



Improved Financial Sustainability and Strengthened Resilience of Protected Areas Through Development of Sustainable Recreation and Partnership With Private Sector

Part I: Project Information

GEF ID

10344

Project Type

FSP

Type of Trust Fund

GET

CBIT/NGI

CBIT

NGI

Project Title

Improved Financial Sustainability and Strengthened Resilience of Protected Areas Through Development of Sustainable Recreation and Partnership With Private Sector

Countries

Bosnia-Herzegovina

Agency(ies)

UNDP

Other Executing Partner(s)

UNDP

Executing Partner Type

GEF Agency

GEF Focal Area

Biodiversity

Taxonomy

Climate resilience, Climate Change Adaptation, Climate Change, Focal Areas, Protected Areas and Landscapes, Biodiversity, Terrestrial Protected Areas, Deploy innovative financial instruments, Influencing models, Private Sector, Stakeholders, SMEs, Civil Society, Non-Governmental Organization, Local Communities, Beneficiaries, Type of Engagement, Consultation, Participation, Information Dissemination, Partnership, Awareness Raising, Communications, Gender Mainstreaming, Gender Equality, Sex-disaggregated indicators, Knowledge Exchange, Capacity, Knowledge and Research, Learning, Indicators to measure change, Adaptive management, Theory of change, Capacity Development, Knowledge Generation

Rio Markers**Climate Change Mitigation**

Climate Change Mitigation 0

Climate Change Adaptation

Climate Change Adaptation 1

Duration

48 In Months

Agency Fee(\$)

250,800

Submission Date

9/10/2019

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
BD-2-7	GET	2,640,000	18,176,839
	Total Project Cost (\$)	2,640,000	18,176,839

B. Indicative Project description summary

Project Objective

To achieve practical PA management improvement and better biodiversity status through strengthened resilience of key biodiversity values to climate change impact and increased revenues from sustainable recreation.

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
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Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
1. Strengthening resilience of targeted PAs to climate change impacts	Investment	<p>Outcome 1: Managerial and technical capacities of targeted PAs in place helping ensure resilience of key biodiversity values to climate change impacts measured by:</p> <ul style="list-style-type: none"> - 54,765 ha of PAs (48% of total PA estate of BiH) under improved management responsive to the climate-induced threats - At least 15% increase in METT score for the targeted PAs (particularly with regard to the threat management questions) - Increased resilience to climate threats for targeted PAs (positive trends in modified TRA index^[1] towards the end of the project) - Sphagnum moss cover increased by at least 100 sq.m at Prokoško Lake as a result of ecosystem restoration <p>at least 314,600 people (of whom 157,100 are women) derive direct benefits from improved PA management capacities</p> <p>^[1] The Threat Reduction Assessment (TRA) index is a summary indicator of the degree to which a project has succeeded in reducing the threats to conservation at a particular site. It is calculated as a result of identifying threats, ranking them according to specific criteria, and assessing progress in reducing each of them. The standard TRA approach will be modified to become more specific with the concrete effects of climate-change induced threats, during the PPG stage</p>	<p><u>Output 1.1:</u> PA network climate threat assessment conducted and climate impacts research and monitoring module developed for Protected Landscape Bijambare and National Park Sutjeska</p> <p><u>Output 1.2:</u> Management plans for cat.II PAs (national parks Drina, Sutjeska, Kozara, Una) developed/updated and under implementation</p> <p><u>Output 1.3:</u> A portfolio of adaptation and resilience solutions for targeted species and ecosystems set under implementation (solutions</p>	GET	855,000	11,200,000

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
2. Improving financial sustainability of targeted PAs through sustainable tourism development	Technical Assistance	<p>Outcome 2. Financial sustainability of targeted PAs improves, measured through:</p> <ul style="list-style-type: none"> - at least 20% reduction of the funding gap for targeted PAs; - at least 1 mutually beneficial public-private agreement (including concessions, leases, rentals) formalised and operational; - at least 4 PAs participate in governmental tourism grant programmes; - at least 300 people (of whom 160 are women) derive direct benefits from the implementation of PA sustainable finance instruments; - at least 20% increase in the annual number of visitors and service users in targeted PAs. <p>Outcome 3. Knowledge management, communication, and M&E</p> <ul style="list-style-type: none"> - at least 3 knowledge products related to PA climate threats assessment and climate impact monitoring, PA integration into sustainable tourism, and tourism concessioning developed and disseminated <p><i>Other indicators will be elaborated at the PPG stage</i></p>	<p><u>Output 2.1:</u> Sustainable tourism products developed with community support for selected national IBA sites, protected caves and one transboundary PA (NP Orjen)</p> <p><u>Output 2.2:</u> Public-private partnerships are in place to provide increased income streams from legal nature resource use activities (incl. recreation) occurring in the targeted PAs</p> <p><u>Output 2.3:</u> Tourism and recreational concessioning (and/or leasing) piloted in Sutjeska National Park</p> <p><u>Output 2.4:</u> PA participation in the</p>	GET	1,660,000	5,330,639

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
				Sub Total (\$)	2,515,000	16,530,639
Project Management Cost (PMC)						
				GET	125,000	1,646,200
				Sub Total(\$)	125,000	1,646,200
				Total Project Cost(\$)	2,640,000	18,176,839

C. Indicative sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Government	Ministry of Environment and Tourism of the Federation of Bosnia and Herzegovina	Public Investment	Investment mobilized	1,282,600
Government	Ministry of Environment and Tourism of the Federation of Bosnia and Herzegovina (tourism support grants)	Public Investment	Investment mobilized	4,664,000
Government	Ministry of Environment and Tourism of the Federation of Bosnia and Herzegovina	In-kind	Recurrent expenditures	233,200
Government	Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska	Public Investment	Investment mobilized	4,897,200
Government	Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska	In-kind	Recurrent expenditures	233,200
Government	Ministry of Trade and Tourism of Republika Srpska	Public Investment	Investment mobilized	2,565,200
Government	Ministry of Trade and Tourism of Republika Srpska	In-kind	Recurrent expenditures	233,200
Government	Ministry of Agriculture, Forestry and Water Management of Republika Srpska	Public Investment	Investment mobilized	318,318
Government	Ministry of Trade, Tourism and Environment of Herzegovina-Neretva Canton	Public Investment	Investment mobilized	1,166,000

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Government	Environmental Protection Fund FBiH	Public Investment	Investment mobilized	233,200
Government	Environmental Protection and Energy Efficiency Fund of Republika Srpska	Public Investment	Investment mobilized	233,200
Private Sector	Concessioners – preliminary discussions held with Tourism Cluster Una-Sana, Tourism Cluster Herzegovina, VisitSarajevo Tourism Association, Kozara Ski Resort, and Whitewater Rafting	Unknown at this stage	Investment mobilized	116,600
Donor Agency	USAID, via Via Dinarica Project	Grant	Investment mobilized	333,000
Donor Agency	Italian Development Cooperation Agency, via Via Dinarica Project	Grant	Investment mobilized	379,921
GEF Agency	UNDP, via Via Dinarica Project	Grant	Investment mobilized	100,000
Donor Agency	SDC, via Joint UN Programme for Disaster Risk Reduction for Sustainable Development in Bosnia and Herzegovina	Grant	Investment mobilized	458,000
GEF Agency	UNDP, via Joint UN Programme for Disaster Risk Reduction for Sustainable Development in Bosnia and Herzegovina	Grant	Investment mobilized	730,000
Total Project Cost(\$)				18,176,839

Describe how any "Investment Mobilized" was identified

During the stakeholder consultations, the following major co-financing commitments were indicated: - Budgetary allocations for implementation of the Federal Environmental Strategy and Action Plan aimed at nature conservation and PA system expansion and management, and government grants for Sustainable Tourism Development in FBiH – from the

Ministry of Environment and Tourism of the Federation of Bosnia and Herzegovina. These are budget spendings that are directly relevant to supporting activities of Outputs 1.1 – 1.3 and 2.1 and 2.3. - Government grants for sustainable tourism development in RS – Ministry of Trade and Tourism of Republika Srpska. These are budget spendings that are directly relevant to supporting activities of Outputs 1.1 – 1.3 and 2.1 and 2.3. - Private sector potential partners: Tourism Cluster Una-Sana, Tourism Cluster Herzegovina, VisitSarajevo Tourism Association, Kozara Ski Resort, and Whitewater Rafting. Concrete commitments will be confirmed during the PPG stage. - Strengthening the wildfire early warning system and DRR management capacity (Orjen National Park) – Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska; - Activities in support to income diversification and financial sustainability of protected areas of the Canton of Sarajevo – Cantonal Public Institution "Protected Areas of the Sarajevo Canton"; - Incremental funding directly to PA management, in support to implementation of management plans and sustainable tourism development projects – Environment Protection Funds of both entities; - Via Dinarica Project second phase supporting sustainable nature-based tourism development - UNDP, USAID and Italian Cooperation Agency; - Joint UN Programme for Disaster Risk Reduction for Sustainable Development – SDC and UNDP. Each of these co-financing commitments will be discussed at PPG with the entity providing the cofinancing. The amounts will be confirmed. The linkages and relevance to specific project sites/project activities will be agreed as well. Letters of cofinancing will be obtained that will confirm amounts, relevance and coordination with relevant project elements.

D. Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
UNDP	GET	Bosnia-Herzegovina	Biodiversity	BD STAR Allocation	2,640,000	250,800	2,890,800
Total GEF Resources(\$)					2,640,000	250,800	2,890,800

E. Project Preparation Grant (PPG)

PPG Required

PPG Amount (\$)

99,726

PPG Agency Fee (\$)

9,474

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
UNDP	GET	Bosnia-Herzegovina	Biodiversity	BD STAR Allocation	99,726	9,474	109,200
Total Project Costs(\$)					99,726	9,474	109,200

Core Indicators

Indicator 1 Terrestrial protected areas created or under improved management for conservation and sustainable use

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
55,981.62	0.00	0.00	0.00

Indicator 1.1 Terrestrial Protected Areas Newly created

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
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Indicator 1.2 Terrestrial Protected Areas Under improved Management effectiveness

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
55,981.62	0.00	0.00	0.00

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Akula National Park Bijambare	125689	SelectProtected Landscape/Seascape	497.00						

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Akula National Park Djatlo cave	125689 555593979	Select Natural Monument or Feature	43.42						<input type="checkbox"/>
Akula National Park Drina	125689	Select National Park	6,315.32						<input type="checkbox"/>
Akula National Park Girska cave	125689 555593984	Select Natural Monument or Feature	25.37						<input type="checkbox"/>
Akula National Park Kozara	125689 555593969	Select National Park	3,907.54						<input type="checkbox"/>
Akula National Park Ledana pit	125689 555593977	Select Natural Monument or Feature	28.26						<input type="checkbox"/>
Akula National Park Ledenjača cave	125689 555593986	Select Natural Monument or Feature	7.40						<input type="checkbox"/>

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Akula National Park Ljubačevo cave	125689 555593976	Select Natural Monument or Feature	45.45						<input type="checkbox"/>
Akula National Park Orlovača	125689 555593980	Select Natural Monument or Feature	27.01						<input type="checkbox"/>
Akula National Park Pavlova cave	125689 555593978	Select Natural Monument or Feature	13.40						<input type="checkbox"/>
Akula National Park Pod Lipom cave	125689 555593985	Select Natural Monument or Feature	6.10						<input type="checkbox"/>
Akula National Park Prokoško Lake	125689	Select Natural Monument or Feature	2,225.00						<input type="checkbox"/>

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Akula National Park Rastuša cave	125689 555593981	Select Natural Monument or Feature	11.39						
Akula National Park Skakavac Waterfall	125689	Select Natural Monument or Feature	1,430.70						
Akula National Park Sutjeska	125689 555593970	Select Natural Monument or Feature	16,052.34						
Akula National Park Una	125689	Select National Park	19,800.00						
Akula National Park Vaganska pećina (cave)	125689 555593982	Select Natural Monument or Feature	12.00						

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Akula National Park Velika pećina (cave)	125689	SelectNatural Monument or Feature	820.92						<input type="checkbox"/>
Akula National Park Vjetrenica Cave	125689	SelectNatural Monument or Feature	4,713.00						<input type="checkbox"/>

Indicator 3 Area of land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
500.00	0.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.2 Area of Forest and Forest Land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.3 Area of natural grass and shrublands restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (incl. estuaries, mangroves) restored

Ha (Expected at PIF)

Ha (Expected at CEO Endorsement)

Ha (Achieved at MTR)

Ha (Achieved at TE)

500.00

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	157,200			
Male	157,700			
Total	314900	0	0	0

Part II. Project Justification

1a. Project Description

1a. Project Description

1.a.1. The global environmental and/or adaptation problems, root causes and barriers that need to be addressed

Bosnia and Herzegovina (BiH) is located in Southeastern Europe, in the central part of the Balkan Peninsula, and covers an area of 51,129 km². The biological diversity of the country is represented by over 450 species of higher plants, several hundred invertebrates (predominantly insects), 12 fish species, 2 species of amphibians, 4 species of reptiles and numerous species of birds and mammals. The country is home to a number of endemic species and habitats as well as a series of relict ecosystems; species diversity has the highest level of endemism in Europe.

The rich biodiversity of BiH – particularly the flora and fauna of protected areas situated near or at the Dinarides mountain range, karst fields and wetland areas – faces a range of potential climate impacts, including but not limited to: habitat shifts, loss and fragmentation; spread of invasive species; disrupted species migration patterns, changes in water level and quality; increased risk of water fires and increased vulnerability of forests to vermin and pathogens.

Climate change effects and threats

While a comprehensive analysis of threats to biodiversity and ecosystems, their root causes, as well as barriers towards effective conservation will be performed later at the project development stage, the following key threats and climate change impacts have been recorded and communicated via country reporting to the international conventions and made available through several project-level studies.

Climate change and increased frequency and intensity of extreme climate events in Bosnia and Herzegovina have caused increased pressure in the sectors of agriculture, water management, health, forestry and tourism, as well as in management of water resources and protected areas. There is a record of an increase in variability and intensity of extreme weather conditions (heat waves, intense rainfall, windstorms, days with hail, etc.). In the last five years, Bosnia and Herzegovina has been faced with several significant extreme climate and weather episodes that have caused substantial material and financial deficits, as well as casualties (Third National Communication to UNFCCC, 2017).

The Fifth National Report to the UNCBD listed fires among key threats to biodiversity and ecosystems, with a note that fire intensity has assumed alarming proportions over the past several years. One particular example is related to the fires that took place in the Nature Park „Hutovo blato“, one of the three Ramsar sites in Bosnia and Herzegovina, in October 2011. The burnt area size amounts to 1.350 ha, and the direct damage amounts to USD 1,5 million, while indirect effects will be felt for many years of ecosystem recovery.

The frequency and intensity of natural hazards has significantly amplified over the last two decades. There are increasingly more days with tropical temperatures, as well as prolonged periods of drought and a change in the schedule and intensity of rainfall, which leads to flooding. This climate instability had been evident through more extreme weather conditions that hit the country: floods in 2004, 2006, 2009, 2010 and 2014 and drought in 2000, 2003, 2007, 2011 and 2012. Risks related to climate variability in Bosnia were highlighted by the 2014 floods, which led to more than 20 deaths, 90,000 people displaced and billions of dollars in damages (an estimated 15 percent of the country's GDP).

The northeastern portion of the country is most prone to drought. The worst drought in 120 years occurred in 2002 and resulted in a 60% drop in the country's agricultural production, which generated a serious food crisis. Landslides are a continuous and well-known hazard in BiH and represent a complex and ever-increasing problem for authorities at all levels, as well as for the affected communities. The Risk Assessment for BiH adopted by the Council of Ministers in 2012 registers more than 1,800 active landslides in the country. The lack of land use planning and geological analysis lead to unsustainable territorial development and infrastructure investments, which in the long-term aggravate the landslide risk.

A number of protected areas were recently struck by natural hazards including the following examples:

- National Park Sutjeska suffered a major landslide due to the heavy rainfalls in February, 2018, and
- the cave system of Vjetrenica, which is part of the Popovo Polje and Trebišnjica freshwater KBA and one of the finest examples of subterranean biodiversity in the world, was heavily flooded and damaged in October, 2015.

Numerous natural lakes and wetlands of Bosnia and Herzegovina, including Nature Park Hutovo Blato and Livanjsko Polje Ramsar site, suffer from regular disturbances in the water regime that gravely affect fish stocks and migratory birds. Adaptation and resilience measures are not incorporated in conservation legislation nor management plans of affected protected areas, and funding is more often available for recovery than for risk reduction and prevention.

The Fifth National Report to CBD mentions extensive (uncontrolled/illegal) construction of tourist facilities across mountain landscape areas in BiH among the primary causes for loss of valuable ecosystem services. The primary ecosystem, which had encompassed the habitats before the construction took place, is the ecosystem of mountain meadows (the so-called “upland fields”). In BiH, mountain meadows are guardians of genetic biodiversity of BiH with regard to the number of endemic species and glacial relicts living in those biocenoses. A large number of plant species are medicinal and honey plants. The degradation of this ecosystem eliminates the provisioning of ecosystem services.

Instead of having a regulatory role in maintaining the climate, constructed facilities create an accumulation of thermal energy in summer as well as changes in the hydro-thermal regime of the soil following the snow melt, by which the second (regulatory) group of ecosystem services is lost. Cultural services’ value have been decreased due to the lost aesthetical value of natural areas. In the case of construction building, support services, which enable self-sustainability and functioning of the mountain meadow ecosystems, are degraded completely.

Climate change models predict that there will be significant changes in precipitation levels caused by the rise in temperatures in Bosnia and Herzegovina. This will have a strong effect on the distribution of plant species. Climate change is expected to have a significant impact on flora in mountainous areas, with migration of woody species along the Dinarides, and local reduction in species. Herbaceous species are likely to be lost in the high mountains. Additionally the swamp areas and the karst regions are likely to be particularly affected with an anticipated loss of flora and fauna. The disappearance of a number of endemic species is expected to occur. Adaptation measures should be centred on expanding the network of protected areas in Bosnia and Herzegovina, and improving management of the existing protected areas ([Climate Change Adaptation and Low-Emission Development Strategy for Bosnia and Herzegovina](#), 2014).

Gap between the conservation needs and the PA system capacity as a key barrier

Nature conservation in a spatial context in Bosnia and Herzegovina, although not historically new (the first protected area was designated in 1962), is still a rather undervalued concept. The protected area (PA) network is the smallest in Europe, covering some 2.7% of the territory. It consists of 34 individual areas, with a dozen more recently preparing for designation, both through the support from GEF and local governments.

There are four National Parks (IUCN category II): National Park “Kozara” and National Park “Sutjeska” and recently proclaimed National park “Drina” in Republika Srpska (RS), and National Park “Una” in Federation of Bosnia and Herzegovina (FBiH). Seventeen areas are designated as Nature Monuments (IUCN category III), five out of which are located in FBiH, and twelve in RS.

Table 1: Protected Areas in Bosnia and Herzegovina

No.	Name and National Category	IUCN category	Area in hectares
Federation of Bosna and Hercegovina:			
1	Una National Park	II	19,800.00
2	Blidinje Nature Park	V	35,800.00
3	Hutovo Blato Nature Park	V	7,411.00
4	Skakavac Waterfall Nature Monument	III	1,430.70
5	Prokoško Lake Nature Monument	III	2,119.00
6	Vrelo Bosne Nature Monument	III	603.00
7	Tajan Nature Monument	III	3,591.98
8	Bijambare Protected Landscape	V	370.00
9	Konjuh Protected Landscape	V	8,016.61
10	Trebević Protected Landscape	V	400.20
11	Bentbaša Protected Landscape	V	160.90
12	Vjetrenica Cave Nature Monument	III	4,770.00
Republika Srpska:			
13	Lom Virgin Forest Strict Nature Reserve	Ia	297.82
14	Janj Virgin Forest Strict Nature Reserve	Ia	295.00

15	Sutjeska National Park	II	16,052.34
16	Kozara National Park	II	3,907.54
17	Drina National Park	II	6,315.32
18	Ljubačevo cave Nature Monument	III	45.45
19	Žuta Bukva Nature Monument	III	0.50
20	Orlovača cave Nature Monument	III	27.01
21	Rastuša cave Nature Monument	III	11.39
22	Jama Ledana Nature Monument	III	28.26
23	Vagan cave Nature Monument	III	12.00
24	Girska Cave	III	25.37
25	Velika Pećina (Great Cave) Nature Monument	III	820.92
26	Pavlova pećina (cave) Nature Monument	III	13.40
27	Đatlo Cave Nature Monument	III	43.42
28	Pećina pod Lipom (cave) Nature Monument	III	6.10
29	Ledenjača cave Nature Monument	III	7.40
30	Protected Habitat Gromiželj	IV	831.20
31	Nature Park Cicelj	V	330.76
32	Forest Park Slatina	VI	35.73
33	"University City Banja Luka" Protected Area for Sustainable Use of Nature Resources	VI	27.38
34	Jelića Brdo Forest Park	VI	2.96
	Total		113,610.60

