



GEF-6 PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: FULL SIZED PROJECT

TYPE OF TRUST FUND: GEF TRUST FUND

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PART I: PROJECT INFORMATION

Project Title:	Contribution of Sustainable Forest Management to a Low Emission and Resilient Development		
Country(ies):	Serbia	GEF Project ID: ¹	9089
GEF Agency(ies):	FAO	GEF Agency Project ID:	635621
Other Executing Partner(s):	Ministry of Agriculture and Environmental Protection (MAEP)-Directorate of Forests	Submission Date:	07/27/2015
GEF Focal Area(s):	MFA (CCM, BD, SFM)	Project Duration (Months)	48
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP	<input type="checkbox"/>
Name of parent program:		Agency Fee (\$)	311,092

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

Objectives/Programs (Focal Areas, Integrated Approach Pilot, Corporate Programs)	Trust Fund	(in \$)	
		GEF Project Financing	Co-financing
BD-4 Program 9	GEFTF	654,932	6,000,000
CCM-2 Program 4	GEFTF	1,528,174	15,500,000
SFM-2	GEFTF	1,091,552	8,460,000
Total Project Cost		3,274,658	29,960,000

B. INDICATIVE PROJECT DESCRIPTION SUMMARY

Project Objective: To promote multifunctional sustainable forest management to conserve biodiversity, enhance and conserve carbon stocks and secure forest ecosystem services in productive forest landscapes

Project Component	Financing Type ³	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Co-financing
I. Enabling environment for multifunctional sustainable forest management	TA	<p>1.1 Improved decision-making in management of productive forest landscapes</p> <p><i>Indicators:</i></p> <ul style="list-style-type: none"> - Integrated Forest Information System operational, including information on globally important biodiversity (e.g. saker falcon, egyptian vulture, wild peony) and carbon monitoring - Number of policy instruments that include biodiversity and climate change mitigation concerns - A national coordination platform for 	<p>1.1.1 Methodology for forest and biodiversity information collection and management harmonized with global and regional standards and reporting requirements</p> <p>1.1.2 National forest inventory conducted (including assessment and collection of information relevant to biodiversity conservation and climate change mitigation)</p> <p>1.1.3 Existing carbon monitoring, reporting and verification (MRV) systems, reviewed and adapted to Serbian context (linked to output 1.1.2)</p> <p>1.1.4 Forest development strategy and legislation revised to incorporate biodiversity and</p>	GEFTF	2,000,722	17,000,000

¹ Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submissions.

² When completing Table A, refer to the excerpts on *GEF 6 Results Frameworks for GETF, LDCF and SCCE*.

³ Financing type can be either investment or technical assistance.

		<i>multifunctional sustainable forest management established and operating</i>	<p>climate change mitigation concerns</p> <p>1.1.5. National standards for best management practices in non-state forests developed to enable participation in forest certification schemes</p> <p>1.1.6 National level multisectoral coordination platform for multifunctional sustainable forest management established</p>			
	TA	<p>1.2 Institutional capacities strengthened for multi-functional forest management</p> <p><i>Indicator:</i> -No. of stakeholders applying SFM techniques and BD management in productive landscapes, with a target of 120 staff members</p>	<p>1.2.1 120 staff/members (forest users, forestry administration and institutes.) trained in updated SFM techniques and BD management in productive landscapes.</p>	GEFTF	100,000	1,000,000
2. Multifunctional forest management	TA	<p>2.1 Increased forest area under sustainable and multi-functional forest management</p> <p><i>Indicator:</i> -Area of sustainably managed forest by region, with a target of 80,000 ha</p>	<p>2.1.1 Biodiversity status and impact of land use on biodiversity assessed in the project areas</p> <p>2.1.2 Integrated and improved sustainable forest management plans prepared for at least 2 forest regions (covering 80,000 ha)</p> <p>2.1.3 Forest management plans implemented</p> <ul style="list-style-type: none"> - Forest protection measures to control deforestation and forest degradation established - High Conservation Value (HCV) forest areas identified; - Biodiversity protection and monitoring measures put in place. - Sustainable timber and non-timber resources harvesting - Forest cover increased through assisted natural regeneration and tree planting <p>2.1.4 Non-state forest owners are committed to SFM through incentive mechanism and developed simplified forest management plans, respecting HCV forest areas.</p>	GEFTF	900,000	10,000,000
3. Monitoring, Evaluation and lessons dissemination	TA	<p>3.1 Adaptive management ensured and key lessons shared</p> <p><i>Indicator:</i> - M&E system ensuring timely delivery of project benefits</p>	<p>3.1.1 Project progress continually monitored, mid-term and final evaluation conducted</p> <p>3.1.2 Project achievement and results recorded and disseminated</p>	GEFTF	118,000	533,333

