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United Nations Development Programme

**Government of the Bosnia & Herzegovina**

**Interim Evaluation of UNDP/GCF Project:**

**Scaling-up Investment in Low-Carbon Public Buildings**

**(LCPB Project)**

**(UNDP 5882 / GCF ID number FP051)**

**Final Report**

**Mission Members:**

**Mr. Roland Wong, International Evaluation Consultant**

**Mr. Mitar Perusic, National Evaluation Consultant**

September 2022

*Disclaimer: The views and opinions expressed in this report are the sole responsibility of the evaluators and do not represent the official opinion of UNDP.*

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# acronymns and abbreviations

| **Acronym** | **Meaning** |
| --- | --- |
| APR | Annual Performance Report |
| CC | Climate Change |
| BAM | Bosnian Mark |
| BIH | Bosnia and Herzegovina |
| BoQs | Bills of Quantities |
| CPAP | UNDP’s Country Programme Action Plan |
| CSO | Civil Society Organization |
| DAC | Development Assistance Committee |
| DEAs | Detailed Energy Audits |
| DIM | Direct Implementation Modality |
| DREI | UNDP’s De-risking Renewable Energy Investment |
| EBRD | European Bank of Reconstruction and Development |
| EE | Energy efficiency |
| EF FBiH | FBiH Environmental Protection Fund |
| EMIS | Energy Management Information System |
| EoP | End of Project |
| EPBD | EU Energy Performance in Buildings Directive |
| EPC | Energy Performance Contract |
| ESIAs | Environmental and Social Impact Assessments |
| ESCO | Energy Service Compnay |
| EUR | Euros |
| FAA | Funded Activity Agreement (GCF) |
| FBiH | Federation of Bosnia and Herzegovina |
| FEPEE RS | Republika Srpska Fund for Environmental Protection and Energy Efficiency |
| GAP | Gender Action Plan |
| GCF | Green Climate Fund |
| GDP | Gross Domestic Product |
| GEF | Global Environment Facility |
| GHG | Greenhouse gas |
| GoBiH | Government of Bosnia and Herzegovina |
| GTZ | German Technical Cooperation Agency |
| GWh | Gigawatt hour |
| HACT | Harmonized Approach to Cash Transfers |
| IE | Interim Evaluation |
| IFIs | International Financial Institutions |
| INDC | Intended Nationally Determined Contribution |
| INV | Investment |
| LCPB | Scaling-up Investment in Low-Carbon Public Building |
| LFO | Light fuel oil |
| LoA | Letter of Agreement |
| M&E | Monitoring and Evaluation |
| MoFTER | Ministry of Foreign Trade and Economic Relations |
| MPP FBiH | Ministry of Physical Planning of the FBiH |
| MRV | Measurement, reporting and verification |
| MSPCE | Ministry of Spatial Planning, Civil Engineering and Ecology of RS |
| NDC | Nationally Determined Contribution |
| NEEAP | National Energy Efficiency Action Plan |
| NGO | Non-Governmental Organization |
| NIF | National Investment Framework |
| NPD | National Project Director |
| OECD | Organisation for Economic Co-operation and Development |
| OFP | GEF Operational Focal Point |
| PB | Project Board |
| PIF | Project Identification Form |
| PIU | Project Implementation Unit |
| PRF | Project results framework |
| ProDoc | UNDP Project Document |
| RE | Renewable energy |
| RPs | Responsible Parties |
| RS | Republika Srpska |
| RTA | Regional Technical Advisor |
| SECAPs | Sustainable Energy and Climate Action Plans |
| SESP | Social and Environmental Screening Procedure |
| SIDA | Swedish International Development cooperation Agency |
| SMART | Specific, Measurable, Achievable, Relevant and Time-bound |
| tCO2e | Tonnes of carbon dioxide equivalent |
| ToC | Theory of Change |
| TOR | Terms of Reference |
| UNDAF | United Nations Development Assistance Framework |
| UNDP | United Nations Development Programme |
| UNFCCC | United Nations Framework Convention on Climate Change |
| USAID | United States Agency for International Development |
| USD | US Dollar |

# project information table

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Project Title:** | ***Scaling-up Investment in Low-Carbon Public Buildings***  ***(LCPB Project)*** | | | |
| **GCF ID Number:** | FP051 |  | *at Board approval (Million US$)* | *at mid-term (Million US$)* |
| **UNDP Project ID:**  **UNDP Award ID:**  **PIMS+ ID:** | 00103203  00100067  5882 | GCF financing: | 17.346 | 6.928 |
| **Country:** | Bosnia and Herzegovina | UNDP own: | 0.300 | 1.481 |
| **Region:** | Europe and CIS | Government: | 105.220 | 31.678 |
| **Focal Area:** | Climate Change Mitigation | Other: | 0.000 | 0.000 |
| **UNDAF/ Country Programme Outcome** | Outcome 05 - By 2019, legal and strategic frameworks enhanced and operationalized to ensure sustainable management of natural, cultural and energy  Resources. | Total co-financing: | 105.520 | 33.159 |
| **Implementing Partner:** | UNDP Bosnia and Herzegovina | Total Project Cost: | 122.866 | 40.087 |
| **Other Partners involved:** | N/A | GCF Board approval | | 2 October 2017 |
|  |  | ProDoc Signature: | | 1 August 2018 |
|  |  | FAA effectiveness date (Project start) | | 29 May 2018 |
|  |  | Planned Closing Date: | | 28 May 2026 |

# Executive Summary

1. With financial support of the Green Climate Fund (GCF), United Nations Development Programme (UNDP) is helping the Government of Bosnia and Herzegovina (GoBiH) to scale-up investments in public buildings and achieve targets from the signed Paris Agreement, National Determined Contributions (NDCs), Sustainable Energy and Climate Action Plans, the UNFCCC and other international agreements signed by Bosnia and Herzegovina (BiH). The Interim Evaluation (IE) assessed the implementation of the Project and its alignment with FAA obligations and progress towards the achievement of the Project objectives and outcomes as specified in the Project Document.
2. Interim Evaluation was conducted via virtual and live meetings between 13-21 July 2022 for the UNDP-GCF Project: “*Scaling-up Investment in Low-Carbon Public Buildings”* (hereby referred to as the *LCPB Project, LCPB* or the Project) that received a US$ 2,006,000 grant from the Green Climate Fund (GCF) in May 2018. All stakeholders were available for the online and live interviews. The National Evaluation Consultant has visited the Project sites and interacted with the beneficiaries.

## Project Description

1. The main objective of the LCPB Project is to “scale-up investment in low-carbon public buildings via design and implementation of the National Framework for Low-Carbon Investment in Public Buildings, comprising an integrated package of policy, regulatory, technological, informational, financial and managerial solutions designed to address country-specific risks and barriers to investment”. It was designed to do so by:

* addressing policy barriers faced by investors into low-carbon buildings and infrastructure by supporting the development and implementation of enabling policy framework (Output 1.1); and
* facilitating access to green energy finance at affordable terms in partnership with local and international financial institutions (Output 1.2).

1. The LCPB Funded Activity Agreement became effective on 29 May 2018. This 8-year UNDP-GCF climate change mitigation Project began in June 2018 and is expected to last until June 2026. The Project is expected to have a transformational impact on investments in energy efficiency in public buildings in Bosnia and Herzegovina. By the End of the Project (EOP), it is expected that the Project will result in a direct reduction in greenhouse gas (GHG) emissions of 2.02 million tCO2e over the lifetime of the investments, at a cost to the GCF of US$ 9/tCO2e. Additionally, significant indirect emissions are to be expected, with 7.1 to 8.1 million tonnes of CO2 reduction due to Project enabled market transformation, yielding a total estimated cost per tonne of CO2 reduced to US$1.80. The Project is expected to result in direct emission reductions by facilitating and scaling-up investment in low-carbon retrofits in 430 public buildings, representing 11% of the total public building stock in the country. Low-carbon retrofit include both EE and fuel switching measures in all buildings. The Project is supposed to directly benefit 150,000 people, occupants and users of public buildings (4% of the total population) including 80,000 women and will lead to creation of over 5,630 new full-time jobs.

## Project Progress Summary

1. The Project started up implementation immediately after FAA effectiveness on 29 May 2018. After the start, the Project was in its inception phase with a one-day conference Inception Workshop conducted on 24 September 2018 in Sarajevo. The workshop was attended by representatives of the state, entity and cantonal ministries, cities and municipalities, international organizations, banks, civil society organizations, universities the media, regional UNDP representatives, other experts (in total more than 60 participants). The purpose of the workshop was to ensure that Project stakeholders are familiar as well as in agreement with the Project strategy and are provided with the opportunity to discuss any changes in the overall context that might influence the Project strategy and implementation; discuss the roles and responsibilities of the Project team, including reporting and communication lines and conflict resolution mechanisms; discuss legal agreements and legal covenants, as well as GCF M&E requirements, reporting, and services provided by UNDP in the context of the Project. In addition, the inception workshop was, as emphasized by the principal stakeholders, an appropriate platform to discuss challenges and confirm cooperation of different stakeholders to work together as a team to ensure smooth implementation of the Project over the next eight years.
2. The Project was designed to last for eight years with an original planned end date in June 2026. Thus far, the fund-level impact is 462,412 tCO2eq reduced in 161 public buildings against a target of 500,000 tCO2eq until mid-term review of the Project.
3. For Output 1.1:

* 34 SECAPs adopted by local municipalities against a mid-term target of 20;
* 3,944 public buildings covered by EMIS against a mid-term target of 4,000;
* 332 EE-RES retrofit Projects (DEAs) in public buildings identified, prepared and tendered out against a mid-term target of 200;
* 894 people trained (34% women) against a mid-term target of 500 (30% women).

1. For Output 1.2:

* US$46.8 million was leveraged for investment in low-carbon public buildings against a mid-term target of US$20 million;
* National Investment Framework document and operational guidance has been established and adopted by all 3 RPs.

**Conclusions**

1. The LCPB Project is contributing to the achievement of scaling-up investments in energy efficiency (EE) measures for public buildings. The COVID-19 pandemic caused delays in the trainings of energy managers, establishment of EMIS, and new investments in EE/RE public building retrofits. However, the Project is back on-track due to the several efforts made by UNDP as implementor of the Project, and strong commitments of the responsible parties (RPs) as listed in Para 36, to accelerate the implementation of the Project activities mainly in the implementation of the National Investment Framework (NIF) concerning the construction works on 161 selected public buildings (Para 130). In addition to this, capacities of RPs were built in the first 2 years of the Project (2018-2019) to establish Project implementation units (PIUs), which have been trained for executing NIF processes. All RPs have implemented the NIF. In the case of Environmental Fund of FBiH (EF FBiH), UNDP completed implementation of the infrastructure works on behalf of EF FBiH in 2020, with EF FBiH resuming implementation of the NIF in 2021.
2. The COVID-19 pandemic and the war in Ukraine, however, is impacting the Project in several ways. The first issue was with restrictions to various stakeholder training and Energy Management Training activities as mentioned in Para E-9. The second issue is the war in Ukraine causing looming technical staff and skilled worker shortages and the rising cost of building materials, somewhat slowing down the pace of implementation and present higher risks for achieving the Project’s GHG emission targets. This has the potential impact of slowing down Project implementation to the extent that an extension to the Project may be requested (Paras 82 and 131).

## MTR Ratings and Achievement Summary

1. Table A has the summary of MTR ratings and achievement summary.

**Lessons Learned**

1. Lesson #1: The UNDP CO is a suitable backup implementer in the event that there are issues with the host government’s abilities to implement a Project (Para 140).
2. Lesson #2: Engagement of RPs is required for potential replacement of construction materials during Project implementation (Para 141).
3. Lesson #3: Establishment of Project Implementation Unit (PIU) within RP structure helps smoother implementation of Project activities (Para 142)
4. Lesson #4: Procurement Expert for QA/QC of RP's procurement processes improves Project monitoring and transparency of Project activities related to procurement of works and services (Para 143).
5. Lesson #5: Maintaining frequent communication and collegial relations with RPs enables smoother implementation and removes possible obstacles from implementation (Para 144).
6. Lesson #6: Participation or support of conferences that gather all RPs and important stakeholders from the region strengthens networking and provide for easier implementation, as well as new ideas and opportunities (Para 145).

**Recommendations**

1. Recommendation 1 (UNDP and RPs): Keep the momentum and pace of EE retrofits despite the rising prices of goods, materials and equipment (Para 146).
2. Recommendation 2 (UNDP and RPs): Re-visit the indicators in the Project's Results Framework to revise the targets in light of the rising cost of goods and materials and staff and skilled worker shortages (Para 147).

**Table A: Interim Evaluation Ratings & Achievement Summary Table**

| **Measure** | **IE Rating[[1]](#footnote-2)** | **Achievement Description** |
| --- | --- | --- |
| **Project Formulation** |  | The ToC and the Project Results Framework has indicators that generally meet “SMART” criteria, sufficient to effectively monitor Project progress (see Para 46). |
| Stakeholder Participation  Rating: 5 (S) | Relevant stakeholders were consulted during the preparatory phase through extensive consultations and involvement of government officials with all Responsible Parties. GoBiH ownership of the LCPB Project is strong (see Para 40). |
| **Progress Towards Results** | Fund-level impact achievement  Rating: 5 (S) | To date, implementation of the Investment Framework for Low-Carbon Public Buildings was effectively conducted involving the successful retrofitting of 161 public buildings, which directly contributed to 469,204 tCO2eq direct emission reduction of CO2. The Project also improved occupancy conditions for 243,274 beneficiaries including 123,310 women (see Para 59). |
| Outcome M5.0 Achievement Rating: 5 (S) | 34 Sustainable Energy and Climate Action Plans (SECAPs) were adopted by local municipalities (against a mid-term target of 34). SECAPs are an essential tool to help facilitate investment in low-carbon public buildings by identifying priority investments and providing a planning framework for future interventions. ensure project sustainability and long-term impacts. An additional 7 SECAPs are completed but yet not adopted by local parliaments (see Paras 35 and 62). |
| Outcome M7.0 Achievement Rating: 5 (S) | A decrease of 469,204 tCO2eq has so far been achieved with EE retrofits in public buildings, out of 500,000 tCO2 as a mid-term target (see Paras 60-61). |
| Output 1.1 Achievement Rating: 6 (HS) | EMIS is successfully established in 3,944 public buildings, nearly reaching the mid-term target of 4,000. The installation of EMIS was then followed by training of 2,485 end-users. The Project continues to cover regular maintenance and upgrades of the EMIS. A total of 332 DEAs has been developed, creating a pool of detailed energy audits for responsible parties for investments for other financial sources such as International Financial Institutions, banks, and ESCOs. All indicators for non-financial barriers either have been met or exceeded (see Paras 62 to 74). |
| Outcome 1.2 Achievement Rating: 5 (S) | All mid-term indicators for financial barriers have been met or achieved with the Project leveraging US$31.678 million for the first 3.5 years of LCPB Project implementation years. (see Paras 75 to 81). |
| **Project Implementation & Adaptive Management** | Implementation Approach  Rating: 6 (HS) | The COVID-19 pandemic had no impact on implementation of the Project. Though implementation of LCPB has been slow at the start, the pace of implementation has recovered from late 2020 onwards with excellent results. This included UNDP taking over procurement during the first year of the Project due to government not being immediately established after the 2018 elections with no Project Implementation Units (PIUs) set up at RPs (see Paras 83 to 84). |
| Monitoring and Evaluation  Rating: 5 (S) | The monitoring and evaluation systems setup for LCPB are rated as satisfactory considering the diligent reporting of the progress of activities against the LCPB PRF (see Paras 98 to 104). The Project has developed a Monitoring plan which is strictly followed. In addition to that regular that regular spot checks and HACT assessment of all Responsible Parties have been conducted at the CO level. |
| Stakeholder Participation  Rating: 5 (S) | The most important stakeholder engagement activities have been with the RPs with 8 Project Board meetings (compared to a recommended one per year from ProDoc). The Project team has also had regular programmatic visits to Responsible Parties with daily communication with PIUs from ministries and environment funds, and field visits to construction sites and training events (Paras 105-106). |
| **Sustainability** | Sustainability Rating: 3 (ML) | The Project is starting to experience shortages of commodities, goods and equipment as well as shortages of qualified personnel and workers, potentially slowing down the work of EE retrofitting of public buildings (see Paras 117 to 121). The procurement of construction materials was difficult due to the closure of borders, after which the arrival of workers on the construction sites was difficult due to the lockdown. |
| **Overall Project Achievement and impact** | Rating: 5 (S) | While the Project is contributing to the achievement of scaling-up investments in EE measures for public buildings and is on track to meet its EOP targets with only minor delays, looming technical staff and skilled worker shortages and the rising cost of building materials have the potential to offset the pace of implementation (see Paras 138 to 139). In the national context of Project impact, it is clear that the National Investment Framework (NIF) sets the framework for sustainable development on investment in energy efficiency in buildings in Bosnia and Herzegovina. |

1. Recommendation 3 (to UNDP): Make improvements to the ToC and the PRF by inserting drivers and assumptions that drive and make possible activities to project results, and from project results to outcomes (Para 148).
2. Recommendation 4 (to UNDP and RPs): Extend the GCF program to BiH state level and Brcko District BIH public buildings for energy efficiency and emission reduction (Para 149).
3. Recommendation 5 (to UNDP and RPs): Improve program coordination (Para 150).
4. Recommendation 6 (to UNDP and GCF): Consider accepting co-finance secured through another complementary UNDP Project “Green Economic Development” (GED), implemented by UNDP and financed by the Bosnia and Herzegovina different level of Governments and Swedish International Development cooperation Agency (SIDA) (Para 151).
5. Recommendation 7 (to UNDP and GCF): Consider the possibility of application and monitoring of 2 additional core mitigation indicators: Cost per tCO2eq decreased for GCF funded project and volume of finance leveraged by GCF funding (disaggregated by public/private source) (Para 152).

# introduction

1. This report summarizes the findings of the Interim Evaluation (IE) conducted during the 13-18 July 2022 period for the UNDP-GCF Project entitled: “***Scaling-up Investment in Low-Carbon Public Buildings***” (hereby referred to as the ***LCPB Project***, Project or LCPB). In May 2018, this Project received a US$17.346 million grant from the Green Climate Fund (GCF). The Project objective is “to scale-up investment in low-carbon public buildings via design and implementation of the National Framework for Low-Carbon Investment in Public Buildings, comprising an integrated package of policy, regulatory, technological, informational, financial and managerial solutions designed to address country-specific risks and barriers to investment”.

## Purpose of the Interim Evaluation

1. In accordance with UNDP and GCF M&E policies and procedures, all UNDP-GCF projects are required to undergo an IE at the mid-point of implementation of a project. The IE is critical for informing and improving the implementation of projects or programmes, and for helping the Fund to report on results and lessons relevant to GCF objectives. As such, the IE for this Project serves to:

* assess early signs of project success or failure with the goal of identifying the necessary changes to be made to set the Project on-track to achieve its intended results;
* strengthen the adaptive management and monitoring functions of the Project;
* enhance the likelihood of achievement of Project and GCF objectives through analyzing Project strengths and weaknesses and suggesting measures for improvement;
* enable informed decision-making;
* create the basis for replication of successful Project outcomes achieved to date;
* identify and validate proposed changes to the ProDoc to ensure achievement of all Project objectives; and
* assess whether it is possible to achieve the objectives in the given timeframe, taking into consideration the pace at which the Project is proceeding.

1. This IE was prepared to:

* be undertaken independently of Project management to ensure independent quality assurance;
* apply UNDP-GCF norms and standards for interim evaluations;
* assess achievements of outputs and outcomes, likelihood of the sustainability of outcomes, and if the Project met the minimum M&E requirements; and
* provide recommendations to increase the likelihood of the Project delivering all of its intended outputs and achieving intended outcomes.

## Scope and Methodology

1. The scope of the Interim Evaluation covers the entire UNDP-supported, GCF-financed, UNDP Bosnia and Herzegovina-implemented LCPB Project and its components as well as the co-financed components of the Project. This Interim Evaluation assesses 49 months of Project progress, achievements and implementation taking into account the status of Project activities, outputs and the resource disbursements made up to 30 June 2022. The Interim Evaluation also reports on the progress against objective, outcome, output, and impact indicators listed in the Project Results Framework (PRF) as provided in Appendix H as to how these outcomes and outputs will be achieved within the Project duration. The primary users of this IE report are the PMU and Responsible Parties (RPs), as outlined in Section 2.6, in efforts to strengthen local capacities to monitor, verify and enforce the standards to facilitate a transition to energy efficient buildings. The report will also enable the various levels of the Government of Bosnia and Herzegovina (GoBiH) to enact and enforce national policies that extend responsibilities of sound environmental management to building energy efficiency and renewable energy; facilitate decision makers in government, the private sector and the general public to reach consensus on the increased use of low carbon measures in public buildings; and increase the awareness of consumers and decision makers of the economic benefits of low carbon public buildings.
2. This IE adopted a participatory approach, consulting with Project team members, partners and beneficiaries at several stages throughout the process. Central to the IE was the analysis of the Project’s Theory of Change (ToC); no reconstruction of the ToC was deemed necessary. Consultations were held during the IE inception phase to arrive at a nuanced understanding of how the Project intended to drive change and what contributing conditions (“assumptions” and “drivers”) would need to be in place to support such change. The ToC supported by a graphic representation (on Figure 3) and narrative discussion of the causal pathways, was discussed further with stakeholders during the data collection phase, and was used throughout the evaluation process.
3. The primary focus for this IE was to ascertain from key stakeholders the effectiveness of technical assistance and capital works provided by the Project in establishing low carbon energy systems for public government buildings, and to disseminate positive information on low carbon projects in government buildings that show operational cost savings and GHG emission reductions. Stakeholder consultations under this IE focused on confirming the actual outcomes and outputs of the Project, and the surrounding circumstances of these outcomes and outputs. These outcomes and outputs would have led to key Project results of strengthened institutional and regulatory systems for low emission planning and development and lower energy intensity of buildings, cities, industries and appliances, undertaken by the Project.
4. In summary, the assessment of Project performance was based on key strategic issues identified within the Project Results Framework in Appendix H[[2]](#footnote-3) including:

* the degree of success of the Project interventions to overcome identified barriers, gaps and challenges to the implementation of low carbon public buildings while promoting rapid uptake of such projects;
* the holding of key assumptions identified by this IE to achieve the desired impact and their sustainability during the post-Project period. This may include sustained beneficiary perceptions of the affordability of low carbon measures in the Bosnian market; and
* the existing opportunities that have already been set in motion to stimulate replication or a catalytic effect of positive outcomes and best practice experiences within BiH and the region.

1. The Interim Evaluation report concludes with recommendations for the key stakeholders of the Project. The Interim Evaluation was approached in the context of:

* *Project strategy:* This includes an analysis of the LCPB Project design (and PRF) as outlined in the ProDoc to identify if the strategy is effective in achieving the desired outcomes;
* *Progress towards results:* This is assessed based on theProject work plans, APRs, relevant Project reports and information provided from various Project stakeholders and information from stakeholders and beneficiaries (interviews);
* *Project implementation and adaptive managem*ent: This would be an assessment of the quality of support to the Project from UNDP Bosnia and Herzegovina. Assessment parameters would include management arrangements (including adaptive management), work planning, finance and co-finance, Project level monitoring and evaluation systems, stakeholder engagement, reporting and communications; and
* *Sustainability:* The likely ability of an intervention to continue to deliver benefits for an extended period of time after the end-of-Project (EoP). The Interim Evaluation sustainability assessment essentially sets the stage for the Terminal Evaluation during which sustainability will be rated under the four categories of sustainability, namely financial, socioeconomic, institutional framework and governance, and environmental.

1. It was also approached through the criteria of *relevance, effectiveness, efficiency,* coherence in climate finance delivery, gender equity, country ownership, innovativeness, replication and scalability, unexpected results, as defined in the Interim Evaluation Terms of Reference (ToR) in Appendix A, the GCF Evaluation policy, and the PRF in Appendix H.
2. The methodology adopted for this Interim Evaluation includes using triangulation approach, because triangulation facilitates validation of data through cross verification from more than one source. It tests the consistency of this and other evaluation findings obtained through different instruments and increases the chance to control, or at least assess, some of the threats or multiple causes influencing the GCF Project results. This methodology is illustrated in Figure 1 and further illustrated in Appendix G.

**Figure 1. IE Evaluation Methodology**

1. This Interim Evaluation was conducted by a team composed of an International Evaluation Consultant (Evaluation Team Leader) and National Evaluation Consultant. The Interim Evaluation team reviewed all relevant sources of information including documents prepared during the preparation phase (i.e. baseline Funding proposal submitted to the GCF, Funding Activity Agreement, the Project Document) and progress reports (Annual Performance Reports, Quarterly Progress Reports, UNDP Environmental & Social Safeguard Policy, Project budget revisions, records of surveys conducted, national strategic and legal documents, stakeholder maps, and any other materials that the team considers useful for this evidence-based assessment). The Interim Evaluation team followed a collaborative and participatory approach ensuring close engagement with the Project Team, RPs (as outlined in Section 2.6), NDA focal point, government counterparts, the UNDP Country Office, Regional Technical Advisers, and other principal stakeholders and beneficiaries.
2. Since this assignment has coincided with the severe global travel restrictions in place due to the COVID-19 pandemic and time restrictions to complete the Interim Evaluation , this Interim Evaluation has mainly relied on virtual meetings and field visits to 2 public buildings by the National IE Consultant based in Sarajevo, BiH. A limitation of this Interim Evaluation has been the inability of the International Evaluation Consultant to have face-to-face interviews with all key stakeholders. In the context of quality assurance of the Interim Evaluation report, there has been a reliance on information received from interviews of key stakeholders including the RP level. All stakeholders were satisfied with the Project developments. Role and responsibilities of key stakeholders was summarized with UNDP serving as the Implementing Partner or “Executing Entity” (using GCF terminology). The Project has two parallel implementation structures in FBiH and RS, respectively (reflecting the administrative structure of BiH). However, there are 4 RPs to the Project as detailed in Para 15 and Section 2.6.
3. The UNDP has a quality assurance process in place, which comprises the review of an evaluation report by the regional technical advisor and the monitoring and evaluation specialist (HQ) of the independent mid-term report (i) at a draft stage and (ii) prior to the final submission to GCF. The aim of that review is to assess the overall quality of the report at a draft stage as well as its final version, check overall completeness, correct or point out the incorrect data to the evaluation team, and comment where the evaluation team shall further elaborate or substantiate the statements/assessment to ensure clarity and consistency. The review respects the independent nature of the evaluation. In this case, the initial (still working) draft has been reviewed and shared with GCF for comments. Once the comments are addressed by the evaluators, the UNDP country office evaluation team as well as RTA will review the final version of the report prior to the submission to GCF.
4. In this regard, the Interim Evaluation Consultants have made every effort to understand the Project and present a fair and a well-balanced assessment of the Project, not totally mitigating biases from the stakeholder interviews. This is due to the limited time available to interview several stakeholders, but using tailored questions, after which the triangular approach (document review, interviews, observation and writing) mitigates the interviews biases. Notwithstanding the absence of face-to-face meetings with stakeholders, any perceived gross misrepresentation of the Project has been resolved through discussions with the Project team. The National consultant had opportunities for field visits to beneficiaries and to interview them about conditions and result of public building rehabilitation benefits.

## Data Collection Process

1. Data collection came mainly from Project documentation that includes interviews with key stakeholder groups, all reports related to the Project, and stakeholder analysis. The purpose of these interviews was to meet with face-to-face with all key stakeholders. However, in many cases, face-to-face interviews were replaced with virtual technological solutions instead due to COVID-19 pandemic restrictions. Hence, there were on-line interviews with relevant stakeholders including personnel from Implementing Partner (UNDP BiH), other government agencies and institutes and sector entities including representatives of the end-users. The different key groups who were consulted about the Project included:

* The Project Management Unit. Under DIM, this involved the current UNDP Project Manager, Chief Technical Advisor, Regional Technical Advisor, and other Project personnel. The purpose of contact with UNDP were the “rich” issues of implementation and execution;
* National Executing partners or Responsible Parties. This involved the GCF Focal Point and Responsible Party, the Ministry of Spatial Planning, Civil Engineering and Ecology of RS (MSPCE), the 3 other RPs (Ministry of Physical Planning of the FBiH or MPP FBiH, FBiH Environmental Protection Fund (EF FBiH), and the Republika Srpska Fund for Environmental Protection and Energy Efficiency (FEPEE RS)), and the Ministry of Foreign Trade and Economic Relations BiH (MoFTER);
* Project partners. This involved entities who worked in close collaboration with the RPs including development banks, contractors, suppliers, ESCOs and CSOs. Field visits were made to 2 project sites, Primary School ‘’Desanka Maksimovic’’ in Ribnik and Primary School ‘’Drvar’’ in Drvar;
* Beneficiaries. This involved ministries, public agencies and CSOs responsible for low carbon public buildings and the general public using the buildings. Information from the beneficiaries was supposed to account for the impacts of the low carbon public buildings and their implications on energy savings for public buildings and residential sector. Persons for interviews were to be targeted (as would be the case for responsible ministries) or random (as would be the case for the general public).

A detailed itinerary of the Mission is shown in Appendix B. A full list of people interviewed and documents reviewed are given in Appendix C and Appendix D respectively.

1. Throughout this IE process and in the compilation of the IE Report, efforts have been made to represent the views of both mainstream and more marginalized groups. Data was to be collected with respect to ethics and human rights issues. All pictures taken and other information gathered were taken after prior-informed consent from people. All discussions have remained anonymous and all information was collected according to relevant UNEG guidelines and UN standards of conduct.
2. A questionnaire was also used to gather information on awareness of persons in BIH of RE and EE technology and the impact of low carbon buildings on this Project. Given the time constraints, the questionnaire was not sent out via mail or email nor was it possible to hand out questionnaires to persons coming to each low carbon public building. Instead, the questionnaire was used to guide the discussion for each interview, face-to-face or virtual. The questionnaire is provided in Appendix E.