Protected areas in the process of designation:

No.	Name and proposed National Category	Proposed IUCN category	Proposed Area in hectares
Federation of Bosna and Hercegovina:			
1	Bjelašnica National Park (Municipalities of Konjic, Trnovo and Hadžići)	tbd	tbd
2	Vjetrenica Cave Nature Monument (Ravno)	V	4,713
3	Botanical reserve Mediteranetum (Neum)	tbd	tbd
4	Mt. Zvijezda (Vareš)	tbd	6,300
5	Livanjsko polje wetland	tbd	tbd
Republika Srpska:			
1	Canyon of the Tara River (Foča)	tbd	tbd
2	Mt. Orjen - Bijela Gora (Trebinje)	II	tbd
3	Tišina Wetland Protected Habitat (Šamac)	IV	440
4	Canyon of the Prača River and Cave Govještica (Rogatica)	tbd	tbd
5	Spring of the Mokranjska Miljacka river (Pale)	tbd	tbd

The underdevelopment of PA system in BiH is in sharp contrast to the conservation needs. The biological, climatic and landscape diversity of the country are among top five on the continent and have been a source of sustenance for its people throughout its history. The country is home to a number of endemic species and habitats as well as a series of

relict ecosystems. BiH belongs to the Mediterranean Basin Biodiversity Hotspot, which is well known for its globally important biodiversity and is home to several key biodiversity areas (KBAs), important bird areas (IBAs), Ramsar sites and primeval forests.

Table 2: Ramsar sites and IBAs in Bosnia and Herzegovina

No.	Name	Location	Area in hectares	Protection Status
Ramsar sites				
1	Hutovo Blato	FBiH	7,411.00	Nature Park (IUCN cat. V)
2	Livanjsko Polje	FBiH	45,800.00	-
3	Bardača	RS	3,500.00	-
KBAs				
1	Hutovo Blato	FBiH	7,411.00	Nature Park (IUCN cat. V)
2	Boračko Jezero	FBiH	26	-
3	Bardača	RS	3,500.00	-
4	Livanjsko Polje i Buško Jezero	FBiH	45,868.00	-

14 new sites in Bosnia and Herzegovina were nominated for IBAs in September 2018 to BirdLife International.

The “Protected Areas Benefit Assessment in Bosnia and Herzegovina” (WWF, 2016) identifies the following challenges and obstacles in PA management:

- Low capacities of PA management bodies and other supporting institutions for income diversification;
- Payments for the use of natural resources (water and forests) are not streamlined for nature conservation and PAs;

- Limited outreach to stakeholders;
- Absence of effective and structured cooperation between PA management bodies and local communities;
- Low level of awareness of complexity and importance of PA values and benefits.

Protected areas in BiH are managed by public entities and institutions, while financing of those institutions is provided via the governmental (FBiH/RS) and/or cantonal environmental funds, revenues and income from fees (entry fee, fee for recreational fishing and sports activities, souvenirs, parking fees, camping etc), as well as grants and subsidies.

The four national parks in BiH are financed by the governments of FBiH (Una) and RS (Kozara, Sutjeska and Drina). Una National Park that receives financing from both the cantonal and municipal governments. There are examples such as Vjetrenica Protected Landscape that has only the municipal budget allocations.

There is no secured financial support from the Environment Protection Funds (both of FBiH and RS), as the funds do not provide continuous financial support to PA management authorities (public enterprises/institutions) in their establishment and operation, nor do they fund activities for protecting and improving the state of biodiversity according to adopted management plans. The funds operate through open calls for requests for funding of specific focused environment projects that may or may not be linked to the PAs.

Most protected areas in BiH have yet to become self-sustaining. For 2016, two national parks, Una in FBiH and Kozara in RS, managed to make financial inputs and costs even (Una with a slight surplus), while Sutjeska National Park showed a negative balance. The figures available for the cat.III-VI PAs in FBiH present 2016 year-end deficits for most of the PAs except for those united under the “Protected Nature Areas of Sarajevo Canton” - management entity who also claims the highest total revenues that are associated not only with the cantonal finance allocations but also from several EU and other internationally financed regional initiatives. Hutovo blato Nature Park operated with the largest deficit of all protected areas in FBiH according to financial results for 2016^[1].

Given the current number of visits, the baseline tourism offerings in the protected areas, and the low growth trends for most of the PAs in BiH recently, a level of self-sustainability will be difficult to achieve in most protected areas in the next few years without investing in content that will attract more visitors. Yet the protected areas of the BiH

have a great potential to be the generators of local sustainable development, especially from the aspect of sustainable tourism offer. Some positive trends in this regard should be noted for the Una National Park being able to generate a sustainable (although modest) profit from the tourism offering.

Sustainable tourism development as a key driver to increased PA management capacity and financial sustainability in BiH

Tourism in BiH is a fast-growing sector making up an important part in the economy of the country. The tourism business environment is constantly developing with an increasingly active tourism promotion system. In 2013, the World Economic Forum reported in its Travel and Tourism Competitiveness Report that Bosnia and Herzegovina was the world's eighth friendliest nation towards tourists^[2].

In 2015, Bosnia and Herzegovina surpassed 1 million arrivals and continued the growth in 2016. According to an estimate of the World Tourism Organization, Bosnia and Herzegovina will have the third highest tourism growth rate in the world between 1995 and 2020.

Currently, tourism sector in B&H is still at an early stage of development. According to the official statistics, tourism accounts for cca 2% of the GDP and it provides ca 33,000 jobs^[3]. According to BiH Chamber of Commerce, the contribution of tourism to GDP is expected to grow by 5.6% to BAM 1,322.7 million (3.4% of GDP) by 2027. Tourism revenues in B&H are currently far below the average of competing countries. Rural and nature tourism are the main opportunities for development.

The accelerated tourism development in Bosnia and Herzegovina is offering development opportunities for rural areas, which often lag behind developed urbanized centres of the country. Tourism development enables development of the periphery, offering economic opportunities, contributing to improved infrastructure, services and boosting the positive image of a region or the country as a whole. With wealth of natural, cultural and historical heritage, favourable geographic location, internationally known events, unique gastronomic offers, and its status as a still unknown tourism destination for major markets, Bosnia and Herzegovina has all pre-determinants to tourism development. A set of integrated short-term measures to further unlock sustainable tourism development in the country offered by an independent analysis financed by UNDP in 2018 include:

- develop the sector country-wide strategy to guide development and investments; ensure mine-free tourism destinations, boost tourism infrastructure and diversify tourism services which valorise the unique natural, historical and cultural assets of the country, set the ground for successful affirmation of the country as a world-class tourism destination;
- Ensure further, well-targeted promotion of the tourism brand both within the country and internationally, regional networking, as well as strengthened tourism governance that ensures quality public services and infrastructure will leverage increased tourist visits.

The tourism industry's performance remains far below potential. This can be attributed to a variety of challenges such as underdevelopment and inadequate management of many tourism sites, insufficient tourism infrastructure and accommodation facilities, weak institutional and business connections within the sector and across sectors, and a still lacking global image of BiH that has not been addressed by an effective country branding and marketing campaign.

Despite their relatively small number and small coverage, protected areas in Bosnia and Herzegovina attract a large number of domestic as well as foreign tourists. Two national parks (Una and Kozara) have almost 150,000 tourist visits annually, which is around 15% of the total annual tourist visits in Bosnia and Herzegovina^[4]. Kozara National Park is primarily known for its cultural and historical heritage and ensures a stable boost to the local economies by attracting more than 80,000 visitors per year. In Una National Park the key attraction is nature itself: the river and waterfalls in the park are visited by more than 50,000 tourists annually. However, the lack of well-developed tourist infrastructure, including lodging, is evident, as most of the visits to the protected areas are one-day visits. A majority of the people living in the parks have emphasized the importance of tourism for local economies. Of the stakeholder groups targeted by the "Protected Areas Benefit Assessment in Bosnia and Herzegovina" in 2016, 68% have recognized tourism related activities as contributing at least minor levels of subsistence values. The major subsistence value of tourism and recreation was emphasized by stakeholder groups in Una National Park, Hutovo Blato Nature Park and Vrelo Bosne Nature Monument.

Only several protected areas in BiH offer consumer service to tourists and although the country is experiencing a visitation increase every year, there is very few tourism products that deal with natural values of PAs. The PA network of BiH can offer a year-round set of attractive activities, such as trekking, winter sports, bird watching, water safaris, rafting, camping or rock climbing. Having different types of climates, the country is a prime example of weather diversity and a range of different ecosystems in a relatively small territory and is thus exemplary for development of nature-based tourism products.

Numerous strategic approaches and practical tools for sustainable tourism have been developed in recent years. One of the useful mechanisms that have been proved in many PAs across Europe and the region is European charter for sustainable tourism developed by the Europarc Federation. Una National Park has been applying the Charter since 2014 and it is remarkable how this park has established itself as a leading tourism destination in just a few years. The number of visitors has increased by 16 times since 2011 when the PA was established.

1.a.2. Baseline scenario and associated baseline projects

The third Environmental Performance Review for Bosnia and Herzegovina (UNECE, 2018) outlines missing or inadequate conservation measures as one of the greatest issues in biodiversity conservation in the country, as well as the lack of capacity and resources to implement the existing ones. Further on, the 3rd EPR for BiH recognized that one of the major barriers to nature conservation in the country is a widespread lack of awareness regarding biodiversity issues among the population. In particular, knowledge and awareness about biodiversity values and benefits provided by protected areas, as well as sustainable use of resources, is assessed as being rather limited.

In the baseline scenario the current coverage and configuration of the PA network makes it extremely vulnerable to an increasing number of natural hazards. Conservation objectives of designated PAs are often not met: the lack of appropriate adaptive management measures combined with funding gaps and “invisibility” of protected areas lead to loss of habitat, species and further environmental degradation that is difficult to reverse.

The respective government authorities are making procedural steps required for expansion of PA network in the country, in accordance with the NBSAP and other baseline strategic documents, with the overall aim to fulfill commitments to achieve Aichi target 11 - expansion of protected area networks and effective management. The National Ramsar Administrative Authority in Sarajevo works to prepare environmental legislation for proper recognition of Ramsar sites in the national PA system.