	Subtotal		3,118,722	28,533,333
	Project Management Cost (PMC) ⁴	GEFTF	155,936	1,426,667
	Total Project Cost		3,274,658	29,960,000

If Multi-Trust Fund project :PMC in this table should be the total and enter trust fund PMC breakdown here (BD-31,187, CCM-72,770, SFM-51,979)

C. INDICATIVE SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE, IF AVAILABLE

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
Recipient Government	Ministry of Agriculture and Environmental Protection	In-kind	3,000,000
Recipient Government	Ministry of Agriculture and Environmental Protection	Grant	18,000,000
GEF Agency	FAO	In-kind	200,000
GEF Agency	FAO	Grant	260,000
Others	GIZ	Grant	8,000,000
Others	GFA	Grant	500,000
Total Co-financing			29,960,000

D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES) AND THE PROGRAMMING OF FUNDS ^{A)}

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b) ^{b)}	Total (c)=a+b
FAO	GEFTF	Serbia	Biodiversity	SFM	654,932	62,218	717,150
FAO	GEFTF	Serbia	Climate Change	SFM	1,528,174	145,176	1,673,350
FAO	GEFTF	Serbia	Multi-focal Areas	SFM	1,091,553	103,697	1,195,250
Total GEF Resources					3,274,658	311,092	3,585,750

a) No need to fill this table if it is a single agency, single trust fund, single focal area and single country project

b) Refer to the Fee Policy for GEF Partner Agencies.

E. PROJECT PREPARATION GRANT (PPG)⁵

⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

Is Project Preparation Grant requested? Yes No If no, skip item E.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

Project Preparation Grant amount requested: \$150,000					PPG Agency Fee: 14,250		
GEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Programming of Funds	(in \$)		
					PPG (a)	Agency Fee ⁶ (b)	Total c = a + b
FAO	GEFTF	Serbia	Biodiversity	SFM	30,000	2,850	32,850
FAO	GEFTF	Serbia	Climate Change	SFM	70,000	6,650	76,650
FAO	GEFTF	Serbia	Multi-focal Areas	SFM	50,000	4,750	54,750
Total PPG Amount					150,000	14,250	164,250

F. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁷

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	hectares
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	80,000 hectares
3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins;	Number of freshwater basins
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	Percent of fisheries, by volume
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	954,200 metric tons
5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	metric tons
	Reduction of 1000 tons of Mercury	metric tons
	Phase-out of 303.44 tons of ODP (HCFC)	ODP tons
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	Number of Countries:
	Functional environmental information systems are established to support decision-making in at least 10 countries	Number of Countries:

⁵ PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF upto \$1 mil; \$100k for PF up to \$3 mil; \$150k for PF up to \$6 mil; \$200k for PF up to \$10 mil; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

⁶ PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

⁷ Provide those indicator values in this table to the extent applicable to your proposed project. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the *GEF-6 Programming Directions*, will be aggregated and reported during mid-term and at the conclusion of the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF and/or SCCF.

PART II: PROJECT JUSTIFICATION

1. Project Description

The global environmental problems, root causes and barriers that need to be addressed

General context (forestry and biodiversity) and background:

According to FRA 2010, forest cover in Serbia amounts to 2,252,400 ha, this is about 29% of the total land area. Nearly 90.7% of the growing stock are broadleaves. Virtually all the forests in Serbia are naturally regenerated (without introduced species). Some of the common species are *Fagus Moesiaca*, *Quercus Cerris*, *Quercus Petraea*, and *Quercus Robur*. Forest ownership in Serbia are generally either state (51%) or private (45%). Private forests in Serbia are all owned by individuals. Forestry sector and products industry in Serbia has a long tradition, and the sector amounts to 2.3 % of the national GDP. Forests with productive functions amount to 1,498,000 ha. ***The project will be implemented in the productive forest landscapes managed by the State and owned by private owners.*** Ministry of Agricultural and Environmental Protection- Directorate of Forests is responsible for forest governance, and development and supervision of forest law development and enforcement. Public Forest Service under the Directorate of Forests is organized into PEs for forest management and management of National Parks (NPs). Private owners (except private owners with huge areas of forests- e.g. monasteries, who can organize their own forest management) are obliged to follow the forest management plans developed by PEs. PEs are in charge to sustainably manage state forests, make them economically profitable and maintain their environmental functions, and to provide technical assistance to Private Forest Owners (PFOs) and PFO Associations (PFOAs). The forests are managed through management plans prepared for 10 year intervals.