## Structure of the Interim Evaluation Report

1. The Interim Evaluation followed the report structure as proposed in the Inception Report. In Section 2 of this Interim Evaluation report,the development context of the Project, the problems that the Project sought to address, and the Project description are presented.In Section 3, the Project strategy, design, relevance, effectiveness, efficiency, progress towards results, progress implementation and adaptive management, sustainability and country ownership are presented as well as innovativeness in results areas, unexpected results, replication and scalability, and gender equity.Section4 presentsthe key conclusions of the Interim Evaluation**,** based upon the review of the Project documentation, interaction with the Project management team, site visits and the consultations with the main stakeholders during the evaluation. Section 4 also provides lessons learned and recommendations**.** The appendices at the end of the report provide additional information and details to support the evaluation.
2. The Interim Evaluation takes into consideration assessment of the Project in line with the following evaluation criteria from the [GCF IEU TOR](https://ieu.greenclimate.fund/documents/977793/985626/B.06_06_-_Independent_Integrity_Unit_and_the_Independent_Redress_Mechanism.pdf/74fdcf3c-ffc5-42cf-affb-4305347a74a0) (GCF/B.06/06) and  [GCF Evaluation Policy,](https://www.greenclimate.fund/document/evaluation-policy-gcf) along with [guidance](https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm) provided by the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC).

# Project description and BACKGROUND context

## Development Context

1. Due to a long period of neglect and under-investment during and after the Bosnian war (1992-1995), public infrastructure, in particular buildings, in BiH is now in a dire state and in urgent need of upgrade and modernization. In its Nationally Determined Contribution (NDC) under the Paris Agreement, BiH explicitly recognizes the potential of public sector buildings for GHG emission reduction and emphasizes that to “increase emission reduction amount and develop a sustainable system for public building renovation, international financial support is required”.
2. BiH is a middle-income country, with a high unemployment rate (27.7%) and a GDP per capita of US$5,855 (2021). Public buildings have been identified as the sector with the largest potential for cost-effective energy saving in BiH from 20 to 60%. Detailed energy audits conducted in public facilities by UNDP confirm that average energy use in a building can be reduced cost-efficiently by about 60%. In addition to energy efficiency, significant potential for GHG emissions reduction lies in fuel switch measures: over 80% of public sector buildings are currently using fossil fuels (coal, light fuel oil (LFO), natural gas) or district heating systems, which are also predominantly coal-based. Deployment of BiH’s vast renewable energy resources (i.e. bioenergy, solar and other sources), combined with investments in energy efficiency have an instrumental role to play in reducing GHG emissions and energy use in public buildings. This would result in a reduction of approximately 10% of BiH’s annual governmental budget with cost-effective energy savings potential in public buildings estimated at 700 GWh/year , which translates into 560,000 tCO2/year or over 10 million tCO2 in GHG emissions reduction over the investment life-cycle for both energy efficiency (EE) and renewable energy (RE) measures in buildings.

## Problems that the Project sought to address: threats and barriers targeted

1. Public buildings come in a wide variety of shapes, sizes and purposes, and they have been built at different times according to different standards. Consequently, addressing energy use in any given building requires a tailored approach, which needs to reflect the specifics of a particular building. As a result, there are significant upfront transaction costs in designing a low carbon approach to public buildings. However, the line ministries and authorities are fragmented and complex resulting in authorities and line ministries not possessing clear jurisdictional overviews of their public buildings. As a consequence, public expenditures on energy and water are not monitored, recorded or analyzed in any systematic way and official data on energy intensity of public building stock do not exist. Although draft plans for improved energy performance in buildings[[3]](#footnote-4) are being prepared, a comprehensive policy implementation platform and monitoring framework for public buildings to promote and enable low-carbon investment was missing, an item for the LCPB Project to prepare.
2. Multiple public authorities and entities in charge of public building management and building end-users essentially lacked capacities to identify, prepare and implement low-carbon investment projects. The lack of human and technical resources, information, as well as practical experience with project identification and preparation, and with implementation planning and business-models for low-carbon investment in the public sector, represent another important non-financial barrier that needs to be overcome.
3. Finally, there is a financing paradigm for investment in low-carbon retrofits of public buildings in BiH:

* the existence of seemingly numerous, but cumulatively insignificant, grant-based funding projects from national and international organizations complemented by end-users’ own finance;
* the lack of a coordinated and integrated approach to public building retrofits that leads to ineffective and sub-optimal allocation of public funds; and
* the lack of a blended financing approach including a lack of private sector involvement and interest in market-based finance, including lack of a developed market for the ESCO business model and energy performance contracts.

## LCPB Project Description and Strategy

1. The LCPB Project presents a paradigm shift for BiH by shifting the country to a low-emissions sustainable development pathway in 3 ways:

* a 4-fold increase in the amount of annual investment in low-carbon buildings; and
* a shift from a grant-based model (87% in 2015) towards a non-grant based model (only 15% in 2025); and
* diversification of funding sources and instruments noting that only the realization of an alternative financing paradigm will enable BiH to achieve its stated targets under the NDC by 2030.

1. Output 1.1 deals with addressing non-financial barriers to investment in low-carbon buildings and infrastructure (“Policy de-risking”) into 7 major activities:

* Activity 1.1.1: Sustainable Energy and Climate Action Plans (SECAPs).;
* Activity 1.1.2: Energy Management: at building, municipality and entity-levels including the following interventions;
  + Energy Management Information System (EMIS) implementation: EMIS plays a critical role in this Project as a source of *building-level* baseline data, as well as a practical monitoring tool to track and monitor the impact of EE-RE measures in terms of energy/cost saving, improvement in comfort and other benefits to buildings’ managers, occupants and visitors;
  + support authorities and SME companies on identification, implementation and monitoring of low-carbon investment projects in public sector buildings, as well as assistance (training and guidance) on energy management at national/entity level institutions;
* Activity 1.1.3: EE-RE project preparation;
* Activity 1.1.4: EE-RE project oversight;
* Activity 1.1.5: Training and capacity building;
* Activity 1.1.6: Awareness-raising among building end-users;
* Activity 1.1.7: Designing a national framework for low-carbon investment in public buildings. Technical assistance was to be provided to support the development and facilitate the adoption of a transformational and harmonized policy, regulatory and financing framework for investment in low-carbon public buildings:
  + implementation of EPC contracts in the public sector to open up opportunities for private investment;
  + enforcement of requirements of the Law on Energy Efficiency regarding the use of IT systems for public energy management to ensure sustainability of EMIS;
  + implementation of a harmonized approach to public financing and support mechanisms for low-carbon investment in the public sector;
  + harmonized and coordinated implementation of the BiH’s National Investment Framework (NIF) for Low-Carbon public buildings.

1. Output 1.2 deals with the addressing financial barriers to low-carbon investment in buildings and infrastructure (“Financial de-risking and Investment support”) with 3 major activities:

* Activity 1.2.1: Implementing national framework for low-carbon investment in public buildings;
* Activity 1.2.2: Design and monitoring of the national framework for low-carbon investment in public buildings;
* Activity 1.2.3: Evaluation, lessons learnt analysis, designing follow-up financing scheme, knowledge sharing.

1. With GoBiH’s co-financing in the form of a cash grant, LCPB offers a mechanism to support implementation of a targeted 430 low-carbon public building retrofits in comprehensive and systemic steps, and with a combination of technical assistance for project identification and oversight (under Output 1.1) and investment support to finance EE and RE measures (under Output 1.2). GCF funds are to be used to finance low-carbon retrofits in buildings meeting minimum technical, socio-economic, financial and environmental requirements, which would not be able to receive financing under certain baseline condition (such as measures involving coal to biomass fuel switch).

## Project risks identified at design stage

1. Legal and regulatory risks refer to BiH’s fragmented and complex administrative and governance structure coupled with low capacities of public authorities, in particular at local level. This poses risks related to the ability of relevant bodies to undertake and enforce required policy and regulatory changes, which poses additional barriers to effective energy management in public sector and the creation of enabling framework for private investors in low-carbon public buildings.
2. Technical risks include:

* Local municipal government lacking the institutional and individual capacities, knowledge and skills to identify and execute investment in low-carbon buildings. Planned local-level energy efficiency investments are, therefore, not able to leverage scarce public finance for maximum environmental, social and economic benefits. The risk is exacerbated by insufficient relevant technical staff at local level, insufficient number of energy managers within public authorities as well as limited relevant expertise available for energy audits and for the identification and implementation of feasible integrated low carbon projects in buildings;
* Non-existence of technical data on energy (and water) consumption in the public building stock and lack of coherent information on building retrofit interventions lead to fragmented and uncoordinated approaches;
* Duty-bearers do not have the capacity to meet their obligations, such as in collecting baseline data for the EMIS and in managing EE building retrofit financing projects.

1. Financial and operational risks include:

* Limited access to finance for low-carbon investment in public buildings: low credit-worthiness of the municipal authorities and low uptake of non-grant mechanisms by the public and private sectors; operational barriers that prevent municipal budgets from retaining the financial savings from energy efficiency projects to be able to repay the loans;
* The low attractiveness of coal-RE fuel-switch projects and high transaction costs of project identification, preparation and supervision, discouraging potential private sector investments;
* Capital costs may vary significantly depending on the basic parameters of the building, including the quality of its routine maintenance or the need to incorporate additional climate protection measures. Thus, in some cases, additional non EE-RE related works and services will be required which will lead to higher than capital costs.

1. The environmental and social safeguard risks include: are minor and will be comprehensively addressed by the standard UNDP social and environmental screening procedure:

* Climate change-induced extreme weather events, in particular floods, may affect some of the Project’s retrofitted buildings;
* Generation of waste from building retrofits.

## Project Implementation Arrangements

1. The Implementing Partner for the LCPB Project is UNDP Bosnia and Herzegovina under Direct Implementation Modality (DIM). As such, UNDP is responsible and accountable for managing this Project, including the monitoring and evaluation of Project interventions, achieving Project outcomes, and for the effective use of UNDP and GCF resources. The Implementing Partner is responsible for:

* approving and signing the multiyear workplan;
* approving and signing the combined delivery report at the end of the year; and
* signing the financial report or the funding authorization and certificate of expenditures.

1. The Project Board (PB) is responsible for making by consensus, management decisions when guidance is required by the Project Manager, including recommendations for UNDP approval of Project plans and revisions, and addressing any Project level grievances. To ensure UNDP’s ultimate accountability, Project Board decisions are made in accordance with standards that ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached within the Board, final decision shall rest with the UNDP Programme Manager. The Project organization structure is shown on Figure 2.

**Figure 2. Project Organization Structure**

**Project Implementation Unit (under UNDP):**

**Project Manager, Project Officer, Project Coordination Associate, CCM Programme Associate**

**Project Board**

**Senior Beneficiary:**

***Involved Ministries and***

***various end-users across***

***BiH***

**Executive: MoFTER, Ministry of Spatial Planning, Civil Engineering and Ecology of RS, Ministry of Spatial Planning of FBiH, EFs FBiH/RS**

**Senior Supplier:**

***UNDP, GCF, GEF***

***Environmental Funds***

**Project Assurance**

**(UNDP and other Board**

**members or delegated to**

**other individuals)**

**Output 1.1: Ministry of Spatial Planning, Civil Engineering and Ecology of RS, Ministry of Spatial Planning of FBiH, UNDP**

**Output 1.2: Ministry of Spatial Planning, Civil Engineering and Ecology of RS, Ministry of Spatial Planning of FBiH, EFs FBiH/RS, UNDP (co-financing from donors)**

**Technical Advisory**

**Committee**

## LCPB PROJECT Timing and Milestones

1. The LCPB Project was designed as an 8-year Project that commenced on 29 May 2018 scheduled to end on 29 May 2026. Progress to date has been satisfactory as further detailed in Section 3.2. A summary of significant events for the first 49 months of the LCPB Project include:

* 29 May 2018 when the Funded Activity Agreement became effective;
* the Inception workshop held on 24 September 2018 and the Inception report submitted to GCF on 29 November 2018;
* the first Project Board meeting was held on 25 September 2018;
* most results were achieved under Outcome 1 on non-financial barriers in 2019. This includes preparation and delivery of Detailed Energy Audits (DEAs) and Energy Audits for Certificate and Bills of Quantities (BoQs). This activity started in February 2019 with 332 DEAs completed as of June 2022;
* second half of 2019, the Project team started the implementation of activities for SECAPs development in 37 municipalities. By 2021, 41 SECAPs completed at a cost of US$826,852, and 34 of these SECAPs are now fully adopted by 34 local assemblies, a significant achievement for the Project;
* 250 new public buildings were registered in 2019 and now use the EMIS. The establishment of EMIS was then followed by training of end-users. By the end of this report a total of 2485 end-users has received training, which is notably over the mid-term target of 500 people. EMIS is a basic tool for energy management at all levels of government, from the state level to municipal level. Project contribution to the Project is crucial for EMIS operationalization, and vast use of EMIS for energy consumption monitoring in public buildings. End-users in EMIS represent people (usually employees of an institution that uses a public building) responsible for collecting and submitting energy consumption data in a particular public building
* in 2019, the Project supported the Government of Bosnia and Herzegovina on energy efficiency provided technical assistance (energy, legal, finance), to support the development and facilitate the design of the National Investment Framework (NIF), a transformational and harmonized policy, regulatory and financing framework for investment in low-carbon public buildings;
* in mid-2020, process for implementing EE measures on public buildings is established;
* in 2020, first disbursement that was transferred for 8 public buildings for two RPs have shown that they are now fully capable to proceed with implementation of activities;
* in 2020, 499 new public buildings were registered in EMIS and now use EMIS;
* energy management trainings for coordinators and energy managers in public institutions started in 2020 with some difficulty due to the COVID-19 pandemic;
* a completed NIF was sent out to RPs for final adoption in November 2019, and it was adopted on 2 July 2020 for RS and 9 July 2020 for FBiH;
* in 2021, all RPs (with exception of EF-FBiH) increased the scope of public buildings eligible for repair and retrofit. This included cooperation with the GEF funded sister Project “Catalysing Environmental Finance for Low Carbon Urban Development (Urban Led)” where the first 4 public buildings were contracted under an ESCO model in FBiH, and where the LCPB Project contributed to supervision on these 4 public buildings.

## Main Stakeholders

1. The main stakeholders and the *Responsible Parties* for the LCPB Project are:

* The **Ministry of Physical Planning of FBiH** (MPP FBiH) who were to carry out the administrative, expert and other tasks related to physical planning and improvement; policy of land utilization at the Federal level; drafting, enforcing and applying the Physical Plan of the FBiH; verification of the harmonization of the physical plans of the Cantons with the Physical Plan of the Federation of BiH; and supervision of appropriate institutions in this sector and other tasks as set out by the applicable legislation. The Ministry has entered into a Letter of Agreement with UNDP in 2018 for Activities 1.2.1, 1.3, 1.4, 1.5, 1.6 , 2.1 and 2.2;
* **Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska (****MSPCE)** whose mandate is to carry out “administrative activities and professional tasks related to the environment: protecting assets of general interest, natural resources, natural and cultural heritage; inspection and supervision in the field of urban planning, construction, utilities and environmental protection; ….” amongst other duties. The Ministry also carries out the role of national UNFCCC Focal Point, as well as the National Designated Authority for the GCF, and is a RP for implementing, procuring, evaluation and contracting Activities 1.1.1, 1.1.3-1.1.7, 1.2.1-1.2.2 in RS. A GCF Project Implementation Unit was to be formed within the Ministry consisting of the Ministry’s staff delegated to provide assistance to GCF project activities;
* **The** **FBiH Environmental Protection Fund** (EF FBiH) whose activities comprise of fund-raising, programme preparation, implementation and development, sustainable use, protection and improvement of the state of the environment and use of renewable energy sources as further detailed in Para 124. The Fund serves as a RP to implement Activities 1.2.1 and 1.2.2 in FBiH. A GCF Project Implementation Unit was to be formed within the Fund consisting of Fund’s staff delegated to provide assistance to GCF project activities, and one GCF Project Assistant appointed through the project. The EF FBiH has had good experience working with UNDP on the complementary UNDP Project “Green Economic Development” (GED), financed by the Bosnia and Herzegovina different level of Governments and Swedish International Development cooperation Agency (SIDA);
* The **Republika Srpska Fund for Environmental Protection and Energy Efficiency** (FEPEE RS)is a legal entity with public authority who conducts activities in collecting of funds and financing implementation of programmes, projects and similar activities in the field of conservation, sustainable use, protection and improvement of the environment, and on energy efficiency as further detailed in Para 123. The Ministry for the Urban Planning, Civil Constructing and Ecology of RS conducts supervision of the work of the Fund. The Fund serves as a RP to implement Activities 1.2.1 and 1.2.2 of the Project in RS. A GCF Project Implementation Unit was to be formed within the Fund consisting of the Fund’s staff delegated to provide assistance to GCF project activities, and one GCF Project Assistant appointed through the project.

1. There is also the **BiH Ministry of Foreign Trade and Economic Relations** **(MoFTER),** a primarystakeholder whose Department of Energy is responsible for the implementation of the LCPB Project with a total of 20 employees, 4 of whom are directly assigned to the GCF Project. MoFTER are primarily in charge of coordination and reporting, including reporting to the Secretariat of the European Energy Community. They are also in charge of 41 public facilities owned by various institutions that require energy efficiency measures and emission reductions.

# Findings

## Project Strategy

1. Barriers that were to be addressed by the Project are mentioned in Section 2.2 (Paras 22 to 24). With the objective of the LCPB Project of “scaling-up investment in low-carbon public buildings via design and implementation of the National Framework for Low-Carbon Investment in Public Buildings, comprising an integrated package of policy, regulatory, technological, informational, financial and managerial solutions designed to address country-specific risks and barriers to investment”, the LCPB Project endeavors to substantially increase the level of investment in low-carbon public buildings, thereby reducing GHG emissions from the public buildings sector. The Project builds on UNDP’s De-risking Renewable Energy Investment (DREI) approach[[4]](#footnote-5) by implementing 2 outputs aimed at reducing the risks and achieving an attractive and acceptable risk-return profile, thereby addressing financial and non-financial barriers:

* Output 1.1 is to provide technical assistance to public and private sector stakeholders at municipal, cantonal, entity and national level in BiH to help address non-financial barriers, and to create conducive policies, regulations and capacities for implementation of the National Investment Framework for Low-Carbon Public Buildings. This would address policy barriers faced by investors into low-carbon buildings and infrastructure by supporting the development and implementation of enabling policy framework;
* Output 1.2 to facilitate implementation of the NIF including the required investment support to improve risk-return profiles and to bring prospective low-carbon building projects to financial close. This would improve access to green energy finance at affordable terms in partnership with local and international financial institutions.

1. This Project strategy is to result in a real and visible paradigm shift in the BiH public building sector towards low carbon sustainable development, aligning with the Nationally Determined Contribution, the National Communication to the UNFCCC and the National Climate Change Strategy of BiH, and subsequently scaling-up investment in low-carbon public buildings via design and implementation of the NIF. The GCF Project is to result in a 4-5 fold increase in the level of investment in low-carbon public buildings; this, in turn, will enable BiH to meet its stated objective to reduce GHG emissions from the public buildings sector. In addition, there will be a shift from a grant-based financing of buildings (87% in 2015) towards a non-grant based model (aiming for 15% in 2025).
2. The Project strategy is a result of intense stakeholder consultations during the design phase. The Project aims to result in direct emission reductions of 2,019,976 tCO2e by:

* taking into account the perspectives of end-users during the design process as well as those designing and installing the EE measures to ensure these retrofits are successful;
* scaling-up investments in low-carbon retrofits for 430 public buildings (representing 11% of the total public building stock in the country). Low-carbon retrofit Projects include both EE and fuel switch measures in all buildings;
* making 180 public buildings coal-free and enabling the 430 public buildings to reach a zero-carbon footprint (as far as heating energy use is concerned) by supporting implementation of low-carbon public building retrofits with combined EE and RE solutions;
* improving the access of local vulnerable communities to clean, safe and affordable energy. The retrofitted public buildings are supposed to provide improved occupancy conditions, affordable clean, adequate warmth in schools and hospitals and improved indoor and outdoor air quality. The retrofitted buildings will also provide a higher level of energy efficiency, while drawing on affordable, clean and sustainable energy sources;
* supporting improved delivery of energy management services to communities through capacity building of personnel to improve skills and competencies to design, implement and operate integrated EE measures including fuel switch interventions.

### Project Design

1. The Project aims to overcome identified policy and regulatory barriers to investment in low-carbon retrofits of public buildings, by addressing country and sector-specific investment risks outlined in Para 38. To address these barriers in the National Framework for Low-carbon Investment in Public Buildings, the Project was to provide technical assistance to support the development and facilitate the adoption of a transformational and harmonized (among entities and state-level) policy, regulatory and financing framework for investment in low-carbon public buildings including provisions enabling:

* implementation of Energy Performance Contracts (EPC) in the public sector to open up market opportunities for private investment;
* enforcement of requirements of the Law on Energy Efficiency regarding the use of IT systems for public energy management to ensure sustainability of EMIS as well as enabling the functioning of the Law on Energy Efficiency requirements regarding EE Information Systems;
* implementation of a harmonized approach to public financing and support mechanisms for low-carbon investment in the public sector;
* harmonized and coordinated implementation of the BiH’s Investment Framework and Programme for Low-Carbon Public Buildings.

1. Grant financing was requested from GCF to complement co-financing from the 2 Environmental Funds, 2 Ministries for Spatial planning and the end-users of the buildings:

* the Project GCF funds in the form of grants are used to meet the additional cost of building retrofits where the payback period of the retrofits is longer than 8 years and requires implementation of measures on the public building proposed by RPs or end users
* the Project funds were to be used for DEAs, EMIS registration and SECAPS and also infrastructure works up to 20% grant, depending on Project and NIF criteria. NIF rules and criteria have been structured in a way to catalyze more investment into low carbon public buildings;
* the perspectives of end-users were taken into account during the design process as well as those installing the EE measures to make these retrofits successful.

The investment framework for low carbon public buildings is illustrated on Table 1.

**Table** **1: Investment Framework Based on Current Financing Opportunities**

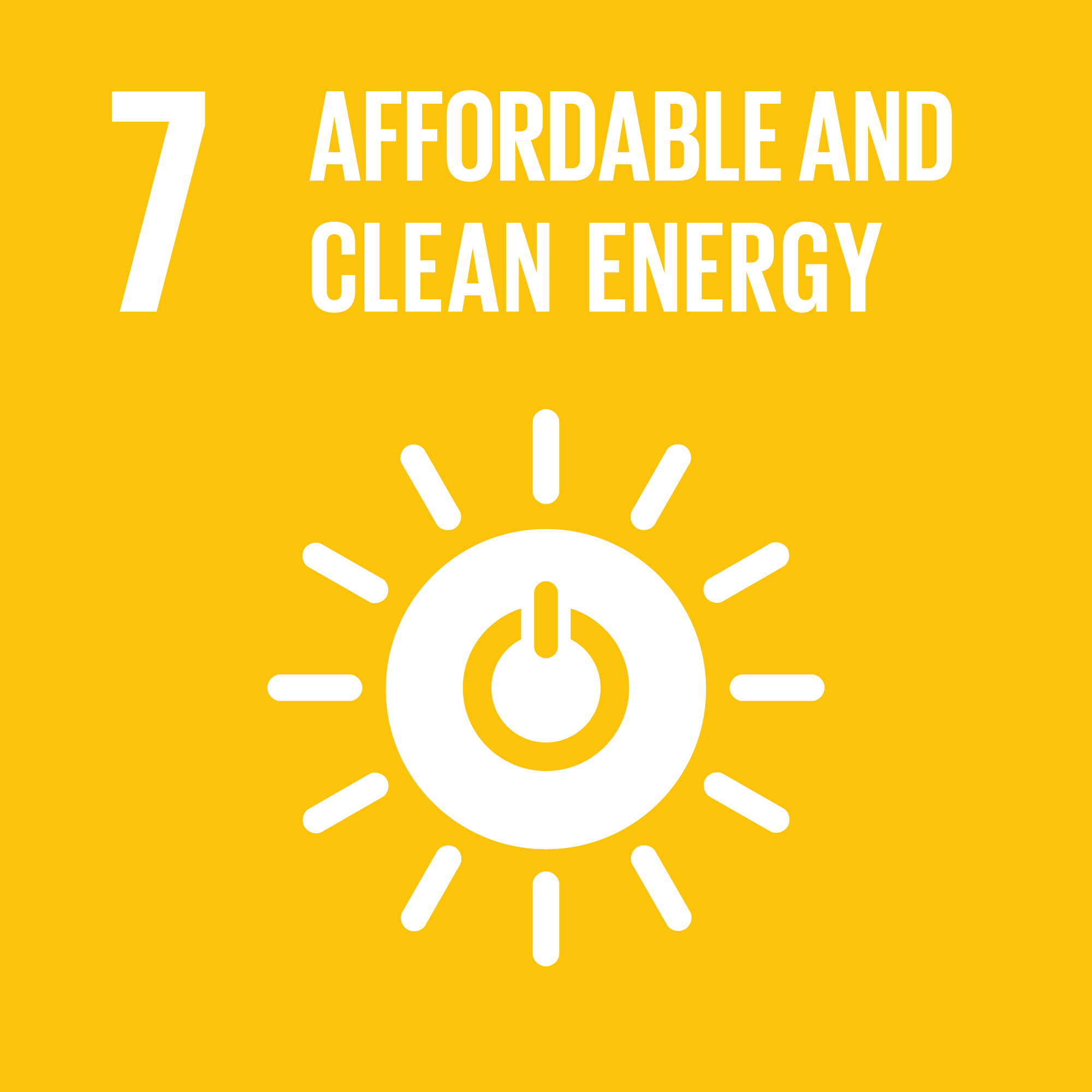
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Simple payback period (Years)** | **Own financing of end users of public buildings** | | **Financing through entity funds, ministries and development banks with debt/credit** | | **Funding through entity funds, ministries and other institutions with a grant** | | **International Financial Institutions (IFIs) Debt/Credit Financing** | | **Financing through international development agencies (UNDP, SIDA, KfW, etc.) with a grant** | | **Specific forms of financing: ESCOs, public-private partnerships, etc** | |
| *Project prepara-tion* | *Investment* | *Project prepara-tion* | *Investment* | *Project prepara-tion* | *Investment* | *Project prepara-tion* | *Investment* | *Project prepara-tion* | *Investment* | *Project prepara-tion* | *Investment* |
| ***< 5*** | *x* | *x* | *x* | *x* | *x* |  | *x* | *x* | *x* |  | *x* | *x* |
| **5<X<10** | *x* | *x* | *x* | *x* | *x* | *Up to 20%* | *x* | *x* | *x* | *x* | *x* | *x* |
| **10<X<15** | *x* | *x* | *x* | *x*  *(up to 12 years)* | *x* | *Up to 50%* | *x* | *x* | *x* | *x* | *x* | *x* |
| **> 15** | *x* | *x* | *x* |  | *x* | *More than 50% but up to 80%* | *x* | *x* | *x* | *x* | *x* | *x* |

1. The GCF investment is modest in contrast to the financial losses that will be avoided, both in the short and long-term. The investment also leads to the creation of a “carrot” incentive by training building owners and managers to prepare for the investment, and providing a grant that will lower the payback period of a low carbon public building investment, making it a more attractive investment.
2. The GoBiH’s co-financing is in the form of cash grants to support the low carbon retrofits of public buildings from the 2 Environmental Funds. Together with the GoBiH’s commitment to a high level of co-financing, the Project offers a mechanism established through the NIF adopted by all RPs to implement investments in low-carbon public buildings. In addition, the GoBiH has made commitments for the sustainable operation and maintenance of these buildings through the EMIS, monitoring energy consumption and proposing measures where possible to decrease consumption. All EMIS coordinators, managers and users are named from different levels of government and are solely responsible for EMIS data management. Public buildings for rehabilitation are proposed from RPs according to NIF and project criteria, and according to criteria which automatically determines which building is eligible for GCF grant. Other leveraged investments come from WB, other IFIs and from different levels of government.
3. All of these design features are reflected on the LCPB Theory of Change as illustrated on Figure 3.