The Spatial Plan of Republika Srpska and draft Spatial Plan of FBiH include PAs in the process of establishment (2.16% of total area planned for protection by the respective spatial plans), however, there are no detailed programmes on the designation of new areas.

The baseline financing of the PA system consists of different level governmental subsidies; there is no guaranteed funding from the environmental funds of FBiH and RS. National parks generate certain income to supplement funding support from the government. This includes income from sales of products, goods and services; user fees; and fixed

assets. In the baseline scenario, there is a substantial gap in PA finance that presents an obstacle for their effective performance and, to a large extent, becomes a barrier for the proclamation of new PAs.

Table 3: Overview of annual budgetary allocations for environment and tourism in FBiH and RS, in USD

Entity	Authority	Entity Budget Line	2017	2018	2019
Federation of Bosnia and Herzegovina	Federal Ministry of Environment and Tourism	Annual Transfers for Implementation of the FBiH Environmental Strategy and Action Plan	880,281	733,568	909,624
		Annual Transfers for Tourism Development in FBiH	1,584,507	1,819,249	1,375,000
		Annual Transfers to "Una" national park	293,427	293,427	293,427
Republika Srpska	Ministry of Trade and Tourism	Annual Grants for Tourism Development	410,798	410,798	410,798
		Investment Grant for Tourism Development	586,854	586,854	586,854
	Ministry of Spatial Planning, Construction and Ecology	Annual Transfers to "Sutjeska" and "Kozara" national parks	1,115,023	1,115,023	1,115,023
		Annual Transfers for "Drina" national park	-	58,685	117,371

National parks only (IUCN cat. II PAs) receive steady funding from the two entity governments. In RS, lower categories are often not funded at all or they are part of the municipal budgets. In FBiH, some lower category PAs are funded through annual transfers for the implementation of the Federal Environmental Strategy. Annual transfers/grants for tourism development in both entities are significant but currently do not take into consideration protected areas *per se*.

Both entities have environmental funds that collect a share of environmental revenues and allocate resources for environmental projects, but still do not provide guaranteed funding to protected areas nor conservation activities in general. Various funds' support to this sector is project-based, and PA managements often lack capacity to meet the grant selection criteria.

1.a.3. Proposed alternative scenario including expected outcomes and components of the project

The proposed project is called to reduce the gap between the current capacities of protected areas with their increasing vulnerability to emerging threats, on the one hand, and the growing needs to preserve and sustainably maintain the biological and ecosystem diversity that is among the top five in Europe, on the other. The project will offer a sustainable alternative to the current functional model for the PA system in Bosnia and Herzegovina, aiming to reduce newly emerging threats to the key biodiversity values and providing for sustainable management options and increased funding for protected areas.

With the third highest tourism growth rate in the world, and being positively on-track towards strengthened tourism governance, improved tourism infrastructure and diversified tourism offering, the baseline development agenda leaves the PA system behind the tourism development trends.

The proposed project will make an incremental effort in assisting the PA Management with tools and instruments aimed at diversifying and improving the sustainable tourism offering and targeted PAs, thus providing for sustainable incremental income and a development option that will valorise the unique nature values without further threatening them. The proposed scenario aims at ultimately turning the PA system from a burden on the government budget to the locomotive of sustainable tourism development. The project will also link the PAs to the funding opportunities provided by the governmental grant programmes for tourism development.

Under Component 1, the project will work to reduce vulnerability of key biodiversity values and strengthen the resilience of target protected areas in BiH to climate change. Component 2 will develop and test mechanisms for increased PA revenues from sustainable tourism. The 2-component structure of the project addresses the two most pressing needs in the area of nature conservation in BiH in the next 7 years. One is associated with the climate-induced threats that, according to the latest country communication to the UNCBD, pose a key (if not the only one) external risk. Failure to incorporate resilience solutions for PA functioning would in the long run render the PA system unable to support the biodiversity it hosts and attract people to it. While addressing the climate resilience issue, the next important area of focus is the administrative and financial capacity of the nature conservation industry itself (as noted in the WWF PA benefit assessment report quoted earlier), which requires innovative solutions including private-public partnerships and other measures proposed in this GEF project. Implementing just the climate resilience without strengthening the financial viability of the PAs would deprive the conservation sector of long-term resources to sustain itself. Ignoring the climate risks and focusing solely on financial and administrative capacities of PAs in a small country such as BiH

would pose the ecosystems at risks of losing their ecological qualities/functions/services and ultimately disabling the conservation industry from attraction people to it. Therefore, the two components of the project will work in synergy to address the most imminent needs and gaps of PA management in the country.

Component 1: Strengthening PA resilience to climate change threats

Output 1.1: Protected area network climate threat assesment conducted

The proposed climate threat assessment will cover the entire PA system in the country and will aim to

- Identify the key climate impacts on biodiversity within the PAs;
- Identify species and ecosystems that enable resilience and adaptation;
- Assess the synergies between a variety of threats;
- Conduct species and ecosystem climate vulnerability assessments; and
- Develop threat response scenarios.

The outcomes of the threat assessment and ecosystem monitoring will be incorporated in the future adaptive management actions and updated PA management plans (Output 1.2 below).

Output 1.2: PA management plans developed/updated and under implementation with account of climate threats

Based on the METT and other PA capacity assessments performed by WWF, UNEP/GEF and the proposed project PPG phase, the project will assist pilot PAs with preparation/update of their management plans. While pilot PAs for this intervention will be determined in the PPG phase, the initial screening showed that all four National Parks would require a profound update of their management planning processes and outcomes, in accordance with the best available international practice and standards. For the III-V category PAs customized management planning options will be offered in consultation with the respective PA management authorities and local governments.

Building on the recently developed disaster risk management framework for different levels of governance in BiH[1], the project will support updating of the local risk assessment plans and response management plans to better reflect specific natural values of protected areas and threats posed to them by climate change. Particular focus will be given to measures targeting wildfires and floods, as well as spreading of pests and invasive species. The project will support the incorporation of threat response instruments and measures into disaster risk management and land-use planning frameworks, local development programmes and PA management strategies.

Output 1.3: A portfolio of adaptation and resilience solutions for targeted species and ecosystems developed and set under implementation

The project will come up with a portfolio of climate change adaptation and resilience solutions developed for the targeted vulnerable forest ecosystems and flagship species in the targeted PAs/KBAs. The proposed solutions will make case-studies to be submitted to the PA management authorities and conservation authorities for replication.

While the detailed content of the proposed intervention will be defined at the project PPG stage, the initial consultations identified bark beetles outbreaks as a particularly threatening factor for the majority of valuable forests within the KBAs. There are studies, although not for BiH, of the relationship between climate change and the bark beetles indicating that the combination of increasing frequency of drought events and warmer temperatures are considered important predisposing factors triggering bark beetle outbreaks directly by affecting insect population dynamics, and indirectly through alteration of host plant growth and defense (Jactel et al. 2012, Hart et al. 2013, Weed et al. 2013, Bentz and Jonsson 2015, Meddens et al. 2015, Raffa et al. 2015). As for the practical solutions to this world-known problem, there is a general understanding that the combination of the complex long-term measures aimed to improve forest resilience through restoration, such as mechanical thinning and prescribed burning, with the preventive treatment such as sanitation, salvage, and the use of insecticides and semiochemicals, would be an optimal scenario for the commercial forests affected by severe bark beetle outbreaks. Subject to the validity confirmation at the PPG stage, the project will support development of specific management guidelines that will define the mechanisms of bark beetle outbreaks control and the early response measures compatible with the PA regime.

This output will also include enhanced protection measures for most vulnerable species; concrete intervention and target species will be confirmed at the project PPG phase.

Output 1.4: Demonstration of innovative restoration approaches

Restoration options will be offered for ecosystems severely affected by various negative climate factors. The project will assist respective management authorities with the following sequence of actions:

- Demo sites for restoration selected based on ecosystem types/threat imminence/current damage to ecosystem/its representativity and value;
- Restoration methodology and plan developed for the pilot sites to demonstrate options for its threatened ecosystems;
- Targeted support for selected restoration pilots provided;
- Engagement of local communities, private sector stakeholders, municipal authorities ensured;
- Restoration effects documented, pilots evaluated and proposed for dissemination and replication.

The rewetting of the Prokoško Lake Protected Landscape (IUCN cat.IV) was proposed as a restoration pilot as a result of the expert consultations. Further details for this output will be developed at the PPG stage.

Output 1.5: Replication triggered through incorporation of project solutions into forestry, land-use and disaster risk management programmes at other sites.

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The project will work on the institutional and financial prerequisites for replication of innovative solutions piloted through Outputs 1.1.-1.4, to other sites. The lessons learned studies, the cost-benefit analyses, and the short- and long-term impact assessments will be made available for the respective authorities to inform of technical, financial and environmental viability of suggested solutions. Stakeholder consultations with the PA management authorities and municipal governments will facilitate the incorporation of successfully tested instruments into landuse planning framework, municipal development programmes and PA management strategies, and catalyse replication of PA management planning models, threat response action planning, adaptation solutions for targeted species and ecosystems.

Component 2: Improving financial sustainability of targeted PAs through sustainable tourism development

This component is aimed at addressing the system-wide funding gap for management of protected areas and their low visibility issues through development of nature-based tourism activities in protected areas of Bosnia and Herzegovina in cooperation with the private sector and local communities.

Output 2.1: Sustainable tourism products developed with community support for selected IBA sites, protected caves and one transboundary PA (NP Orjen)

The project will build ecotourism capacity and create a network of community-based destinations for birding, caving and other nature-based tourism activities, by developing high quality conservation focused ecotourism products for pilot PAs as a tool to assist the PA management authorities and local tourism operators to actively promote PA managers as tourism destination managers in the 4C tourism model (Conservation, Compassion, Connection, Community).

The pilot PAs will include, among others, one transboundary protected area in the country - the National Park Orjen that is on the border of BiH with Croatia and Montenegro.

The following key steps will lead to expansion of their sustainable tourism development effort:

- Identify specific tourism products connected with birding and caving that are both sustainable and economically viable. This will include an estimate of the initial investment, operational cost, and projected returns;
- Outline possible financial models, quantify potential direct financial and indirect economic benefits;
- Suggest packaging of the selected products and models for branding and marketing;
- Develop environmental guidance for tourism development in the pilot areas;
- Establish connection and partnership with tourism clusters or other tourism oriented organizations

The project will assist PA managements in development and packaging of tourism products tailored to fit individual values, capacities, opportunities and limitations of the targeted PAs. To encourage demand for local entrepreneurs' services, the project will target areas where a nature-based vacation could help to enrich important ecosystems for both people and the environment.

