



## FAO-GEF Project Implementation Report

**2023**

Period covered: 1 July 2022 to 30 June 2023

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## 1. Basic Project Data

### General Information

<b>Region:</b>	Eastern Europe and Central Asia
<b>Country (ies):</b>	The Republic of Serbia
<b>Project Title:</b>	Contribution of sustainable forest management to a low emission and resilient development in Serbia- FSP
<b>FAO Project Symbol:</b>	GCP/SRB/002/GFF
<b>GEF ID:</b>	9089
<b>GEF Focal Area(s):</b>	CCM, BD, SFM
<b>Project Executing Partners:</b>	Ministry of Agriculture, Forestry and Water Management (MAFW) - Directorate of Forests
<b>Project Duration (years):</b>	4 years
<b>Project coordinates:</b>	44.817636, 20.420351

### Project Dates

<b>GEF CEO Endorsement Date:</b>	4 December 2017
<b>Project Implementation Start Date/EOD :</b>	19 Feb 2018
<b>Project Implementation End Date/NTE<sup>1</sup>:</b>	31 Dec 2021
<b>Revised project implementation end date (if approved) <sup>2</sup></b>	30 June 2023

### Funding

<b>GEF Grant Amount (USD):</b>	USD 3,274,658
<b>Total Co-financing amount (USD)<sup>3</sup>:</b>	USD 26,180,141
<b>Total GEF grant delivery (as of June 30, 2023 (USD):</b>	USD 2,840,982
<b>Total GEF grant actual expenditures (excluding commitments) as of June 30, 2023 (USD)<sup>4</sup></b>	USD 2,599,146
<b>Total estimated co-financing materialized as of June 30, 2023<sup>4</sup></b>	USD 25,160,134

<sup>1</sup> As per FPMIS

<sup>2</sup> If NTE extension has been requested and approved by the FAO-GEF Coordination Unit.

<sup>3</sup> This is the total amount of co-financing as included in the CEO document/Project Document.

<sup>4</sup> The amount should show the values included in the financial statements generated by IMIS.

<sup>4</sup> Please refer to the section 13 of this report where updated co-financing estimates are requested and indicate the total co-financing amount materialized.

**M&E Milestones**

<b>Date of Most Recent Project Steering Committee (PSC) Meeting:</b>	29 November 2022
<b>Expected Mid-term Review date<sup>5</sup>:</b>	September 2020
<b>Actual Mid-term review date (when it is done):</b>	October 2020 - May 2021, final MTR report submitted on 25 May 2021, MTR conducted remotely due to COVID-19
<b>Expected Terminal Evaluation Date<sup>6</sup>:</b>	January 2023 to June 2023
<b>Tracking tools/Core indicators updated before MTR or TE stage (provide as Annex)</b>	YES

**Overall ratings**

<b>Overall rating of progress towards achieving objectives/ outcomes (cumulative):</b>	<i>Satisfactory</i>
<b>Overall implementation progress rating:</b>	<i>Satisfactory</i>
<b>Overall risk rating:</b>	<i>Moderate</i>

**ESS risk classification**

<b>Current ESS Risk classification:</b>	<i>Low</i>
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**Status**

<b>Implementation Status</b> <i>(1<sup>st</sup> PIR, 2<sup>nd</sup> PIR, etc. Final PIR):</i>	Final PIR
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**Project Contacts**

<b>Contact</b>	<b>Name, Title, Division/Institution</b>	<b>E-mail</b>
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<b>GEF Technical Officer, GTO (ex Technical FLO)</b>	Mr Kaan Evren Basaran	<a href="mailto:Kaan.Basaran@fao.org">Kaan.Basaran@fao.org</a>

<sup>5</sup> The Mid-Term Review (MTR) should take place after the 2<sup>nd</sup> PIR, around half-point between EOD and NTE. The MTR report in English should be submitted to the GEF Secretariat within 4 years of the CEO Endorsement date.

<sup>6</sup> The Terminal Evaluation date should be discussed with OED 6 months before the project's NTE date.

## 2. Progress towards Achieving Project Objective(s) (Development Objective)

*(All inputs in this section should be cumulative from project start, not annual)*

*Please indicate the project's main progress towards achieving its objective(s) and the cumulative level of achievement of each outcome since the start of project implementation.*

Project or Development Objective	Outcomes	Outcome indicators <sup>7</sup>	Baseline	Mid-term Target <sup>8</sup>	End-of-project Target	Cumulative progress <sup>9</sup> since project start Level at 30 June 2022	Progress rating <sup>10</sup>
To support government institutions and private forest owners in applying sustainable forest management practices at national, regional, and local levels in selected ecosystems through better knowledge,	<b>Outcome 1.1</b> Improved decision-making in management of productive forest landscapes	<i>Indicator CCM-9: Degree of support for low GHG development in policy, planning and regulations</i>	Rating - 2: Climate change mitigation contribution in the forest sector mentioned in national CCM strategy, but outdated; no sectoral strategy and implementation		Rating - 6: CCM consideration reflected in sectoral documents and action plans, as well as forest development and forest management plans under implementation	Forestry: The regulations in the field of forest management planning are under implementation in pilot areas because of clear guidelines and improved capacities of forest managers	S
		<i>Indicator CCM-10: Quality of MRV Systems</i>	Rating - 2: Very rudimentary MRV available only taking into account forest area with assigned C-values, but not dynamics included, not covering the whole forest area and not up to international standards		Rating - 8: Strong standardized measurements processes established and implemented through NFI; reporting is widely available in multiple formats through	Proposal for a new MRV system for the forest sector available (deliverable of this GEF project)	S

<sup>7</sup> This is taken from the approved results framework of the project.

<sup>8</sup> Some indicators may not identify mid-term targets at the design stage (refer to approved results framework) therefore this column should only be filled when relevant.

<sup>9</sup> Please report on results obtained in terms of Global Environmental Benefits and Socio-economic Co-benefits as well.