### Analysis of the ToC and Project Results Framework

1. The ToC (Figure 3) and the Project Results Framework (PRF) of the LCPB Project (Appendix H) has PRF indicators that generally meet “SMART” criteria[[5]](#footnote-6), sufficient to effectively monitor Project progress. Project objectives, outcomes and outputs are clear, practical, and feasible within the suggested time frames. Outputs are strongly linked with intended Project outcomes of “5.0 Strengthened institutional and regulatory systems for low-emission planning and development” and “7.0 Lower energy intensity of buildings, cities, industries, and appliances”. These in turn are strongly linked with the Fund Level Impact of “M3.0 Reduced emissions from buildings, cities”.
2. The ToC and PRF are also strongly linked with the GCF Paradigm shift objectives of contributing to shifting BiH to a low-emissions sustainable development pathway in two ways: 1) it improves efficiency of energy use in public buildings by at least 50%; and 2) it enables the switch from fossil to renewable energy sources in public buildings. This leads to delivery of BiH’s UNDP Strategic Plan:Output 1.5, BiH’s UNDAF/Country Programme Document Outcome 05, and contribution to SDGs 7, 9, 11, and 17. Appropriate MRV systems are setup in the design of Output 1.1, Activity 1.2.2: Design and monitoring of the National Framework for Low-Carbon Investment in Public Buildings with the EMIS system and the DEAs. In the PRF, all assumptions still hold in the context of achieving Project results. The ToC intervention logic is coherently aligned with this approach and does not need adjustments.
3. Improvements that can be made with the PRF and the ToC would be to insert drivers and assumptions that drive and make possible activities to project results, and from project results to outcomes. Addition of these drivers and assumptions to the PRF and ToC would improve the capturing of Project pathways to achieve its intended results and outcome. For example:

**Figure 3**: **LCPB Theory of Change**

****   ****

**UNDP Sustainable Development Goals**

Reduced emissions from buildings, cities, industries and appliances

**Outcomes**

Strengthened institutional and regulatory systems for low-emission planning and development

Lower energy intensity of buildings, cities, industries, and appliances

**Project Activities**

Output 1.2: Addressing financial barriers to low-carbon investment in buildings and infrastructure:

* Implementing National Framework for Low-Carbon Investment in Public Buildings
* Design and monitoring of the National Framework for Low-Carbon Investment in Public Buildings
* Evaluation, lessons learnt analysis, designing follow-up financing scheme, knowledge-sharing

Output 1.1: Addressing non-financial barriers to investment in low-carbon buildings and infrastructure:

* SECAPs
* Energy management
* EE-RE project preparation
* EE-RE project oversight
* Training and Capacity Building
* Awareness-raising among building end-users
* Designing National Framework for Low-carbon Investment in Public Buildings

Low financial returns

Limited access to finance

Fragmented jurisdiction and weak capacities

**Barriers and Risks**

Inadequate occupancy condition in public buildings

Local Pollution

High GHG Emissions

**Project Results**

**Developmental and Environmental Challenges**

* assumptions that have already been made in the PRF for Project activities to reach Project results can be added to the ToC such as “authorities in both entities remain committed to adopting harmonized and effective policy framework and pursuing sustainable energy targets” and “procurement process is efficient and timely”;
* drivers of the process for Project activities to reach Project results can be included in the ToC. Drivers can include “governments seeking solutions to higher fuel prices and climate change”, “stakeholders seeking relief from high energy costs”, and “stakeholders willing to incorporate lessons learned in demonstration buildings to catalyse EE and RE investments”;
* similarly, assumptions from Project results to Outcomes can include “economic conditions stabilized to permit EE and RE investments” and “government is able to setup supporting financial programmes to increase access to EE and RE equipment”; and
* drivers from Project results to Outcomes can include “governments enforce mandatory codes and standards for RE and EE” and “governments promoting the transition to RE and EE as a pillar of its national energy efficiency and renewable energy strategy”.

1. Gender aspects of the Project are being monitored effectively by gender disaggregating all targets dealing with people as derived from the Gender Action Plan (GAP). However, since the focus has been on retrofitting public buildings, there is limited activity to date to catalyze beneficial development effects such as the provision of market education and awareness to the public, especially to women about the positive effects on children’s health and safety of the retrofitted schools and hospitals, and that will seek to engage with women organizations to become agents of change and promote the positive results of energy efficiency measures in terms of environmental, social and economic benefits. Overall, the LCPB Project design and formulation is rated as **satisfactory.**

## Relevance

1. Project design is rooted under several relevant national and international agreements and legislation, which are widely accepted and welcomed by the Bosnia and Herzegovina population, especially concerning air quality and environment problems occurring more often (catastrophic floods in 2014, four major drought seasons in the last ten years, and several more local incidents like fires, flash floods almost every year these agreements include:

* the Law on Spatial Planning and Construction in Republika Srpska (“RS Official Gazette” no 40/13) that provides the legal framework for secondary legislation, regulations and guidelines including energy auditing regulations, building certification systems and equipment standards defining the maximum energy consumption in buildings and requirements for building certification. The Laws on Energy Efficiency of FBiH (under consideration by the Parliament) and of RS (adopted in 2013) recognize the importance of the public sector to lead the transition towards a low-carbon economy, stipulating a number of important provisions[[6]](#footnote-7);
* the Second National Communication to the UNFCCC (2013) that emphasizes the potential for considerable GHG emission reductions (up to 80%) from improving the thermal performance of building envelopes, replacing HVAC systems, as well as fuel switch measures (coal to biomass) in buildings;
* the First Biennial Update Report of BiH to the UNFCCC (2014) that provided a more detailed analysis of building sector’s GHG emissions and mitigation potential clearly demonstrating significant economic benefits and GHG emission reduction potential of increased EE in building sector, particularly with public buildings where the current level of support is negligible;
* its Nationally Determined Contribution (NDC) under the 2015 Paris Agreement where BiH explicitly recognizes the potential of public sector buildingsfor GHG emission reduction and emphasizes to *“increase emission reduction amount and develop a sustainable system for public building renovation, international financial support”.* The NDC’s unconditional mitigation scenario foresees implementation of minimal energy performance requirements related to increased EE within this sector, which are primarily applicable to new building construction. Provided that Bosnia & Herzegovina is granted access to IFI support for mitigation activities, which include, inter alia “systemic energy rehabilitation of existing buildings (focus on public sector)”, BiH commits to reduce emissions by approximately 23% in 2030 relative to the baseline scenario;
* the NDCs and Climate Change Adaptation and Low Emission Development Strategy of BiH that features 4 priority sectors for climate change mitigation of which energy efficiency in buildings is highlighted as having the strongest potential for emission reduction and presented as a key priority at national level;
* the Building Reconstruction Strategy by 2050 developed by the State Ministry Foreign Trade and Economic Relations, with technical assistance from United States Agency for International Development (USAID) and German Technical Cooperation Agency (GTZ);
* the International Energy Charter (2016) and the Energy Community Treaty (2009), signed by the Government of BiH indicating the Government’s recognition of the need to improve energy efficiency to ensure sustainable, low-carbon economic growth. BiH has subsequently transposed a number of EU Directives and, as a member of the Energy Community Treaty, has developed the National Energy Efficiency Action Plan (NEEAP) that is now operational. Energy efficiency improvements in buildings are expected to make the single greatest contribution to achieving this target with an annual reduction in energy consumption of 1,900 GWh.

1. The Project is also linked to:

* UNDAF for BiH, Outcome 5: By 2019, legal and strategic frameworks enhanced and operationalized to ensure sustainable management of natural, cultural and energy resources;
* United Nations Sustainable Development Cooperation Framework (UNSDCF) for Bosnia and Herzegovina 2021–2025[[7]](#footnote-8) and the UNDP Country Programme Document for Bosnia and Herzegovina 2021–2025, Outcome 1[[8]](#footnote-9). By 2025, people benefit from resilient, inclusive, and sustainable growth ensured by the convergence of economic development, and management of environment and cultural resources;
* UNDP’s Strategic Plan 2018-2021 for BiH which set out an ambitious agenda: to transform UNDP into a more nimble, innovative thought leader, more effective and efficient at delivering results, and a trusted partner for countries in reaching the SDGs; UNDP’s Strategic Plan 2022-2025 emphasizing working together with partners to deliver expected outcomes in challenging times, as well as expand people’s choices for a fairer, sustainable future. UNDP Country Programme Document for Bosnia and Herzegovina 2021-2025 for BiH: Output 1.5: Inclusive and sustainable solutions adopted to achieve increased energy efficiency and universal modern energy access (especially off-grid sources of renewable energy);
* Sustainable Development Goals: SDG7 (Affordable and Clean Energy); SDG9 (Industry, Innovation, and Infrastructure); SDG11 (Sustainable cities and communities); and SDG17 (Partnership for the goals)..

## Effectiveness and Efficiency

1. Almost all activities are being completed on time and in line with the Annual Work Plan. Outputs are strongly linked to intended outcomes which link to the broader paradigm shift objectives of the Project. The Project had minor problems and delays with the MSPCE, primarily related to implementation of annual work plan. The Project’s primary challenge and risk for the Project to be more effective, will be to ensure that the EF FBiH can in future implement building retrofit activities, instead of continuing to rely on UNDP. Another challenge requiring additional attention is the slow tendering and procurement processes of MSPCE. However, the overall effectiveness of the LCPB Project is **highly satisfactory** due to the following:

* the coherent logic of the ToC is used in helping the Project achieve results;
* development of the NIF within 41 developed SECAPs for 41 cities and municipalities (against a baseline of 14) placing potential investment in EE measures of public buildings to US$100 million;
* 332 DEAs of public buildings developed and shared with RPs (against a baseline of zero) for their usage with other IFIs against a Project target of 300 DEAs;
* heavy application of EMIS system and its monitoring capabilities has improved the decision-making process regarding EE measures investments in public buildings;
* effective introduction of the ESCO financial mechanism in BIH with potential to secure financial resources for implementation of EE measures on a larger number of public buildings;
* completion of 161 retrofitted buildings against a baseline of zero buildings;
* in general, Project results are on track. The financial delivery and Project indicators illustrate good Project activity implementation.

The planned inputs and strategies identified were realistic, appropriate, and adequate to achieve the results, but there are lot of changes during first years of the Project implementation, from the COVID-19 pandemic to global market of construction material disruption.

1. Outputs 1 and 2 were achieved in a timely manner, only with minor delays to the current situation. With the COVID-19 pandemic, the implementation of EMIS training transitioned from in-person trainings to fully online modality. Though this situation led to 6-month delays, similar delays occurred in other training activities. While it was impossible to conduct any meetings during the lockdown in effect for several months with many government officials infected with COVID, the LCPB Project managed to adapt to the circumstances, successfully organize training online, and overcome the 6-month delays in the Project schedule.
2. There were significant challenges for the construction sector in Bosnia and Herzegovina that began in the end of 2020 at the height of the COVID-19 pandemic. Changes in the global market were reflected on the local market in BiH where there were price increases on some materials. RPs (primarily MSPCE) experienced a 30% increase in prices during the first half of 2021 during tendering procedures. This caused cancelation of one tender and delays in the implementation of Project activities. In addition, FEPEE RS experienced cost increases with contractors requesting a change of materials due to their lack of availability in the local market. These requests were granted assuming the substitute material was of the same quality and close to the expected price; due to additional approvals, this caused delays in the work schedule.
3. Furthermore, the civil construction sector in Bosnia and Herzegovina experienced a lack of skilled workers in 2021. Two companies from the market responded to this challenge by hiring workers from Bangladesh while the rest of the struggled with their work forces. The second half of 2021 brought, to some degree, stabilization of both prices, worker supply and supply chain in the market. One of the RPs, MSPCE, successfully conducted procurement procedure within expected prices.
4. To summarize, the global increase of prices and demand of construction materials has caused and will for sure cause disturbance in civil construction sector in Bosnia and Herzegovina after this evaluation and during upcoming period of LCPB implementation. The trend seems to be stabilizing now. Lessons learned from the first wave of price increase was:

* RPs might cancel procurement processes in the event of receiving significantly higher offers compared to the cost estimate;
* RPs might have an increase in official correspondence with contractors requesting various but justified changes in BoQs;
* possible delay in implementation regarding targeted public buildings of RPs in Years 4 and 5, which may result in a request for a Project No-cost extension;
* coordination meetings to discuss mitigation measures undertaken by the Project with RPs regarding the aforementioned challenges which resulted in following conclusions:
* streamlining of efforts in procurement processes by RPs which translated into the following agreed actions: revision of cost estimate (when appropriate), instruction to Project design companies to put additional effort into proper BoQ pricing, and RP Project Implementation Units (PIUs) to advertise tenders as fast as possible in case of cancelation, immediately start procedure of re-advertising;
* RP PIUs fast response to contractor’s official requests for changes in BoQ such as a change of Styrofoam instead of stone wool;
* increasing frequency of visits to construction sites by consultants engaged for oversight of works.

1. Generally, the efficiency of the LCPB Project is **satisfactory** due to the following:

* Project was off to a slow start with RP-level authorities not established[[9]](#footnote-10) until December 2019 to manage the Project leading to the lack of delivery of EE retrofits in Years 1 and 2 of the Project;
* Project did well to recover in Years 3 and 4 with most output and outcome targets being met with a compressed period of 2 years.

## Progress towards Results

### Progress towards Outcome Analysis

1. Progress towards results is provided on Table 2 against the mid-term and EOP targets in the LCPB PRF. Comments on some of the ratings are provided in the following paragraphs. For Table 2, the “achievement rating” is color-coded according to the following scheme:

|  |  |  |
| --- | --- | --- |
| Green: Completed, indicator shows successful achievements | Yellow: Indicator shows expected completion by the EOP | Red: Indicator shows poor achievement – unlikely to be completed by Project closure |

**Table 2: Progress Towards Results Matrix (Achievement of outcomes and outputs against End-of-Project Targets)**

| **Project Strategy** | **Indicator** | **Baseline Level** | **Mid-Term Target** | **End-of-Project Target** | **Interim Level and Assessment** | **Achieve-ment Rating** | **Justification for Rating** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Fund level Impact:**  *M3.0 Reduced emissions from buildings, cities, industries and appliances* | Tonnes of carbon dioxide equivalent (tCO2eq) reduced in public building sector | 0 | 500,000 | 2,019,976 | 462,412. However, there is a strong likelihood that EOP GHG emission targets of Project cannot be met |  | See Paras 59 and 82 |
|  | Number of people benefitting from improved working/ occupancy conditions in buildings (disaggregated by gender) | 0 | 35,000  (18,200 women) | 150,000  (80,000  women) | 243,274  (123,310 women) |  |  |
| **Project Outcomes:** | | | | | | | |
| M5.0 Strengthened institutional and regulatory systems | M5.1 Number of policies, institutions, coordination mechanisms and regulatory  frameworks that improve incentives for low emission planning and development and their effective implementation | *14 SECAPs approved by*  *City Councils* | *34 SECAPs updated/*  *approved by City Councils* | *54 SECAPs*  *updated/*  *approved by City Councils* | 41 SECAPs (34 adopted by local municipalities) |  | See Para 60 |
|  | Number of gender-sensitive policies, and regulatory frameworks for low‐emission planning and development | 0 | ~~5~~ | 20 | 34 adopted by local municipalities and 3 RPs adopted NIF |  |  |
| M7.0 Lower energy intensity of buildings, cities, industries and appliances | M7.1(a) tCO2eq emissions reduced due to  improvements in public sector building design and energy efficiency | 0 | 500,000 | *2,019,976* | 462,412. However, there is a strong likelihood that EOP GHG emission targets of Project cannot be met |  | See Paras 61 and 82 |
| **Project Outputs:** | | | | | | | |
| **Component 1:** | Share of grant finance in the total investment for low-carbon public buildings | *87%* | *50%* | *15%* | 11.51% |  |  |
|  | Number of jobs created via project-facilitated investment | N/a | 1,500 | 5,630 | 3,220 (11% women) |  |  |
| **Output 1:** Non-financial barriers  to investment in low-carbon public buildings addressed | Number of SECAPs updated/developed and  adopted | 14 | 20 | 40 | 41 (34 adopted by local municipalities) |  | See Paras 60 and 63 |
|  | Number of public buildings covered by EMIS | 2,100 | 4,000 | 5,000 | 3,944 |  | See Paras 64-66 |
|  | Number of EE-RES retrofit projects (DEAs) in public buildings identified, prepared and tendered out | 90 | 200 | 430 | 332 |  | See Paras 67-70 |
|  | Number of people trained, including share of women (%) | 0 | 500 (30%) | 2,500 (30%) | 894 (34% women) |  | See Para 71 |
|  | Number of end-users covered by PR and advocacy campaign, including minimum share of women | 0 | 50,000 (at least 52% women) | 150,000 (at least 52% women) | 800,000 (46% women) |  | See Para 73 |
|  | Status of BiH EE Investment Framework for low-carbon public sector buildings | No Framework | The Framework is adopted | The Framework adopted and is under implementation in both entities | Framework adopted in 2020 (State-level in July 2021) |  | See Para 74 |
| **Output 2:** Financial barriers to investment in low-carbon public buildings addressed | Amount of finance leveraged for investment in low-carbon public buildings | 0 | US$ 20 mln | US$ 100 mln | 8 ESCO projects  US$46.8 million |  | See Paras 75-81 |
|  | Legal and operational status of the Framework | N/A | Framework legally established | Framework is operational | *National Investment Framework document and operational guidance has been established and adopted by all 3 RPs. The NIF has been adopted in the form of Guidelines for Investment in Energy Efficiency in both Entities. They are applied in the implementation of EE measures by the Ministries of Spatial Planning, on public facilities under the jurisdiction of the municipalities, entities, cantons, and the state of BiH.* |  |  |

*Fund-level impacts:*

1. With the Fund Level Impact of “3.0 Reduced emissions from buildings, cities, industries and appliances”, progress can be characterized as follows:

* 462,412 tCO2 of reduced emissions[[10]](#footnote-11). This approaches the mid-term target of 500,000 tCO2 of reduced emissions;
* 243,274 people including 123,310 women have benefitted from using the public buildings that have been EE/RE retrofitted. These numbers exceed the mid-term target of 35,000 (18,000 women);
* 7.5% of the population of BiH have benefitted from low carbon measures in public buildings, exceeding the mid-term and EOP targets of 1% and 4% respectively.

A report on the Project’s emission reduction is found in Appendix F.

*Project Outcomes in numbers:*

1. In terms of “M5.0 Strengthened institutional and regulatory systems”, the following was implemented:

* SECAP implementation started in September 2019 and was completed by 1 July 2021;
* 34 SECAPs were successfully adopted and submitted to Covenant of Mayors. These could also be considered as gender-sensitive policies and regulatory frameworks for low‐emission planning and development;
* 7 SECAPs are completed but not adopted. The Project is in the process of recruiting a consultant to analyse the implementation process of SECAPs in 5 Local Governments in RS who have not yet adopted SECAPs (Banja Luka, Foča, Jezero, Derventa, Prnjavor), and to identify obstacles for adoption. The consultancy is expected to be completed in June 2023.

1. With regards to “M7.0 Lower energy intensity of buildings, cities, industries and appliances”, see Para 59 (1st bullet) for further details.

*Project Outputs in numbers:*

1. Technical assistance to support Output 1 was provided to public and private sector stakeholders at municipal, cantonal, entity and national level in BiH to help address non-financial barriers, and to create conducive policies, regulations and capacities for implementation of the National Investment Framework for Low-Carbon Public Buildings. Out of the 4 RPs, the EF-FBiH was the only RP not to adopt the NIF due to political issues within the Fund’s Senior Management.
2. With respect to Project Activity 1.1: SECAPs preparation, the activity is summarized in following on Para 60. SECAPs are the primary policy instrument to promote low-carbon and climate-resilient development level at the local level in BiH. They establish local targets for energy saving and RE deployment, prioritize sectors for investment, and assign responsibilities for implementation. As such, they are an essential tool to ensure Project sustainability and long-term impacts. Given BiH’s highly decentralized governance system, SECAPs are particularly important to ensure ownership, buy-in and domestic financing. However, due to COVID-19 measures and restrictions, many of the municipalities could not conduct SECAP meetings.
3. With Project Activity 1.2: Energy management, a robust system of Measurement, Reporting and Verification (MRV) for building sector energy use and GHG emissions was essential for unlocking and sustaining investment in building retrofits. The following was implemented:

* the Project started training of new EMIS users in 2018 for staff of 8 public buildings. A total of 250 persons were trained for regular entering of all required data into EMIS as well as administrative reporting;
* by 2019, a total of 250 new public buildings were registered under EMIS. The installation of EMIS was then followed by training of 279 end-users in 24 training sessions;
* by 2020, a total of 499 public buildings were registered under EMIS. The installation of EMIS was then followed by training of 229 persons (126 male and 103 female) in 11 EMIS trainings for new end-users of public sector buildings and 15 sessions for energy managers and coordinators;
* by 2021, cumulative total of 3,694 (837 in 2021) new public buildings were registered under EMIS on EMIS in 2021 was 450 (264 male and 186 female) with an additional 241 users (167 males and 74 females) attending energy management trainings organized by service provider;
* by mid-2022, an additional 250 public buildings were covered under EMIS, bringing the total number of public buildings to 3944. EMIS training was provided to 1,307 new users (753 males, 554 females) as shown in Table 3.

**Table 3: Training for energy manager coordinators/energy managers and energy associates from the organizational scheme of energy management in FBIH 2022**

|  |  |  |  |
| --- | --- | --- | --- |
| Reporting period: 01.01.2022 - 30.06.2022 | | | |
| **Total number of trained persons** | **1,307** |  | (F:43% M:57%) |
| Total number of energy associates | 1,177 |  |  |
| Total number of energy managers | 130 |  |  |
|  | | | |
| Energy associates (total) | **On-line** | **In person** | **Total (M/F), %** |
| Male | 294 | 367 | 661 (56%) |
| Female | 260 | 256 | 516 (44%) |
| **TOTAL (on-line / in person)** | 554 | 623 | **1,177** |
|  | | | |
| Energy managers (total) | **On-line** | **In person** | **Total (M/F), %** |
| Male | 0 | 92 | 92 (71%) |
| Female | 0 | 38 | 38 (29%) |
| **TOTAL (on-line / in person)** | 0 | 130 | **130** |

1. EMIS implementation has been supported by the installation of EMIS software in public buildings and utilities, selection and training of building energy managers, collection and input of primary data, training and advice on data collection, analysis and aggregation at the municipality level. Building on the results of EMIS application at building-level, the Project has supported authorities and SME companies on identification, implementation and monitoring of low-carbon investment Projects in public sector buildings.
2. Under Project Activity 1.2, assistance was and will be provided to develop, test and implement appropriate IT solutions to enable compliance to the Law on Energy Efficiency of RS and FBiH and its requirements for EE information systems. An important aspect of this activity is carrying out energy intensity mapping of buildings and supporting municipal and entity-level authorities in identifying and prioritizing buildings for investment using established energy intensity benchmarks and indicators. Towards the EOP, all 5,000 public buildings in BiH should be covered by EMIS against the current number of 3,944 buildings, creating a unique precedent and an example to follow for other developing countries. The Project is on track to reach the EoP target value.
3. With respect to Project Activity 1.3: EE-RE Projects preparation, the following was implemented:

* DEAs started in April 2019 with a total of 332 completed by 2021;
* DEAs have provided additional possibilities for RPs to identify investments based on audits and estimated payback period. Thus far, 45 of the completed 101 retrofitted public buildings received investments based on the DEAs developed by the Project;
* all RPs accepting the "Zero Tolerance Guidelines" practice regarding corruption prevention rules;
* with designs in place, retrofits for public buildings with a payback period of more than 8 years were targeted for GCF support of 20% of the capital cost reducing the payback period[[11]](#footnote-12). It was determined that retrofits where the payback period was less than 5 years did not need GCF support;
* DEAs were developed only for hospitals, health care centres and schools under GCF and WB Projects for reconstruction of public buildings as well as KfW and EBRD energy efficiency retrofits in Canton Sarajevo, retrofitting buildings under the Federal ministry for spatial planning budget.

1. DEAs were to be compatible with requirements of the EU Energy Performance in Buildings Directive (EPBD) to ensure compliance with international best practices and standards. Each Project contained financial analysis of the proposed measures, and, if required, justification for financial assistance under Output 1.2 of the LCPB Project. Existing DEAs conducted by the on-going UNDP (90) and WB (50) Projects were to be used for investment decision-making. However, many of the proposed investments were not sufficiently bankable to meet existing requirements, justifying additional investment support.
2. With respect to Project Activity 1.4: Projects oversight, the following was implemented:

* in 2019, work was conducted to support municipalities throughout Project implementation including organization of tenders (that follow World Bank rules and procedures), legal and financial assistance to municipalities to identify appropriate financing and implementation structures for Projects, organizing and procuring the services of ESCOs under an EPC modality for Projects with quick pay-back and high financial returns[[12]](#footnote-13), and work supervision through to the commissioning of the retrofit;
* in 2020 and 2021, Project oversight was conducted for 101 public buildings[[13]](#footnote-14);
* during the period of January-July 2022, Project oversight was conducted for 60 public building retrofits including quality assurance of construction works. This included public buildings financed by GCF grant and public buildings financed by other sources (such as World Bank, government budgets, and ESCOs)[[14]](#footnote-15);
* for some buildings, the focus was on mechanical works (such as heating systems, pumps, boilers), due to the higher generation of CO2 emission reductions[[15]](#footnote-16).

1. The Project provided the full range of required support activities to building end-users to ensure quality and timely implementation of selected EE-RE retrofit Projects in buildings. At the beginning of the Interim evaluation, 161 public buildings retrofitted by RPs. Current value presents number from beginning of Project and includes baseline value. Moreover, 45 DEAs out 332 developed were used for investments on public buildings.
2. With respect to Activity 1.5: Training for various stakeholders, the following was implemented:

* during 4Q 2018, the Professional Development Program for municipalities, public facilities, public utilities, small and medium enterprises was delivered on how to finance energy efficiency measures for these institutions and to create further in-depth understanding and increased skills of potential users and applicants;
* UNDP delivered trainings for RPs focused on capacity building related to procurement, narrative and financial reporting, and any other thematic areas. With state-level authorities not established until December 2019, this training was delayed by the COVID-19 pandemic and the inability of RPs to attend because of the lockdown. Online training was offered to RPs starting in June 2020, followed by 3-day in-class training in October 2020;
* in 3Q and 4Q 2021, ESCO training was delivered at 6 locations throughout BiH with the UrbanLed Project involving 145 participants out of which 45 were female;
* training for various stakeholders in “Energy Efficiency for Decarbonization” was planned for up to 365 trainees. An LoA was signed in April 2022 with the MPP FBiH to transfer this activity to the Ministry.
* all Ministries had significant benefits in terms of new knowledge, skills and procedures for the realization of future Projects through NIP, Project documents and SECAPs.

1. The Project will continue to deliver training and capacity building activities that target municipal and state-level stakeholders, as well as potential ESCO companies to educate them about energy management, Project development, implementation and monitoring. The Project aims to ensure that at least 30% of beneficiaries of the trainings will be women. Currently, 894 people have been trained of which 34% are women. This surpasses the midterm target.
2. With respect to Project Activity 1.6: Awareness-raising and training for building end-users, the following was implemented:

* during 2020, media campaign on SECAP promotion started even though COVID pandemic caused various delays. Infographic and 2 promo videos were created and published on social, electronic, print media, and on TV stations. 103 articles on related topics were published in 50 electronic and print media, as well as 23 posts on Facebook and 17 on Twitter;
* in 2021, information on the Project was funnelled through radio SHOWS on BN, OBIČAN RADIO, BHRT, RSG RADIO and on TV Shows (BHT1 and O kanal), reaching an audience of almost 470,000 in 4 days in December 2021. The contract for the media campaign service provider ended in December 2021;
* during April-May 2021, 256 articles were published on internet portals throughout BiH on low carbon energy efficiency topics. At the end of 2021, more than 15 different publications and hosts on TV, radio, press, competitions for bloggers and journalists, provided successful outreach to 799,510 people (46% women);
* the awareness-raising campaigns targeted the users and occupants of public buildings including school children, with the purpose of informing and engaging them in energy-saving measures and promoting more rational behaviour with regard to energy use. Women are expected to be the largest group of beneficiaries and participants in the awareness-raising campaign. Based on EMIS data, women constitute 52% share of public building users.

1. With respect to Project Activity 1.7: Drafting BiH Investment Framework for Low-Carbon Public Buildings, the following was implemented:

* the Project provided technical assistance to support the development and facilitate the adoption of a transformational and harmonized policy, regulatory and financing framework for investment in low-carbon public buildings. Consultants completed preparation of the Operational Guidelines of the NIF in April 2020;
* the NIF was adopted by two entities and state level: Council of Ministries of Bosnia and Herzegovina in July 2021, MPP FBiH on 9 July 2020, MSPCE on 2 July 2020).in July 2020, and at the state-level in July 2021;
* provisions in the NIF enabled:
  + implementation of EPC contracts in the public sector to open up market opportunities for private investment;
  + enforcement of the Law on Energy Efficiency in regards of using IT systems that will further enhance use of UNDP’s developed EMIS that is used as primary tool for tracking energy related data in Public Sector Buildings and in particular for the implementation of GCF projects.;
  + implementation of a harmonized approach to public financing and support mechanisms for low-carbon investment in the public sector. This includes the strict following of the NIF and Programme by the RP’s and Project for GCF grants.