For these activities, the following partners have been identified: the Tourism Cluster Herzegovina (for PAs Vjetrenica and Orijen), and the Outdoor Tourism Cluster Krajina (for National Park Una), as well as the local tourism organizations in areas where the pilot PAs are located. The project will help establishing working connections between the tourism organizations and PA the management authorities.

Output 2.2: Public-private partnerships are in place to provide increased income streams from legal nature resource use activities (incl. recreation) occurring in the targeted PAs

Based on the extensive stakeholder consultations and feasibility assessments, the mechanisms for enhanced community and private sector stakeholders involvement in conservation and co-management will be offered and implemented for the targeted PAs.

While the details for this intervention will be developed at the project PPG stage, one particular area is very likely to be considered as a targeted one for community engagement and local businesses development – the KBA Livanjsko Polje that is yet to be established as a national PA. Based on the progress with a) protection status of the area, and b) relevant partner initiatives, the project may decide to join the municipal authorities for community support and promotion of local agrotourism through production and marketing of high-quality organic products in the Livanjsko Polje. Tourism development could boost existing subsistence food production and traditional agriculture and enable more benefits to flow to local residents.

Another viable option for active and mutually beneficial private sector engagement could be proposed with the mountain ski tour operators' engagement in Kozara National Park and better streamlining of whitewater rafting operators in national parks Drina and Una. The project will take into account private sector mapping and clustering done in the second phase of the Via Dinarica project and enhance cooperation between SMEs working in or nearby target protected areas with PA management authorities and state conservation institutions.

Output 2.3: Eco-tourism concession model developed and piloted in Sutjeska National Park

A study of options for long-term outsourcing of Sutjeska National Park Assets and Services was prepared in early 2018 by a consortium of consulting and legal service companies and financed by UNDP[2]. The feasibility study confirmed the viability of a concession mechanism for the Government, and described the procedure starting from submission of an offer by a potential concessionaire, through a concession award. It does not however present a roadmap for implementation of the concession in question.

The project will start with clarification of policies and elaboration of Sustainable Concession Management Guidelines based on best available practice applicable to the existing legislative framework. The Guidelines will identify strategic opportunities for investment, and suggest partnerships between the tourism industry, PA authorities and the community affected by tourism development. The Guidelines are expected to propose a transparent governance mechanism and equitable share of concession benefits between the central government, the PA management and the community. Based on international practice standards, such as [Global Sustainable Tourism Criteria](#) and [Guidelines for tourism partnerships and concessions for protected areas: Generating sustainable revenues for conservation and development](#) (CBD, IUCN, 2017), the Guidelines will define key requirements for the concessionaires, suggest the methodology and criteria for monitoring of concession activities, and assessments of the end results, impacts and benefits.

The following indicative activities will be carried out for testing the first ever concession option in the country, at Sutjeska National Park:

- Identify the optimal (low impact, high yield) tourism products and infrastructure that can be tendered for a tourism business concession,
- Quantify direct financial and indirect economic benefits (jobs, income, investment returns and multiplier effects) from the concession;
- Lobby for fair and transparent financial arrangements regarding the concession benefits for the national park;
- Identify possible community benefits and suggest adequate reflection of community interests in the future concession agreement;
- Identify a range of potential partners – private sector operators and investors;
- Based on the overall PA strategy on marketing and branding of the ecotourism product, prepare the promotional package and outreach to potential concessionaires;
- Define key criteria and methodology for assessment of concession bids;
- Provide protected area managers with tools and skills for concession management, compliance monitoring and enforcement;
- Ensure capacity building for PA staff and community representatives engaged in concession business; and

- Perform monitoring of concession activities according to the agreed methodology and criteria, document lessons learned from the applied processes.

The project will prepare a case-study from the concession pilot in Sutjeska National Park and ensure its presentation and distribution to relevant stakeholders in BiH as well as to partner projects in the region. Once the first concession pilot is implemented, the project will engage an expert group to suggest replication scenarios for relevant PAs in the system. Based on the pilot concession experience, amendments to the Sustainable Concession Management Guidelines will be proposed.

Output 2.4: PA participation in the governmental grant programmes is ensured in a sustainable manner

Both entities of Bosnia and Herzegovina regularly support local tourism development through significant annual budgetary transfers aimed at co-financing of infrastructure development and tourism products or services. The government grants are channeled annually by the two line ministries: RS Ministry of Trade and Tourism and F BiH Ministry of Environment and Tourism. However, no amount of said budgetary allocations are directed towards protected areas *per se*. In cooperation with responsible authorities in both entities, the UNDP/GEF project will support modifications to the existing mechanism for grant allocation that will include eco-tourism development within the protected areas as a priority funding window to boost both the absorption capacity of PA management authorities and their interest in positioning as operative tourism destination managers. The project will also address the lack of capacities of PA managers and conservation authorities for accessing other available external funding and start taking part in the competition process for the available grant funding for tourism development. Focused training activities will be designed to increase understanding and interest in external funding sources. The existing networks of PAs in the country (such as the PA Managers Day and communities of practice) will be utilized to mobilize wider interest in non-budgetary income streams for PAs.

Output 2.5: Promotion of natural values, products and services in the targeted PAs is improved

The project, together with its key partners, will support a series of activities aimed at enhanced PA visibility and promotion of PA content and values in sustainable tourism development initiatives in the country.

The project will assist PA managements with promotion for the high quality conservation focused ecotourism products, as well as their key biodiversity values, and including their 4C tourism model (Conservation, Compassion, Connection, Community) into local and national tourist boards. The project will support much-needed visibility to PAs, and stimulate PA-to-PA collaboration in this regard.

This project component will be implemented in close collaboration with the [Via Dinarica](#) initiative Phase II that is creating a touristic corridor along the Dinaric arc mountain range and has well-developed communication channels, and the [UNEP/GEF MSP](#).

The project Outcome 3 groups the knowledge management actions for the project. The project will ensure the documentation of lessons learnt from implementation of activities aimed at PA climate threat assessment and climate impact monitoring, PA management planning, ecosystem restoration, tourism concessioning etc., and the collation of the guidelines and tools developed. The knowledge database will be made accessible to different stakeholder groups in order to support better future decision-making processes in protected areas and more consistent adoption of best practice. Results from the project will be disseminated within and beyond the project intervention zone through existing regional information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects.

1.a.4. Alignment with GEF focal area strategy

The GEF-7 strategic window for the proposed project is “Improving Financial Sustainability, Effective Management, and Ecosystem Coverage of PA Estate”. Project contribution to concrete indicators can be found in the Core Indicator Worksheet.

The proposed project strategy is shaped around the following key elements of a sustainable protected area system outlined in the GEF-7 programming directions:

- 1) effective protection of ecologically viable and climate-resilient representative samples of the country’s ecosystems;
- 2) financial resources available, including external funding, to support protected area management costs; and
- 3) sustained capacity to manage protected areas such that they achieve their conservation objectives.

The project Outcome 1 is fully in line with the GEF-7 programming decision to support the development and integration of adaptation and resilience management measures as part of protected area management projects.

The project Outcome 2 addresses one of the key priorities of the GEF-7 being the development and implementation of comprehensive, system-level solutions for improved PA financial sustainability. Following the evolution of GEF programming priorities from development of strategies to actual implementation of those, the project will offer a package of concrete on-the-ground solutions for reducing the funding gap for protected area management at the level of individual PAs. Thus, the proposed project will be a logical continuation of the earlier interventions, such as [UNEP/GEF MSP](#), and will provide for sustainability and on-the-ground application of the earlier projects' developments.

The GEF-7 programming directions specifically encourage the incentives, such as concessions, to engage the private sector and other stakeholders to improve protected area financial sustainability and management. The project Output 2.4 is in direct relevance to this, and will stimulate necessary policy reform in this regard with the lessons learned from the first PA concession demo to be implemented in the country.

1.a.5. Incremental/additional cost reasoning and expected contributions from the baseline, GEF TF, and co-financing

Baseline	GEF scenario and increment
<i>Component 1: Strengthening PA resilience to climate change threats</i>	

In the baseline scenario, the current coverage and configuration of the PA network makes it extremely vulnerable to an increasing number of natural hazards. Conservation objectives of designated PAs are often not met: the lack of appropriate adaptive management measures combined with funding gaps and “invisibility” of areas lead to loss of habitat, species and further environmental degradation that is difficult to reverse.

Preparation of flood hazard and risk mapping for the country is ongoing, under the leadership of UNDP, but very minimal efforts have been made so far to include key biodiversity values and vulnerable ecosystems, including the ones in protected areas, in current disaster risk management activities and risk mapping.

Under the project scenario, the PA network will become more resilient to climate-induced threats, and will be better managed to respond to the emerging pressures. The PA Management will be equipped with a research and monitoring tool to better comprehend and react to climate-related pressures on the affected natural values. PA management plans will be tailored specifically to the nature values that are vulnerable to climate-induced threats and effects.

The project will introduce adaptation solutions and innovative restoration approaches for vulnerable ecosystems and flagship species.

Disaster risk management framework in the country will include key biodiversity values and vulnerable ecosystems.

Baseline: USD 2,500,000

Increment: GEF USD 855,000 and Cofinancing: USD 11,200,000

Component 2: Improving financial sustainability of targeted PAs through sustainable tourism development

National parks generate certain income to supplement funding support from the government. This includes income from sales of products, goods and services; user fees; and fixed assets. Only several protected areas in BiH offer consumer service to tourists and although the country is experiencing a visitation increase every year, there is very few tourism products that deal with natural values of PAs.

The baseline financing of the PA system consists of different level governmental subsidies; there is no guaranteed funding from the environmental funds of F BiH and RS. In the baseline scenario, there is a substantial gap in PA finance that presents an obstacle for their effective performance and, to a large extent, becomes a barrier for the proclamation of new PAs.

The project will address the system-wide funding gap for management of protected areas through development of nature-based tourism activities in protected areas. The project will build ecotourism capacity and create a network of community-based destinations for birding, caving and other nature-based tourism activities, by developing a product package for pilot PAs as a tool to assist the PA management authorities and PA managers.

The project will offer a tourism concession pilot as a mechanism for strengthening PA sustainability and increasing financing for PA management.

The project will support modifications to the existing mechanism for grant allocation that will include eco-tourism development within the protected areas as a priority funding window.