<sup>10</sup> Use GEF Secretariat required six-point scale system: **Highly Satisfactory (HS)**, **Satisfactory (S)**, **Moderately Satisfactory (MS)**, **Moderately Unsatisfactory (MU)**, **Unsatisfactory (U)**, and **Highly Unsatisfactory (HU)**.

capacities,  
information and  
incentives

				Forest Information System (FIS); verification of information through FIS		
	<i>Indicator BD-4: Mainstreaming biodiversity into policy and regulatory frameworks</i>	Forestry: Regulations are in place to implement the legislation: Forest Law and and FDS include biodiversity considerations, FMPs only exist for part of the FMUs		Forestry: The regulations are under implementation in pilot areas because of clear guidelines and improved capacities of forest managers	Twenty one guidelines for management of specific forest types developed and already in use	S
<b>Outcome 1.2</b> Institutional capacities strengthened for multi-functional forest management	<i>Public, private, academic and civil society institutions with increased capacities in SFM</i>	<i>Public, private, academic and civil society institutions with limited capacities in SFM</i>	10 institutions with a higher ranking than baseline	15 institutions with a higher ranking than baseline	13 recognized institutions are active partners in the project. The multi-functional forest management/planning tools on which the trainings and other capacity development activities will be based, are under finalization.	S
<b>Outcome 2.1</b> Increased forest area under sustainable and multi-functional forest management	<i>Indicator SFM-3: Area of sustainably managed forest (based on new guidelines), stratified by forest management actors (ha)</i>	<i>State Forests (PE Srbjasume/Voivodinasume/National Parks Tara and Fruska Gora): 0 Church Forests: 0 Private Forests: 0 ha Total: 0</i>		<i>State Forests (PE Srbjasume/Voivodinasume, National Parks Tara and Fruska Gora): 18,000 ha Church Forests and Private Forests: 2,000 ha Total: 20,000 ha in addition to baseline</i>	Guidelines for management of specific forest types are implemented. Areas for the related field work selected in close cooperation with PEs Srbijasume and Vojvodinasume and process of establishment of demonstration plots is finalized.	S

					<p>Guidelines for management of specific forest types are implemented (Indirect coverage of 2,5 million ha). Areas for the related field work selected in close cooperation with PEs Srbijasume and Vojvodinasume and process of establishment of demonstration plots is finalized. Direct coverage of 20,000 ha achieved.</p>	S
	<p><i>Indicator BD-1: Area under which the project will directly and indirectly contribute to biodiversity conservation (Ha.)</i></p>	<p>Direct coverage: 0 ha Indirect coverage: 0 ha</p>		<p><i>Direct coverage: 20,000 ha Indirect coverage: 476,010 ha</i></p>		
<p><b><u>Outcome 3.1</u></b> Adaptive management ensured and key lessons shared</p>	<p><i>M&amp;E system ensuring timely delivery of project benefits and adaptive results-based management</i></p>	<p>No M&amp;E system in place.</p>	<p>Up-to-date monitoring and reporting on outcomes, outputs and activities</p>	<p>Up-to-date monitoring and reporting on outcomes, outputs and activities</p>	<p>Up-to-date monitoring and reporting on outcomes, outputs and activities (5<sup>th</sup> PIR)</p>	S

**Measures taken to address MS, MU, U and HU ratings on Section 2**

Outcome	Action(s) to be taken	By whom?	By when?

### 3. Implementation Progress (IP)

*(Please indicate progress achieved during this FY as per the Implementation Plan/Annual Workplan)*

Outcomes and Outputs <sup>11</sup>	Indicators (as per the Logical Framework)	Annual Target (as per the annual Work Plan)	Main achievements <sup>12</sup> (please avoid repeating results reported in previous year PIR)	Describe any variance <sup>13</sup> in delivering outputs
<b>Outcome 1.1 Improved decision-making in management of productive forest landscapes</b>	<ul style="list-style-type: none"> <li>Increased degree of support for low GHG development in policy, planning and regulations</li> <li>Quality of MRV systems</li> <li>Mainstreaming biodiversity into policy and regulatory frameworks</li> </ul>		<ul style="list-style-type: none"> <li>Draft Climate Strategy &amp; Action Plan Republic of Serbia (Project Identification No. EuropeAid/1365966/DH/SER/RS) available, reflecting CCM considerations in relation to the forest sector</li> <li>Proposal for a new MRV system for the forest sector available (deliverable of this GEF project)</li> </ul>	
Output 1.1.1: Methodology for forest and biodiversity information collection and management harmonized with global and regional standards and reporting requirements	<ul style="list-style-type: none"> <li>Methodology and guidelines for biodiversity information collection in NFI available, following international standards</li> <li>Methodology and guidelines for biodiversity assessment and management for forest planning at regional and management unit level, following international standards</li> </ul>		<ul style="list-style-type: none"> <li>Methodology for collecting and analyzing biodiversity and carbon information for NFI</li> <li>Methodology for assessing forest biodiversity and nature values as part of SFM for forest development and management planning</li> <li>Two (2) technical guideline documents for integrating CCM and BD conservation into forest development (FDP) and management planning (FMP)</li> <li>Biodiversity guidelines as part of the FMP for at least 15 forest management types</li> <li>BD Manual 1 - Nature Value Assessment of forest plots (Biodiversity indicators and field guides for the NFI in Serbia)</li> <li>BD Manual 2-Nature Value Assessment of forest stands (Biodiversity indicators and field guides for the FMP in Serbia)</li> <li>Nature Value Assessment Field Form</li> </ul>	<b>100% implemented</b>

<sup>11</sup> Outputs as described in the project Logframe or in any approved project revision.

<sup>12</sup> Please use the same unit of measurement of the project indicators as per the approved Implementation Plan or Annual Workplan. Please be concise (max one or two short sentence with main achievements)

<sup>13</sup> Variance refers to the difference between the expected and actual progress at the time of reporting.