1. Under Output 2, Project support was provided to implement the NIF for low-carbon investment in public buildings. This was to address identified financial barriers and to establish a blueprint for a more effective, better coordinated and harmonized approach to public funding allocations, and to improve risk-return profiles and to bring prospective low-carbon building Projects to financial close. Under the Framework, all public buildings (regardless of jurisdiction) will be able to receive technical assistance for EE-RE Project preparation (to be provided under Output 1);
2. With respect to Project Activity 2.1: Implementation of Framework for Investment in Low-Carbon Buildings, implementation of the NIF was conducted from 4Q 2019 to 2Q 2022, contributing to the successful retrofitting of 161 public buildings. This includes 17 buildings up to 2020, another 101 buildings up to 2021, and an additional 60 building being implemented in 2022 for a total of US$46.8 million leveraged in co-financing, exceeding the mid-term target of US$20 million by 234%%. The Project supported implementation of low-carbon building retrofits for these 161 public buildings by providing technical assistance for Project identification and oversight under Project Activity 1.4 and investment support from Project Activity 2.1 to co-finance EE and RE measures. GCF funds were used to ensure low-carbon retrofits in buildings meet minimum technical, socio-economic, financial and environmental requirements, which could not be financed in full, in particular, measures involving coal to biomass fuel switch.
3. In line with the Operational Guidance of the NIF, the Project prepared detailed project specifications and undertook procurement of EE-RE works and services for the 161 public buildings. Payments to contractors were made by RPs after completion and certification of works. The Project allocates up to US$33,000 per building; this translates into US$9.54 million of Project funds **or co-financing** to finance EE-RE measures for up to 430 public buildings that have a payback period of 8 years or more. For other types of buildings, the preferred modality is the use of existing national environmental funds which includes a combination of debt financing, end users own funds, and funds from ESCOs.
4. With the Project exceeding its mid-term co-financing target of US$20 million with US$46.8 million leveraged to date, there is strong interest from domestic and international IFIs for NIF implementation. The Project should be able to reach the target number of public buildings notwithstanding the current global situation with the war in Ukraine, the increase of prices, supply chain issues, and the COVID-19 pandemic. Questions remain, however, in whether or not the GHG emission reduction target can be met under these conditions. Considering the current war in Ukraine, the increase of prices, and supply chain issues, the GHG emission target is not likely to be met.
5. With respect to Project Activity 2.2: Design and Monitoring of the Investment, monitoring of NIF implementation by local civil engineering consultants is continuing in addition to the 161 public buildings to date. With the Project having supported the preparation of the NIF Operational Guidance to detail the process and procedures for allocation of public funds for LCPBs and capacity building to all RPs involved in implementation, technical assistance was provided to finalize the design of the ESCO-related component of the NIF to support its implementation on a pilot basis, which then informed the design of the NIF.
6. Starting from 4Q 2019, technical support was provided to all RPs to assist them with the implementation of the NIF from project appraisal, procurement, monitoring and reporting, with a particular focus on strengthening RP capacity to work with different financial instruments and identify the most appropriate financing package for low-carbon building retrofits. The Project contributed to monitoring of NIF on 161 public buildings by mid-2022.
7. With respect to Project Activity 2.3: Lessons learnt and knowledge sharing, a key objective of the Project was to jump-start the energy service market in BiH’s public sector by providing nascent ESCO companies with seed capital and opportunities to implement their first EPC contracts. The ESCO model’s by-laws and regulatory framework were being developed under the within the project activities of another UNDP BiH project, financed by the GEF (UrbanLED - [URBANLED Project | United Nations Development Programme (undp.org)](https://www.undp.org/bosnia-herzegovina/projects/urbanled-project) ). The LCPB and UrbanLED closely cooperate within the same sector in UNDP BiH. 2019 and 2024 The ESCO model was being implemented on public buildings as well as the public lighting system (with no detailed audits for public lightning system). A total of 8 ESCO Projects are being implemented now to generate practical information and data on the profitability of low-carbon investment in public buildings and the feasibility of ESCO models. Once these pilot EPCs are completed by ESCOs, the Project will explore alternative options to assist ESCOs in raising finance such as third-party investors to ESCO companies or the issuance of municipal green bonds for EE.

### Remaining barriers to achieving Project objective

1. There are emerging barriers at this time to implementing the Project consisting of more costly goods and labor shortages which will have the potential impact of slowing down the pace of retrofitted public buildings:

* rising costs primarily due to the war in Ukraine that is causing shortages of commodities, goods and equipment. Goods such as steel and insulation material[[16]](#footnote-17) that have to be imported, have risen in price by 40 to 50% leaving many of the ESCOs and associated companies reluctant to sign off on contracts (due to price adjustments and “changing clauses” in the contract);
* shortages of qualified personnel and workers are being experienced. For the FEPEE RS, the challenge is limited public sector wages that reduces the likelihood of highly skilled staff (such as mechanical or civil engineers) being recruited as they can earn significantly higher wages in the open market. The FEPEE RS currently has sufficient human resources to implement the Project but have restrictions on hiring qualified staff;
* as a result of rising prices and shortages of qualified personnel and workers, contracting is not as profitable necessitating changes to the Law on Public Procurement in BiH or the realization of schemes such as ESCOs should be approached through the Law on Public and Private Partnerships;
* there is a strong likelihood that GHG emission targets of the fund level impact of the Project cannot be met.

### Assessment of impact of COVID-19 on implementation

1. There was limited impact of the COVID-19 on implementation of Outputs 1.1 and 1.2. The Project got started in 2020 with infrastructure works when the PIUs were functional for implementation of EE measures on public buildings. With the second GCF disbursement in September 2020, work was carried out during the pandemic at a rate that exceeded expectations. The number of buildings covered by EMIS (3,944 compared to a target of 4,000) and the number of EE/RE retrofit Projects (332 compared to a target of 200) are indicators that the pace of work was not slowed down by COVID. Due to the fact that the majority of DEAs had been developed prior to the COVID-19 pandemic, retrofit construction work was carried out during the COVID-19 pandemic with some delays and difficulties procuring equipment and construction materials.

## Progress implementation and adaptive management

### Management Arrangements

1. The LCPB Project is under direct implementation modality (DIM) as depicted on Figure 1. UNDP is reliant on RPs for the implementation of Project outputs and activities. The RPs have been accountable to UNDP. The RPs have also been screened by policies on Harmonized Approach to Cash Transfer (HACT) for implementing partners, which provides proof that there are adequate administrative and financial management capacities for each of the RPs. The CO BiH applies very engaged support to the PIUs in RPs[[17]](#footnote-18) under DIM modality which entails regular quarterly monitoring and verification of all the activities, actions, financial reports, and training of RP staff.
2. Project Board meetings are attended by UNDP, all RPs and the Department of Energy of the MoFTER. The PB meets twice per annum and decisions are made by consensus.
3. The implementation of LCPB has been slow but has recovered towards excellent results. From an adaptive management perspective, the LCPB Project:

* had the Inception workshop done in September 2018, attended by all RPs and other levels of government;
* had challenges in spending out GCF disbursements. The government was not immediately established after the 2018 elections, leading to a decision to have UNDP take over procurement during the first year of the Project to avoid potential delays in implementation; the capacities of the RPs were not sufficient to manage procurement and implementation of the Project during 2019-2020. At this time, there were no PIUs set up at RPs;
* did not conduct procurement process for construction work through EF-FBiH, but worked on creating preconditions for successful retrofit implementation with EF-FBiH including public competitions for EMIS and preparation of technical documentation. EF-FBiH only co-financed buildings rehabilitation but had very good experience working previously on the GED Project and UNDP.
* took advantage of UNDP Procurement by tendering for consulting services to cover several years of implementation to save time and effort of preparing for such services. For example, tendering for DEAs was done for Years 1 to 4 to advance the readiness to implement retrofits, and to advance the readiness to implement Output 1.2. These were key moves in the recovery from the slow start to LCPB implementation;
* has managed to create the environment for mobilization of additional funding through other donors, originally not envisioned by the Project such as the UNDP GED Project (SIDA and all levels of GoBiH), KfW, World Bank, and EBRD. With these additional sources of co-financing, the Project is more confident in meeting the overall co-financing targets. Originally, the Project had identified other sources of funding such as cantons and municipalities, where there are budget shortfalls. However, in working with RPs at a high level to setup policies for implementation of EE retrofits in public sector buildings, primary loans from other IFIs combined with a grant component that are used in accordance with the NIF were identified that GoBiH could absorb and service. These loans can be serviced over a longer period of time. By doing so, the Project has admirably recovered from its slow start.

1. The current management setup of the LCPB Project appears to be functioning well with clear lines of responsibilities and reporting. The MSPCE, MPP and the EFs maintain regular coordination and communication with the UNDP PIU on a daily basis. The PIUs in each RP currently have sufficient human resources to implement the Project with horizontal coordination with Ministries of Education, Health and others. No suggestions are being made for improvement of the performance of the RPs or UNDP.

### Work Planning

1. The Evaluators were provided evidence of the Project's results-based work planning. Work planning is being done as per the provisions in the Project design document. The funding proposal consists of a PRF setting targets for overall Project planning and reporting. Work planning has been presented in all the Project Board meeting minutes from 2018 to December 2021. All PB meetings were well attended, and inputs were offered by all RPs. The PRF was served as a useful Project management tool. Early work plans had to incorporate non-financial barriers such as SECAPs, registration of EMIS and DEAs before any public building retrofits could be done. With the accelerated achievement of SECAPs, EMIS registration and DEAs, the 2020 work plans included a modest level of retrofits, followed by a larger retrofit work plan in 2021. These were all results-based work plans that allowed the Project to catch up following a slow start in 2018 and 2019.
2. The PRF is designed in accordance with the GCF’s Result Management Framework and Performance Measurement Framework. The indicators in the PRF were defined for Project objective, outcomes, outputs, and detailed activities. The minutes of the Project Board meetings indicate that the stakeholders have been actively engaged in their support to the Project and have provided guidance to the PMU for specific focus. Based on the PRF, the Project developed annual work plans (AWPs) for each year in ATLAS indicating broader activities and corresponding budgets by source of funding. This IE notes that actual Project management was of satisfactory quality. For example, activities such as trainings, workshops, conferences do not provide information on the scale of the activity indicating topic, and the number of workshops. This IE, however, notes that despite this lack of description, actual Project management did not suffer in quality. Each person in the PMU had their detailed tasks including activities and targets. A Project management tool was embedded with the Project accounting tool to be more effective for daily Project management, linking details of daily planning with the general overview of PRF activities.
3. The 8 Minutes of the Project Board meetings indicate that the responsible parties and stakeholders have been actively engaged in their support to the Project and have provided guidance to the Project team for specific focus.

### Finance and Co-Financing

1. After 49 months of Project implementation, US$6.928 million of the LCPB GCF grant of US$17.346 million, has been expended up to 30 June 2022, characterized as follows:

* Most of the expenditures are contractual services for the EE/RE retrofits of public buildings;
* The remaining expenditures were for local consultants and individuals as well as sundry and office-related expenses;
* Most of the funds expended were on development of DEAs and SECAPs through contractual companies for non-financial barriers (Output 1.1) that included training of RP staff;
* Output 1.1 provided technical assistance for the removal of non-financial barriers to investment; it is structured to be a capacity building component; consequently, financial and economic analysis is not considered pertinent for this Output;
* Output 1.2 (financial de-risking) has revenue-generation aspects but is not driven by commercial logic. GCF support to low-carbon public buildings is designed to ensure that projects which otherwise cannot reach financial close are implemented;
* GCF grants are augmented by considerable co-finance provided by Project partners, building end-users, GEF, SIDA, and the entities. Therefore, the Project proposes a package for investors consisting of a mix of grants, loans and end-users’ own resources, with GCF grant resources contributing on average around 20% of the total investment costs for EE-RE measures. This mixture has enabled the Project to utilize its resources in a most economical, effective and equitable ways possible, while at the same time mobilizing more resources, over and above planned GCF funding. This leads to a scaled-up Project that has the potential to bring about the transformational change to the public building sector being sought by the GCF.

1. The Project has demonstrated that fund allocations were appropriate and relevant to the work being awarded and implemented. The Project demonstrated financial controls are in place, notably through the detailed Project budget reports made available to the Interim Evaluator. Moreover, these reports provide evidence that expenditures of activities were made through informed decisions that closely follow the plans in the ProDoc and are cleared by the Project Board. In conclusion, the cost effectiveness of the use of the LCPB Project budget to date has been **satisfactory**. Disbursement of LCPB resources is provided in Table 3. Disbursement of LCPB GCF Project resources to date according to ATLAS codes is provided on Table 4.
2. Co-financing commitments for the LCPB Project was US$33.543 million, exceeding its mid-term co-financing target of US$20 million by US$23 million. Co-financing of the 161 public buildings by mid-2022 comes from a variety of sources including several municipalities and ministries. Most of the Environmental Funds come from World Bank Loan used by all 4 RPs, and 12 end users (Cantonal Ministries, municipalities and cities). KfW has signed off on a grant worth US$22 million with the 2 RPs (MPP FBiH and MSPCE), and EBRD has loaned US$6.835 million to the FEPEE RS. Many of these entities have received funds from IFIs, complying with the co-finance conditions and covenants as listed in the FAA. Co-financing of the Project to date has been **satisfactory**. Co-financing details to date are summarized on Table 5.

**Table 4: GCF Project Budget and Expenditures for the LCPB Project (in USD as of 30 June 2022)**

| **Output** | **Budget (from ProDoc)** | **2018[[18]](#footnote-19)** | **2019** | **2020** | **2021** | **2022[[19]](#footnote-20)** | **Total Disbursed** | **Total to be expended in 2022** | **Total remaining** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Output 1.1:** Nonfinancial barriers to investment in low-carbon public buildings addressed | 6,030,000 |  | 1,926,594 | 1,810,544 | 490,518 | 115,753 | 4,343,410 | 760,018 | 926,572 |
| **Output 1.2:** Financial barriers to investment in low-carbon public buildings addressed | 10,044,000 |  |  | 180,803 | 1,386,291 | 685,656 | 2,252,750 | 1,201,233 | 6,590,017 |
| Project Management | 1,272,000 | 19,651 | 96,343 | 116,035 | 133,252 | 42,175 | 407,457 | 108,055 | 756,488 |
| **Total (Actual)** | **17,346,000** | **19,651** | **2,022,937** | **2,107,383** | **2,010,061** | **843,585** | **7,003,617** | **2,069,306** | **8,273,077** |
| Total (Cumulative Actual) |  | **19,651** | **2,022,937** | **2,107,383** | **2,010,061** | **843,585** |  | | |
| Annual Planned Disbursement (from ProDoc) |  | 2,006,000 | 2,437,850 | 2,747,850 | 3,447,850 | 2,797,900 |
| **% Expended of Planned Disbursement** |  | 1% | 83% | 77% | 58% | 30% |

**Table 5: GEF Project Expenditures for LCPB Project against ATLAS codes (in USD as of 30 June 2022)**

|  |  |  |
| --- | --- | --- |
| **ATLAS Code** | **Expenditure Description** | **US$** |
| 71200 | International Consultants | 183,140 |
| 71300 | Local Consultants | 822,398 |
| 71400 | Contractual Services - Individual | 336,186 |
| 71800 | Contractual Services - Individual |  |
| 71600 | Travel |  |
| 72200 | Equipment and Furniture |  |
| 72300 | Materials & Goods |  |
| 74200 | Audio Visual & Print Prod Costs |  |
| 74500 | Miscellaneous Expenses |  |
| 76100 | Realized loss | 74,509 |
| 75700 | Training, Workshops and Conference |  |
| 72100a | Contractual Services - Companies / Nat | 5,548,250 |
| 72100b | Contractual Services - Companies / Int |  |
| 72800 | Information Technology Equipmt | 39,135 |
| 64397 | Services to projects -CO staff |  |
| 74596 | Services to projects -GOE |  |
| 72500 | Supplies |  |
| **Total:** | | **7,003,617** |

**Table 6: Actual Co-Financing for LCPB Project (as of 30 June 2022)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Co-financing**  **(type/source)** | **UNDP own financing**  **(USD)** | | **Government**  **(USD)** | | **Partner Agency**  **(USD)** | | **Private Sector**  **(USD)** | | **Total**  **(USD)** | |
| **Planned** | **Actual** | **Planned** | **Actual** | **Planned** | **Actual** | **Planned** | **Actual** | **Planned** | **Actual** |
| Grants [[20]](#footnote-21) | 4,350,000 | 1,481,050 | 100,868,372 | 31,678,270[[21]](#footnote-22) |  |  |  |  | 105,218,372 | 33,159,320 |
| Loans/Concessions |  |  |  |  |  |  |  |  | 0 | 0 |
| * In-kind support |  |  |  |  |  |  |  |  | 0 | 0 |
| * Other |  |  |  |  |  |  |  |  | 0 | 0 |
| **Totals** | 4,350,000 | 1,481,050 | 100,868,372 | 31,678,270 | 0 | 0 | 0 | 0 | 105,218,372 | 33,159,320 |

### Coherence in climate finance delivery with other bilateral and multilateral entities

1. UNDP-GEF is currently implementing a US$2.3 million project, “Catalyzing Environmental Finance for Low-Carbon Urban Development”, with the objective of leveraging investment for a transformational shift towards low-carbon development in BiH and promoting safer, cleaner cities and reducing GHG emissions. The project, which commenced in 2017, supports EFs with development of alternative programming strategies, including the modalities for ESCO engagement in EE-RE projects in public buildings, which the LCPB Project is scaling-up nation-wide. The key interaction between the UNDP-GEF project and the LCPB Project is in implementation of NIF, designed within the GCF project and in close collaboration with UNDP GEF project.
2. For the past 12 years, UNDP was implementing projects designed for improvement of energy efficiency in public sector buildings, contributing to high rates of replication and scaling-up across BiH. However, there was no clear and structured strategy in terms of the selection of public buildings. This resulted in most parties (international, local and private) investing in buildings with the lowest payback periods. In consideration that there are more than 7,000 public buildings in BiH with insufficient funds to fund all of them, it was necessary to create a model against which the market will be set up in the way that aligns with the various funding opportunities. In summary, NIF classifies public buildings against simple pay back criteria, where for example, buildings with shortest payback period (up to 5 years) are eligible only for ESCO or loan funding. Therefore, grant funding is not involved with those buildings, and public buildings with longer payback period are eligible for grant funding. This was the main reason for close interaction between these 2 projects during the implementation period.
3. The World Bank are implementing a US$32 million project, “Energy Efficiency Project for Bosnia and Herzegovina” also to demonstrate the benefits of energy efficiency improvements in public sector buildings and support development of scalable energy efficiency financing models. One of the project components has energy efficiency investments in public facilities such as schools, hospitals, and health clinics. Another component supports the development of scalable financing mechanisms and capacity building for the development of sustainable energy efficiency financing mechanisms in the public sector, and to help increase public awareness on energy efficiency. There are 3 financing modalities:

* + - * GCF provides technical assistance in development of DEAs that serve RPs for selection of buildings to be retrofitted and funded by WB loan;
      * co-funding of selected public buildings by GCF; and
      * implementation of NIF, as per UNDP-GEF (UrbanLED) project instructions and requirements, provide an option for both raising additional funds and allocating available funds for investment into public buildings with the most beneficiaries. The period of investment return shortens by combining grant funding and loan funding, therefore implementation of NIF leads to increase of number of public buildings suitable for investments by various financial institutions.

1. The EBRD and the EU are supporting energy efficiency of public buildings in Bosnia and Herzegovina with a €6 million financial package that includes a €4.5 million EBRD loan and a €1 million investment grant from the EU. This will finance energy efficiency measures in 20 public buildings in Republika Srpska, including 16 schools and 3 hospitals. The energy measures include thermal insulation, new windows, upgraded heating, ventilation and cooling systems, and energy efficient lighting. Upon completion of the improvements, managers have been appointed to monitor the energy consumption and performance of each building. Interaction between GCF project and EBRD loan and grant is the same as with WB project, where the same RPs are implementing this funding and using the same modalities to implement the NIF.

### Project Level Monitoring and Evaluation Systems

1. The Project has guidelines for Project implementation for RPs and a system of regular field reporting after almost every field trip made. There is daily communication between the PMU and the PIUs of the RPs on financial matters as well as achieving targets. Currently, there are different monitoring tools in place to track and report on Project’s results and identify and mitigate potential risks to Project implementation. These monitoring tools can be divided in two categories: UNDP corporate monitoring in form of the Harmonized Approach to Cash Transfers (HACT) and obligatory spot checks and Project monitoring against the Gender Action Plan (GAP) and Project indicators as detailed below.
2. The HACT framework represents a common operational framework for UN agencies’ transfer of cash to government and non‑governmental implementing partners under which there is a micro-assessment. The micro-assessment assesses the IP’s control framework, resulting in a risk rating of low, moderate, significant or high. The overall risk rating is used by the UN agencies, along with other available information (e.g. history of engagement with the agency and previous assurance results) to determine the type and frequency of assurance activities as per each agency’s guideline that can be taken into consideration when selecting the appropriate cash transfer modality of an IP. The micro-assessment provides an overall assessment of the IP’s programme, financial and operations management policies, procedures, systems and internal controls and includes:

* a review of the IP legal status, governance structures and financial viability, programme management, organizational structure and staffing, accounting policies and procedures, fixed assets and inventory, financial reporting and monitoring, and procurement;
* a focus on compliance with policies, procedures, regulations and institutional arrangements that are issued both by the Government and the IP;
* results of any previous micro assessments conducted of the IP identifying issues and formulating recommendations.

1. Spot checks are regularly implemented as an independent service provider is tasked by the CO to conduct an evaluation of the IP and assess their current risk levels, identify risks and formulate recommendations. Spot checks are conducted frequently, and the PIU is presented a report on findings. After the report, an action plan for addressing the identified issues is created with the IP, which serves as the benchmark for future sport checks as previous recommendations are analysed against current implementation practices.
2. Guidelines for Project monitoring have been put in place and presented to IPs in form of a document entitled [“Guidelines For Implementation, Monitoring And Reporting For Projects Funded By Green Climate Fund”.](https://undp.sharepoint.com/teams/BIH/EE/GCF%20LCPB/09.%20Procurement/FACE%20Form%20and%20implementation%20model%20MEG/Final%20za%20GCF/Smjernice%202022/Smjernice%20za%20implementaciju_GCF%20Final_ENG.docx?web=1) These guidelines are a comprehensive description of procedures put in place to facilitate the information and documentation flow between the Project and IPs. These guidelines set the following as requirements:

* mechanisms for Project implementation;
* team compositions of the IPs;
* timelines for reporting;
* forms for provision of relevant Project data;
* which activities are currently being implemented and the progress achieved;
* whether activities were implemented in accordance with the plan and budget (efficiency);
* have the expected results been achieved in relation to the set indicators (effectiveness);
* to what extent are the results in line with the purpose of the Project (effectiveness);
* what changes have taken place in the Project area;
* ensuring all relevant information on Project implementation is regularly collected, analysed and stored; and
* indicate potential risks that may occur during Project implementation.

The M&E plan is adequately designed to cover the Project indicators is well aligned with the result framework. GCF Annual reporting is done using a format, due March 1, for each year of Project implementation. Quality of the reporting is assessed as satisfactory.

1. Data sharing with RPs occurs frequently, every first working Monday of the month, through a comprehensive table placed on a Google drive for easier and real time access. All data is supported by printed materials, publications, press releases, participant lists, photos, and is gender disaggregated.
2. The Interim Evaluators have also had access to APRs from 2018, 2019, 2020 and 2021 that provide a summary of monitoring and evaluation to the activity level of the Project as well as the expenditures for each component. The Project adopted a standard monitoring and evaluation system as required by GCF and UNDP including required periodic oversight of activities and formal evaluations. The template used for the APRs was found to be suitable for monitoring the Project progress. From the 2021 APR, it was recommended to monitor two additional core mitigation indicators[[22]](#footnote-23). Sufficient resources are allocated into the Project’s monitoring and evaluation budget.
3. Overall, the monitoring and evaluation systems setup for LCPB are rated as **satisfactory.** This is in consideration of the PMU following the guidelines of implementation of the LCPB Inception Report, and the diligent reporting of the progress of activities against the LCPB PRF in the GCF APRs.

### Stakeholder Engagement

1. Project documentation and stakeholder consultations confirm a functional and practical stakeholder engagement. The 8 Minutes of Project Board indicate that the stakeholders have been actively engaged in their support of the Project and have provided specific guidance to the Project team. By establishing a Project Board with broad involvement from ministries to government funds, the Project has promoted interaction between various ministries and institutions at state, entity and other levels. This large-scale participatory dynamic has had and will have a positive catalytic effect on investments requiring cross-ministerial cooperation such as MSPCE, the Ministries of Health and Education, and cantonal levels. This has been observed to an extent already during interviews with stakeholders, where representatives from various entities were in contact and shared ideas largely through their participation on the PBs.
2. Relations with stakeholders are pragmatic. In addition, the PB provides a dialogue platform for the stakeholders to inform each other on existing or emerging Projects issues to ensure complementarity in efforts to avoid thematic overlaps with other donors and grantors in BiH such as USAID, SIDA, or GIZ. Energy-related CSOs and NGOs are also engaged while acknowledging there are few energy-relevant CSO and NGOs in BiH while there is limited collaboration with universities. However, the overall conclusion is that the Project has made **satisfactory** efforts to facilitate partnerships with the 4 RPs as listed in Para 36.

### Social and Environmental Standards (Safeguards)

1. During the preparation of LCPB ProDoc, a Social and Environmental Screening Procedure (SESP) prepared containing Part A: Integrating Overarching Principles to Strengthen Social and Environmental Sustainability; and Part B: Identifying and Managing Social and Environmental Risks. Potential Social and Environmental risks identified were related to:

* lack of capacity of duty bearers to meet their obligations under the Project;
* potential vulnerability of buildings situated in flood prone areas;
* potential risk that retrofit works may pose safety risks;
* potential environmental risks posed by the waste generated by the refurbishment works.

1. The LCPB Project maintains constant engagement with local communities covered by the Project and deploys stakeholder mechanisms and grievance redress mechanisms to ensure compliance to the SESP. This is underpinned by an accountability mechanism consisting of:

* a Compliance Review to respond to claims that LCPB is not in compliance with applicable environmental and social policies; and
* a Stakeholder Response Mechanism that ensures individuals, people and communities affected by the Project have access to appropriate grievance resolution procedures for hearing and addressing Project related complaints and disputes.

1. The only SESP issue was the setup of measures to deal with the generation of waste from building retrofits. A situation has emerged where asbestos roofs have been removed as an insulation or energy efficiency measure. With asbestos being a dangerous material used in the past as a roof material in almost all public buildings in ex-Yugoslavia, there are no BiH regulations regarding the disposal of asbestos. Chipping and breaking of the asbestos tiles create small particles of dust which are dangerous for human respiratory systems. According to reports from the construction sites, contractors are in compliance with the Law on Construction in RS and FBiH, taking all necessary measures to secure construction site. As the project retrofits already existing public buildings within their existing footprint, no land acquisition, resettlement, or any other adverse social impacts (such as loss of assets, loss of income due to retrofitting works). During the retrofitting phase UNDP in cooperation with relevant Ministries for Spatial planning take additional QA measures to ensure following of all legal procedures and action in securing construction sites and providing safety for building end-users (school children, service users like at Health care buildings). Contractors are landfilling the asbestos roof tile waste as the most responsible means of disposal in the absence of any guidelines for the disposal of asbestos.

1. Overall, compliance to social and environmental safeguards has been **satisfactory** given that there is ongoing monitoring and evaluation of these risks for which the Project risk level is low.

### Reporting

1. The Project followed a GCF reporting template for the APRs that included Project output implementation status, progress on the log frame indictors, changes made during implementation, implementation challenges and lessons learnt. The information provided in these APRs provides a basis for undertaking adaptive management and managing critical risks by:

* monitoring activities that lead to delivery of outputs. Progress for each activity is detailed quantitively for progress on non-financial and financial barriers. There is a field for entering what will happen in the following reporting year. This serves as a basis for the work plan;
* fund-level, outcome and output indicators on the PRF to see if targets have been met;
* documenting the key activities of the RPs;
* articulating activities being done on the Gender Action Plan;
* challenges in implementation and lessons learned;
* reporting on the status of compliance with the environmental and social safeguards. This translates into status of compliance with applicable laws and regulations, management plans and programmes, and the stakeholder engagement plan (such as FAA Clause 10.02 and Law or Regulation 1: Law 4 for 1994). There is also a section on planned activities on environmental and social safeguards;
* having involvement of MoFTER to contribute to gaps that link BiH’s SDGs, NDC and other international protocols to the Project.

1. The submitted APRs to the GCF are also shared with the PB with the UNDP BiH CO coordinating inputs from other stakeholders to the report as appropriate. The quality rating of the previous year’s report will be used to inform the preparation of the subsequent report. Overall quality of Project reporting is assessed as being satisfactory and reports do outline the causes of any delay in implementation.

1. There has also been reporting on:

* PB meetings of which the PB has had 8 meetings since the Project started (the first PB meeting was on 25 September 2018);
* HACT micro-assessments of the 4 RPs; and
* Annual financial reports.

1. Overall, the state of LCPB reporting has been **satisfactory** in the context of providing PIU and UNDP CO personnel with sufficient information to adaptively manage the Project, well-written APRs to provide progress to the activity level against each indicator, progress reports serving as initial work plans, and reporting on environmental and social safeguards and gender.

### Communications and Awareness Raising

1. Project communications with stakeholders can be characterized as follows:

* The Project has a dedicated website that is currently under construction to comply with UNDP CO policy to update all project-related websites ([Scaling-Up Investment in Low-Carbon Public Buildings | United Nations Development Programme (undp.org)](https://www.undp.org/bosnia-herzegovina/projects/scaling-investment-low-carbon-public-buildings)). Currently, the Project information is spread amongst various websites including:
  + The project YouTube channel ([UNDP in Bosnia and Herzegovina - YouTube](https://www.youtube.com/user/UNDPBosnia/videos));
  + [#LowCarbon doprinos Pariškom sporazumu o klimatskim promjenama - YouTube](https://www.youtube.com/watch?v=w1jPhpBBfcw);
  + [GCF and GEF working together to ensure positive impact on climate change mitigation in Bosnia and Herzegovina | United Nations Development Programme (undp.org)](https://www.undp.org/bosnia-herzegovina/blog/gcf-and-gef-working-together-ensure-positive-impact-climate-change-mitigation-bosnia-and-herzegovina);
  + RP and key stakeholder websites (ministries, funds, schools);
* The Project Board meetings have provided communications between government stakeholders.

1. Communications for LCPB are **satisfactory** based on basic Project information being available on various websites. Though all promotional materials and publications are on local language, there are currently sufficient communication channels to promote Project awareness. This could be improved with a dedicated website in both English and local languages that would facilitate open stakeholder feedback to the Project.