Baseline: USD 3,500,000

Increment: GEF USD 1,660,000 and Cofinancing Mobilized: USD 5,330,639

1.a.6. Global environmental benefits

The GEF investment will significantly contribute to strengthening the management effectiveness of the national PA system and its resilience to climate change, measured by the modified Threat Reduction Assessment and the Management Effectiveness Tracking Tool (at least 15% increase over baseline is estimated). The project will help improving the conservation status of the Key Biodiversity Areas, wetlands of international importance, important lake systems, unique cave systems, important ecological corridors, priority habitat types, at an areas over 50,000 ha. The TRA increase aimed for by the project will mean an reduction in threats to globally threatened species found at the targeted Ramsar sites / KBAs. The project will generate and test mechanisms for the increased financing of PAs (by at least 10% over baseline) through innovative financing mechanisms and partnerships., and threatened/vulnerable/endangered flora and fauna species, such as Serbian Spruce (*Picea Omorika*), Fen Orchid (*Liparis loeselii*), Dalmatian Scilla (*Scilla litardierei*), Large Blue butterfly (*Phengaris arion*), Bechstein's bat (*Myotis bechsteinii*), Olm (*Proteus anguinus*).

The project will contribute to the national effort toward meeting the Aichi targets and national biodiversity targets with its incremental effort at strengthening management capacity, resilience and financial sustainability of projected areas (Aichi target 11), PA access to sustainable tourism development funding (target 20), restoration and building resilience of key ecosystems and habitats (targets 10 and 15), and PA valorisation (target 1).

1.a.7. Innovation, sustainability, replication and potential for scaling up

Innovation: The project will assist the PA management authorities with the innovative management planning that will take into account the climate-induced threat response pattern, and offer customized management planning options for lower category PAs, to be adopted for the first time in the national PA system.

The project will offer ecosystem-based comprehensive practical responses to climate change threats for the targeted PAs, ecosystems and species. The project will offer the cross-sectoral collaboration models for fire-fighting / flood response within and in the vicinity of protected areas. The project Output 1.4 will be dedicated to innovative restoration approaches.

Sustainable tourism business models, although not new for the tourism sector in the country, will be for the first time focused on protected areas.

The project will test an innovative private sector engagement modality for sustainable PA finance. Although the country has examples of concession agreements in tourism sector, for the first time a concession model will be tested for a protected area. Based on the pilot concession experience, the project will develop a system-wise reference tool for ecotourism concession management and private sector engagement in PA sustainable finance.

Replication: The project will propose “packaged” adaptation and resilience solutions for targeted ecosystems within the individual PAs that will be applicable to similar PAs in the system, transboundary PAs in the Dinaric region, and will be available for the regional community of practice as case-studies for possible adaptation and replication.

The concession model at Sutjeska National park will be adapted and replicated for Una National Park and potential other PAs of similar category in BiH. The project will organize experience-sharing exercises on a regular basis; the climate impacts research and monitoring module will be replicated in PAs beyond the initially selected pilots, and once updated with relevant data, the DRAS software would be open to include the entire national PA network. The project will work on establishing a close relationship with the tourism clusters and private sector to ensure that PAs are recognized as valuable tourism destinations, providing for their sustained interest in active BD conservation. The project will map relevant regional initiatives and organize a lessons learned exchange with them and the transboundary PAs.

Sustainability: The proposed project interventions will be incremental to the baseline PA management scenarios in the country, and will be implemented in collaboration and synergy with the sectoral authorities and institutions. The project intervention strategy will ensure early buy-in and ownership at the level of individual PAs and key stakeholders, for the long-term effect interventions such as innovative PA management planning, system-wise climate change resilience solutions, ecosystem restoration demos, sustainable tourism development plans for PAs, and private sector engagement mechanisms and models. The project efforts at enhanced PA visibility, promotion of PA value and content in sustainable tourism development will be sustained and up-scaled by the relevant authorities and partner initiatives.

[1] UNDP Bosnia and Herzegovina has been running a programme on disaster risk reduction and climate resilient management of natural hazards since 2013 and can provide a strong knowledge base and significant co-financing to this output.

[2] Deloitte d.o.o. Belgrade, ENOVA Engineering and Consulting Company d.o.o. Sarajevo, Advokatska kancelarija Stevan Dimitrijevic (2018). Study of Options for Long-Term Outsourcing of Sutjeska National Park Assets and Services

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

See [Annex A](#).

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Indigenous Peoples and Local Communities

Civil Society Organizations Yes

Private Sector Entities Yes

If none of the above, please explain why:

In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement.

The indicative information on how the key stakeholders' roles and means of engagement is presented below.

Stakeholder	Mandate and role for the project	Parallel activities and co-financing
Government Stakeholders:		

<p>Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina</p>	<p>The Ministry defines policies, basic principles, coordinating activities and harmonizing plans of the Entity authorities and institutions at the international level. The Ministry will have the coordination role for the project at the level of the state. The Ministry shall assist the project execution by harmonizing plans of the Entity environmental authorities and manage/provide fulfilment of the international level obligations and collaborations, since it has the competence for the implementation of multilateral and bilateral international treaties and conventions on environmental protection on the level of BiH.</p>	<p>The Ministry of Foreign Trade and Economic Relations will play a crucial coordination role in the project as a liaison between different governmental levels in BiH, and will dedicate staff time and expertise to the project.</p>
<p>Ministry of Environment and Tourism, Federation of Bosnia and Herzegovina</p>	<p>The Ministry is in charge of strategy, policy, and environmental standards. The Ministry is responsible for the CBD implementation in the country and is host to the CBD NFP. The Ministry will provide political and institutional supervision for the overall project activities on behalf of the Federation of Bosnia and Herzegovina. The Ministry will be represented in the Project Steering Committee, will coordinate project activities, assist the project with cross-sectoral communication, provide technical expertise through its personnel and networks, facilitate access to sites and locations, address logistical issues, e.g. through organization of meetings and provision of relevant facilities, support project management and regular project reporting.</p>	<p>The ministry covers recurrent operating expenditures for the existing PAs and allocates grants for sustainable tourism development. The Ministry will design/enforce policy measures in support to project endeavors, and confirm parallel co-financing where it concerns implementation of the Federal Environmental Strategy and Action Plan aimed at nature conservation and PA system expansion and management, as well as channeling the tourism development grants to PAs in FbiH more systematically.</p>
<p>Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska</p>	<p>The Ministry is tasked with environmental protection (land, air and water) and waste management, and is host to the UNFCCC NFP for Bosnia and Herzegovina. The Ministry will become a part of the Project Steering Committee.</p>	<p>The ministry covers recurrent operating expenditures for the existing PAs and will ensure enabling environment for project activities planned for PAs under establishment/re-classification in Republika Srpska.</p>
<p>Ministry of Trade and Tourism of Republika Srpska</p>	<p>The Ministry leads sustainable tourism development in Republika Srpska. The Ministry will be represented in the Project Steering Committee, will coordinate project activities within the Outcome 2 dedicated to sustainable tourism development for the PAs.</p>	<p>The Ministry allocates grants for sustainable tourism development in Republika Srpska and has agreed to redesign the criteria with the project support in order to enhance PA participation in the grant scheme. As the project will have its concession model tested first at the national park in Republika Srpska, the Ministry will also support this endeavor with necessary policy and regulatory developments</p>

Concession Commission for Republika Srpska	An independent regulatory body established for concession management in Republika Srpska	The Commission will award the concession for the Sutjeska NP tourism assets and services, in accordance with the Concession Law of the Republika Srpska. The project will cooperate with the Commission for the development of the concession criteria and guidelines.
Cantonal Public Institution “Protected Areas of the Sarajevo Canton”	Management of protected areas of the Canton of Sarajevo	The institution will ensure co-financing of activities in support to income diversification and financial sustainability of protected areas of the Canton of Sarajevo
Ministry of Trade, Tourism and Environment of Herzegovina-Neretva Canton	The Ministry supports to local tourism development through annual calls for projects	Co-financing of infrastructure development and tourism products or services
Environmental Protection Fund F BiH	The Fund takes care of conservation fund raising, as well as preparation, implementation and development of programs, projects and on-the-ground activities supporting the sustainable use of nature resources and environment protection.	PA management funding in support to implementation of management plans and sustainable tourism development demos
Environmental Protection and Energy Efficiency Fund of Republika Srpska		Incremental funding to biodiversity research and disaster risk management
Civil Society Organisations:		
Center for Environment, Banjaluka	Founded in 1999, the Center for the Environment is a non-profit association established to advocate changes in society by influencing relevant policies and public awareness of the environment in Bosnia and Herzegovina and internationally.	The Centre’s Department on Biodiversity and Protected areas has strong competencies related to capacity building, preservation, education, raising awareness, scientific research etc. The Center also has a well-developed network of partners in local communities connected to PAs.
Ornithological Society “Naše Ptice”, Sarajevo	The Ornithological Society “Naše ptice” is a non-governmental, non-profit, volunteer organization founded in 2003 in Sarajevo, Bosnia and Herzegovina. Society is involved in the field of ornithology, ecology, bird ringing and protection and monitoring of birds and birds’ habitats. The activities include raising general public awareness about bird protection, carrying out conservation programs, research and educational programs.	The Society will contribute with its experience in restoration of pastures and meadows, and promotion of bird watching in BiH.

Society for Biological Research and Protection of Nature "Bio.Log", Sarajevo.	Bio.Log is a non-governmental, non-profit, organisation of young experts in the field and volunteers with aims to environmental protection, habitats conservation, research in the field, education and raising public awareness on biodiversity values and protection.	Bio.Log has extensive experience in research and in situ conservation of species in in high mountain ecosystems, karst freshwater ecosystems.
Society for Research and Protection of Biodiversity Banjaluka	The Society is a non-governmental, non-profit, non-partisan, volunteer organization founded in 2011 that with the following aims: biological research of biodiversity, enhancing nature protection through active protection of nature and wild life, education and rising public, media promotion and etc.	The Society has carried out research, protection, inventory of species, biodiversity monitoring for selected areas, estimation of vulnerability of species for Red List etc.
Community based organisations:		
Culture Center of Pale Municipality	Actively manages one of the most important cave PAs in BiH as part of the municipal organization.	Development of caving ecotourism products and possible co-financing.
Municipality of Foča	Actively participates in management of Sutjeska National Park.	Support in concession models and possible co-financing.
Touristic organisation of Foča Municipality	This public institution's main activity is the improvement and contribution to an improved business environment in the municipality that is rich with landscape diversity.	Possible cooperation within the National Park Sutjeska where the organisation is offering tours in rafting, mountain climbing, hiking, cycling, canoeing etc.
Private sector:		
Tourism Cluster Una-Sana	The Tourism Cluster Una-Sana was founded in the area of Una national park with the vision of brining nature closer to people. Members of the Tourist Cluster Una-Sana mostly come from the business sector. Main goals of Una Sana Cluster are to provide conditions for economic strengthening of this area by launching new or expanding existing activities through established ecotourism markets, granting funds for creating new tourist facilities and placing autochthonous products within tourist offerings, branding and standardization, while strengthening the self-capacity of the members.	Cooperation for promotion of the BD values of the National Park "Una" as a prime tourist destination. Parallel activities aimed to advocate for better business conditions for the development of sustainable tourism sector.