<p>Output 1.1.2: Integrated Forest Information System (IFIS) including biodiversity, carbon and socio-economic information</p>	<ul style="list-style-type: none"> <li>• Integrated Forest information System including web-based user interface operational and regularly used</li> </ul>	<ul style="list-style-type: none"> <li>• Training Needs Assessment Related to Nature Value Assessment and Mapping of Key Habitats in Serbia</li> <li>• BD Report – Obedska bara and NP Tara</li> <li>• Technical specification of equipment and software developed (based on FIS functionality list prepared by WG of the DF)</li> <li>• Interoperability standards for IT infrastructure</li> <li>• Equipment for FIS and NFI procured (tablets, graphic stations, server)</li> <li>• Forest management SW OSNOVA2020 (as a core of IFIS) procured and operational</li> <li>• Procurement for a remaining part of IFIS finalised</li> <li>• WEB portal operational</li> <li>• Additional FIS modules under development</li> </ul>	<p><b>95% implemented</b></p> <ul style="list-style-type: none"> <li>• Delays due to the complexity and the number of institutions involved</li> </ul>
<p>Output 1.1.3: National forest inventory conducted (including assessment and collection of information relevant to biodiversity conservation and climate change mitigation)</p>	<ul style="list-style-type: none"> <li>• Forest area inventoried, including identification of priority areas for biodiversity conservation according to the updated methodology</li> </ul>	<ul style="list-style-type: none"> <li>• Photointerpretation on 4x4km grid (for NFI design) and on the 1x1km grid (for land use changes)</li> <li>• NFI Methodology (field manual)</li> <li>• Field training performed (August 2019)</li> <li>• LoA with PE’s Srbijasume and Vojvodinasume for the NFI field work (10 teams)</li> <li>• NFI data entry software developed and in use</li> <li>• Field measurements in finalized and the</li> <li>• Control team produced final report</li> <li>• Data analyses and final NFI report to be finalized by 30<sup>th</sup> June 2023</li> </ul>	<p><b>95% implemented</b></p>
<p>Output 1.1.4: Existing carbon monitoring, reporting and verification (MRV) systems, reviewed and adapted to Serbian context</p>	<ul style="list-style-type: none"> <li>• MRV system based on international standards designed and validated</li> </ul>	<ul style="list-style-type: none"> <li>• Proposal for a new MRV system for the forest sector, including institutional setup, choice and description of the protocol</li> <li>• Validation WS (September 26th, 2019)</li> <li>• One (1) MRV system designed and validated</li> </ul>	<p><b>100% implemented</b></p> <ul style="list-style-type: none"> <li>• Based on the related MTR recommendation a follow up activity has been introduced</li> </ul>
<p>Output 1.1.5: Forest development programme and legislation revised to incorporate biodiversity climate change mitigation and socio-economic concerns</p>	<ul style="list-style-type: none"> <li>• Recommendations to mainstream biodiversity and climate change mitigation concerns in forest development planning and legislation</li> </ul>	<ul style="list-style-type: none"> <li>• Final round of consultations with key stakeholders on forest development programme including legislation issues to incorporate biodiversity and climate change mitigation</li> <li>• First round of consultations on changes of the Law on Forests</li> <li>• By-law on forest management planning in use</li> <li>• Roadmap towards a NFP and content of future NFP produced</li> </ul>	<p><b>80% implemented</b></p> <ul style="list-style-type: none"> <li>• NFP document will not be produced because of delays in NFI report delivery</li> </ul>

Output 1.1.6: National standards for best management practices in different forest types	<ul style="list-style-type: none"> <li>Guideline documents for sustainable silvicultural practices in different forest types, integrating climate-smart forestry and biodiversity conservation based on EU habitats directive</li> </ul>		<ul style="list-style-type: none"> <li>Consultations with researchers and forest managers on best management practices in different forest types</li> <li>Revision of the existing SFM guideline documents</li> <li>21 SFM guidelines for silvicultural practices in different forest types, integrating climate-smart forestry considerations and biodiversity conservation based on the EU habitats directive in the revision stage completed</li> </ul>	<b>100% implemented</b>
Output 1.1.7: National level multisectoral coordination platform for multifunctional sustainable forest management established	<ul style="list-style-type: none"> <li>High-level roundtable consultation on sustainable forest management with participation of at least 30 participants from public, academic, civil society and private sectors</li> <li>Thematic multi-actor working groups established and at least 2 meetings conducted per year</li> </ul>		<ul style="list-style-type: none"> <li>Regular monthly consultations in multi-actor working groups on Forest information, FDP, FMP, and private forest owners integration (representatives of PEs Srbjasure/Voivodinasure/Forestry Institute Belgrade and Novi Sad/Directorate of Forests/National Parks/Nature Protection Agency)</li> </ul>	<b>90% implemented</b> <ul style="list-style-type: none"> <li>Due to stakeholder decision the coordination remained on a regular but informal level; based on the related MTR recommendation the establishment of a formal platform is still reconsidered by the DF</li> </ul>
<b>Outcome 1.2 Institutional capacities strengthened for multi-functional forest management</b>	<b>Public, private, academic and civil society institutions with increased capacities in SFM</b>			<b>15 institutions with a higher ranking than baseline (TBD at inception)</b>
Output 1.2.1: Training programme for forest managers, users and administrators in updated SFM techniques and BD management in productive landscapes established and implemented, including a training of trainers	<ul style="list-style-type: none"> <li>Forest managers in state forest enterprises and private forest associations trained in the application of SFM techniques and BD management in productive landscapes</li> <li>Trainers in SFM and biodiversity management for national capacity building activities</li> </ul>		<ul style="list-style-type: none"> <li>A capacity development strategy and training modules under development: FDP and FMU level Planning, management, monitoring; Forest information system</li> <li>Training needs assessment and trainings design (including training materials) for SFM for forest professionals and forest owners (Part I)</li> <li>List of training courses for the LoA with Chamber of Forestry Engineers of Serbia</li> <li>LoA with Forestry chamber of Serbia on trainings and demonstration plots establishment</li> <li>Trainings implemented by Forestry chamber of Serbia</li> </ul>	<b>100% implemented</b>
<b>Outcome 2.1 Increased forest area under sustainable and multi-functional forest management</b>	<ul style="list-style-type: none"> <li><b>Indicator CCM-1: Total Lifetime Direct and Indirect GHG Emissions Avoided (Tons CO<sub>2</sub>eq)</b></li> </ul>			