## Sustainability

1. In assessing sustainability of the LCPB Project, the Interim Evaluators asked “how likely will the Project outcomes be sustained beyond Project termination”. Sustainability of these objectives was evaluated in the dimensions of financial resources, socio-political risks, institutional framework and governance, and environmental factors, using a simple ranking scheme

* *4 = Likely (L):* negligible risks to sustainability;
* *3 = Moderately Likely (ML):* moderate risks to sustainability;
* *2 = Moderately Unlikely (MU):* significant risks to sustainability;
* *1 = Unlikely (U):* severe risks to sustainability; and
* *U/A = unable to assess.*

Overall rating is equivalent to the lowest sustainability ranking score of the 4 dimensions*.* The sustainability rating of LCPB at the Interim Evaluation is 3 (ML)due to the uncertainty of future project costs and the shortage of personnel to manage and install EE measures in public buildings (see Para 82).

1. Financial risks to sustainability: Current financial risks to the sustainability of the LCPB Project are negligible. On Output 1.1, the Government of BiH has been co-financing the Project mainly through IFIs, sustaining the progress of EE and RE retrofits on public buildings. Existing BiH institutions make programming and decision-making regarding allocation of public finance more effective by adopting a new financing framework where financial viability of a project is determined by its socio-economic benefits, instead of the current financing paradigm whereby grants are being allocated to the most financially attractive projects. In parallel, there is a move towards private-sector ESCOs to be more involved in financing and implementation of low-carbon investment. Time will be required for regulatory and legal reform and training of ESCOs to gradually build the confidence of ESCOs, thus reducing risks and the level of investment support required to make ESCO projects viable[[23]](#footnote-24). However, the increased costs of goods and equipment may have a detrimental effect on the pace of implementation. For these reasons, the rating for financial risks to sustainability is 3 (ML).
2. Socioeconomic risks to sustainability: The LCPB Project sustainability has the built capacities of relevant partners at local and entity levels to identify, prepare and implement EE-RE retrofits of public buildings, supporting the preparation of SECAPs, scaling-up and institutionalizing the EMIS that allows public finances to be used towards sustainable investments. However, there is an emerging issue of shortages of qualified personnel and workers. This will have the impact of slowing down the work of EE retrofitting of public buildings. Socioeconomic risks to sustainability is rated as 3 (ML).
3. Institutional framework and governance risks: The capacity of Government of BiH is being built to implement the NIF, to operate and maintain the EE/RE measures in public buildings, and to gather and analyze data and information pertaining to the performance of EE/RE measures in public buildings. While the response by Government personnel has been good to the Project’s training programs thus far, it remains to be seen how they respond to and utilize the many tools such as EMIS being presented to implement and manage EE in public buildings. As such, institutional framework and governance risks to sustainability is rated as 3 (ML).
4. Environmental risks to sustainability: Based on the interviews with stakeholders no high environmental risks to sustainability of the project have been identified except for the safe disposal of asbestos. A situation has emerged where asbestos roofs have been removed as an insulation as mentioned in Para 109. In the absence of any guidelines for the disposal of asbestos, environmental risks to sustainability, it is rated as 3 (ML).

## Country Ownership

1. Bosnia and Herzegovina has several decentralized levels of political structure that is complex, according to the Dayton Peace Agreement. The most important of these levels is the administrative division of the country into two entities: *the Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS)*. The FBiH covers 51% of BiH’s total area, while RS covers 49%. The Brčko District in the north of the country was created in 2000 officially belonging to both entities, but is self-governed and functions under the decentralized system of local government.
2. Given the decentralized political structure, the entities have significant powers including environmental powers. For this reason, the FEPEE RS was established as a legal entity with public powers, whose rights, obligations and responsibilities are determined by the Law on the Fund and Environmental Protection Financing of Republika Srpska ("Official Gazette of Republika Srpska", no. 117/11), the Statute of the Fund and other regulations. The founding rights and duties of the FEPEE RS are carried out by the Government of Republika Srpska, and supervision of the work of the Fund is carried out by the ministry in charge of environmental protection. The Fund's headquarters are in Banja Luka.
3. The EF FBiH is a structured non-profit public institution in the capacity of a legal entity with rights, obligations and responsibilities established by the Law on the Fund and the Statute of the Fund. The EF FBiH was established by law on the FBiH Environmental Protection Fund No. 01-337/03 dated 8 March 2003 ("Official Gazette of the Federation of BiH", No. 33/03). According to the Law on the Environmental Protection Fund of FBiH, EF FBiH are responsible for activities in relation to obtaining, managing and utilizing the proceeds of the Fund, liaising with regard to environmental protection financed from funds of other countries, international financial institutions and bodies, domestic and foreign legal and natural persons; providing expert services in terms of financing environmental protection; maintaining databases of programmes, projects and other similar activities in the field of environmental protection; inducing, establishing and achieving cooperation with international and domestic financial institutions and other legal and natural persons to the effect of financing environmental protection in line with the Federal Strategy for Environmental Protection, environmental protection plans adopted on the basis of the Strategy, international agreements to which Bosnia and Herzegovina is a party and other programmes and documents relating to environmental protection. The Fund's headquarters are in Sarajevo.
4. Given this decentralized structure, there is considerable country ownership of the GCF Project. There is clear relevance for each of these Environmental Funds to national development plans and policies and strategies, including, SDGs (7.b.1 Investments in energy efficiency as a proportion of GDP and the amount of foreign direct investment in financial transfer for infrastructure and technology to sustainable development services), Climate Change Adaptation and Low-Emission Development Strategy for Bosnia and Herzegovina (BiH) which has been developed alongside the Second National Communication of Bosnia and Herzegovina to the UNFCCC as well as Bosnia and Herzegovina’s NDC for the period 2020-2030.
5. All RPs including FEPEE RS, EF FBiH, MSPCE and MPP FBiH, are fully dedicated to contributing to the successful implementation of the Project. The National Designated Authority actively shows their high interest for Project implementation and asks for regular meetings and briefings with the UNDP. Project Board meetings are regularly organized every 2-3 months with RPs, during which all members are actively involved in decision-making and provision of input regarding Project activities. The adoption of the NIF reflects the high-level country ownership as well, considering it is adopted by state-level government in Q3 2021. It was adopted at entity-level in both FBiH and RS in July 2020. BiH is a highly decentralized country and therefore ownership at the local level is also critical. Having in mind that SECAPs were developed for 41 municipalities, which have provided full support and prompt communication in the process, clearly reflects local commitment to specific energy-saving and GHG emission reduction targets. More local governments are sending their interest letters for SECAP development, since the sister GED Project “Decarbonization of residential sector” financed by SIDA has SECAPs to be developed and adopted, as one of the criteria for participation on the project. Several other initiatives were born from this project including the Tuzla Canton and the EBRD for a EUR 8 million EE investment in 200 public buildings. Furthermore, the FEPEE RS signed a US$6.8 million loan with the EBRD for financing EE in 20 PB.
6. Other indicators of strong country ownership include:

* the Decision on the establishment of the EMIS within BiH institutions was adopted at a national level in June 2019, making EMIS a mandatory tracking tool for energy and water consumption in BiH’s public buildings, and making it mandatory for municipalities to appoint energy managers. FBiH established an official Rulebook on EMIS in February 2019, while the Rulebook for RS is in final draft;
* adoption of the NIF reflecting the high-level country ownership and adopted by in both FBiH and Republika Srpska in July 2020;
* under the direct jurisdiction of EF FBiH and FEPEE RS, the entire EMIS is coordinated under the work of the level of energy manager at the municipal level to the level of energy associate at the level of a public facility. This is defined by the Laws on Energy Efficiency of both entities and regulations adopted by the competent ministries of energy of both entities;
* the EMIS under the NIF was adopted by the other RPs, MPP FBiH and MSPCE as well as MoFTER at the state level.

## Innovativeness in results areas

1. The overall grant to co-financing ratio for the Project duration is approximately 1:4 with the Project implementing a good mix of GCF grants, loans and government resources to bring about the transformational change to scaling-up Investments in low-carbon public buildings in BiH. Ultimately, the overall Project strategy, aimed at enabling a paradigm shift to a low carbon economy is itself an innovative approach. In addition, the COVID-19 pandemic has introduced “unintended” innovativeness in changing the way Project results are delivered. Zoom technology has been formally introduced to implementation of the Project and cooperation with responsible parties and key stakeholders

## Unexpected results, both positive and negative

1. An unexpected result of the LCPB Project in BiH was established practice of joint communication, co-ordination and co-operation amongst almost all levels of government: state, entity, cantonal and local.
2. Another “unexpected” result of the LCPB Project was the achievement of various targets. While the COVID-19 pandemic had a significant impact on Project Activities 1.2 and 1.5, innovative approaches and new information technologies were used for training for various stakeholders, keeping the activity on track for timely delivery. There was an appropriateness of Project targets even though some EoP targets were exceeded. These targets were exceeded due to the several efforts made by UNDP as implementor of the Project, and strong commitments of the RPs to accelerate the implementation of the Project activities mainly in the implementation of the NIF concerning the construction works on 161 selected public buildings.
3. On the negative side, the war in Ukraine is leading to the “unexpected” results of looming technical staff and skilled worker shortages and the rising cost of building materials. This may slow down the pace of implementation and present higher risks for achieving the Project’s GHG emission targets. This has the potential impact of slowing down Project implementation to the extent that an extension to the Project may be requested. One of the ways the Project overcame this problem was to advise the RPs to advance up to 60% of the contract after selecting the contractor so that the contractor could provide the necessary materials and skilled labor on time, and contract the delivery of the same at current prices (this is in accordance with the practice of the World Bank). In this way, the Project ensured that the contractors accepted the agreed prices and did not give up on the previously price offers.

## Replication and Scalability

1. This Project directly responds to these challenges by an approach that catalyzes and increases larger flows of finance for low-carbon investment, diversification of funding sources and instruments, and shifting the established paradigm about how this investment has to be made. Specifically, the established paradigm was that investment in low-carbon retrofits in public buildings should be grant-based; instead, the Project proposed a much more targeted financing approach to provision of public subsidies, whereby public subsidies are coordinated with other sources of financing (equity and soft loans).
2. This has allowed the scaled-up implementation of low-carbon retrofits in 430 public buildings by a factor of four to five. It has also shifted the grant-based model (87% in 2015) towards a non-grant-based model (only 15% in 2025), thereby further scaling-up these investments. The problems with scale-up and replication of these investments are the rising prices of construction materials.
3. This Project set the conditions required to realize the replication potential in other municipalities of BiH and regionally that will yield long-term benefits. These conditions include scaling up investments in low carbon public buildings, and adoption of the NIF that also will scale-up investments in low carbon public buildings. The NIF also consists of an integrated package of policy, regulatory, technological, informational, financial, and managerial solutions designed to address country-specific risks and barriers to investment. The PMU has had interaction with UNDP Serbia and UNDP Croatia on replication. The PMU are planning a conference in October 2022, where they would present the Project results, specifically in legislation and regulation. UNDP Serbia are particularly interested in the EMIS and NIF, which can be replicated in Serbia.

## Gender Equity

1. Implementation of the Gender Action Plan (GAP) was identified as one of the priorities for the PMU. In particular, Activity 1.1.6 (Awareness raising among buildings’ end-users), and Activity 1.2.1 (Implementing National Framework for Low-carbon investment in public buildings) had established actions, indicators, and targets for each activity, but with no effective and detailed approaches taken during M&E activities. In addition, the “old” GAP was mostly general and showed lack of ambition and connection towards the activities within the Project. The Project hired an International Consultant as the Gender Expert to conduct a comprehensive revision of the GAP and align with Funding Proposal activities and the PRF, based on substantial research together with meetings with Project stakeholders.
2. The Gender Expert undertook this assignment and updated the GAP to ensure gender-responsive approach and gender-sensitive data collection to reporting, monitoring and evaluation. The revised GAP incorporates a fully detailed and comprehensive approach that reflects each activity’s impacts, outcomes, and outputs. It provided the PMU with a guide on how to monitor each indicator with an ambitious and in-depth plan, which has made the gender component stronger in monitoring the NIF, DEAs, SECAPs and awareness raising events. A key target of the revised GAP was that 10% of the participants had to be 10%. A key target of the revised GAP was that at least 30-50% of the participants had to be women.
3. The gender metrics of the Project under the revised GAP included:

* the July 2020 adopted NIF where out of the 32 government officials involved in the decision-making process of both entities, the breakdown was 18 male and 14 women, which amounts to 44% women reflecting a strong response to gender on the Project;
* with UNDP signing contracts with 4 local companies and consortiums for conducting of 332 DEAs, and 2 companies for providing DEA quality assurance, an estimated 54 experts were engaged of which 35% are female. This is progress in a male-dominated profession in BiH;
* there are currently 2,496 registered users of EMIS of which 1,241 are male and 1,255 (50%) are female, again breaking barriers to a male dominated profession in BiH;
* there are 243,274 beneficiaries within the 101 retrofitted public buildings in BiH out of which 123,310 (50.7%) are females against a GAP target of 40%. This is a success for the Project.

# conclusions, recommendations and lessons

## Conclusions

1. The LCPB Project is contributing to the achievement of scaling-up investments in EE measures for public buildings. The Project is on track to meet its EOP targets despite delays due to the October 2018 general parliamentary elections and the COVID-19 pandemic which has led to delays in the trainings of energy managers, establishment of EMIS, and new investments in EE public building retrofits (Para 53). The Project experienced excellent progress in 2021 and 2022 where most RPs accelerated the number of public buildings for repair and retrofit. Only the EF-FBiH struggled with their programme for EE building retrofits due to political issues within the Fund’s Senior Management, forcing UNDP to take over implementation of the EE building retrofits. All Ministries had significant benefits in terms of new knowledge, skills and procedures for implementing future projects.
2. However, the global situation has changed drastically since this Project was initiated; the COVID-19 pandemic has affected working habits and the war in Ukraine has upset the global economic balance. This has resulted in looming technical staff and skilled worker shortages and the rising cost of building materials, somewhat potentially offsetting the pace of implementation. This has the potential to slow down the pace of EE retrofits in public buildings to the extent that higher risks of not achieving the Project’s GHG emission targets by the EOP is becoming more likely (Para 82). There is a strong possibility that an extension to the Project will be requested. Project ratings are provided in Table 7

## Lessons Learned

1. *Lesson #1: The UNDP CO is a suitable backup implementer in the event that there are issues with the host government’s abilities to implement a Project*. This has been the case for UNDP BiH. For example, UNDP BiH had to take over procurement for the Project in Years 1 and 2 as a low-risk measure to ensure the Project stays on-track. UNDP BiH has also taken adaptative management measures to reduce risks of the potential inability of some RPs to reach minimum financial delivery set up by the Project with discussions organized with relevant stakeholders to include these financing sources.
2. *Lesson #2: Engagement of Responsible Parties is required for potential replacement of construction materials during Project implementation*. The rising costs of construction materials and equipment can sometimes lead to a need to replace those materials in favor of cheaper alternatives while at the same time maintaining quality. This was the case with some of the RPs where Styrofoam was used instead of stone wool for roof insulation.
3. *Lesson #3: Establishment of Project Implementation Unit (PIU) within RP structure helps smoother implementation of Project activities*.
4. *Lesson #4: Procurement Expert for QA/QC of RP's procurement processes improves Project monitoring and transparency of project activities related to procurement of works and services*.
5. *Lesson 5: Maintaining frequent communication and collegial relations with RPs enables smoother implementation and removes possible obstacles from implementation*.

**Table 7: Interim Evaluation Ratings & Achievement Summary Table for the LCPB Project**

| **Measure** | **IE Rating[[24]](#footnote-25)** | **Achievement Description** |
| --- | --- | --- |
| **Project Formulation** |  | The ToC and the Project Results Framework has indicators that generally meet “SMART” criteria, sufficient to effectively monitor Project progress (see Para 46). |
| Stakeholder Participation  Rating: 5 (S) | Relevant stakeholders were consulted during the preparatory phase through extensive consultations and involvement of government officials with all Responsible Parties. GoBiH ownership of the LCPB Project is strong (see Para 40). |
| **Progress Towards Results** | Fund-level impact achievement  Rating: 5 (S) | To date, implementation of the Investment Framework for Low-Carbon Public Buildings was effectively conducted involving the successful retrofitting of 161 public buildings, which directly contributed to 469,204 tCO2eq direct emission reduction of CO2. The Project also improved occupancy conditions for 243,274 beneficiaries including 123,310 women (see Para 59). |
| Outcome M5.0 Achievement Rating: 5 (S) | 34 Sustainable Energy and Climate Action Plans (SECAPs) were adopted by local municipalities (against a mid-term target of 34). SECAPs are an essential tool to help facilitate investment in low-carbon public buildings by identifying priority investments and providing a planning framework for future interventions. ensure project sustainability and long-term impacts. An additional 7 SECAPs are completed but yet not adopted by local parliaments (see Paras 35 and 62). |
| Outcome M7.0 Achievement Rating: 5 (S) | A decrease of 469,204 tCO2eq has so far been achieved with EE retrofits in public buildings, out of 500,000 tCO2 as a mid-term target (see Paras 60-61). |
| Output 1.1 Achievement Rating: 6 (HS) | EMIS is successfully established in 3,944 public buildings, nearly reaching the mid-term target of 4,000. The installation of EMIS was then followed by training of 2,485 end-users. The Project continues to cover regular maintenance and upgrades of the EMIS. A total of 332 DEAs has been developed, creating a pool of detailed energy audits for responsible parties for investments for other financial sources such as International Financial Institutions, banks, and ESCOs. All indicators for non-financial barriers either have been met or exceeded (see Paras 62 to 74). |
| Outcome 1.2 Achievement Rating: 5 (S) | All mid-term indicators for financial barriers have been met or achieved with the Project leveraging US$31.678 million for the first 3.5 years of LCPB Project implementation years. (see Paras 75 to 81). |
| **Project Implementation & Adaptive Management** | Implementation Approach  Rating: 6 (HS) | The COVID-19 pandemic had no impact on implementation of the Project. Though implementation of LCPB has been slow at the start, the pace of implementation has recovered from late 2020 onwards with excellent results. This included UNDP taking over procurement during the first year of the Project due to government not being immediately established after the 2018 elections with no Project Implementation Units (PIUs) set up at RPs (see Paras 83 to 84). |
| Monitoring and Evaluation  Rating: 5 (S) | The monitoring and evaluation systems setup for LCPB are rated as satisfactory considering the diligent reporting of the progress of activities against the LCPB PRF (see Paras 98 to 104). The Project has developed a Monitoring plan which is strictly followed. In addition to that regular that regular spot checks and HACT assessment of all Responsible Parties have been conducted at the CO level. |
| Stakeholder Participation  Rating: 5 (S) | The most important stakeholder engagement activities have been with the RPs with 8 Project Board meetings (compared to a recommended one per year from ProDoc). The Project team has also had regular programmatic visits to Responsible Parties with daily communication with PIUs from ministries and environment funds, and field visits to construction sites and training events (Paras 105-106). |
| **Sustainability** | Sustainability Rating: 3 (ML) | The Project is starting to experience shortages of commodities, goods and equipment as well as shortages of qualified personnel and workers, potentially slowing down the work of EE retrofitting of public buildings (see Paras 117 to 121). The procurement of construction materials was difficult due to the closure of borders, after which the arrival of workers on the construction sites was difficult due to the lockdown. |
| **Overall Project Achievement and impact** | Rating: 5 (S) | While the Project is contributing to the achievement of scaling-up investments in EE measures for public buildings and is on track to meet its EOP targets with only minor delays, looming technical staff and skilled worker shortages and the rising cost of building materials have the potential to offset the pace of implementation (see Paras 138 to 139). In the national context of Project impact, it is clear that the National Investment Framework (NIF) sets the framework for sustainable development on investment in energy efficiency in buildings in Bosnia and Herzegovina. |

1. *Lesson 6: Participation or support of conferences that gather all RPs and important stakeholders from the region strengthens networking and provide for easier implementation, as well as new ideas and opportunities*.

## Recommendations

1. *Recommendation 1 (UNDP and RPs): Due to the energy crisis and global problems with energy, it is perfect time for the project to keep the momentum and pace of EE retrofits despite the rising prices of goods, materials and equipment*. During the first half of the Project, several preparatory measures for EE retrofits in public buildings were established such as conducting DEAs for inclusion of retrofits into the NIF, and registration of building managers into the EMIS. The 20% “carrot” made the EE retrofit investment attractive, keeping the RPs involved with the programme, and preventing government funds from being allocated elsewhere until the situation of rising costs and staff shortages subsides. As a recommendation to be acted upon immediately, these conditions for EE investments must be maintained and even investigate potential financial sources and re-investments of savings through sustainable financial mechanisms.
2. *Recommendation 2 (UNDP and RPs): Re-visit the PRF indicators to revise the targets in light of the rising cost of goods and materials and staff and skilled worker shortages*. As a recommendation to be acted upon immediately, these targets should be reset keeping in mind of maintaining the 20% grant financing component of the GCF funds. The 20% grant financing is a powerful incentive in the programme, especially in light of inflationary pressures related to rising material costs and staff shortages. The possibility of increasing the grant component to greater than 20% should be investigated in light of the inflationary pressures. The possibility of decreasing the GHG emission reduction targets by 30-50% should also be investigated in the event that inflationary pressures prevent the Project from achieving these GHG emission targets.
3. *Recommendation 3 (to UNDP): Make improvements to the ToC and the PRF by inserting drivers and assumptions that drive and make possible activities to project results, and from project results to outcomes*. While assumptions have already been made in the PRF for Project activities to reach Project results, assumptions should also be inserted into the ToC as well as drivers such as “authorities in both entities remain committed to adopting harmonized and effective policy framework and pursuing sustainable energy targets” and “procurement process is efficient and timely” (see Para 48 for further examples). Addition of these drivers and assumptions to the ToC and the PRF would improve the capturing of Project pathways to achieve its intended results and outcome.
4. *Recommendation 4 (to UNDP and RPs): Extend the GCF program to BiH state level and Brcko District BIH public buildings for energy efficiency and emission reduction*. As a recommendation that needs to acted upon as soon as possible, this can be done to help meet the GHG emission reduction targets by the EOP. This would involve a large number of buildings that are owned by institutions at the level of BiH or the Brcko District of BiH. Since a significant number of buildings meet the pre-conditions for contributing to emissions reductions and are not included on this Project, it would be an improvement to include some of these public buildings for LCPB Project support in the coming period.
5. *Recommendation 5 (to UNDP and RPs): Improve program coordination*. One of the improvements that can be made is whether or not to continue with EF FBiH as a Responsible Partner given their failure to implement any EE public building retrofits to date. Since the Project is "results based", the Project should consider an alternative RP or clarify existing obligations and continued cooperation with EF FBiH. This recommendation should be acted upon as soon as possible.
6. *Recommendation 6 (to UNDP and GCF): Consider accepting co-finance secured through another complementary UNDP GED Project implemented by UNDP and financed by GoBiH’s different level of government and SIDA*. GED Project had several phases from 2013 until now with the 3rd phase ongoing that will last until 2024 and use co-finance for energy efficiency activities in the public sector. Currently and according to ProDoc, only the GEF financed UrbanLed Project is accepted as UNDP co-finance in the UNDP co-finance letter. More than US$6 million has been spent since the beginning of this Project.
7. *Recommendation 7 (to UNDP and GCF): Consider the possibility of application and monitoring of 2 additional core mitigation indicators: Cost per tCO2eq decreased for GCF funded project and volume of finance leveraged by GCF funding (disaggregated by public/private source)*. This recommendation should be resolved for future APRs.

# Appendix A - Mission Terms of Reference for LCPB PROJECT INTERIM EVALUATION

**Job title:** International Consultant for Interim Evaluation of the UNDP-supported GCF-financed project

**Project title:** Scaling-up Investment in Low-Carbon Public Buildings

**Type of Contract:** Individual Contract

**Post Level:** International Consultant

**Duty Station:** Partially home based with a field mission to Bosnia and Herzegovina

**Languages Required:** English

**Starting Date: 6 July 2022**

**Duration of Contract:** *6 July 2022 to 7 September 2022 (up to 30 work days)*

1. **INTRODUCTION**

This is the Terms of Reference (ToR) for the Interim Evaluation (IE) of the UNDP-supported GCF-financed project titled **Scaling-up Investment in Low-Carbon Public Buildings**(PIMS#5882 / GCF FP051) implemented through the United Nations Development Programme (UNDP) in Bosnia and Herzegovina, which is to be undertaken in 2022. The project started on the 29 May 2018 and is in its 4th year of implementation. This ToR sets out the expectations for this Interim Evaluation.

1. **PROJECT BACKGROUND INFORMATION**

**Project background**

As a party to the United Nations Framework Convention on Climate Change (UNFCCC), Bosnia and Herzegovina (BiH) has undertaken important steps towards understanding and addressing climate change issues. It is increasingly recognized not only by the Government and scientific community, but also by its citizens that climate change is an issue of key strategic importance. BiH has put great emphasis on climate change as one of the most significant development challenges facing the country. In 2017, BiH submitted its Intended Nationally Determined Contribution (INDC), as part of the negotiations leading to the historic Paris Agreement, which it signed in April 2016. The NDC has been enhanced, adopted by BiH authorities and submitted to UNFCCC in Apr 2021.

Due to a long period of neglect and under-investment during and after the Bosnian war (1992-1995), public infrastructure, in particular buildings, in BiH is now in a dire state and in urgent need of upgrade and modernization. Over 70% of BiH’s public buildings were designed and built over 30 years ago with no consideration for their energy performance, let alone carbon footprint.

Public buildings have been identified as the sector with the largest potential for cost-effective energy saving in BiH (20-60%)[[25]](#footnote-26). Detailed energy audits conducted in public facilities by UNDP confirm that average energy use in a building can be reduced cost-efficiently by about 60%, assuming a given comfort level in the building (e.g. 20°C) before and after retrofitting. In addition to energy efficiency, significant potential for GHG emissions reduction lies in fuel switch[[26]](#footnote-27) measures: over 80% of public sector buildings are currently using fossil fuels (coal, light fuel oil (LFO), natural gas) or district heating systems, which are also predominantly coal-based. Deployment of BiH’s vast renewable energy resources – bioenergy (biomass/biogas), solar and other sources – combined with investments in energy efficiency (EE), therefore have the potential to play an instrumental role in reducing GHG emissions and energy use in public buildings, currently amounting to approximately 10% of BiH’s annual governmental budget. In total, the cost-effective energy savings potential in public buildings is estimated at around 700 GWh/year[[27]](#footnote-28), which translates into 560,000 tCO2/year or over 10 million tCO2 in GHG emissions reduction over the investment life-cycle for both energy efficiency (EE) and renewable energy (RE) measures in buildings.

Public buildings, i.e. buildings that belong to a state, municipality or other type of public authority and are used by the public, come in a wide variety of shapes, sizes and purposes, and they have been built at different times according to different standards. Consequently, addressing energy use in any given building requires a tailored approach, which needs to reflect the specifics of a particular building. Such an approach carries significant upfront transaction costs.

Due to the fragmented and complex inter-authority jurisdictions, especially in FBiH, authorities and line ministries do not possess a clear overview of public buildings under their jurisdiction, not to mention energy- and water-related consumption and the costs they incur on a monthly basis: public expenditures on energy and water are not monitored, recorded or analysed in any systematic way. Official data on energy intensity of public building stock do not exist. Although draft plans for improved energy performance in buildings (Operational Energy Efficiency Action Plans of public sector buildings in several Cantons in FBiH and Energy Efficiency Action Plan of Republika Srpska in RS) are being laid down, a comprehensive policy implementation platform and monitoring framework for public buildings is missing and has to be put in place to promote and enable low-carbon investment on the ground.

Multiple public authorities and entities in charge of public building management and building end-users lack essential capacities to identify, prepare and implement low-carbon investment projects. Lack of human and technical resources, information, as well as practical experience with project identification and preparation, and with implementation planning and business-models for low-carbon investment in the public sector, represent another important non-financial barrier that needs to be overcome.

The current financing paradigm for investment in low-carbon retrofits of public buildings in BiH can be summarized as follows:

* The existence of seemingly numerous, but cumulatively insignificant, grant-based funding sources/projects from national and international organizations complemented by end-users’ own finance
* The lack of a coordinated and integrated approach to public building retrofits that leads to ineffective and sub-optimal allocation of public funds
* The lack of private sector involvement and interest in market-based finance, including lack of a developed market for the ESCO business model and energy performance contracts

**About the project**

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| --- | --- |
| Project title | Scaling-up Investment in Low-Carbon Public Buildings |
| Atlas ID | 00100067 |
| Corporate outcome and output | UNDP Strategic Plan 2022-2025, Outcome 2; Output 2.3.1 |
| Country | Bosnia and Herzegovina |
| Date project document signed | 1 August 2018 |
| Project End date | 28 May 2026 |
| Project budget | 17,646,000 USD |
| Project expenditure at the time of evaluation | 6,160,031.78 USD |
| Funding source | Green Climate Fund |
| Implementing party | UNDP |

The **project “**[**Scaling-up Investment in Low-Carbon Public Buildings**](https://open.undp.org/projects/00100067)**”** is supported by the [Green Climate Fund (GCF)](https://www.greenclimate.fund/) and implemented by UNDP in BiH.

The **overall project’s objective** is to scale-up investment in low-carbon public buildings via design and implementation of the National Framework for Low-Carbon Investment in Public Buildings, comprising an integrated package of policy, regulatory, technological, informational, financial and managerial solutions designed to address country-specific risks and barriers to investment. The GCF project will result in a four- to five-fold increase in the level of investment in low-carbon public buildings; this, in turn, will enable BiH to meet its stated objective to reduce GHG emissions from the public buildings sector.