Tourism Cluster Herzegovina	Tourism Cluster Herzegovina has a main focus on tourism development in Herzegovina region. It encompasses enthusiastic and successful entrepreneurs and representatives of the public and civil tourism sectors in Herzegovina region.	An important role in incorporating protected areas of Herzegovina region in the tourism offer. The Cluster can be a key partner for capacity building of PA management authorities on destination management.
VisitSarajevo – Tourism Association of Canton Sarajevo	Visit Sarajevo – Tourism Association of Canton Sarajevo was founded in early 2017 to best respond to the needs of development, preservation and protection of tourist and cultural values in the Sarajevo Canton.	Cooperation for promotion of the natural values of six protected areas within Sarajevo Canton as tourism destinations.
Kozara Ski resort	Ski operator in Kozara National Park	Potential partner for the PPP aspect of the project
Whitewater rafting agencies operating in Una and Drina national parks	Rafting is one of the most developed tourism activities in Drina and Una national parks.	Better alignment of their work with the conservation objectives of cat. II PAs is required as well as a better model of income distribution with the national parks.

For the climate change-related activities, the project will be working closely with the Coordination Body of BiH for Protection and Rescue and the Ministry of Security, the civil protection authorities at entity and district level, as well as the civil protection services within the municipalities along with the municipal civil protection headquarters, including the mayors as leaders of these headquarters.

For the project's work with the future National Park Orjen aimed at strengthening the wildfire early warning system and DRR management capacity the engagement of the relevant departments within the Ministry of Agriculture, Forestry and Water Management of Republika Srpska will be required.

Municipal and cantonal (sub-entity level) governments will play a key role for the project activities dedicated to a) community engagement and b) collaboration with the private sector to ensure long-term economic sustainability of the targeted PAs. Municipal governments will also facilitate cross-sectoral collaboration for integrated fire/fighting / flood response for the

areas within and in the vicinity of the targeted PAs. The project will partner with the respective municipal and cantonal authorities in community support and promotion of local agrotourism and ecotourism through production and marketing of high-quality local agri-products and conservation focused tourism packages.

Relevant national and local CSOs such as the Centre for Environment from Banja Luka, Naše Ptice (Our birds), Centre for Environmentally Sustainable Development (CESD), BIO.LOG will be encouraged to take active role in implementing project activities, notably in the involvement of the local communities to ensure enhanced collaboration for the long-term economic sustainability of the targeted PAs. National and local CSOs will actively participate in the stakeholder engagement processes for project activities.

The PPG process will be built around extensive and comprehensive stakeholder consultations aimed at identifying all relevant stakeholders and ensure adequate engagement and representation of various stakeholder interests. A comprehensive Stakeholder Engagement Plan will be one of the key outcomes of the PPG stage.

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

A detail gender analysis will be carried out during the PPG phase to fully consider the different needs, roles, benefits, impacts, risks, differential access to and control over resources of women and men given a project's context, and to identify appropriate measures to address these and promote gender equality and women's empowerment. The analysis will form the basis of a Gender Action Plan and Budget to guide gender mainstreaming during project implementation.

Development of ecotourism products and involvement of the private sector in the PA management work will primarily impact more remote rural communities where women are traditionally underrepresented where it comes to the economic and empowerment opportunities. The project will ensure that the decision-making, local capacity development and economic incentives are sensitive to these gender issues and will actively promote women and girls participation in relevant project activities in the field. The project will also use gender-sensitive criteria to encourage women application under project's support schemes.

The project will seek to enhance social inclusion in all stages of the implementation, thus contributing to the creation of equal opportunities when it comes to access and use to natural values, public infrastructure and services in protected areas, employability and access to knowledge. The socially excluded groups in Bosnia and Herzegovina are unemployed women and youth and long-term unemployed people, persons with disabilities, returnees and internally displaced persons.

During the project implementation, the output products will consider gender mainstreaming and inclusion and representation of all ethnic and religious groups found in the region of implementation. In line with the [Results Architecture for GEF-7](#), the project will report on direct project beneficiaries disaggregated by gender, as a co-benefit of the GEF investment.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? TBD

closing gender gaps in access to and control over natural resources;

improving women's participation and decision-making; and/or

generating socio-economic benefits or services for women.

Will the project's results framework or logical framework include gender-sensitive indicators?

TBD

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

While the concrete mechanisms for private sector engagement will be explored and suggested at the project PPG stage, the general directions for private sector engagement will be a) through testing of a first ever concession model for the eco-tourism development within a model protected area (Sutjeska National Park), and b) PA partnership with regional tourism clusters (Herzegovina and Krajina regions), mountain ski tourism operators, and whitewater rafting operators and small businesses along the Via Dinarica that operate in or nearby pilot protected areas. The tourism sector stakeholders will be engaged to encourage sustainable tourism development and income generation for PA management authorities and people living in the vicinity of protected areas. The project will also foster promotion of investment opportunities in 4C tourism activities in cooperation with the local investors, and encourage the emerging creative and tech industry in Bosnia and Herzegovina to engage more actively with PA management authorities in finding innovative ways for partnership. For example, there is an ongoing effort to establish a tech park nearby a protected area in the Sarajevo region to avoid urban air pollution and secure better working conditions for the employees.

Preliminary consultations with possible interested parties in the eco-tourism concession for the Sutjeska National Park, as well as pre-concession finance study both indicate the existing interest and the overall viability of the proposed concession demo. The stakeholder table above depicts the key potential stakeholders. Exploring the private sector interest further, and developing incentives and engagement options, will be accomplished through direct outreach to the private sector stakeholders through public-private consultations at the PPG stage. The project will also establish partnerships with the existing and emerging tourism operators and associations in various regions of the country to introduce PAs as attractive tourism destinations which are viable for investment.

5. Risks

Indicate risks, including climate change, potential social and environmental risks that might prevent the Project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the Project design (table format acceptable)

While the detailed risk log for the project will be elaborated during the PPG stage, the following key risks are most likely to be confirmed for the project:

Risk		Mitigation
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One of the most significant institutional risks relates to the complex institutional structure and division of authorities and responsibilities between the state government, the two entities in BiH, the line ministries of the both entities, and the municipal authorities. Also, the different management arrangements for PAs according to their category, spatial belonging and mandate might provide complications for implementation of targeted project activities and cause coordination challenges for the project.	M	This risk will be mitigated through close collaboration with relevant stakeholders from the outset and by determining collaborative strategies and focal points in each of the key institutions for the Project Steering Committee. The project will use the relevant experience from the previous projects and will elaborate a Comprehensive Stakeholder Engagement Plan to make sure that the institutional barriers are tackled timely and efficiently.
For the project interventions focused on the protected areas in the process of establishment/re-classification, the future project activities, inputs and effects will be much determined by the progress of the respective authorities in this regard.	M	The planned project interventions involving the PAs under establishment/re-classification will be subject to adaptive management depending on the development of adequate institutional, financial and capacity building solutions for these PAs.
Project impact on the status of biodiversity and ecosystems might be limited by climate change as a direct driver of habitat conversion and biodiversity loss in the country.	L	Climate change adaptation and resilience is a core of the project strategy; the relevant project interventions will be further designed and detailed based on PPG assessments of climate change effects within the targeted PAs and ecosystems.
There is a risk that the mechanisms and solutions to be offered by the project for the sustainable PA finance will not prove their desired financial effect, and the mobilized additional finance may not be sufficient to supplement the PA government budgetary contributions in the long term.	M	In response to this risk, the project will perform a comprehensive cost-benefit analysis of the proposed PA finance opportunities. The Comprehensive Stakeholder Engagement Plan to be produced at the PPG stage will develop the mechanisms to ensure the long-term sustainability of the financial models, and ensure political buy-in.
There is a risk that the planned partnerships with the private sector partners will fail to yield the expected benefits.	M	The project will do its best to mitigate this risk already at the PPG stage, via development of a detailed private sector engagement strategy and implementing early awareness raising among potential private sector partners.

6. Coordination

Outline the institutional structure of the project including monitoring and evaluation coordination at the project level. Describe possible coordination with other relevant GEF-financed projects and other initiatives.

All large scale international cooperation assistance projects are implemented in BiH using Direct Implementation Modality (DIM). This is done on request of the Government: DIM is the default modality stipulated by the Government and UNDP in its UN Development Cooperation Framework Agreement (UNDAF, 2015-2020), whereby all projects (including those funded by vertical funds) are implemented using exclusively the DIM modality. The political reasons for the use of DIM in BiH stem from the fact that Bosnia and Herzegovina is a country with one of the world's most complicated systems of government: the country of 4.6 million inhabitants residents has three presidents, 13 prime ministers, 104 ministers and more than 700 members of parliament. A complex administrative system, sensitivities surrounding entity and state jurisdiction (and within the

Federation of BiH, entity and canton jurisdiction), asymmetry of power in governing institutions and ethnicity-based political posturing are all challenges to carrying forward development changes and reforms, through any other modality, except DIM. UNDP as the key international development agency present in the country for the last 15 years has proven itself to be operationally successful in directly implementing large scale projects, including those funded by GEF and GCF.

Synergies will be built with the ongoing development projects, first of all UNEP/GEF PA project and Via Dinarica Project Phase II.

UNEP/GEF MSP “Achieving Biodiversity Conservation through Creation, Effective Management and Spatial Designation of Protected Areas and Capacity Building” has been under implementation since 2016. The project supports the expansion of the PA system in BiH for it to cover KBAs not yet under national-level protection. The project works with the respective government authorities to support gazettment processes for three PAs. The first one is Livanjsko Polje, the largest wetland in the country and the largest periodically flooded karst field, in an internationally recognized need for a most urgent protection as a Ramsar site and Key Biodiversity Area. The second Ramsar site and KBA in the focus of the UNEP/GEF project is the transboundary Dinaric Mediterranean limestone mountain range Mt. Orjen – Mt. Bijela Gora, a key sub-center for mountain flora in the Coastal-Adriatic Dinarides. The third proposed PA is Mt. Bjelašnica – Mt. Igman – The Rakitnica River Canyon. All three proposed PAs have been included in the landuse planning framework of the country (Spatial Plan of the Federation of BiH 2008-2028 and Spatial Plan of Republika Srpska through 2025). So the Government and the project are working to develop a sufficient legal basis for national PA designation, and staying within the indicative timeframes set in the project. Understanding that there are risks associated with the complexity of the PA nomination process, and conflicting stakeholder interests, the UNDP/GEF project will define and confirm its intervention strategy for the three PAs mentioned above depending on the progress with the PA nomination process.