	<ul style="list-style-type: none"> <li>• <b>Indicator SFM-3: Area of sustainably managed forest, stratified by forest management actors (ha)</b></li> <li>• <b>Indicator BD-1: Area under which the project will directly and indirectly contribute to biodiversity conservation (ha)</b></li> </ul>			
Output 2.1.1: Biodiversity status and impact of land use on biodiversity assessed in the project areas	<ul style="list-style-type: none"> <li>• Status of forest biodiversity, impacts and threats in the Obeska Bara and Tara protected areas assessed</li> <li>• Nature value assessment and biotope mapping in 4-8 forest management units covering 20,000 ha of public and private forest lands including Obeska Bara and Tara protected areas</li> </ul>		<ul style="list-style-type: none"> <li>• Report on forest biodiversity, threats and impacts in the project areas (Vojvodina and Western Serbia) based on the review of existing knowledge and data and valuation of the current status of forest biodiversity, impacts and threats for Obeska Bara and Tara National Parks</li> <li>• Training materials and training of identified staff of forest management planning units of PE's who are responsible for FMP: 1. Nature Value Assessment (NVA) incorporated by FMP team; and 2. mapping of key biotopes in the 2 selected FMUs within and outside protected areas.</li> </ul>	<b>100% implemented</b>
Output 2.1.2: Integrated and improved forest development plans prepared for at least 2 forest regions	<ul style="list-style-type: none"> <li>• Forest development plans of Western Serbia and Voivodina developed and monitored based on the new FDP procedures</li> </ul>		<ul style="list-style-type: none"> <li>• Draft content of FDPs</li> </ul>	<p><b>20% implemented</b></p> <ul style="list-style-type: none"> <li>• Draft FDPs to incorporate NFI results as soon as it becomes available</li> </ul>
Output 2.1.3: Forest management plans implemented	<ul style="list-style-type: none"> <li>• Pilot forest management units in Western Serbia and Voivodina regions covering at least 20,000 ha with updated and monitored management and operational plans based on the new FMP procedures</li> <li>• Demonstration plots for typical management measures in common forest types</li> </ul>		<ul style="list-style-type: none"> <li>• In the selected FMUs activities related to forest site mapping, erosion risk assessment, landslide cadastre, forest function mapping, assessment of Natura 2000 restrictions and management options are under implementation</li> <li>• 16 demonstration plots for typical management measures in common forest types established</li> </ul>	<b>100% implemented</b>
Output 2.1.4: Strategic and policy options to ensure commitment of private forest owners and users to sustainable forest management developed and validated	<ul style="list-style-type: none"> <li>• Concept for a comprehensive forest extension service for private forest owners and users</li> <li>• Action plan and recommendations to mainstream incentives for SFM for private forest owners into forest policy developed and validated</li> </ul>		<ul style="list-style-type: none"> <li>• One (1) concept document for a comprehensive forest extension service for private forest owners under development;</li> <li>• Analysis of potential incentives for forest owners to implement SFM (fiscal incentives, ecosystem services, market access, certification schemes) ongoing.</li> </ul>	<p><b>20% implemented</b></p> <ul style="list-style-type: none"> <li>• Based on the related MTR recommendation the original activities planned under this output have been replaced by</li> </ul>

				developing CN for a follow up project • CN under development
<b>Outcome 3.1 Adaptive management ensured and key lessons shared</b>	• M&E system ensuring timely delivery of project benefits and adaptive results-based management			
Output 3.1.1: Monitoring system providing systematic information on progress in reaching expected outcomes and targets	• Monitoring and evaluation system operational		• Preparation of Annual Work Plan and Budget • Preparation of project progress reports	<b>100% implemented</b> • M&E system established
Output 3.1.2: Mid-term and final evaluation conducted	• Mid-term conducted • Final evaluation conducted		• Mid-term evaluation conducted and recommendations provided	<b>100% implemented</b>
Output 3.1.3: Project achievement and results recorded and disseminated	• Appearances in local and national media • Project website and presence in social media • Publications on lessons learned • Presentation at international SFM events		• WEB site updated	• Delays due to cancelation of Comm. Expert contract; activities stopped

## 4. Summary on Progress and Ratings

**Please provide a summary paragraph on progress, challenges and outcome of project implementation consistent with the information reported in sections 2 and 3 of the PIR.**

In the reporting period, the overall implementation of activities under every project outcome is at a satisfactory level, keeping in mind that most of the main results are scheduled for the last year of the project and the delays due to Covid-19.

Under Component 1, the central part of the project, the scheduled activities and preparatory work were finalized on time (methodologies and field manuals for National forest inventory; detailed specifications for FIS, proposal for MRV system, 21 guidelines for management practices in different forest types) in close cooperation with and the active participation of the project stakeholders. The NFI field work is done and the analyses phase is in final phase (expected to be delivered by the end of the project). Most of the IFIS equipment is procured and functional. The BD and CC guidelines were implemented in pilot FMPs.

Activities under Component 2 continued during the reporting period and have been delivered in a timely manner and with high quality. Demonstration plots are established and related trainings have been slightly delayed due to Covid-19 restrictions.

Under Component 3 reporting on activities is detailed and on time. The M&E system is in place. Concerning co-financing activities, especially in cash, the Forest Fund of the Republic of Serbia provided more funds than originally planned, in-kind contributions of other project partners have been provided. The selected consultants, both national and international, for implementing project activities meet the required quality standards.

The challenges as in the previous reporting period were faced in project implementation, namely that this is the first GEF project implemented in the forest sector in Serbia requiring both horizontal (national level) and vertical (capacities, planning, trainings, institutions) integration of activities and extensive coordination. The limited number of experienced international consultants familiar with both, the temperate forests in Southeast Europe and in the technical subjects of the project (NFI, IS, SFM planning, and others) is a challenge in terms of timely delivery of future projects implementation. In addition, restrictions in movement due to Covid-19 caused delays in field activities and prevented scheduled missions of international consultants.

### ***Development Objective (DO) Ratings, Implementation Progress (IP) Ratings and Overall Assessment***

Please note that the overall DO and IP ratings should be substantiated by evidence and progress reported in the Section 2 and Section 3 of the PIR. For DO, the ratings and comments should reflect the overall progress of project results.

