Framework for the Republic of Serbia, CBIT project, 2019 [↑](#footnote-ref-14)