**Outcomes of the project are:**

Outcome 1.1 Strengthened institutional and regulatory systems for low-emission planning and development

Outcome 1.2 Lower energy intensity of buildings, cities, industries, and appliances

**Outputs of the project are:**

Output 1.1 Addressing non-financial barriers to investment in low-carbon buildings and infrastructure (“Policy de-risking”)

Output 1.2 Addressing financial barriers to low-carbon investment in buildings and infrastructure (“Financial de-risking and Investment support”)

**Output 1** will provide technical assistance (TA) to public and private sector stakeholders at municipal, cantonal, entity and national level in BiH to help address non-financial barriers, and to create conducive policies, regulations and capacities for implementation of the National Investment Framework for Low-Carbon Public Buildings.

**Output 2** will facilitate implementation of the National Investment Framework for Low-Carbon Public Buildings, including the required investment support to improve risk-return profiles and to bring prospective low-carbon building projects to financial close.

**Impact:**

The project will result in a real and visible paradigm shift in the BiH public building sector towards low-carbon sustainable development, as specifically recommended in the Nationally Determined Contribution, the National Communication to the UNFCCC and the National Climate Change Strategy of BiH. It is expected to result in direct emission reductions of 2,019,976 tCO2e by facilitating and scaling-up investment in low-carbon retrofits in 430 public buildings (representing 11% of the total public building stock in the country). Low-carbon retrofit projects include both EE and fuel switch measures in all buildings.

In addition to contributing to global environmental benefits, the project will improve the access of local communities, including vulnerable communities, to clean, safe and affordable energy: the retrofitted public buildings will provide improved occupancy conditions, affordable clean, adequate warmth in schools and hospitals and improved indoor and outdoor air quality.

The project will also change the established paradigm whereby assistance is provided by various agencies in isolation: instead, it will establish a mechanism that combines various financial sources and instruments under one Investment Framework and where resources from each partner are deployed to address a specific risk or barrier to investment, cumulatively ensuring much more attractive terms for investment than if the same assistance were provided in isolation.

The proposed low-carbon solutions in public buildings will support the transition towards a zero-carbon public sector with corresponding significant reduction of GHG emissions. In addition, introduction of RE, in particular switch from LFO to locally available biomass will improve security of energy supply to essential public infrastructure, improve conditions for occupants and users of public buildings, most of whom are women and children; reduce local pollution and improve public health; and drive local economic growth and employment.

The cumulative impact of the benefits of the application of the proposed low-carbon solutions in public buildings will:

* enable the transition towards a zero-carbon public sector with corresponding significant reduction of GHG emissions
* make essential public infrastructure energy-independent, thus providing shelter and essential services to local communities during emergencies
* improve conditions for occupants and users of public buildings, most of whom are women and children
* reduce local pollution and improve public health
* drive local economic growth and employment

The Green Climate Fund is built on the premise of providing finance that is catalytic and plays a paradigm shifting role. This project directly responds to these challenges by proposing an approach that enables both: i.e. catalyzing larger flows of finance for low-carbon investment and shifting the established paradigm about how this investment has to be made. It will support implementation of low-carbon retrofits in 430 public buildings, thus essentially scaling-up current level of investment in the sector by a factor of four to five.

1. **OBJECTIVES OF THE INTERIM EVALUATION**

The IE will assess implementation of the project and progress towards the achievement of the project objectives and outcomes as specified in the UNDP Project Document and GCF Funded Activity Agreement (FAA),and assess 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. The Interim Evaluation will also review the project’s strategy and its risks to sustainability.

The IE will take into consideration assessment of the project in line with the following evaluation criteria from the [GCF IEU TOR](https://ieu.greenclimate.fund/documents/977793/985626/B.06_06_-_Independent_Integrity_Unit_and_the_Independent_Redress_Mechanism.pdf/74fdcf3c-ffc5-42cf-affb-4305347a74a0) (GCF/B.06/06) and  [GCF Evaluation Policy,](https://www.greenclimate.fund/document/evaluation-policy-gcf) along with [guidance](https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm) provided by the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC). Additional evaluation criteria can be assessed, as applicable. The IE must assess the following

* **Implementation and adaptive management** – seeks to identify challenges and propose additional measures to support more efficient and effective implementation. The following aspects of project implementation and adaptive management will be assessed: management arrangements, work planning, finance and co-finance, project-level monitoring and evaluation systems, stakeholder engagement, reporting, and communications.
* **Risks to sustainability** – seeks to assess the likelihood of continued benefits after the project ends. The assessment of sustainability at the Interim Evaluation stage considers the risks that are likely to affect the continuation of project outcomes. The IE should validate the risks identified in the Project Document, Annual Project Reports, and the ATLAS Risk Management Module and whether the risk ratings applied are appropriate and up to date.
* **Relevance, effectiveness and efficiency** - seeks to assess the appropriateness in terms of selection, implementation and achievement of FAA and project document results framework activities and expected results (outputs, outcomes and impacts).
* **Coherence in climate finance delivery with other multilateral entities** - looks at how GCF financing is additional and able to amplify other investments or de-risk and crowd-in further climate investment.
* **Gender equity** - ensures integration of understanding on how the impacts of climate change are differentiated by gender, the ways that behavioural changes and gender can play in delivering paradigm shift, and the role that women play in responding to climate change challenges both as agents but also for accountability and decision-making.
* **Country ownership of projects and programmes** - examines the extent of the emphasis on sustainability post project through country ownership; on ensuring the responsiveness of the GCF investment to country needs and priorities including through the roles that countries play in projects and programmes.
* **Innovativeness in results areas** - focuses on identification of innovations (proof of concept, multiplication effects, new models of finance, technologies, etc.) and the extent to which the project interventions may lead to a paradigm shift towards low-emission and climate-resilient development pathways..
* **Replication and scalability** – the extent to which the activities can be scaled up in other locations within the country or replicated in other countries (this criterion, which is considered in document GCF/B.05/03 in the context of measuring performance could also be incorporate d in independent evaluations).
* **Unexpected results, both positive and negative** - identifies the challenges and the learning, both positive and negative, that can be used by all parties (governments, stakeholders, civil society, AE, GCF, and others) to inform further implementation and future investment decision-making.

1. **INTERIM EVALUATION APPROACH & METHODOLOGY**

The IE team must provide evidence-based information that is credible, reliable and useful.

**Desk review:** The Evaluation will be conducted by the Evaluation team composed of an International Evaluation Consultant (Evaluation Team Leader) and National Evaluation Consultant. The IE team will review all relevant sources of information including documents prepared during the preparation phase (i.e. baseline Funding proposal submitted to the GCF, FAA, the Project Document, project reports including Annual Performance Reports, Quarterly Progress Reports, UNDP Environmental & Social Safeguard Policy, project budget revisions, records of surveys conducted, national strategic and legal documents, stakeholder maps, and any other materials that the team considers useful for this evidence-based assessment).

The IE team is expected to follow a collaborative and participatory approach[[28]](#footnote-29) ensuring close engagement with the Project Team, Implementing Partner, NDA focal point, government counterparts, the UNDP Country Office, Regional Technical Advisers, and other principal stakeholders and beneficiaries.

**Field mission:** In line with UNDP Evaluation Guidelines and depending on the epidemiological circumstances in BiH, the Evaluation will make every effort to undertake 10 working days (not including weekends and travel days) visit to BiH within 2 weeks of the Inception Report approval. The purpose of this mission will be to meet with face to face and interview all key stakeholders. In the event that it will not be possible to plan a mission due to COVID-19 restrictions, the face-to-face interviews will need to be replaced with virtual technological solutions instead. A decision about the mission will be undertaken shortly after the assignment has started.

**Key informant interviews:** With the support of the National Evaluation Consultant, the Evaluation Team Leader will interview representatives of UNDP, GCF focal point (Ministry of Spatial Planning, Civil Engineering and Ecology of RS), Ministry of Foreign Trade and Economic Relations BiH, Ministry of Physical Planning of the FBiH, Environmental Funds of RS and FBiH, End-Users, Chief Technical Advisor, Regional Technical Advisor.

**Site visits/spot checks:** The IE team is expected to conduct field visits to project in Drvar, Ribnik, Prnjavor and Konjic in the country, which is to be decided in consultation with the project team.

If a field mission is not possible due to the epidemiological circumstances, then remote interviews will be undertaken through telephone or online (skype, zoom etc.). No stakeholders, consultants or UNDP staff should be put in harm’s way and safety is the key priority.

Other methodologies, as appropriate, such as case studies, statistical analysis, social network analysis, etc. online interviews, mobile questionnaires, online surveys, and collaboration platforms (slack or yammer) can be used to gather data. Stakeholders that are dealing with existing emergencies should be given advance notice (health care centres and hospitals, etc.). Data collection (government data/records, field observation visits, CDM verifications, public expenditure reporting, GIS data, etc.) will be used to validate evidence of results and assessments (including but not limited to: assessment of Theory of Change, activities delivery, and results/changes occurred).

The specific design and methodology for the IE should emerge from consultations between the IE team and the above-mentioned parties regarding what is appropriate and feasible for meeting the IE purpose and objectives and answering the evaluation questions, given limitations of budget, time and data. The IE team must, however, use gender-responsive methodologies and tools and ensure that gender equality and women’s empowerment, as well as other cross-cutting issues and SDGs are incorporated into the IE report.

The final methodological approach including interview schedule, field visits and data to be used in the IE must be clearly outlined in the **Inception Report** and be fully discussed and agreed between UNDP, stakeholders and the IE team.

The final Interim Evaluation report should describe the full evaluation approach taken and the rationale for the approach making explicit the underlying assumptions, challenges, strengths and weaknesses about the methods and approach of the review. The final report must also describe any limitations encountered by the Interim Evaluation team during the evaluation process, including limitations of the methodology, data collection methods, and any potential influence of limitation on how findings may be interpreted, and conclusions drawn. Limitations include, among others: language barriers, inaccessible project sites, issues with access to data or verification of data sources, issues with availability of interviewees, methodological limitations to collecting more extensive or more representative qualitative or quantitative evaluation data, deviations from planned data collection and analysis set out in the ToR and Inception Report, etc. Efforts made to mitigate the limitations should also be included in the Interim Evaluation report.

1. **DETAILED SCOPE OF THE INTERIM EVALUATION**

The Interim Evaluation team will assess the following categories of project progress. The following questions are intended to guide the Interim Evaluation team to deliver credible and trusted evaluations that provide assessment of progress and results achieved in relationship to the GCF investment, can identify learning and areas where restructuring or changes through adaptive management in project implementation are needed, and can make evidence-based clear and focused recommendations that may be required for enhancing project implementation to deliver expected results and to what extent these can be verified and attributed to GCF investment.

**i. Project Strategy**

Project design:

* Review the problem addressed by the project and the underlying assumptions. Review the effect of any incorrect assumptions or changes to the context to achieving the project results as outlined in the Project Document.
* Review the relevance of the project strategy and assess whether it provides the most effective route towards expected/intended results. Were lessons from other relevant projects properly incorporated into the project design?
* Review how the project addresses country priorities. Review country ownership. Was the project concept in line with the national sector development priorities and plans of the country (or of participating countries in the case of multi-country projects)?
* Review decision-making processes: were perspectives of those who would be affected by project decisions, those who could affect the outcomes, and those who could contribute information or other resources to the process, taken into account during project design processes?
* Review the extent to which relevant gender issues were raised in the project design. See *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for further guidelines.
* If there are major areas of concern, recommend areas for improvement.

Results Framework/Logframe:

* Undertake a critical analysis of the project’s logframe indicators and targets, assess how “SMART” the midterm and end-of-project targets are (Specific, Measurable, Attainable, Relevant, Time-bound), and suggest specific amendments/revisions to the targets and indicators as necessary.
* Are the project’s objectives and outcomes or components clear, practical, and feasible within its time frame?
* Examine if progress so far has led to, or could in the future catalyse beneficial development effects (i.e. income generation, gender equality and women’s empowerment, improved governance, etc.) that should be included in the project results framework and monitored on an annual basis.
* Ensure broader development and gender aspects of the project are being monitored effectively. Develop and recommend SMART ‘development’ indicators, including sex-disaggregated indicators and indicators that capture development benefits.
* Ensure that the indicators (gender-disaggregated) are SMART, aligned with GCF/Results Management Framework (RMF)/Performance Measurement Frameworks (PMFs) and the guidance in the [GCF programming manual.](https://www.greenclimate.fund/document/programming-manual)
* Evaluate the Theory of Change (ToC) proposed by the project during the inception and design phases in comparison to the approach, relevance, actions, interventions, practicality, and current context. Foresee the way forward and propose necessary adjustments.

**ii. Relevance, Effectiveness and Efficiency**

* Were the context, problem, needs and priorities well analysed and reviewed during project initiation?
* Are the planned project objectives and outcomes relevant and realistic to the situation on the ground?
* Do outputs link to intended outcomes which link to broader paradigm shift objectives of the project?
* Are the outputs being achieved in a timely manner? Is this achievement supportive of the ToC and pathways identified?
* How is the project Theory of Change (ToC) used in helping the project achieve results/ How is the ToC applied through the project?
* Is the project Theory of Change (ToC) and intervention logic coherent and realistic? Does the ToC and intervention logic hold or does it need to be adjusted? Reconstruct the ToC, if appropriate, aligning it with the [GCF ToC format](https://pims.undp.org/workspace/file/download?id=945).
* Verify the mitigation impact that the project has achieved. Analyse the GHG emissions achieved (including indirect emissions). Has an appropriate MRV system for GHG emission been established and implemented? Do outputs link to intended outcomes which link to broader paradigm shift objectives of the project?
* Are the planned inputs and strategies identified realistic, appropriate and adequate to achieve the results? Were they sequenced sufficiently to efficiently deliver the expected results?
* Are the outputs being achieved in a timely manner? Is this achievement supportive of the ToC and pathways identified?
* What and how much progress has been made towards achieving the overall outputs and outcomes of the project (including contributing factors and constraints)?
* To what extent is the project able to demonstrate changes against the baseline (assessment in approved Funding Proposal) for the GCF investment criteria (including contributing factors and constraints)?
* How realistic are the risks and assumptions of the project?
* How did the project deal with issues and risks in implementation?
* To what extent did the project’s M&E data and mechanism(s) contribute to achieving project results?
* Are the project’s governance mechanisms functioning efficiently?
* To what extent did the design of the project help or hinder achieving its own goals?
* Were there clear baselines indicators and/or benchmark for performance measurements? How were these used in project management? To what extent and how does the project apply adaptive management?
* What, if any, alternative strategies would have been more effective in achieving the project objectives?

**iii. Progress Towards Results**

Progress Towards Outcomes and Outputs Analysis:

* By reviewing the aspects of the project that have already been successful, identify ways in which the project can further expand these benefits.
* Review the logframe indicators against progress made towards the end-of-project targets using the Progress Towards Results Matrix and colour code progress in a “traffic light system” based on the level of progress achieved; assign a rating on progress for each indicator; make recommendations from the areas marked as “Not on target to be achieved” (red).

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Project Strategy** | **Indicator[[29]](#footnote-30)** | **Baseline Level[[30]](#footnote-31)** | **Level in 1st APR (self- reported)** | **Midterm Target[[31]](#footnote-32)** | **End-of-project Target** | **Midterm Level & Assessment[[32]](#footnote-33)** | **Achieve-ment Rating[[33]](#footnote-34)** | **Analysis: status of indicator; justification for rating** |
| **Fund Level Impact:** | Indicator: |  |  |  |  |  |  |  |
| **Outcome 1:** | Indicator: |  |  |  |  |  |  |  |
| Indicator: |  |  |  |  |  |
| **Output** | Indicator: |  |  |  |  |  |  |  |
| **Output** | Indicator: |  |  |  |  |  |  |  |
| **Outcome 2:** | Indicator: |  |  |  |  |  |  |  |
| Indicator: |  |  |  |  |  |

**Indicator Assessment Key**

|  |  |  |
| --- | --- | --- |
| Green= Achieved | Yellow= On target to be achieved | Red= Not on target to be achieved |

In addition to the progress towards outcomes and outputs analysis:

* Assess whether the total number of beneficiaries and indirect beneficiaries of the project has been properly calculated.
* Identify remaining barriers to achieving the project objective in the remainder of the project.
* By reviewing the aspects of the project that have already been successful, identify ways in which the project can further expand these benefits.
* Include a comprehensive assessment of the impact of COVID-19 on different aspects of project implementation. Assess the impact on results delivery, overall funded activity performance along with a plan of action to address these.

**iv. Project Implementation and Adaptive Management**

Management Arrangements:

* Review overall effectiveness of project management as outlined in the FAA/Funding proposal. Have changes been made and have these been approved by GCF? Are responsibilities and reporting lines clear? Is decision-making transparent and undertaken in a timely manner? Recommend areas for improvement.
* Review the quality of execution of the Executing Agency/Implementing Partner(s) and recommend areas for improvement.
* Review the quality of support provided by UNDP and recommend areas for improvement.

Work Planning:

* Review any delays in project start-up and implementation, identify the causes and examine if they have been resolved.
* Are work-planning processes results-based? If not, suggest ways to re-orientate work planning to focus on results?
* Examine the use of the project’s results framework/ logframe as a management tool and review any changes made to it since project start.
* Assess the feasibility of completing the proposed activities within the given project timeline (if extension was sought for any project milestone; please consider the revised timelines as well) and make recommendations for extensions, as need be.

Financing and Co-financing:

* Consider the financial management of the project, with specific reference to the cost-effectiveness of interventions.
* Review the changes to fund allocations as a result of budget revisions and assess the appropriateness and relevance of such revisions.
* Have project resources been utilized in the most economical, effective and equitable ways possible (considering value for money; absorption rate; commitments versus disbursements and projected commitments; co-financing; etc.)?
* Does the project have the appropriate financial controls, including reporting and planning, that allow management to make informed decisions regarding the budget and allow for timely flow of funds?
* Informed by the co-financing monitoring table to be filled out, provide commentary on co-financing: is co-financing being used strategically to help the objectives of the project? Comment on the use of different financial streams (parallel, leveraged, mobilized finance), as applicable in the context of the project – see GCF policy on co-finance[[34]](#footnote-35). Discuss whether co-finance related conditions and covenants, as listed in the FAA, have been fulfilled, as applicable.
* Conduct an analysis of materialized co-financing and implications for project scope and results. If co-finance is not materialising as planned (timing and/or amount), assess mitigation measures, and discuss the impact of that on the project and results on the ground.
* Assess factors that contributed to low/high expenditure rate and impact on the project

Coherence in climate finance delivery with other multilateral entities

* Who are the partners of the project and how strategic are they in terms of capacities and commitment?
* Is there coherence and complementarity by the project with other actors for local other climate change interventions?
* To what extent has the project complimented other on-going local level initiatives (by stakeholders, donors, governments) on climate change adaptation or mitigation efforts?
* How has the project contributed to achieving stronger and more coherent integration of shift to low emission sustainable development pathways and/or increased climate resilient sustainable development (GCF RMF/PMF Paradigm Shift objectives)? Please provide concrete examples and make specific suggestions on how to enhance these roles going forward.

Project-level Monitoring and Evaluation Systems:

* Review the monitoring tools currently being used: Do they provide the necessary information? Do they involve key partners? Do they use existing information? Are they efficient? Are they cost-effective? Are additional tools required? How could they be made more participatory and inclusive?
* Discuss any quality assuring mechanisms being used (e.g. ISO standard, government accreditations, international certificates, etc.)
* Is project reporting and information generated by the project linked to national SDGs, NDC and other national reporting systems?
* Examine the financial management of the project monitoring and evaluation budget. Are sufficient resources being allocated to monitoring and evaluation? Are these resources being allocated effectively?

Stakeholder Engagement:

* Project management: Has the project developed and leveraged the necessary and appropriate partnerships with direct and tangential stakeholders?
* Participation and country-driven processes: Do local and national government stakeholders support the objectives of the project? Do they continue to have an active role in project decision-making that supports efficient and effective project implementation?
* Participation and public awareness: To what extent has stakeholder involvement and public awareness contributed to the progress towards achievement of project objectives?
* Is a grievance mechanism in place? If so, assess its effectiveness

Social and Environmental Standards (Safeguards)

* Validate the risks identified in the project’s most current SESP/ESIA, and those risks’ ratings; are any revisions needed?
* Summarize and assess the revisions made since Board Approval (if any) to:
  + The project’s overall safeguards risk categorization.
  + The identified types of risks[[35]](#footnote-36) (in the SESP).
  + The individual risk ratings (in the SESP).
* Describe and assess progress made in the implementation of the project’s social and environmental management measures as outlined in the SESP submitted at the Funding Proposal stage (and prepared during implementation, if any), including any revisions to those measures. Such management measures might include Environmental and Social Management Plans (ESMPs) or other management plans, though can also include aspects of a project’s design; refer to Question 6 in the SESP template for a summary of the identified management measures.

A given project should be assessed against the version of UNDP’s safeguards policy that was in effect at the time of the project’s approval.

Reporting:

* Assess how adaptive management changes have been reported by the project management and shared with the Project Board.
* Assess how well the Project Team and partners undertake and fulfil GCF reporting requirements (i.e. how have they addressed poorly-rated APRs, if applicable?)
* Assess how lessons derived from the adaptive management process have been documented, shared with key partners and internalized by partners.
* Assess the efficiency, timeliness, and adequacy of reporting requirements

Communications:

* Review internal project communication with stakeholders: Is communication regular and effective? Are there key stakeholders left out of communication? Are there feedback mechanisms when communication is received? Does this communication with stakeholders contribute to their awareness of project outcomes and activities and investment in the sustainability of project results?
* Review external project communication: Are proper means of communication established or being established to express the project progress and intended impact to the public (is there a web presence, for example? Or did the project implement appropriate outreach and public awareness campaigns?)
* For reporting purposes, write one half-page paragraph that summarizes the project’s progress towards results in terms of contribution to sustainable development benefits, as well as global environmental benefits.

**v. Sustainability**

* Validate whether the risks identified in the FAA and Funding proposal, APRs and the ATLAS Risk Management Module are the most important and whether the risk ratings applied are appropriate and up to date. If not, explain why.
* In addition, assess the following risks to sustainability:

Financial risks to sustainability:

* What is the likelihood of financial and economic resources not being available once the GCF assistance ends (consider potential resources can be from multiple sources, such as the public and private sectors, income generating activities, and other funding that will be adequate financial resources for sustaining project’s outcomes)?

Socio-economic risks to sustainability:

* Are there any social or political risks that may jeopardize sustainability of project outcomes? What is the risk that the level of stakeholder ownership (including ownership by governments and other key stakeholders) will be insufficient to allow for the project outcomes/benefits to be sustained? Do the various key stakeholders see that it is in their interest that the project benefits continue to flow? Is there sufficient public / stakeholder awareness in support of the long term objectives of the project? Are lessons learned being documented by the Project Team on a continual basis and shared/ transferred to appropriate parties who could learn from the project and potentially replicate and/or scale it in the future?

Institutional Framework and Governance risks to sustainability:

* Do the legal frameworks, policies, governance structures and processes pose risks that may jeopardize sustenance of project benefits? While assessing this parameter, also consider if the required systems/ mechanisms for accountability, transparency, and technical knowledge transfer are in place.

Environmental risks to sustainability:

* Are there any environmental risks that may jeopardize sustenance of project outcomes?

**vi. Country Ownership**

* To what extent is the project aligned with national development plans, national plans of action on climate change, or sub-national policy as well as projects and priorities of the national partners?
* How well is country ownership reflected in the project governance, coordination and consultation mechanisms or other consultations?
* To what extent are country level systems for project management or M&E utilized in the project?
* Is the project, as implemented, responsive to local challenges and relevant/appropriate/strategic in relation to SDG indicators, National indicators, GCF RMF/PMF indicators, AE indicators, or other goals?
* Were the modes of deliveries of the outputs appropriate to build essential/necessary capacities, promote national ownership and ensure sustainability of the result achieved?

**vii. Gender equity**

* Does the project only rely on sex-disaggregated data per population statistics?
* Are financial resources/project activities explicitly allocated to enable women to benefit from project interventions?
* Does the project account in activities and planning for local gender dynamics and how project interventions affect women as beneficiaries?
* Do women as beneficiaries know their rights and/or benefits from project activities/interventions?
* How do the results for women compare to those for men?
* Is the decision-making process transparent and inclusive of both women and men?
* To what extent are female stakeholders or beneficiaries satisfied with the project gender equality results?
* Did the project sufficiently address cross cutting issues including gender?
* How does the project incorporate gender in its governance or staffing?

**viii. Innovativeness in results areas**

* What are the lessons learned to enrich learning and knowledge generation in terms of how the project played in the provision of “thought leadership,” “innovation,” or “unlocked additional climate finance” for climate change adaptation/mitigation in the project and country context? Please provide concrete examples and make specific suggestions on how to enhance these roles going forward.

**ix. Unexpected results, both positive and negative**

* What has been the project’s ability to adapt and evolve based on continuous lessons learned and the changing development landscape? Please account for factors both within the AE/EE and external.
* Can any unintended or unexpected positive or negative effects be observed as a consequence of the project’s interventions? What factors have contributed to the unintended outcomes, outputs, activities, results? Do any of the unintended results constitute a major change?[[36]](#footnote-37)

**x. Replication and Scalability**

* What are project lessons learned, failures/lost opportunities to date? What might have been done better or differently?
* Assess the effectiveness of exit strategies and approaches to phase out assistance provided by the project including contributing factors and constraints? Is there a need for recalibration?
* What factors of the project achievements are contingent on specific local context or enabling environment factors?
* Are the actions and results from project interventions likely to be sustained, ideally through ownership by the local partners and stakeholders?
* What are the key factors that will require attention in order to improve prospects of sustainability, scalability or replication of project outcomes/outputs/results?

xi. Conclusions, Recommendations and Lessons Learned

The Interim Evaluation team will include a section of the report setting out the evaluation’s evidence-based conclusions, in light of the findings. Explain whether the project will be able to achieve planned development objective and outcomes by the end of implementation.

Recommendations should be succinct suggestions for critical intervention that are specific, measurable, achievable, and relevant. A recommendation table should be put in the report’s executive summary.

The Interim Evaluation team should make no more than 10 recommendations total.

The Interim Evaluation will also include a separate section with a concise and logically articulated set of lessons learned (new knowledge gained from the project, context, outcomes, even evaluation methods; failures/lost opportunities to date, what might have been done better or differently, etc.). Lessons should be based on specific evidence presented in the report and can be used to inform design, adapt and change plans and actions, as appropriate, and plan for scaling up.

The Interim Evaluation report’s findings, conclusions, recommendations and lessons learned need to consider gender equality and women’s empowerment and other cross-cutting issues.

**Ratings**

The Interim Evaluation team will include its ratings of the project’s results and brief descriptions of the associated achievements in an *Interim Evaluation Ratings & Achievement Summary Table* in the Executive Summary of the Interim Evaluation report. No rating on Project Strategy and no overall project rating is required.

Table. Interim Evaluation Ratings & Achievement Summary Table for the Project Scaling-up Investment in Low-Carbon Public Buildings

|  |  |  |
| --- | --- | --- |
| **Measure** | **Interim Evaluation Rating[[37]](#footnote-38)** | **Achievement Description** |
| **Project Strategy** | N/A |  |
| **Progress Towards Results** | Objective Achievement Rating: (rate 6 pt. scale) |  |
| Outcome 1 Achievement Rating: (rate 6 pt. scale) |  |
| Outcome 2 Achievement Rating: (rate 6 pt. scale) |  |
| Outcome 3 Achievement Rating: (rate 6 pt. scale) |  |
| Etc. |  |
| **Project Implementation & Adaptive Management** | (rate 6 pt. scale) |  |
| **Sustainability** | (rate 4 pt. scale) |  |

1. **TIMEFRAME**

The total duration of the Interim Evaluation will be up to 30 working daysover a time period of 16 weeks. The tentative Interim Evaluation timeframe is as follows:

|  |  |  |
| --- | --- | --- |
| **ACTIVITY** | **NUMBER OF WORKING DAYS** | **COMPLETION DATE** |
| 1. **Desk review and Inception Report** | | |
| Document review and preparation of Interim Evaluation (IE) Inception Report; Submission of IE Inception Report (Inception Report due no later than 1 week before the evaluation mission) | 4 | 8 July 2022 |
| 1. **Mission and Data Collection** | | |
| IE mission: stakeholder meetings, interviews, field visits | 10 | 18 July 2022 |
| Presentation of initial findings and first draft- last day of the Interim Evaluation mission | 1 | 19 July 2022 |
| 1. **Report Writing** | | |
| Preparation and advancing of first Draft IE Report #2 | 6 | 25 July 2022 |
| Incorporation of comments on ; Draft IE Report #2 | 6 | 15 August 2022 |
| Incorporation of comments from Draft IE Report #3 and Finalization of IE report + completed audit trail from feedback on draft report (note: accommodate time delay in dates for circulation and review of the draft report) | 3 | 23 August 2022 |

1. **MIDTERM REVIEW DELIVERABLES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **#** | **Deliverable** | **Description** | **Timing** | **Responsibilities** |
| **1** | **Interim Evaluation (IE) Inception Report** | Proposed evaluation methodology, work plan and structure of the Interim Evaluation report, and options for site visits | 10 July 2022 | Interim Evaluation team submits to the Commissioning Unit and project management |
| **2** | **Stakeholders meetings, field visits and Presentation of findings** | Initial Findings | 20 July 2022 | Interim Evaluation Team presents to project management and the Commissioning Unit |
| **3** | **Draft IE Report #1** | Full report (using guidelines on content outlined in Annex B) with annexes | 21 July 2022 | Interim Evaluation Team sends draft to the Commissioning Unit, reviewed by RTA, Project Coordinating Unit |
| **4** | **Draft IE Report #2-advancing report IE report Draft #1** | Full report (using guidelines on content outlined in Annex B) with annexes | 15 August 2022 | Interim Evaluation Team sends draft to the Commissioning Unit, reviewed by RTA, Project Coordinating Unit |
| **5** | **Final Interim Evaluation Report\* + Audit Trail** | Revised report with audit trail detailing how all received comments have (and have not) been addressed in the final report | 23 August 2022 | Interim Evaluation Team sends final report + completed Audit Trail to Commissioning Unit and NDA focal point |
| **6** | **Concluding Stakeholder Workshop** (optional) | Meeting to present and discuss key findings and recommendations of the evaluation report, and key actions in response to the report. | 7 September 2022 | Led by Interim Evaluation team or Project Team and Commissioning Unit |

\*The final Interim Evaluation report must be in English. If applicable, the Commissioning Unit may choose to arrange for a translation of the report into a language more widely shared by national stakeholders.