	<b>FY2023 Development Objective rating<sup>14</sup></b>	<b>FY2023 Implementation Progress rating<sup>15</sup></b>	<b>Comments/reasons<sup>16</sup> justifying the ratings for FY2023 and any changes (positive or negative) in the ratings since the previous reporting period</b>
<b>Project Manager / Coordinator</b>	<b>S</b>	<b>S</b>	The overall implementation of activities has been performed in a timely manner and with satisfactory quality related to the planned outputs for the reporting period. Having in mind that most of the activities are closely interrelated, their coordination has been successfully solved despite the delays experienced due to Covid-19.
<b>Budget Holder</b>	<b>S</b>	<b>S</b>	The budget has been maintained in a solid manner and it has been properly ensured that expenditures are made and resources used in accordance with FAO's rules and regulations.
<b>GEF Operational Focal Point<sup>17</sup></b>	<b>S</b>	<b>S</b>	Sound technical overview and support has been provided to the project during the reporting period. Technical clearances have been performed in a timely manner and ensured the satisfactory technical quality of all outputs. The team of technical consultants received adequate guidance related to their activities.
<b>Lead Technical Officer<sup>18</sup></b>	<b>S</b>	<b>S</b>	The overall implementation of activities is satisfactory in spite of some delays experienced due to Covid-19. Project is transparent and in accordance with implementation arrangements. Produced PIR's satisfying.
<b>FAO-GEF Funding Liaison Officer</b>	<b>S</b>	<b>S</b>	The project has achieved most of its targets despite the challenges that have been present on the ground (regarding the introduction of technically novel methodologies and mechanisms and the Covid-19 related restrictions).

<sup>14</sup> **Development Objectives Rating** – A rating of the extent to which a project is expected to achieve or exceed its major objectives.

For more information on ratings and definitions, please refer to Annex 1.

<sup>15</sup> **Implementation Progress Rating** – A rating of the extent to which the implementation of a project's components and activities is in compliance with the projects approved implementation plan. For more information on ratings and definitions, please refer to Annex 1.

<sup>16</sup> Please ensure that the ratings are based on evidence

<sup>17</sup> In case the GEF OFP didn't provide his/her comments, please explain the reason.

<sup>18</sup> The LTO will consult the HQ technical officer and all other supporting technical Units.

## 5. Environmental and Social Safeguards (ESS)

*Under the responsibility of the LTO (PMU to draft)*

Please describe the progress made complying with the approved ESM plan. Note that only projects with **moderate** or **high** Environmental and Social Risk, approved from June 2015 should have submitted an ESM plan/table at CEO endorsement. This does not apply to **low** risk projects. Add new ESS risks if any risks have emerged during this FY.

Social & Environmental Risk Impacts identified at CEO Endorsement	Expected mitigation measures	Actions taken during this FY	Remaining measures to be taken	Responsibility
<b>ESS 1: Natural Resource Management</b>				
<b>ESS 2: Biodiversity, Ecosystems and Natural Habitats</b>				
<b>ESS 3: Plant Genetic Resources for Food and Agriculture</b>				
<b>ESS 4: Animal - Livestock and Aquatic - Genetic Resources for Food and Agriculture</b>				
<b>ESS 5: Pest and Pesticide Management</b>				
<b>ESS 6: Involuntary Resettlement and Displacement</b>				
<b>ESS 7: Decent Work</b>				
<b>ESS 8: Gender Equality</b>				
<b>ESS 9: Indigenous Peoples and Cultural Heritage</b>				
<b>New ESS risks that have emerged during this FY</b>				

**In case the project did not include an ESM Plan at CEO endorsement stage, please indicate if the initial Environmental and Social (ESS) Risk classification is still valid; if not, what is the new classification and explain.**

Initial ESS Risk classification (At project submission)	Current ESS risk classification Please indicate if the Environmental and Social Risk classification is still valid <sup>19</sup> . If not, what is the new classification and explain.
L	L

***Please report if any grievance was received as per FAO and GEF ESS policies. If yes, please indicate how it is being/has been addressed.***

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<sup>19</sup> **Important:** please note that if the Environmental and Social Risk classification has changed, the ESM Unit should be contacted and an updated Social and Environmental Management Plan addressing new risks should be prepared.



## 6. Risks

The following table summarizes risks identified in the Project Document and reflects also any new risks identified in the course of project implementation (including COVID-19 related risks). The last column should be used to provide additional details concerning manifestation of the risk in the project, as relevant.

	Type of risk	Risk rating <sup>20</sup>	Identified in the ProDoc Y/N	Mitigation Actions	Progress on mitigation actions	Notes from the Budget Holder in consultation with Project Management Unit
1	Lack of close and collaborative cooperation between institutional stakeholders	L	Y	Close and collaborative cooperation between many institutional stakeholders will be essential for the project to achieve its stated goal and objectives. This will be achieved through involvement of all stakeholders from the beginning of the project inception process and through establishment of the national multi-sectoral coordination platform. A communication strategy will also be developed and regular meetings and presentation of project results in different phases of the project implementation will be organized.	Regular daily communication with relevant stakeholders and meetings of the Steering Committee	
2	Low technical capacity of experts and institutions at national and local level halting the project's progress	L	Y	The assessment conducted during the PPG phase shows that this risk is low and suitable national experts can be identified. However, some international experts will be hired with project resources in order to provide guidance on some specific technical issues and further strengthen capacities at the national level. In terms of institutional capacity, the risk will be mitigated through the project's capacity building activities.	Experienced international and national consultants were hired in the inception project phase	
3	Lack of political support for the project	L	Y	Achievement of the project goals, especially in regard to policy development and enforcement will rely on political willingness. Engagement of high level officials throughout the project implementation and involvement of appropriate officials in the project steering committee will aid in ensuring political support. In the preparation phase, high-level officials were engaged in workshops and discussions.	High – level representatives of main stakeholders are engaged in the Project Steering Committee	
4	Natural changes in ecosystems and associated species due to gradual changes in climate and extreme weather events.	L	Y	Outputs and capacity building activities will be designed, taking into account likely changes in ecosystems. The information system developed under the project will identify changes in ecosystems likely to be linked to climate change (e.g. occurrence of forest fires, pests and diseases, spread of invasive species) so that remedial actions can be taken.	Preparatory activities for the implementation of integral forest information system finalised.	

<sup>20</sup> Risk ratings means a rating of accesses the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risk of projects should be rated on the following scale: Low, Moderate, Substantial or High. For more information on ratings and definitions please refer to Annex 1.