The UNEP/GEF project also supports re-classification and enhancement of protection status for two existing PAs – “Mediterranetum” Botanical Reserve and “Vjetrenica” Cave System. The Vjetrenica cave will also be in the focus for the proposed UNDP/GEF project as an under-protected KBA under rapid tourism development and limited conservation capacity due to legal and financial constraints. Depending on the progress with re-classification, the UNDP/GEF project might consider Vjetrenica for either pilot or replication site for PA management capacity enhancement options. These options will be developed for better protection, resilience and adaptation of vulnerable caves affected by hydropower development, under project Outcome 1.

Other UNEP/GEF project outputs of direct relevance for the proposed UNDP/GEF project include:

- Development of new documents, methodology and guidelines for improved planning and management options for the PA system;

- Preparation and development of sustainable financing programmes for the PA network, including active involvement of the environment funds of FBiH and RS;
- Advocacy and communication of natural values and benefits of PAs to PA staff, conservation authorities and decision makers;
- Innovative promotion of different aspects of nature protection to local communities around the country, and especially to those living in or near the newly proposed protected areas, including gender-sensitive advocacy and public outreach programmes.

The new UNDP/GEF project will have to take into consideration the scope, plans and achievements of the ongoing UNEP/GEF project “Achieving Biodiversity Conservation through Creation, Effective Management and Spatial Designation of Protected Areas and Capacity Building”. Two project teams and the respective national authorities will ensure complementarity, provide for synergies, and avoid duplication of activities and inputs. While the UNEP/GEF MSP’s interventions are focused on enhanced coverage and protection status, as well as system-level PA management improvement, the UNDP/GEF project will be focused on testing and actual implementation of proposed financial sustainability options and tools, in line with the evolution of the GEF programming priorities.

Via Dinarica is a regional platform created to connect the countries and communities of the Dinaric Alps by creating a unique and diversified tourist offer. The Via Dinarica is a mega trail with three main trails (White, Green, and Blue) that stretches across the Western Balkans from Slovenia to Albania. The first phase of the national **Via Dinarica Project: A Platform for Sustainable Tourism Development and Local Economic Growth** (October 2014 – August 2017), was sponsored by USAID with a total value of US \$ 1.6 million, was implemented by UNDP in Bosnia and Herzegovina in partnership with the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, the Ministry of Environment and Tourism of the Federation of Bosnia and Herzegovina, and the Ministry of Trade and Tourism of Republika Srpska. The Project has contributed to placing Bosnia and Herzegovina on the world tourism map as a nature-based tourism hotspot, changing the war-related negative image of the country. Over 2,800 km of trails have been assessed and GPS-marked, with more than 700 accommodation facilities, services and points of interest identified and recorded along all three Via Dinarica trails. Significant improvements were made in tourism infrastructure and services, by offering over 1,000 beds in upgraded mountain huts and bed and breakfast accommodation, diversifying outdoor tourism offer by way of 20 new tourism services (e.g. hiking, mountain biking, rafting, etc.). The project has contributed to the development of the local community, the enterprises, supported creation of new jobs and the economic empowerment of local communities in mountainous and rural areas. Via Dinarica gained global visibility through publications in the world's prestigious worldwide media such as *National Geographic*, *The Guardian*, *Lonely Planet*, *Outside Magazine*, *The Vogue*, *The Independent* and others which glorified its beauty and uniqueness.

Building on previous achievements, the Project's Phase II was approved in early 2018 with an overall objective to seek further economic development opportunities in Bosnia and Herzegovina by supporting sustainable nature-based tourism development, with the total budget of USD 2,625,631 for 2018-2021. The two main project outputs are to a) further affirm and sustain Via Dinarica as a safe and internationally recognised tourism brand, and b) support further development of Via Dinarica as a tourism platform offering economic development opportunities for local communities. The following activities of the Via Dinarica Phase II are of direct relevance to the proposed UNDP/GEF project:

- Upgrading the tourism infrastructure and expanding the portfolio of tourism services;
- Improving the tourism services;
- Mapping of relevant tourism cluster products;
- Strengthening capacities of tourism service providers, incl. delivery of customised training programmes, peer-to-peer exchange, and transfer of good practices from relevant destinations;
- Working with local governments to introduce adequate modalities for supporting maintenance of tourism/communal infrastructure along tourism trails;
- Furthering promotion and visibility of Via Dinarica tourism offer;
- Supporting connections and experience exchange with the leading international initiatives and tourism businesses (such as [Via Alpina international trails](#)).

Virtually all of BiH's protected areas are situated on the Via Dinarica trails but their natural values have yet to be adequately promoted or capitalized by providing appropriate levels of customer service. This will be one of the key tasks for the UNDP/GEF project that will focus its intervention on development of eco-tourism options within and in the vicinity of protected areas.

The Joint UN Programme “**Disaster Risk Reduction for Sustainable Development in Bosnia and Herzegovina**” received a total of 4,9 mln USD funding from UNICEF, UNESCO, UNFPA, FAO and UNDP (2 mln) for 2018-2022. The Programme will be expanding the previously developed Disaster Risk Analysis System (DRAS) software for local level risk assessments and development of risk mitigation measures, and specifically for climate risk management and climate resilience measure development. The joint UN Programme will also support disaster risk reduction (DRR) programmes to include fire and flood protection in protected areas. The joint programme will serve as a key platform for the first component of the proposed UNDP/GEF project due to its focus on local coordination mechanisms for DRR and climate adaptation.

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assessments under relevant conventions

Yes

If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc

- National Biodiversity Strategies and Action Plan (NBSAP) under UNCBD

- National Communications (NC) under UNFCCC

Biodiversity conservation through creation of protected areas has been identified as a priority in the National Environmental Action Plan (NEAP), Environmental Performance Review as well as the Strategy and Action Plan for protection of biological diversity in BiH (NBSAP). The revised NBSAP (2015-2020) sets the following national biodiversity target as a priority one: By 2020, map and urgently protect the specific biological diversity of BiH (canyon, mountain, alpine and wetland ecosystems, karst fields and alluvial plains) in compliance with the applicable spatial planning documents.

At the entity level, in accordance with the working version of the Development Strategy of the FBiH (2010-2020), the priorities in the agriculture, food production and rural development sectors include measures for biological diversity protection and sustainable use of genetic resources, and these are:

- establishment of natural parks and protected areas;
- financial support for the creation of programs for the protection of indigenous and traditional plant and animal species; and
- the establishment of bio-indicators.

The Development Strategy of the BD BiH (2008-2017) integrates biological diversity under economic development strategic objective which, while tied to agriculture, includes objectives involving the consolidation of agricultural holdings. According to the document, the realization of this objective can be achieved by implementing programs that are directly related to biological diversity, and these are:

- development of organic and other environmentally friendly production;
- environmental preservation in agriculture;
- improving the use and conservation of genetic resources in agriculture; and,
- improving the genetic base in animals.

The spatial documents mentioned herewith are the updated spatial plans of the two entities of Bosnia and Herzegovina (Federation of BiH and Republika Srpska). The Spatial Plan of the Federation of BiH (2008-2028) incorporates a provision about protecting a total of 18.06% of the entity's territory by 2028, while the Spatial Plan of Republika Srpska sets 15.5% of protected areas in this entity as the target for 2025.

Biological diversity is also integrated in the draft Development Strategy of BiH (2010) under the strategic objective "sustainable development". The priorities found under this strategic objective include the conservation and rational management of natural resources. In order to achieve sustainable development, as part of this priority, the Development Strategy of BiH also provides support to biological diversity protection measures and sustainable use of genetic resources.

8. Knowledge Management

Outline the Knowledge management approach for the Project, including, if any, plans for the Project to learn from other relevant Projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

There are a number of completed development projects, whose best practices and lessons learned will be utilized and expanded by the proposed UNDP/GEF intervention. While a detailed knowledge management strategy will be developed at the PPG stage, this section is to name just a few of the past projects from which lessons and findings will be utilized for the proposed project intervention.

A small-scale project "Increasing resilience of Livno, Mrkonjić Grad and Maglaj municipalities in BiH" developed a Disaster Risk Analysis System (DRAS) software for local level risk assessments that will be a useful tool for developing climate resilience measures and working on furthering municipal DRR programmes to include fire and flood protection in protected areas on their territories.

The project "GISPASS – Network of Potentially Protected Nature Areas of the RS" implemented by the Association for Protection of Natural Heritage "ARBOR MAGNA" created a multimedia spatial database on protected and potentially protected areas in the RS, including basic data on those areas (e.g. municipality, status, surface, legal framework, protection related legal documents, etc.) that will be of relevance for the proposed project intervention.

“Mainstreaming karst peatlands conservation into key economic sectors” UNDP/GEF MSP implemented in 2009-2013 culminated to increase the extent of environmental data and knowledge available for environmental management, as well as awareness and understanding among stakeholders of the environmental values Livno Polje that will also be in the focus of the proposed project intervention.

The project is offering an increment to the current sustainable tourism development pattern in the region, allowing for wider and more beneficial representation of the national protected areas in the tourism development agenda and innovative financing. The project approach to strengthening the PA management and financial capacities via tourism destination management opportunities is relatively new for the region. It has not been in the focus either in BiH or in other countries where Via Dinarica project is implemented. This approach will be shared with surrounding countries and also tested on a transboundary PA.

The project is going to work with all partners to develop a proper communication strategy and through it share lessons, experience and impacts inside the countries and wider in the Balkans region. Such strategy will be developed during the PPG and will be implemented as part of Component 3.

Part III: Approval/Endorsement By GEF Operational Focal Point(S) And Gef Agency(ies)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter with this template).

Name	Position	Ministry	Date
Senad Oprasic	GEF Operational Focal Point	Ministry of Foreign Trade and Economic Relations	11/4/2019

ANNEX A: Project Map and Geographic Coordinates

Please provide geo-referenced information and map where the project intervention takes place