1. INTERIM EVALUATION ARRANGEMENTS

The principal responsibility for managing this IE resides with the Monitoring & Evaluation Focal Point of the Commissioning Unit. The Commissioning Unit for this project’s IE is the UNDP Bosnia and Herzegovina.

During this assignment, the Interim Evaluation team will report to the Evaluation Manager appointed by the Commissioning Unit who will provide guidance and ensure satisfactory completion of deliverables.

The Commissioning Unit will contract the IE team and ensure the timely provision of per diems and travel arrangements within the country. The Project Team will be responsible for liaising with the Interim Evaluation team to provide all relevant documents, set up stakeholder interviews, and arrange field visits.

1. **TEAM COMPOSITION AND CORE COMPETENCIES**

A team of one International Evaluation Consultant and one National Evaluation Consultant will conduct the IE – the International Evaluation Consultant (with experience and exposure to projects and evaluations in other regions globally) and one National Evaluation Expert (with experience in project evaluations). The Evaluation Team Leader will lead the evaluation process and decide on planning and distribution of the evaluation workload and tasks. She/he will closely collaborate with the National Evaluation Consultant who will provide support throughout the evaluation process.

The consultants cannot have participated in the project preparation, formulation, and/or implementation (including the writing of the Project Document) and should not have a conflict of interest with project’s related activities.

The selection of consultants will be aimed at maximizing the overall “team” qualities in the following areas:

a) Competencies

Core values

* Demonstrates integrity and fairness by modelling UN values and ethical standards
* Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability

Core competencies

* Demonstrates professional competence to meet responsibilities and post requirements and is conscientious and efficient in meeting commitments, observing deadlines and achieving results
* Results-Orientation: Plans and produces quality results to meet established goals, generates innovative, practical solutions to challenging situations
* Communication: Excellent communication skills, including the ability to convey complex concepts and recommendations, both orally and in writing, in a clear and persuasive style tailored to match different audiences
* Team work: Ability to interact, establish and maintain effective working relations with a culturally diverse team
* Client orientation: Ability to establish and maintain productive partnerships with national partners and stakeholders and pro-activeness in identifying of beneficiaries and partners’ needs and matching them to appropriate solutions

b) Required qualifications for the Evaluation Consultant

Education

* A Master’s degree in natural resource management/ environmental management/ business/ public administration other related disciplines or other closely related field. (25%)

Work Experience

* At least 7 years of professional working experience in the areas of climate change and energy management; (15%)
* Competence in adaptive management, as applied to climate change and energy efficiency sector management projects; (20%)
* Relevant experience in result-based management and project evaluations; (10%)
* Experience applying indicators and reconstructing or validating baseline and theory of change scenarios; (10%)
* Experience in gender sensitive data collecting and analysis; (10%)
* Experience working in the Western Balkans region; (10%)

Language

* Fluency in written and spoken English

1. **EVALUATOR ETHICS**

The evaluation team will be held to the highest ethical standards and is required to sign a code of conduct (see ToR Annex D) upon acceptance of the assignment. This evaluation will be conducted in accordance with the principles outlined in the UNEG [Ethical Guidelines for Evaluation](http://www.unevaluation.org/document/detail/2866). The evaluation team must safeguard the rights and confidentiality of information providers, interviewees and stakeholders through measures to ensure compliance with legal and other relevant codes governing collection of data and reporting on data. The evaluation team must also ensure security of collected information before and after the evaluation and protocols to ensure anonymity and confidentiality of sources of information where that is expected. The information knowledge and data gathered in the evaluation process must also be solely used for the evaluation and not for other uses without the express authorization of UNDP and partners.

1. **PAYMENT MODALITIES AND SPECIFICATIONS**

100% upon satisfactory delivery and approval of the final Interim Evaluation report by the Commissioning Unit, UNDP Nature, Climate and Energy (NCE) Regional Technical Advisor and UNDP NCE Principal Technical Advisor +submission of completed Audit Trail

Criteria for issuing the final payment:

1. The final IE report includes all requirements outlined in the IE TOR and is in accordance with the IE guidance.
2. The final IE report is clearly written, logically organized, and is specific for this project (i.e. text has not been cut & pasted from other IE reports).
3. The Audit Trail includes responses to and justification for each comment listed.
4. RTA approvals are via signatures on the IE Report Clearance Form)

# Appendix B - Mission Itinerary (for MAY-AUGUST 2022)

| **#** | **Activity** | **Stakeholder involved** | **Place** |
| --- | --- | --- | --- |
| ***14 July 2022 (Thursday)*** | | | |
| 1 | Meeting with Sinisa Rodic, Sinisa Ubiparovic, Zijad Karadza, Dejan Danilovic, Nejra Basic | LCPB team | Virtual via Teams meeting |
| ***15 July 2022 (Friday)*** | | | |
| 2 | Meeting with Milos Jokic | Ministry of Spatial Planning, Construction and Ecology (MSPCE) | Virtual via Zoom meeting |
| 3 | Meeting with Jasmina Kafedzic, Elma Kapetanovic, Samra Prasovic, Ada Eminagic-Krko | The FBiH Environmental Protection Fund (EF FBiH) | Virtual via Zoom meeting |
| 4 | Meeting with Srdjan Todorovic | The RS Fund for Environmental Protection and Energy Efficiency (FEPEE RS) | Virtual via Zoom meeting |
| ***16 July 2022 (Saturday)*** | | | |
| 5 | Meeting with Mr. Josip Nikolic | Ministry of Physical Planning of the FBiH (MPP FBiH) | Virtual via Zoom meeting |
| ***18 July 2022 (Monday)*** | | | |
| 6 | Meeting with Raduska Cupac | UNDP | Virtual via Zoom meeting |
| 7 | Meeting with Admir Softic | BiH Ministry of Foreign Trade and Economic Relations (MoFTER) | Virtual via Zoom meeting |
| ***21 July 2022 (Thursday)*** | | | |
| 8 | Meeting with Milanko Todorovic, Andja Galic | The Primary School “Desanka Maksimovic” Ribnik, Republika Srpska | Site visit/spot checks |
| 9 | Meeting with Dijana Novkovic-Pecanac, Predrag Ledic | The Primary School “Drvar” Drvar, Federation of Bosnia and Herzegovina | Site visit/spot checks |
| ***25 August 2022 (Thursday)*** | | | |
| 10 | Meeting with Marko Miskovic | Bioenergi Company Ltd Vitez | On-line |
| 11 | Meeting with Petar Gvero | Mechanical Faculty Banja Luka, Department for Thermotechnic | On-line |
| ***26 August 2022 (Friday)*** | | | |
| 12 | Meeting with Suzana Malesic | Center for the Promotion of European Values “EUROPLUS” Doboj (CSO) | On-line |

Total number of meetings conducted: 12

# Appendix C - List of Persons contacted

This is a listing of stakeholders contacted in Bosnia and Herzegovina (unless otherwise noted) during the Interim Evaluation Period only. Stakeholders were chosen on the basis of their knowledge of the Project. The Evaluation Team regrets any omissions to this list.

|  |  |  |
| --- | --- | --- |
| **Name** | **Designation** | **Agency/Organization** |
| Raduska Cupac | Energy and Environment Sector Leader (GCF Project oversight) | UNDP |
| Sinisa Rodic | CCM Programme Manager | UNDP |
| Sinisa Ubiparovic | GCF Project Manager | UNDP |
| Zijad Karadza | CCM Project Associate | UNDP |
| Dejan Danilovic | Project Officer | UNDP |
| Admir Softic | Assistant Minister | The BiH Ministry of Foreign Trade and Economic Relations (MoFTER) |
| Milos Jokic | The Ministry Advisor | Project Responsible Parties: The Ministry of Spatial Planning, Construction and Ecology (MSPCE) |
| Josip Nikolic | Secretary of The Ministry | The Ministry of Physical Planning of the FBiH (MPP FBiH) |
| Jasmina Kafedzic | Head of the Department of Energy Efficiency and PIU | The FBiH Environmental Protection Fund (EF FBiH) |
| Elma Kapetanovic | Professional advisor | The FBiH Environmental Protection Fund (EF FBiH) |
| Samra Prasovic | Professional advisor | The FBiH Environmental Protection Fund (EF FBiH) |
| Ada Eminagic-Krko | Higher professional associate | The FBiH Environmental Protection Fund (EF FBiH) |
| Srdjan Todorovic | The Director | The RS Fund for Environmental Protection and Energy Efficiency (FEPEE RS) |
| Milanko Todorovic | The Secretary | The Primary School “Desanka Maksimovic” Ribnik, Republika Srpska |
| Andja Galic | The Accountant | The Primary School “Desanka Maksimovic” Ribnik, Republika Srpska |
| Dijana Novkovic-Pecanac | The Director | The Primary School “Drvar” Drvar, Federation of Bosnia and Herzegovina |
| Predrag Ledic | The school’s maintenance | The Primary School “Drvar” Drvar, Federation of Bosnia and Herzegovina |
| Marko Miskovic | The Manager | Bioenergi Company Ltd Vitez |
| Petar Gvero | University Professor | Mechanical Faculty Banja Luka |
| Suzana Malesic | The Secretary | Center for the Promotion of European Values “EUROPLUS” Doboj (CSO) |

# Appendix D - List of documents reviewed

1. UNDP Project Document (LCPB ProDoc);
2. GCF Funding Proposal for LCPB;
3. UNDP Bosnia and Herzegovina Country Program Document;
4. Funded Activity Agreement between UNDP and GCF for LCPB, May 28, 2018;
5. Annex XII: Gender Assessment and Action Plan for LCPB;
6. UNDP Evaluation Guidance During COVID 2019;
7. Implementation Plans for LCPB Project;
8. UNDP Project Document;
9. UNDP Environmental and Social Screening results;
10. Project Inception Report;
11. All Annual Performance Reports (APRs);
12. Audit reports;
13. All monitoring reports prepared by the project;
14. Financial and Administration guidelines used by Project Team;
15. GHG emissions data or access to EMIS;
16. Project Concept Note;
17. Project operational guidelines, manuals and systems;
18. Minutes of the Project Board Meetings and other meetings (i.e. Project Appraisal Committee meetings);
19. Project site location maps;
20. UNDP Strategic Plan 2022-2025;
21. Nationally Determined Contribution (NDC) of Bosnia and Herzegovina for the period 2020-2030;
22. Climate Change Adaptation and Low Emission Development Strategy for BiH;
23. Initial national communication 1 (inc) of Bosnia and Herzegovina under the United Nations Framework Convention on Climate Change (UNFCCC);
24. Second national communication of Bosnia and Herzegovina under the United Nations Framework Convention on Climate Change;
25. Third national communication and second biennial update report on greenhouse gas emissions of Bosnia and Herzegovina;
26. Tipologija javnih zgrada (B/H/S language);
27. National Investment Framework document;
28. Green Jobs - Analysing the Employment Impact of Energy Efficiency Measures in BiH;
29. SECAP example;
30. DEA example;
31. STUDIJA ENERGETSKE OBNOVE STAMBENIH ZGRADA NA PODRUČJU GRADA TUZLA (B/H/S language);
32. Gender Action Plan – GCF LCPB – Report.

# Appendix E - questionnaire

Specific group of questions were developed and applied for each interview. These questions included for example:

* Are the Project’s objectives and implementation strategies consistent with global, regional and country’s environmental issues and priorities, considering Green Climate Fund and UN/UNDP Strategic Frameworks, EU accession agenda and Agenda 2030?
* To what extent have the intended results been achieved or are they likely to be achieved by the end of the project? What are the main Project accomplishments?
* Your overview of the Project progress against the result framework indicators is to be provided in an Annex of the Evaluation Report.
* What has been the contribution of partners and other organizations to the outcome, and how effective have the programme partnerships been in contributing to achieving the outcome?
* Has the project been implemented efficiently, cost-effectively, and been able to adapt to any changing conditions thus far?
* To what extent are project-level monitoring and evaluation systems, reporting, and project communications supporting the project’s implementation?
* Has the co-financing mechanism for intervention on Public buildings, established by the Project and stakeholders, and applied through project activities been effective and adequate for achieving project results and scaling-up investments of stakeholders?
* Has the COVID-19 pandemic affected Project implementation and how? Were alternative approaches considered in the course of implementation? What are other potential risks for the Project’s efficient implementation?
* To what extent are there financial, institutional, socio-economic, and/or environmental risks to sustaining long-term project results?
* Are there any social or political factors that may influence positively or negatively the sustenance of Project results and progress towards impacts? Is the level of ownership by the main stakeholders sufficient to allow for the Project results to be sustained?
* What are the innovations/ best practices that need to be further build upon?
* What was your experience and role in process of cooperation with the UNDP/GCF project “Scaling-up Investment in Low-Carbon Public Buildings”?
* What is your experience and role with project implementation and performance of project partners?
* What specific support did the UNDP/GCF Project provide to your organization?
* What should be strengthened in the next phase? What are the weaknesses?
* Did COVID perhaps change governmental priorities and shift from energy efficiency to other investment priorities?
* What do you expect to be the main challenge of the UNDP/GCF project implementation?
* What main risks did you see in this GCF project?
* What are your activities and experience in energy efficiency?
* What impact do you think the global instability and market changes will have on the Project implementation?
* Is there any specific need for training?
* What energy efficiency measures were implemented?
* What was your experience from cooperation with the Project? What support did you receive?
* Is there any additional need for support from the Project?
* Public procurements (Tenders) – procedures, what was the response from construction companies?
* The impact of the pandemic on the state, entity and local budgets?
* What is your opinion on the Project design, implementation, main challenges?
* Are there prospects for cooperation? What specifically?
* What are the expectations in your sector of competence, how many building users, the interest of end users?
* What is the structure of public owners and end users?
* Have some owners implemented some energy efficiency measures individually before this

project?

* How effective was cooperation with the UNDP Project?
* How feasible was the financing scheme?
* What are the main risks? Financial affordability? Others risk? Is there a need to change legislation?
* What is the potential to attract additional financing for energy efficiency?
* What is the budget of the State/Entity subvention program? How much of it is dedicated for energy efficiency?
* How did UNDP project support your activities?
* What support does your institution offers for energy efficiency in buildings?
* What is the trend in financing provided for energy efficiency retrofits?
* Was there any impact of the governmental constitutions on the governmental funding available?
* How big is the demand for these energy efficiency retrofits?
* How did the increase in the price of construction and other materials affect the number of retrofitted buildings and the quality of the retrofit?
* Major risks in implementing and financing energy efficiency in buildings? What needs to be done to facilitate financing?
* What are the main problems to be solved and what is your recommendation?

# Appendix F - REPORT ON CO2 EMISSIONS REDUCTION

1. This Project is expected to result in direct emission reductions of 2,019,976 tCO2e by facilitating and scaling-up investment in low-carbon retrofits in 430 public buildings (representing 11% of the total public building stock in the country). Low-carbon retrofit projects include both EE and fuel switch measures in all buildings. The estimated potential for GHG emission reduction in an average public building, depending on baseline fuel (coal or LFO), is between 178 and 314 tCO2/year or 3,556 – 6,283 tCO2 cumulatively over a 20-year investment life-cycle (See Table F-1). Emission reductions are calculated based on avoided quantity of fuel consumption (coal or LFO) by multiplying baseline energy use by relevant GHG emission factor and lifetime of the investment (assumed to be 20 years). This approach is in line with relevant CDM methodologies for small-scale fuel-switch projects, e.g. AMS I-C “Thermal Energy Production with or Without Electricity” or AMS I-I “Biomass Thermal Applications for Small Users”

**Table F-1: Estimates of GHG emission reductions from EE/RE measures in an average public building[[38]](#footnote-39)**

Graphical user interface, application

Description automatically generated

1. Thus far, the Project has contributed to the rehabilitation of 161 public buildings. If we consider that the average savings on one public facility is from 178 to 314 tCO2 (as per project document), the annual CO2 savings per one public facility is a simple calculation. In the case of the Project, it is somewhat less because there are facilities that have smaller and some large savings depending on the size of the public facility.
2. Savings were calculated based on the implemented measures previously identified and analyzed through the DEAs. Energy efficiency measures or a combination of energy efficiency measures (selected scenario) is selected, and corresponding CO2 emission reduction is calculated on annual basis. The reported Project’s CO2 emission reduction is calculated on the basis of annual CO2 emission reduction multiplied by 20 years, the expected life span of implemented measures.
3. Based on evidence reached through developed DEAs and implemented energy efficiency measures, the Project has been able to generate 462,412 tCO2eq of emissions reductions. In a reverse calculation, this gives us the average tCO2/annually per building of 145 tCO2. In the ProDoc, the average CO2 emissions reduction per building was set between 178 and 314 tCO2/year. This was an average emissions reduction of 19% less of the lower scale due to the fact that to some extent, scope of EE works was reduced, due to significant increase of prices of building material and equipment, as reported in the APR and during this IE review. The Project needs to identify further steps either in reaching set targets or finding other solutions for eventual revision of Project targets, due to identified obstacles in terms of prices and availability of construction materials and EE equipment.

# Appendix g – detailed interim evaluation methodology for the LCPB Project

Diagram

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# Appendix h – project results framework for LCPB Project

|  |
| --- |
| **This project will contribute to the following Sustainable Development Goal (s):**  • SDG7 (Affordable and Clean Energy)  • SDG9 (Industry, Innovation and Infrastructure)  • SDG11 (Sustainable cities and communities)  • SDG17 (Partnerships for the goals) |
| **This project will contribute to the following country outcome included in the UNDAF/Country Programme Document:**  **Outcome 05 -** By 2019, legal and strategic frameworks enhanced and operationalized to ensure sustainable management of natural, cultural and energy resources |
| **This project will be linked to the following output of the UNDP Strategic Plan:**  **Output 1.5:** Inclusive and sustainable solutions adopted to achieve increased energy efficiency and universal modern energy access (especially off-grid sources of renewable energy). |
| **GCF Paradigm shift objectives:**  The Project contributes to shifting BiH to a low-emissions sustainable development pathway in two ways: 1) it improves efficiency of energy use in public buildings by at least 50% and 2) it enables the switch from fossil to renewable (zero-emission) energy sources in public buildings**.** |

|  | **Objective and Outcome Indicators** | **Baseline** | **Mid-term Target** | **End of Project Target** | **Assumptions** |
| --- | --- | --- | --- | --- | --- |
| **SDG indicators** | 7.b.1: Investments in energy efficiency as a  proportion of GDP and the amount of foreign direct investment in financial transfer for infrastructure and technology to sustainable development services |  |  |  | *Statistical Agencies in BIH have the capacity and regularly conduct monitoring actions* |
| **UNDP Strategic Plan Indicators** | 1. # direct project beneficiaries. | *n/a* | *35,000 people – occupants and users of public buildings, including 18,200 women* | *150,000 people – occupants and users of public buildings (4% of the total population), including 80,000 women* |  |
| **FUND LEVEL IMPACT:** | | | | | |
| **Fund level Impact:**  *M3.0 Reduced emissions from buildings, cities, industries and appliances* | Tonnes of carbon dioxide  equivalent (tCO2eq) reduced in public  building sector | 0 | 500,000 | 2,019,976 | • Estimation over investment  lifetime (20 years)  *• Mid-term is 3 years after*  *project start*  *• The procurement process is*  *efficient and timely*  *• Co-financing realized* |
| Number of people benefitting from improved working/occupancy conditions in buildings (disaggregated by gender) | 0 | 35,000  (18,200 women) | 150,000  (80,000  women) |
| 0 | 1% | 4% |
| **PROJECT OUTCOMES:** | | | | | |
| *M5.0 Strengthened institutional and regulatory systems* | M5.1 Number of policies, institutions,  coordination mechanisms and regulatory  frameworks that improve incentives for low emission planning and development and their effective implementation  Note: the project will support update/ preparation of the local Sustainable Energy and Climate Action Plans (SECAPs) as a specific policy and regulatory framework for low-emission planning at the local level in BiH | *14 SEAPs approved by*  *City Councils* | *34 SECAPs updated/*  *approved by City Councils* | *54 SECAPs*  *updated/*  *approved by City Councils* | Local authorities’ commitment to adopt and pursue sustainable energy targets remains strong |
| Number of gender-sensitive policies, and regulatory frameworks for low‐emission planning and development | 0 | ~~5~~ | 20 | Local authorities’ commitment to adopt and pursue sustainable energy targets remains strong  Local authorities recognize  and acknowledge the role of  women in improving public  buildings’ energy efficiency |
| *M7.0 Lower energy intensity of buildings, cities, industries and appliances* | M7.1(a) tCO2eq emissions reduced due to  improvements in public sector building design and energy efficiency | 0 | 500,000 | *2,019,976* | * + Estimation over investment lifetime (20 years)   + Full comfort conditions are assumed in the baseline   + Mid-term is 3 years after project start   + The procurement process is efficient and timely   + Co-financing realized |
| **PROJECT OUTPUTS:** | | | | | |
| Component 1  (project) | Share of grant finance in the total investment for low-carbon public buildings | *87%* | *50%* | *15%* | Authorities in both entities remain committed to adopting harmonized and effective policy framework |
| Number of jobs created via project-facilitated investment | N/a | 1,500 | 5,630 |
| **Output 1.1** Nonfinancial  barriers  to investment in  low-carbon public  buildings  addressed | Number of SECAPs updated/developed and  adopted | 14 | 20 | 40 | Local authorities’  commitment to adopt and  pursue sustainable energy  targets remains strong |
| Number of public buildings covered by EMIS | 2,100 | 4,000 | 5,000 | Local authorities’  commitment to adopt EMIS  remains strong |
| Number of EE-RES retrofit projects (DEAs) in public buildings identified, prepared and  tendered out | 90 | 200 | 430 | The procurement process is  efficient and timely |
| Number of people trained, including share of women (%) | 0 | 500 (30%) | 2,500 (30%) | Local authorities’  commitment to implement  EE-RE in public buildings  remains strong  Learning opportunities  offered by this project lead  to private investment in EERES  in public buildings |
| Number of end-users covered by PR and  advocacy campaign, including minimum share of women | 0 | 50,000 (at least 52% women) | 150,000 (at least 52% women) |  |
| Status of BiH EE Investment Framework for  low-carbon public sector buildings | No Framework | The Framework is adopted | The Framework adopted and is under implementation in both entities | Authorities in both entities remain committed to adopting harmonized and effective policy framework |
| **Output 1.2**  Financial barriers  to investment in  low-carbon public  buildings  addressed | Amount of finance leveraged for investment in low-carbon public buildings | 0 | US$ 20 mln | US$ 100 mln | Sufficient uptake of the EERES projects among the target market of municipal authorities and ESCOs |
| Legal and operational status of the Framework | N/A | Framework legally established | Framework is operational | Minimal staff turn-over at Implementing Partners ensured |