	Type of risk	Risk rating <sup>20</sup>	Identified in the ProDoc Y/N	Mitigation Actions	Progress on mitigation actions	Notes from the Budget Holder in consultation with Project Management Unit
5	Lack of willingness and capacities of private forest owners to engage in project activities	M	Y	The communication activities of the project will ensure that private forest owners are aware of the projects and the associated benefits. Alliances will be sought with local forest owners associations and community-based organizations to establish good relationships with local stakeholders. Regular activities and presence of project staff in the intervention areas will also help build trust.	List of active PFOA's was developed and PFOA's contacted to enable their participation in project implementation	
6	Difficulties to implement forest management plans at Forest Management Unit level due to a fragmentation of private forests	M	Y	To ensure the generation of the global environmental benefits, the project will intervene both in forest management units of public enterprises with a uniform tenure structure, and FMUs at municipal level comprised of holdings of small private forest owners, who for the most part own parcels of 1 ha or less. In the municipal FMUs, the project will work as much as possible with local forest users associations	Implementation of project outcome 2.1. "Increased forest area under sustainable and multi-functional forest management" ongoing	
7	Lack of willingness of institutions to share information	M	Y	The establishment of the forest information system relies on the willingness of institutions to share data, which is a sensitive issue in Serbia. To mitigate the risk, the project will ensure a regular information flow to partner institutions, ensuring the transparency of the information system including protocols as well as clear regulations on data use and access rights. Furthermore, a by-law on data sharing will be developed which governs the data sharing agreement between the Forest Directorate and other agencies under the Ministry of Agriculture and Environment	Agreement between Directorate of Forests (DF) and National Geodetic Agency on utilisation of geospatial data as a 1st step of cooperation between national institutions.	

**Project overall risk rating (Low, Moderate, Substantial or High):**

FY2022 rating	FY2023 rating	Comments/reason for the rating for FY2023 and any changes (positive or negative) in the rating since the previous reporting period
M	M	Risks remained at the same level during the last year of the project.

## 7. Follow-up on Mid-term review or supervision mission (only for projects that have conducted an MTR)

If the project had an MTR or a supervision mission, please report on how the recommendations were implemented during this fiscal year as indicated in the Management Response or in the supervision mission report.

MTR or supervision mission recommendations	Measures implemented <u>during this Fiscal Year</u>
<p><b>Recommendation 1:</b> Increase focus on CCM activities in project</p>	<ol style="list-style-type: none"> <li>1. National consultants with experience of national climate change strategy, plans, actions and MRV were hired to implement recommendation.</li> <li>2. Project FMP team in cooperation with International CCM specialist reviewed the Guidelines incorporated in the forestry regulatory framework</li> <li>3. The Communication expert of the FAO Project Office in Belgrade developed with support of the Project team (component 1 &amp; 2) the awareness-raising/outreach programme suggested under 4.</li> <li>4. The Project discussed with SC members on how to best address the issue of establishment of the project Climate Change Working Group (CCWG) to serve as advisory forum on CC issues to the project.</li> </ol>
<p><b>Recommendation 2:</b> Optimise involvement of Private Forest Owners (PFOs) and Private Forest Owners' Association (PFOAs) in project</p>	<ol style="list-style-type: none"> <li>1. The representatives from selected PFOAs attended trainings and awareness-raising events (incorporated in the existing FMP training plan of the Project).</li> <li>2. The selection of the site of demonstration plots follows the purpose clearly outlined in the project document, namely to demonstrate the new forest management planning approaches responding to CC and BD challenges. PFOAs were trained on the demonstration plots closest to their operating areas.</li> <li>3. Biomass expert delivered National wood supply and demand study (following WISDOM methodology) for the whole territory of Serbia</li> <li>4. Concept Note for a separate follow-up on funding project for promoting SFM with a component specifically focusing on PFOs/PFOAs under development.</li> </ol>
<p><b>Recommendation 3:</b> Improve partner participation in project activities and decision-making</p>	<ol style="list-style-type: none"> <li>1. The SC re-examined the list of partners, stakeholders and co-financiers and considered expanding the representation as well as sought inputs from stakeholders from the agriculture and rural development sectors, as well as private sector (non-state forestry) actors particularly the involvement of PFOs/PFOAs and concluded not to expand the list</li> <li>2. The membership at SC is defined in the project document, however FAO discussed with SC members the possible involvement of new members in SC and WGs.</li> <li>3. FAO PMU in collaboration with MAFW-DF recalculated co-financing contributions from partners, based on their actual involvement</li> </ol>
<p><b>Recommendation 4:</b> Improve communications and knowledge management on the project</p>	<ol style="list-style-type: none"> <li>1. The Communication expert of the FAO Project Office in Belgrade is engaged to ensure effective communication to target audiences.</li> <li>2. Communication expert of the FAO Project Office in Belgrade in cooperation and communication with FAO REU or HQ developed a project Communications and Knowledge Management Strategy and Plan that sets out key messages to be communicated.</li> <li>3. Web page of the Project developed and hosted by DF where all project materials will be available.</li> </ol>

<p><b>Has the project developed an Exit Strategy? If yes, please describe</b></p>	<p>No exit strategy has been developed for the Project</p>
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## 8. Minor project amendments

Minor amendments are changes to the project design or implementation that do not have significant impact on the project objectives or scope, or an increase of the GEF project financing up to 5% as described in Annex 9 of the GEF Project and Program Cycle Policy Guidelines<sup>21</sup>. Please describe any minor changes that the project has made under the relevant category or categories. And, provide supporting documents as an annex to this report if available.

Category of change	Provide a description of the change	Indicate the timing of the change	Approved by
Results framework			
Components and cost			
Institutional and implementation arrangements			
Financial management			
Implementation schedule			
Executing Entity			
Executing Entity Category			
Minor project objective change			
Safeguards			
Risk analysis			
Increase of GEF project financing up to 5%			
Co-financing			
Location of project activity			
Other minor project amendment (define)			

<sup>21</sup> Source: <https://www.thegef.org/council-meeting-documents/guidelines-project-and-program-cycle-policy-2020-update>

## 9. Stakeholders' Engagement

Please report on progress and results and challenges on stakeholder engagement (based on the description of the Stakeholder engagement plan) included at CEO Endorsement/Approval during this reporting period.