In terms of biodiversity, Serbia, covering just 1.9% of European territory is home to 39% of European vascular flora, 40% of European reptile and amphibian fauna, 74% of European bird fauna, and 67% European mammal fauna. Serbia has 43 Important Bird Area (IBA). Some of the globally threatened bird species found in Serbia are Ferruginous Duck *Aythya nyroca*, Saker Falcon *Falco cherrug* (Endangered- resident species), Egyptian Vulture *Neophron percnopterus* (Endangered), Red-footed Falcon *Falco vespertinus*, Black-tailed Godwit *Limosa limosa* and European Roller *Coracias garrulous*. Serbia is also home to five species of Wild Peony, all of them strictly protected and found in many productive forest landscapes. Serbia also has a population of Eurasian brown bear *Ursus arctos arctos* (about 60). Though the species has been categorized Least Concern, this refers to the global species, and not the Eurasian brown bear specifically, in Europe, local populations have been becoming increasingly scarce. The total protected area in Serbia is about 5.91% of the national territory (522,120 ha), this includes five national parks. ***Mt. Tara national park is one among them, and this project would be implemented in the buffer zone (about 80,000 ha of productive forests owned by the State and private owners) of Mt. Tara.*** Mt. Tara was declared a national park in 1981 with the total area of 19,175 ha. It is located in the far West of Serbia in an area bound by the Drina River between Visegrad and Bajina Basta. The park is an IBA and an Important Plant Area (IPA)- for example, it has Serbian spruce *Picea omorika*, tree species endemic to the Drina River Valley. The park is home to the following large mammals *Ursus arctos*, *Canis lupus*, *Rupicapra rupicapra*, *Sus scrofa*, *Felis sylvestris*, *Capreolus capreolus*, *Martes martes*, *Martes foina*, *Meles meles*, and *Lynx lynx*. Some of these mammals carry significance at both European and global levels. The park is home to the largest Eurasian bear population in Serbia and a considerable population of the near threatened European Otters *Lutra Lutra*.

It is clear that the national park has significant biodiversity that needs conservation and management, the park has been nominated (by UNESCO) together with Mokra Gora National Park to be declared as a biosphere reserve.

Global environmental problems:

Deforestation and forest degradation, and resulting habitat loss and fragmentation contributing to ***biodiversity loss*** are the biggest environmental problems faced by Serbia at present. Deforestation and forest degradation activities have resulted in loss of forest carbon, biodiversity and other key ecosystem goods and services. Based on the data of the National Forest Inventory (NFI) conducted in 2009, general condition of Serbian forests can be described

as bad. Besides insufficient forest cover (29.1% of the territory of the Rep. of Serbia compared to the optimal target of 41.4%) and insufficient total wood volume (161 m³/ha) and wood volume increment (4.0 m³/ha) unsatisfactory condition of Serbian forests is characterized by: (1) unfavorable structure by origin and silvicultural form (64,7% of forests are coppice forests with barely half of productive potential and increment); (2) unfavorable preservation structure (29% of all forests are devastated with wood production of barely 3,1 m³/ha); (3) very unfavorable age structure of natural high forests as well as coppice forests; (4) lack of natural regeneration on 268,000 ha; (5) unfavorable health condition (near 50,000 ha of forests are in different stages of decay); (6) other potentials of forests are not used on sustainable way; (7) low technical and technological capacities of forest users as well as private forest owners (obsolete and old equipment for forest silviculture and harvesting).

Root causes:

The deforestation and forest degradation in Serbia are driven mainly due to the following causes;

Illegal extraction of timber

Illegal extraction of timber is carried out by local population, mainly for personal consumption, especially in the last few years the problem has intensified. Based on official data of Forestry administration and PE's for forest management both in state and private forests amount of illegally harvested wood has increased in the last 5 years (9,020 m³ in 2010 to 26,516.06 m³ in 2014) which makes the total financial damage of approx. 3.1 million euros per year. Data collected during Wood Energy for Sustainable Rural Development in Serbia project clearly shows that 3,85 mil. m³ of wood fuel was unregistered of which approx. 2.76 mil. m³ exists in 'gray market' (unregistered from private forests).

Forest fires.

Forest fires cause significant damages every year, for example, in 2007, there were 258 fires over 16,144 ha of forests. Fires are generally caused by inappropriate agricultural practices and tourism activities, this is exacerbated by very dry summers. Both Law on Forests and Law on Wild Game and Hunting specify very clearly the obligations on forest users' and owners' part in preventing and remedial actions in the context of fires. In reality, due to barriers mentioned below, forest fires are still a significant cause for forest destruction.