# APPENDIX i – evaluation matrix

| **Evaluative Questions** | **Indicators** | **Sources** | **Methodology** |
| --- | --- | --- | --- |
| Project design | | | |
| Review the problem addressed by the project and the underlying assumptions. Review the effect of any incorrect assumptions or changes to the context to achieving the project results as outlined in the Project Document. | Quality of outcomes and indicators on log frame | PPG stakeholder meeting minutes  Project documents;  National policies and strategies; Ley project partners  APRs | Document review of APRs and interviews with project designers, PMU, stakeholders |
| Review the relevance of the project strategy and assess whether it provides the most effective route towards expected/intended results. Were lessons from other relevant projects properly incorporated into the project design? | Quality of outcomes and indicators on log frame | Project documents;  National policies and strategies; key project partners | Desk document review  Interviews with UNDP and project team  Interviews with key stakeholders |
| Review how the project addresses country priorities. Review country ownership. Was the project concept in line with the national sector development priorities and plans of the country (or of participating countries in the case of multi-country projects)? | Number of stakeholders participating in PPG  Number of stakeholders participating in project sponsored training sessions and meetings  Level of involvement of government officials and other partners in the project design and implementation.  Project Board meetings, replication of activities, budget lines reserved for project continuation. | APRs  Stakeholders (mainly government personnel)  Minutes,  Project documents,  Budgets  Websites | Desk review documents  Triangulation interviews with PMU and stakeholders |
| Review decision-making processes: were perspectives of those who would be affected by project decisions, those who could affect the outcomes, and those who could contribute information or other resources to the process, taken into account during project design processes? | Number of stakeholders participating in PPG  Number of stakeholders participating in project sponsored training sessions and meetings | APRs  Stakeholders (mainly government personnel) | Document review, triangulation interviews with PMU and stakeholders |
| Review the extent to which relevant gender issues were raised in the project design. See Annex 9 of *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for further guidelines. | Quality of outcomes and indicators on log frame | Project document | Document Analyses  Interviews with UNDP and project team |
| Results Framework/Logframe | | | |
| Undertake a critical analysis of the project’s logframe indicators and targets, assess how “SMART” the midterm and end-of-project targets are (Specific, Measurable, Attainable, Relevant, Time-bound), and suggest specific amendments/revisions to the targets and indicators as necessary. | Quality of outcomes and indicators on log frame | Project reports  M&E | Document Analyses  Interviews with UNDP and project team |
| Are the project’s objectives and outcomes or components clear, practical, and feasible within its time frame? | Quality of outcomes and indicators on log frame | Project reports  M&E | Document Analyses  Interviews with UNDP and project team |
| Examine if progress so far has led to, or could in the future catalyse beneficial development effects (i.e. income generation, gender equality and women’s empowerment, improved governance, etc.) that should be included in the project results framework and monitored on an annual basis. | Number of stakeholders participating in PPG  Number of stakeholders participating in project sponsored training sessions and meetings | APRs  Stakeholders (mainly government personnel) | Document review, triangulation interviews with PMU and stakeholders |
| Ensure broader development and gender aspects of the project are being monitored effectively. Develop and recommend SMART ‘development’ indicators, including sex-disaggregated indicators and indicators that capture development benefits. | Number of stakeholders participating in PPG  Number of stakeholders participating in project sponsored training sessions and meetings | APRs  Stakeholders (mainly government personnel) | Document review, interviews with PMU and stakeholders |
| Ensure that the indicators (gender-disaggregated) are SMART, aligned with GCF/Results Management Framework (RMF)/Performance Measurement Frameworks (PMFs) and the guidance in the [GCF programming manual.](https://www.greenclimate.fund/document/programming-manual) | Quality of outcomes and indicators on log frame | Project document | Document review |
| Evaluate the Theory of Change (ToC) proposed by the project during the inception and design phases in comparison to the approach, relevance, actions, interventions, practicality, and current context. Foresee the way forward and propose necessary adjustments. | Quality of outcomes and indicators on log frame | Project document | Document review |
| **Relevance, Effectiveness and Efficiency** | | | |
| Were the context, problem, needs and priorities well analysed and reviewed during project initiation? | Number of stakeholders participating in project sponsored training sessions and meetings | APRs  Stakeholders (mainly government personnel) | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| Are the planned project objectives and outcomes relevant and realistic to the situation on the ground? | Number of stakeholders participating in project sponsored training sessions and meetings | APRs  Stakeholders (mainly government personnel) | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| Do outputs link to intended outcomes which link to broader paradigm shift objectives of the project? | Number of stakeholders participating in project sponsored training sessions and meetings | APRs  Stakeholders (mainly government personnel) | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| Are the outputs being achieved in a timely manner? Is this achievement supportive of the ToC and pathways identified? | Number of stakeholders participating in project sponsored training sessions and meetings | APRs  Stakeholders (mainly government personnel) | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| How is the project Theory of Change (ToC) used in helping the project achieve results/ How is the ToC applied through the project? | Quality of outcomes and indicators on log frame | Project document | Document review |
| Is the project Theory of Change (ToC) and intervention logic coherent and realistic? Does the ToC and intervention logic hold or does it need to be adjusted? Reconstruct the ToC, if appropriate, aligning it with the [GCF ToC format](https://pims.undp.org/workspace/file/download?id=945) | Quality of outcomes and indicators on log frame | Project document | Document review |
| Verify the mitigation impact that the project has achieved. Analyse the GHG emissions achieved (including indirect emissions). Has an appropriate MRV system for GHG emission been established and implemented? Do outputs link to intended outcomes which link to broader paradigm shift objectives of the project? | Number of stakeholders participating in project sponsored training sessions and meetings | APRs  Stakeholders (mainly government personnel) | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| Are the planned inputs and strategies identified realistic, appropriate and adequate to achieve the results? Were they sequenced sufficiently to efficiently deliver the expected results? | Quality of outcomes and indicators on log frame | Project document | Document review |
| Are the outputs being achieved in a timely manner? Is this achievement supportive of the ToC and pathways identified? | Number of stakeholders participating in project sponsored training sessions and meetings | APRs  Stakeholders (mainly government personnel) | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| What and how much progress has been made towards achieving the overall outputs and outcomes of the project (including contributing factors and constraints)? | Number of stakeholders participating in project sponsored training sessions and meetings | APRs  Stakeholders (mainly government personnel) | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| To what extent is the project able to demonstrate changes against the baseline (assessment in approved Funding Proposal) for the GCF investment criteria (including contributing factors and constraints)? | Number of stakeholders participating in project sponsored training sessions and meetings | APRs  Stakeholders (mainly government personnel) | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| How realistic are the risks and assumptions of the project? | Quality of outcomes and indicators on log frame | Project document | Document review |
| How did the project deal with issues and risks in implementation? | Quality of outcomes and indicators on log frame | Project document | Document review |
| To what extent did the project’s M&E data and mechanism(s) contribute to achieving project results? | Quality of outcomes and indicators on log frame | Project document | Document review |
| Are the project’s governance mechanisms functioning efficiently? | Number of stakeholders participating in project sponsored training sessions and meetings | APRs  Stakeholders (mainly government personnel) | Document review, triangulation interviews with PMU and stakeholders |
| To what extent did the design of the project help or hinder achieving its own goals? | Quality of outcomes and indicators on log frame | Project document | Document review |
| Were there clear baselines indicators and/or benchmark for performance measurements? How were these used in project management? To what extent and how does the project apply adaptive management? | Number of stakeholders participating in project sponsored training sessions and meetings | APRs  Stakeholders (mainly government personnel) | Document review, triangulation interviews with PMU and stakeholders |
| What, if any, alternative strategies would have been more effective in achieving the project objectives? | Number of stakeholders participating in project sponsored training sessions and meetings | APRs  Stakeholders (mainly govt personnel) | Document review, interviews with PMU and stakeholders |
| Progress Towards Results: To what extent have the expected outcomes and objectives of the project been achieved thus far? | | | |
| Has the Project been effective in achieving the expected outcomes and objectives? | Effectiveness ratings of the project by the evaluation | APRs, M&E reports, project team and relevant stakeholders. | Document review  Triangulation interviews with PMU Interviews with key stakeholders  Field visits |
| How well are risks, assumptions and impact drivers being managed? | Content of risk management in APRs | APRs and information from PMU personnel  Risk table/assessment,  Interviews | Document review  Triangulation interviews with PMU Interviews with key stakeholders  Field visits |
| To what extent has the project contributed to the following:   * institutional arrangements strengthened * effective information dissemination program developed * stakeholder capacity enhanced | Indicator targets of executing partners and other institutional strengthening  Indicator targets of governate and stakeholder strengthening | Progress reports, APRs, and information from PMU, stakeholders and RP personnel | Document review  Triangulation interviews with PMU Interviews with key stakeholders  Field visits |
| To what extent did the dissemination activities facilitate progress towards Project impacts? | Number of knowledge products created by Project | Survey of feedback of training sessions, testimonial evidence from training participants, and information from PMU and government personnel | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| Assess whether the total number of beneficiaries and indirect beneficiaries of the project has been properly calculated. | Indicator targets of executing partners and other institutional strengthening  Indicator targets of governate and stakeholder strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| Identify remaining barriers to achieving the project objective in the remainder of the project. | Indicator targets of executing partners and other institutional strengthening  Indicator targets of governate and stakeholder strengthening | Progress reports, APRs, and information from PMU personnel  Risk table/assessment,  Interviews | Document review  Triangulation interviews with PMU Interviews with key stakeholders  Field visits |
| By reviewing the aspects of the project that have already been successful, identify ways in which the project can further expand these benefits | Indicator targets of executing partners and other institutional strengthening  Indicator targets of governate and stakeholder strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with key stakeholders  Field visits |
| Include a comprehensive assessment of the impact of COVID-19 on different aspects of project implementation. Assess the impact on results delivery, overall funded activity performance along with a plan of action to address these | Indicator targets of executing partners and other institutional strengthening  Indicator targets of governate and stakeholder strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| Project Implementation and Adaptive Management: Has the project been implemented efficiently, cost-effectively, and been able to adapt to any changing conditions thus far? To what extent are project-level monitoring and evaluation systems, reporting, and project communications supporting the project’s implementation? | | | |
| *Management Arrangements* | | | |
| Review overall effectiveness of project management as outlined in the FAA/Funding proposal. Have changes been made and have these been approved by GCF? Are responsibilities and reporting lines clear? Is decision-making transparent and undertaken in a timely manner? Recommend areas for improvement. | Effectiveness ratings of the project by the evaluation | APRs | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Review the quality of execution of the Executing Agency/Implementing Partner(s) and recommend areas for improvement | Effectiveness ratings of the project by the evaluation | APRs | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Review the quality of support provided by UNDP and recommend areas for improvement | Effectiveness ratings of the project by the evaluation | APRs | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| *Work Planning* | | | |
| Review any delays in project start-up and implementation, identify the causes and examine if they have been resolved. | Indicator targets of executing partners and other institutional strengthening  Indicator targets of governate and stakeholder strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders  Minutes | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Are work-planning processes results-based? If not, suggest ways to re-orientate work planning to focus on results? | Indicator targets of executing partners and other institutional strengthening  Indicator targets of governate and stakeholder strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders  Minutes | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Examine the use of the project’s results framework/ logframe as a management tool and review any changes made to it since project start | Indicator targets of executing partners and other institutional strengthening  Indicator targets of governate and stakeholder strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders  Minutes | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Assess the feasibility of completing the proposed activities within the given project timeline (if extension was sought for any project milestone; please consider the revised timelines as well) and make recommendations for extensions, as need be | Indicator targets of executing partners and other institutional strengthening  Indicator targets of governate and stakeholder strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| *Financing and Co-Financing* | | | |
| Consider the financial management of the project, with specific reference to the cost-effectiveness of interventions. | Annual financial disbursements against each component | APRs, CDRs and information from PMU personnel | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Review the changes to fund allocations as a result of budget revisions and assess the appropriateness and relevance of such revisions. | Annual financial disbursements against each component | APRs, CDRs and information from PMU personnel | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Have project resources been utilized in the most economical, effective and equitable ways possible (considering value for money; absorption rate; commitments versus disbursements and projected commitments; co-financing; etc.)? | Procurement options for cost-effectiveness;  Stakeholder perception | APRs, CDRs and information from PMU personnel | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Does the project have the appropriate financial controls, including reporting and planning, that allow management to make informed decisions regarding the budget and allow for timely flow of funds? | Annual financial disbursements against each component | APRs, CDRs and information from PMU personnel  Minutes | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Informed by the co-financing monitoring table to be filled out, provide commentary on co-financing: is co-financing being used strategically to help the objectives of the project? Comment on the use of different financial streams (parallel, leveraged, mobilized finance), as applicable in the context of the project – see GCF policy on co-finance . Discuss whether co-finance related conditions and covenants, as listed in the FAA, have been fulfilled, as applicable | Annual financial disbursements against each component  Co-financing table, information by co-financing partners, actual versus planned | APRs, CDRs and information from PMU personnel | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| Conduct an analysis of materialized co-financing and implications for project scope and results. If co-finance is not materializing as planned (timing and/or amount), assess mitigation measures, and discuss the impact of that on the project and results on the ground. | Annual financial disbursements against each component  Co-financing table, information by co-financing partners, actual versus planned | APRs, CDRs and information from PMU personnel | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| Assess factors that contributed to low/high expenditure rate and impact on the project | Annual financial disbursements against each component | APRs, CDRs and information from PMU personnel | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| *Coherence in climate finance delivery with other multilateral entities* | | | |
| Who are the partners of the project and how strategic are they in terms of capacities and commitment? | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| Is there coherence and complementarity by the project with other actors for local other climate change interventions? | Indicator targets of executing partners and other institutional strengthening  Degree to which project is coherent and complementary to other actions programming nationally and regionally | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| To what extent has the project complimented other on-going local level initiatives (by stakeholders, donors, governments) on climate change adaptation or mitigation efforts? | Indicator targets of executing partners and other institutional strengthening  Degree to which project is coherent and complementary to other actions programming nationally and regionally | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| How has the project contributed to achieving stronger and more coherent integration of shift to low emission sustainable development pathways and/or increased climate resilient sustainable development (GCF RMF/PMF Paradigm Shift objectives)? Please provide concrete examples and make specific suggestions on how to enhance these roles going forward | Indicator targets of executing partners and other institutional strengthening  Degree to which project is coherent and complementary to other actions programming nationally and regionally | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| *Project-level Monitoring and Evaluation Systems* | | | |
| Review the monitoring tools currently being used: Do they provide the necessary information? Do they involve key partners? Do they use existing information? Are they efficient? Are they cost-effective? Are additional tools required? How could they be made more participatory and inclusive? | Are results well monitored and evaluated in terms of activities, outputs and outcomes? | Progress reports, APRs, and information from PMU personnel and stakeholders  M&E reports;  Minutes | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| Discuss any quality assuring mechanisms being used (e.g. ISO standard, government accreditations, international certificates, etc.) | Indicator targets of executing partners and other institutional strengthening | Progress reports,  APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with key stakeholders |
| Is project reporting and information generated by the project linked to national SDGs, NDC and other national reporting systems? | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Examine the financial management of the project monitoring and evaluation budget. Are sufficient resources being allocated to monitoring and evaluation? Are these resources being allocated effectively? | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| *Stakeholder Engagement* | | | |
| Project management: Has the project developed and leveraged the necessary and appropriate partnerships with direct and tangential stakeholders? | Indicator targets of executing partners and other institutional strengthening  Stakeholders perception | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with key stakeholders  Field visits |
| Participation and country-driven processes: Do local and national government stakeholders support the objectives of the project? Do they continue to have an active role in project decision-making that supports efficient and effective project implementation? | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders  Minutes | Document review  Triangulation interviews with PMU Interviews with stakeholders  Field visits |
| Participation and public awareness: To what extent has stakeholder involvement and public awareness contributed to the progress towards achievement of project objectives? | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders  Field visits |
| Is a grievance mechanism in place? If so, assess its effectiveness | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders  Minutes | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Social and Environmental Standards (Safeguards) | | | |
| Validate the risks identified in the project’s most current SESP/ESIA, and those risks’ ratings; are any revisions needed? | Indicator targets of SESP and ESIAs | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Interviews with PMU |
| Summarize and assess the revisions made since Board Approval (if any) to:   * The project’s overall safeguards risk categorization. * The identified types of risks[[39]](#footnote-40) (in the SESP). * The individual risk ratings (in the SESP). | Indicator targets of SESP and ESIAs | Progress reports, APRs, and information from PMU personnel and stakeholders  Minutes | Document review  Interviews with PMU |
| Describe and assess progress made in the implementation of the project’s social and environmental management measures as outlined in the SESP submitted at the Funding Proposal stage (and prepared during implementation, if any), including any revisions to those measures. Such management measures might include Environmental and Social Management Plans (ESMPs) or other management plans, though can also include aspects of a project’s design; refer to Question 6 in the SESP template for a summary of the identified management measures | Indicator targets of SESP and ESIAs | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Interviews with PMU |
| *Reporting* | | | |
| Assess how adaptive management changes have been reported by the project management and shared with the Project Board. | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders  PB Minutes | Document review  Interviews with PMU and PB |
| Assess how well the Project Team and partners undertake and fulfil GCF reporting requirements (i.e. how have they addressed poorly-rated APRs, if applicable?) | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU and stakeholders |
| Assess how lessons derived from the adaptive management process have been documented, shared with key partners and internalized by partners | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Assess the efficiency, timeliness, and adequacy of reporting requirements | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| *Communications* | | | |
| Review internal project communication with stakeholders: Is communication regular and effective? Are there key stakeholders left out of communication? Are there feedback mechanisms when communication is received? Does this communication with stakeholders contribute to their awareness of project outcomes and activities and investment in the sustainability of project results? | Indicator targets of executing partners and other institutional strengthening  Stakeholders perception | Progress reports, APRs, and information from PMU personnel and stakeholders  Minutes | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Review external project communication: Are proper means of communication established or being established to express the project progress and intended impact to the public (is there a web presence, for example? Or did the project implement appropriate outreach and public awareness campaigns?) | Indicator targets on awareness raising and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders  Social media, web sites, brochures, videos, newspapers, etc. | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Sustainability: To what extent are there financial, institutional, socio-economic, and/or environmental risks to sustaining long-term project results? | | | |
| How effective is the project in terms of strengthening the capacity of GoBiH professionals? | Opinions of training participants  Stakeholders perception | Survey of feedback of training sessions, and testimonial evidence from government personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Appropriateness of the institutional arrangement and whether there was adequate commitment to the Project | Number of institutions and local government agencies that have had capacities built | Progress reports, APRs, and information from PMU and RP personnel | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| To what extent are the stakeholders realizing benefits from the project? | Opinions of stakeholders (i.e. farmers, fishermen, local residents) | Stakeholder interviews | Stakeholder interviews |
| **Country Ownership** | | | |
| To what extent is the project aligned with national development plans, national plans of action on climate change, or sub-national policy as well as projects and priorities of the national partners? | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders  Reports on national plans, policies, guidelines, national M&E indicators, budget allocation | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| How well is country ownership reflected in the project governance, coordination and consultation mechanisms or other consultations? | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders  PB minutes | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| To what extent are country level systems for project management or M&E utilized in the project? | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders  PB minutes | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Is the project, as implemented, responsive to local challenges and relevant/appropriate/strategic in relation to SDG indicators, National indicators, GCF RMF/PMF indicators, AE indicators, or other goals? | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Were the modes of deliveries of the outputs appropriate to build essential/necessary capacities, promote national ownership and ensure sustainability of the result achieved? | Indicator targets of executing partners and other institutional strengthening | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| **Gender Equity** | | | |
| Does the project only rely on sex-disaggregated data per population statistics? | Indicator targets of executing partners  Inclusiveness of planning, consultations, implementation and monitoring | Progress reports, APRs, and information from PMU personnel and stakeholders  Gender action plan | Document review, interviews with PMU |
| Are financial resources/project activities explicitly allocated to enable women to benefit from project interventions? | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Does the project account in activities and planning for local gender dynamics and how project interventions affect women as beneficiaries? | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders  Gender action plan | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Do women as beneficiaries know their rights and/or benefits from project activities/interventions? | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| How do the results for women compare to those for men? | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders  Gender action plan  Reports | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Is the decision-making process transparent and inclusive of both women and men? | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders  Minutes | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| To what extent are female stakeholders or beneficiaries satisfied with the project gender equality results? | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders  Minutes | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Did the project sufficiently address cross cutting issues including gender? | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders  Gender action plan | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| How does the project incorporate gender in its governance or staffing? | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders  Gender action plan | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| **Innovativeness in results areas** | | | |
| What are the lessons learned to enrich learning and knowledge generation in terms of how the project played in the provision of "thought leadership,” “innovation,” or “unlocked additional climate finance” for climate change adaptation/mitigation in the project and country context? Please provide concrete examples and make specific suggestions on how to enhance these roles going forward | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| **Innovativeness in results areas** | | | |
| What has been the project’s ability to adapt and evolve based on continuous lessons learned and the changing development landscape? Please account for factors both within the AE/EE and external. | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Can any unintended or unexpected positive or negative effects be observed as a consequence of the project's interventions? | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| What factors have contributed to the unintended outcomes, outputs, activities, results? | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Do any of the unintended results constitute a major change?[[40]](#footnote-41) | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| **Replication and Scalability** | | | |
| What are project lessons learned, failures/lost opportunities to date? What might have been done better or differently? | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Assess the effectiveness of exit strategies and approaches to phase out assistance provided by the project including contributing factors and constraints? Is there a need for recalibration? | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| What factors of the project achievements are contingent on specific local context or enabling environment factors? | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| Are the actions and results from project interventions likely to be sustained, ideally through ownership by the local partners and stakeholders? | Indicator targets of executing partners  Budgets earmarked, capacity developed etc. | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |
| What are the key factors that will require attention in order to improve prospects of sustainability, scalability or replication of project outcomes/outputs/results? | Indicator targets of executing partners | Progress reports, APRs, and information from PMU personnel and stakeholders | Document review  Triangulation interviews with PMU Interviews with stakeholders |

# APPENDIX j – responses to comments received on draft IE report

The appendix is in a separate file.

# APPENDIX k - evaluation consultant agreement form

1. Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded.
2. Must disclose the full set of evaluation findings along with information on their limitations and have this accessible to all affected by the evaluation with expressed legal rights to receive results.
3. Should protect the anonymity and confidentiality of individual informants. They should provide maximum notice, minimize demands on time, and respect people’s right not to engage. Evaluators must respect people’s right to provide information in confidence, and must ensure that sensitive information cannot be traced to its source. Evaluators are not expected to evaluate individuals, and must balance an evaluation of management functions with this general principle.
4. Sometimes uncover evidence of wrongdoing while conducting evaluations. Such cases must be reported discreetly to the appropriate investigative body. Evaluators should consult with other relevant oversight entities when there is any doubt about if and how issues should be reported.
5. Should be sensitive to beliefs, manners and customs and act with integrity and honesty in their relations with all stakeholders. In line with the UN Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender equality. They should avoid offending the dignity and self-respect of those persons with whom they come in contact in the course of the evaluation. Knowing that evaluation might negatively affect the interests of some stakeholders, evaluators should conduct the evaluation and communicate its purpose and results in a way that clearly respects the stakeholders’ dignity and self-worth.
6. Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/or oral presentation of study imitations, findings and recommendations.
7. Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.

**Evaluation Consultant Agreement Form[[41]](#footnote-42)**

**Agreement to abide by the Code of Conduct for Evaluation in the UN System**

**Name of Consultant:** \_\_Roland Wong\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Name of Consultancy Organization** (where relevant)**:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**I confirm that I have received and understood and will abide by the United Nations Code of Conduct for Evaluation.**

Signed at *Surrey, BC, Canada* on *16 September 2022*

* Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded.
* Must disclose the full set of evaluation findings along with information on their limitations and have this accessible to all affected by the evaluation with expressed legal rights to receive results.
* Should protect the anonymity and confidentiality of individual informants. They should provide maximum notice, minimize demands on time, and respect people’s right not to engage. Evaluators must respect people’s right to provide information in confidence, and must ensure that sensitive information cannot be traced to its source. Evaluators are not expected to evaluate individuals, and must balance an evaluation of management functions with this general principle.
* Sometimes uncover evidence of wrongdoing while conducting evaluations. Such cases must be reported discreetly to the appropriate investigative body. Evaluators should consult with other relevant oversight entities when there is any doubt about if and how issues should be reported.
* Should be sensitive to beliefs, manners and customs and act with integrity and honesty in their relations with all stakeholders. In line with the UN Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender equality. They should avoid offending the dignity and self-respect of those persons with whom they come in contact in the course of the evaluation. Knowing that evaluation might negatively affect the interests of some stakeholders, evaluators should conduct the evaluation and communicate its purpose and results in a way that clearly respects the stakeholders’ dignity and self-worth.
* Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/or oral presentation of study imitations, findings and recommendations.
* Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.

**Evaluation Consultant Agreement Form[[42]](#footnote-43)**

**Agreement to abide by the Code of Conduct for Evaluation in the UN System**

**Name of Consultant:** \_\_Mitar Perusic\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Name of Consultancy Organization** (where relevant)**:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**I confirm that I have received and understood and will abide by the United Nations Code of Conduct for Evaluation.**

Signed at *Sarajevo, Bosnia and Herzegovina* on *16 September 2022 *

1. Evaluation rating indices (except sustainability – see Para 117): 6=*Highly Satisfactory (HS)*: The project has no shortcomings in the achievement of its objectives; 5=*Satisfactory (S)*: The project has minor shortcomings in the achievement of its objectives; 4=*Moderately Satisfactory (MS)*: The project has moderate shortcomings in the achievement of its objectives; 3=*Moderately Unsatisfactory (MU):* The project has significant shortcomings in the achievement of its objectives; 2=*Unsatisfactory (U):* The project has major shortcomings in the achievement of its objectives; 1=*Highly Unsatisfactory (HU):* The project has severe shortcomings in the achievement of its objectives. [↑](#footnote-ref-2)
2. These questions were in line with the strategic questions provided in the evaluation ToR and were revised and specified to better serve the purpose of the evaluation. [↑](#footnote-ref-3)
3. This would include the Operational Energy Efficiency Action Plans of public sector buildings in several Cantons and the Energy Efficiency Action Plan of Republika Srpska [↑](#footnote-ref-4)
4. UNDP’s de-risking clean energy investment framework helps identify the most cost-effective packages of public interventions in a given national context with the aim of achieving a risk-return profile for clean energy Projects that can attract large volumes of investment ([www.undp.org/DREI](http://www.undp.org/DREI)). [↑](#footnote-ref-5)
5. Specific, Measurable, Attainable, Relevant, Time-bound [↑](#footnote-ref-6)
6. Provisions such as quantitative decision-making for EE investments, monitoring, verification and reporting with support of information system for public buildings, energy audits and a certification scheme, energy management and strategic EE documents, regulation of energy services with respect to EE and financial incentives. [↑](#footnote-ref-7)
7. <https://bosniaherzegovina.un.org/sites/default/files/2021-06/Sustainable%20development_WEB.pdf> [↑](#footnote-ref-8)
8. <https://www.undp.org/bosnia-herzegovina/publications/country-programme-document-bosnia-and-herzegovina-2021-2025> [↑](#footnote-ref-9)
9. The RP-level authorities were not established due to the October 2018 general parliamentary elections. [↑](#footnote-ref-10)
10. There was 333,359 tCO2 of reduced emissions through GED and RPs, a figure been validated through DEAs, EMIS registration, and two years of electricity and fuel bills. There is also another 129,053 tCO2 of reduced emissions from GCF in the retrofitting of 101 public buildings. [↑](#footnote-ref-11)
11. Though coal costs are low, a pollution tax is applied to coal burning applications which reduces the payback period. [↑](#footnote-ref-12)
12. Recognizing that ESCO market is at a very nascent stage in BiH, the Project proposed a hybrid solution which incorporates elements of EPC contracting and creates initial market opportunities for ESCOs to deliver their services according to EPC-based model. Once preconditions are established and ESCO companies gain some experience and track record with EPC Projects, including data and information on their profitability, alternative solutions to help raise private capital can be considered. This activity will be implemented in conjunction with parallel work on development of the ESCO-supportive regulatory framework. [↑](#footnote-ref-13)
13. FEPEE RS provided funds from EBRD in 2021 of EUR 4.5 million. MSPCE provided funds from the WB in 2020 and 2021 of EUR 22 million as proof that public building retrofits are a high priority in the plans of the Republika Srpska National Assembly. MSPCE will be provided EUR 10 million from KFW and an unspecified amount from budget of Republika Srpska. [↑](#footnote-ref-14)
14. Under FEPEE RS, this includes reconstruction of 16 facilities, 10 of which would be financed from EBRD loans and 6 facilities from the Fund's own and regular funds. [↑](#footnote-ref-15)
15. For EF FBiH, zero buildings have been completed despite the completion of the design technical documentation and other preparatory activities. 2022) is planned for the reconstruction of 14 facilities and 19 applicants applied for a public invitation. In 2022, there is the possibility between 14 and 19 public buildings could be retrofitted. [↑](#footnote-ref-16)
16. Rock wool, required for insulating buildings higher than 8 m, is imported into BiH, thus leaving the ESCO or company with cost uncertainty. [↑](#footnote-ref-17)
17. MPP FBiH has a total of 6 employees directly assigned to the GCF Project, three of whom are engineers, including the WB Project on energy efficiency measures. MSPCE has 5 PIU employees. EF-FBiH has 4 PIU personnel plus 3 supporting legal and financial staff. FEPEE RS has 8 PIU personnel. [↑](#footnote-ref-18)
18. 29 May – 31 December 2018 [↑](#footnote-ref-19)
19. 1 January – 30 June 2022 [↑](#footnote-ref-20)
20. Includes all cash contributions [↑](#footnote-ref-21)
21. Includes co-financing from the Government of Western-Herzegovina Canton, Ministry of Economic Affairs of Canton 10, City of Doboj, City of Gracanica, Municipality of Modrica, Municipality of Maglaj, City of Trebinje, Municipality of Teslic, the Government of Bosnian-Podrinje Canton, Ministry of Spatial Planning and Environmental Protection of Tuzla Canton, Ministry of Spatial Planning, Constructions and Environmental Canton Sarajevo, and the Municipality of Petrovo [↑](#footnote-ref-22)
22. Cost per tCO2eq decreased for GCF funded Project/programme and Volume of finance leveraged by GCF funding (Disaggregated by public/private source), [↑](#footnote-ref-23)
23. The Project is also exploring various alternative options such as third-party investors to ESCO companies or municipal green/EE bonds. [↑](#footnote-ref-24)
24. Evaluation rating indices (except sustainability – see Para 117): 6=*Highly Satisfactory (HS)*: The project has no shortcomings in the achievement of its objectives; 5=*Satisfactory (S)*: The project has minor shortcomings in the achievement of its objectives; 4=*Moderately Satisfactory (MS)*: The project has moderate shortcomings in the achievement of its objectives; 3=*Moderately Unsatisfactory (MU):* The project has significant shortcomings in the achievement of its objectives; 2=*Unsatisfactory (U):* The project has major shortcomings in the achievement of its objectives; 1=*Highly Unsatisfactory (HU):* The project has severe shortcomings in the achievement of its objectives. [↑](#footnote-ref-25)
25. World Bank, *Status of Energy Efficiency in the Western Balkans: A Stocktaking Report*, Report No. AAA49-7B, 2010 [↑](#footnote-ref-26)
26. Fuel switch measures (i.e. replacement of boiler and change of baseline fuel source) have a double impact on energy use/GHG emission reductions in buildings. First, large energy saving/GHG emission reduction (30-40%) can be achieved through enhancement of the fuel utilization coefficient: older, inefficient boilers utilize only 60% of fuel to heat, whereas new, efficient boilers utilize up to 94% of fuel to heat. Second, replacing fossil fuel with renewable energy alternatives, such as biomass or solar, means that the residual energy (heat) demand in buildings can supplied on a zero-emission basis. [↑](#footnote-ref-27)
27. UNDP’s own estimates based on data from EMIS, detailed energy audit, as well as other sources. [↑](#footnote-ref-28)
28. For ideas on innovative and participatory Monitoring and Evaluation strategies and techniques, see [UNDP Discussion Paper: Innovations in Monitoring & Evaluating Results](http://www.undp.org/content/undp/en/home/librarypage/capacity-building/discussion-paper--innovations-in-monitoring---evaluating-results/), 05 Nov 2013. [↑](#footnote-ref-29)
29. Populate with data from the Logframe and scorecards [↑](#footnote-ref-30)
30. Populate with data from the Project Document [↑](#footnote-ref-31)
31. If available [↑](#footnote-ref-32)
32. Colour code this column only [↑](#footnote-ref-33)
33. Use the 6 point Progress Towards Results Rating Scale: HS, S, MS, MU, U, HU [↑](#footnote-ref-34)
34. <https://www.greenclimate.fund/sites/default/files/document/policy-cofinancing.pdf> [↑](#footnote-ref-35)
35. Risks are to be labeled with both the UNDP SES Principles and Standards, and the GEF’s “types of risks and potential impacts”: Climate Change and Disaster; Disadvantaged or Vulnerable Individuals or Groups; Disability Inclusion; Adverse Gender-Related impact, including Gender-based Violence and Sexual Exploitation; Biodiversity Conservation and the Sustainable Management of Living Natural Resources; Restrictions on Land Use and Involuntary Resettlement; Indigenous Peoples; Cultural Heritage; Resource Efficiency and Pollution Prevention; Labor and Working Conditions; Community Health, Safety and Security. [↑](#footnote-ref-36)
36. See Section ’9.4 Major Changes and Restructuring’ in the [GCF Programming Manual](https://www.greenclimate.fund/document/programming-manual) [↑](#footnote-ref-37)
37. Ratings for Objective/Outcome Achievement and Project Implementation & Adaptive Management: 6 = Highly Satisfactory (HS): exceeds expectations and/or no shortcomings; 5 = Satisfactory (S): meets expectations and/or no or minor shortcomings; 4 = Moderately Satisfactory (MS): more or less meets expectations and/or some shortcomings; 3 = Moderately Unsatisfactory (MU): somewhat below expectations and/or significant shortcomings; 2 = Unsatisfactory (U): substantially below expectations and/or major shortcomings; 1 = Highly Unsatisfactory (HU): severe shortcomings, Unable to Assess (U/A): available information does not allow an assessment

    Ratings for Sustainability: 4 = Likely (L): negligible risks to sustainability; 3 = Moderately Likely (ML): moderate risks to sustainability; 2 = Moderately Unlikely (MU): significant risks to sustainability; 1 = Unlikely (U): severe risks to sustainability; Unable to Assess (U/A): Unable to assess the expected incidence and magnitude of risks to sustainability [↑](#footnote-ref-38)
38. ProDoc, pg 137, Section E.1. Impact potential [↑](#footnote-ref-39)
39. Risks are to be labeled with both the UNDP SES Principles and Standards, and the GEF’s “types of risks and potential impacts”: Climate Change and Disaster; Disadvantaged or Vulnerable Individuals or Groups; Disability Inclusion; Adverse Gender-Related impact, including Gender-based Violence and Sexual Exploitation; Biodiversity Conservation and the Sustainable Management of Living Natural Resources; Restrictions on Land Use and Involuntary Resettlement; Indigenous Peoples; Cultural Heritage; Resource Efficiency and Pollution Prevention; Labor and Working Conditions; Community Health, Safety and Security. [↑](#footnote-ref-40)
40. See Section ’9.4 Major Changes and Restructuring’ in the [GCF Programming Manual](https://www.greenclimate.fund/document/programming-manual) [↑](#footnote-ref-41)
41. [www.unevaluation.org/unegcodeofconduct](http://www.unevaluation.org/unegcodeofconduct) [↑](#footnote-ref-42)
42. [www.unevaluation.org/unegcodeofconduct](http://www.unevaluation.org/unegcodeofconduct) [↑](#footnote-ref-43)