Stakeholder name	Role in project execution	Progress and results on Stakeholders' Engagement	Challenges on stakeholder engagement
<b>Government Institutions</b>			
Ministry of Agriculture, Forestry and Water Management - Directorate of Forests	The Directorate of Forests (DF) is one of the main beneficiaries of the project. The DF leads the project implementation process along with FAO and provides the bulk of the co-financing through the Forest Fund administered by the DF. The DF is also responsible to transform and adopt recommendations of the project into policies and programmes	Continued full engagement and support from MAFW	N/A
Ministry of Environmental Protection (MEP), notably Department for Nature Protection, and other relevant Ministries	MEP and all other relevant government entities are involved in extensive consultations to understand their current and potential role in promoting and implementing sustainable forest management, and to address conflicts and barriers, for example with regard to data sharing.	Continued engagement from MEP	N/A
PE Voivodinasume and Srbijasume	The PEs are beneficiaries of the project, and key project implementation partners at regional and local level. They have been involved in the implementation of the NFI field surveys, validation of strategies, training activities and implementation of SFM at regional and local level. The PEs are also important contributors of co-financing to the project.	Continued full engagement and support from PEs	N/A
Forest Faculty	Academic institutions are expected to play a key role in capacity building, information management and dissemination activities. They play a central role in providing expertise, for instance in the definition of SFM guidelines. Furthermore, the Kraljevo Forest Technical High School will participate in supporting the SFM training programme.	Continued full engagement and support from the FF	N/A
State Environmental Protection Agency (SEPA)	As the main clearing house for environmental information in Serbia, SEPA has a crucial role in ensuring that the information products and services generated under the project are compatible with existing SEPA systems. SEPA has a key role in facilitating data and information exchange with other environmental databases of the government.	No real engagement since the project doesn't involve activities of SEPA	N/A
Institutes of Nature Conservation Serbia and Voivodina	As legal entities charged with approving the forest management plans, the Institutes are important partners to advise and approve the Forest Management Plans at local level and Forest Development Plans at regional level. Furthermore, they are engaged in the validation of products such as the SFM guidelines.	Continued full engagement and support from both institutes	N/A
PE National Parks	As legal entities charged with approving the forest management plans, the Institutes are important partners to advise and approve the Forest Management Plans at local level and Forest Development Plans at regional level. Furthermore, they are engaged in the validation of products such as the SFM guidelines.	Continued engagement and support from both NP Tara and NP Djerdap	N/A

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Statistical Office of the Republic of Serbia	The Statistical Office of the Republic of Serbia is a key partner in enriching the FIS with socio-economic data, which will help to better understand socio-economic aspects that impact on forest management	Continued support from the office	
<b>Non-Government organizations (NGOs)</b>			
CSOs	CSOs play a vital role in validating recommendations and strategies produced under the project. Furthermore, they are valuable partners for dissemination of information. The project also ensures that those CSOs working with rural women are engaged	Continued support from CSOs in pilot areas	N/A
Chamber of Forestry	The Chamber of Forestry is an important ally of the project for the dissemination of information through its network of members and partners. It provides co-financing through training and advisory services.	Continued full engagement and support from the Chamber	N/A
<b>Private sector entities</b>			
Private forest owners and their associations	PFOs and PFOAs are main beneficiaries of the project, and key project implementation partners at local level. They are involved in the validation of strategies, training activities and implementation of SFM at local level.	Continued support	N/A
<b>Others[1]</b>			
Local communities	Local communities are important partners for project implementation at local level. They are involved in all relevant consultations, to contribute their understanding and perspectives on sustainable forest management, threats and opportunities of forests. The project is ensuring that women and men residing in the pilot areas and depending on forests for their livelihoods, are informed and engaged. Furthermore, they play an important part in disseminating information.	Continued support in pilot areas	N/A
The Coordination Body for Gender Equality of the Prime Minister's Office	The Coordination Body for Gender Equality of the Prime Minister's Office is the main body for gender equality of Serbia. It provides technical advice and coordination support on gender equality issues.	Continued support	N/A

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[1] They can include, among others, community-based organizations (CBOs), Indigenous Peoples organizations, women's groups, private sector companies, farmers, universities, research institutions, and all major groups as identified, for example, in Agenda 21 of the 1992 Rio Earth Summit and many times again since then.

## 10. Gender Mainstreaming

**Information on Progress on Gender-responsive measures as documented at CEO Endorsement/Approval in the gender action plan or equivalent (when applicable) during this reporting period.**

Category	Yes/No	Briefly describe progress and results achieved during this reporting period
Gender analysis or an equivalent socio-economic assessment made at formulation or during execution stages.	YES	<p>During the preparation of the project document, a gender assessment in communities in the pilot areas which included field research, was conducted to identify women's and men's use of and dependency on forests. According to the assessment's findings, men are predominantly engaged in firewood collection, whereas women tend to be more engaged in the collection of non-wood forest products (NWFPs). Forest work is socially considered to be more appropriate to men, and private forests are registered in the name of a male family member, who usually tend to take the decisions regarding the family forests. Women also are less likely to attend meetings related to forest management and use. More information and knowledge on economic opportunities in relation to forests was identified as a key need and interest by both, women and men. Even though partly depending on forests for their livelihoods, they do not feel to have sufficient information on how to improve their livelihoods with forests.</p> <p>A gender mainstreaming strategy has been incorporated throughout the project document, and all relevant outputs include gender and social inclusion considerations, including the following:</p> <ul style="list-style-type: none"> <li>• Under Output 1.1.2, the project supports the development and implementation of indicators to monitor the use of forests disaggregated by sex, age, educational level, which will feed the FIS and will allow for improved decision making.</li> <li>• Under Output 1.1.5, the project supports the inclusion of a gender-responsive budget in the forest development strategy.</li> <li>• Under Output 1.2.1 the project develops training modules on socio-economic issues in sustainable forest management, including gender mainstreaming related issues.</li> <li>• Under output 2.1.4, the project develops special measures to ensure that the forest extension service reaches those most vulnerable parts of rural population, both women and men.</li> <li>• In addition, the M&amp;E system on the project will include gender sensitive indicators.</li> </ul>
Any gender-responsive measures to address gender gaps or promote gender equality and women's empowerment?	YES	
Indicate in which results area(s) the project is expected to contribute to gender equality (as identified at project design stage):		
a) closing gender gaps in access to and control over natural resources	YES	
b) improving women's participation and decision making	YES	
c) generating socio-economic benefits or services for women	YES	
M&E system with gender-disaggregated data?	YES	
Staff with gender expertise	YES	
Any other good practices on gender	NO	

## 11. Knowledge Management Activities

Knowledge activities / products (when applicable), as outlined in Knowledge Management Approach approved at CEO Endorsement / Approval <u>during this reporting period.</u>	
Does the project have a knowledge management strategy? If not, how does the project collect and document good practices? Please list relevant good practices that can be learned and shared from the project thus far.	Knowledge management strategy was not developed. All examples of good practices are contained in methodologies, reports, plans (on different levels – national, regional and local) adopted .by the main beneficiary and in practice
Does the project have a communication strategy? Please provide a brief overview of the communications successes and challenges this year.	Yes.2 times guest at popular AgroTV showcasing main results of the Project.
Please share a human-interest story from your project, focusing on how the project has helped to improve people’s livelihoods while contributing to achieving the expected Global Environmental Benefits. Please indicate any Socio-economic Co-benefits that were generated by the project. Include at least one beneficiary quote and perspective, and please also include related photos and photo credits.	
Please provide links to related website, social media account	<a href="https://upravazasume.gov.rs/medjunarodni-projekti/">https://upravazasume.gov.rs/medjunarodni-projekti/</a>
Please provide a list of publications, leaflets, video materials, newsletters, or other communications assets published on the web.	
Please indicate the Communication and/or knowledge management focal point’s Name and contact details	Sara Pašić National Communications and Outreach Assistant FAO Project Office in Serbia; Pasic, Sara (FAORS) <Sara.Pasic@fao.org>



## 12. Indigenous Peoples and Local Communities Involvement

**Are Indigenous Peoples and local communities involved in the project (as per the approved Project Document)? If yes, please briefly explain.**

If applicable, please describe the process and current status of on-going/completed, legitimate consultations to obtain Free, Prior and Informed Consent (FPIC) with the indigenous communities.

Do indigenous peoples and or local communities have an active participation in the project activities? If yes, briefly describe how.

### 13. Co-Financing Table

Sources of Co-financing <sup>22</sup>	Name of Co-financer	Type of Co-financing	Amount Confirmed at CEO endorsement / approval	Actual Amount Materialized at 30 June 2023	Actual Amount Materialized at Midterm or closure (confirmed by the review/evaluation team)
NG	Ministry for Agriculture, Forestry and Water Management	Cash	15,486,141	15,311,834	
NG	Ministry for Agriculture, Forestry and Water Management	In-kind	5,545,000	5,367,750	
Benef.	Institute of Forestry	In-kind	445,000	432,750	
Benef.	University Novi Sad (Institute for Lowland Forestry and Environmental Protection)	In-kind	445,000	422,750	
Benef.	NP Fruska gora	In-kind	285,200	276,940	
Benef.	NP Djerdap	In-kind	142,600	135,470	
Benef.	NP Tara	In-kind	855,600	822,820	
Benef.	Public Enterprise Srbijasume	In-kind	980,000	943,000	
Benef.	Public Enterprise Vojvodinasume	In-kind	420,000	409,000	
Benef.	Forest Technical school Kraljevo	In-kind	713,000	687,350	
Benef.	Forest Chamber	In-kind	220,000	211,000	
Benef.	NP Kopaonik	In-kind	142,600	139,470	
BAA	UN FAO	Cash	300,000		
BAA	UN FAO	In-kind	200,000		
<b>TOTAL</b>			<b>26,180,141</b>	<b>25,160,134</b>	

**Please explain any significant changes in project co-financing since Project Document signature, or differences between the anticipated and actual rates of disbursement**

<sup>22</sup> Sources of Co-financing may include: Bilateral Aid Agency(ies), Foundation, GEF Agency, Local Government, National Government, Civil Society Organization, Other Multi-lateral Agency(ies), Private Sector, Beneficiaries, Other.

## Annex 1. – GEF Performance Ratings Definitions

<b>Development Objectives Rating.</b> A rating of the extent to which a project is expected to achieve or exceed its major objectives.	
<b>Highly Satisfactory (HS)</b>	Project is expected to achieve or exceed <b>all</b> its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”
<b>Satisfactory (S)</b>	Project is expected to achieve <b>most</b> of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings
<b>Moderately Satisfactory (MS)</b>	Project is expected to achieve <b>most</b> of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve <b>some</b> of its major global environmental objectives or yield some of the expected global environment benefits
<b>Moderately Unsatisfactory (MU)</b>	Project is expected to achieve of its major global environmental objectives with major shortcomings or is expected to achieve only <b>some</b> of its major global environmental objectives)
<b>Unsatisfactory (U)</b>	Project is expected <b>not</b> to achieve <b>most</b> of its major global environment objectives or to yield any satisfactory global environmental benefits)
<b>Highly Unsatisfactory (HU)</b>	The project has failed to achieve, and is not expected to achieve, <b>any</b> of its major global environment objectives with no worthwhile benefits.)

<b>Implementation Progress Rating.</b> A rating of the extent to which the implementation of a project’s components and activities is in compliance with the project’s approved implementation plan.	
<b>Highly Satisfactory (HS)</b>	Implementation of <b>all</b> components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be resented as “good practice
<b>Satisfactory (S)</b>	Implementation of <b>most</b> components is in substantial compliance with the original/formally revised plan except for only a few that are subject to remedial action
<b>Moderately Satisfactory (MS)</b>	Implementation of <b>some</b> components is in substantial compliance with the original/formally revised plan with some components requiring remedial action
<b>Moderately Unsatisfactory (MU)</b>	Implementation of <b>some</b> components is not in substantial compliance with the original/formally revised plan with most components requiring remedial action.
<b>Unsatisfactory (U)</b>	Implementation of <b>most</b> components is not in substantial compliance with the original/formally revised plan
<b>Highly Unsatisfactory (HU)</b>	Implementation of none of the components is in substantial compliance with the original/formally revised plan.

<b>Risk rating.</b> It should assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risk of projects should be rated on the following scale:	
<b>High Risk (H)</b>	There is a probability of greater than <b>75%</b> that assumptions may fail to hold or materialize, and/or the project may face high risks.
<b>Substantial Risk (S)</b>	There is a probability of between <b>51%</b> and <b>75%</b> that assumptions may fail to hold or materialize, and/or the project may face substantial risks
<b>Moderate Risk (M)</b>	There is a probability of between <b>26%</b> and <b>50%</b> that assumptions may fail to hold or materialize, and/or the project may face only moderate risk.
<b>Low Risk (L)</b>	There is a probability of up to <b>25%</b> that assumptions may fail to hold or materialize, and/or the project may face only low risks.