Agricultural and energy sector impacts

Agriculture is one of the main contributor to GDP. Activities in agricultural sector are still economically more valuable than those in the forestry sector. Deforestation and forest degradation occurs through biomass burning for land use conversion and the burning of agricultural wastes on the field causing forest fires. Wood biomass has been recognized as a potential replacement to fossil fuels, on which energy sector currently relies. There are a certain set of incentives and actions that promote fuel switch in this way. However, currently the available forest resources exceeds the potential demand. Therefore reforestation and restoration needs to be promoted in order to ensure locally sufficient supply for energy needs, for wood-based industries and the bio-economy in general. This would also encourage the use of residues and waste, such as branches, offcuts and low value round wood. However, more efficient use of biomass has to be highlighted, prioritizing production of high-value goods and securing conditions for the use of these goods in energy production at the end of their lifespan. This could impact on rising demand for wood biomass in food security

Barriers:

The main barriers that need to be addressed to overcome the problems described above are as follows:

Inadequate policy and strategic framework and sectoral coordination

The current national forest policy (Forest Development Strategy) has no time-bound and quantified targets. It provides general guiding principles and goals. The strategy is comprehensive in providing the generic and globally recommended directions for sustainable forest management and biodiversity conservation. But no specific guidance and priorities in the context of forest carbon management and climate change, and integration of biodiversity conservation in productive landscapes is provided. This is an important barrier to overcome at the national level, it is essential to clearly prioritise and set specific pathways for sustainable forest management that incorporates climate change mitigation and biodiversity conservation objectives for systematic implementation. Also, the threats to forests

in Serbia have clear linkages to agricultural and energy sector as explained above, at present, there is limited coordination between the sectoral programmes, at all levels. There are occasions, where conflicting sectoral programmes are devised and implemented, contributing to further forest destruction.

Weak information systems and availability

Serbia conducted a national forest inventory in 2009, and through a FAO project (from 2005-2008), an Integrated Forest Information System (IFIS) development study was conducted. The national inventory conducted in 2009 focused mainly on collecting information relevant to forest product industry (economically relevant information). There was very little information collected that were relevant to biodiversity conservation and climate change mitigation. Regarding IFIS development, there has been very little progress since the FAO project ended, specifically in constituting and implementing the system. Also, there is no nation wide integrated biodiversity information system, information is available on project basis relevant to specific forest areas and national parks. Overall, there is no comprehensive information management system to enable effective decision making related to biodiversity conservation and SFM that incorporates BD concerns and climate change mitigation issues. And whatever information available, at present, is difficult to access and is not organized/presented to support any decision-making processes. This is a significant barrier, on the ground, for developing and implementing multi-functional forest management plans.

Lack of institutional capacities

The overall capacities of the national and local institutions that are relevant to sustainable forest management is very limited. Capacity barriers include the lack of know-how for addressing specific threats. There are a number of key knowledge gaps to support operational decision and policy-making that will ensure sustainable forest management. Sustainable forest management requires consultation, negotiation, scientific monitoring, social monitoring, supervision and conflict resolution which are still missing. Moreover, neither local communities nor Government authorities have experience in undertaking the whole processes to successfully implement sustainable forest management.

Baseline scenario and associated baseline projects

The Ministry for Agriculture and Environmental Protection (MAEP) implements various forest management and protection related activities from resources under the Forest Fund. This would form the main baseline for this GEF project.

Forest Fund is a special account for forest improvement and protection established under Law on Forests. Based on (Draft) National Forest Programme, every year Government approves Annual Regulation on how to utilize money from the Fund. Activities that would form the baseline are; amelioration of degraded forests and shrubs, silviculture in state-owned forests, protection and maintenance of newly established forests, maintenance and construction of forests roads for forest reforestation and afforestation, protection of forests against forest fires, R&D for forestry development, development of forest management plans (regional forest management plans and forest management plans for private forests), training, and importantly National Forest Inventory (NFI). Most of the state forests are FSC Certified (SGS Qualifor ver. AD-33-07 based on FSC Principles and Criteria for Forest Stewardship (FSC-STD-01-001 (version 4-0)). At the same time, non-state forests (almost 50% of forests in Serbia) are currently not covered by any certification schemes. The Forest Fund also lacks policies and guidelines for how to mainstream biodiversity conservation practices and objectives into its work, especially in non-state forests. There are no provisions or guidelines for identifying high conservation value forests, or for survey and monitoring biological diversity as part of a forest survey. The main baseline would activities would amount to USD 21 million over the project period.

In addition, the following activities supported by other partners would form the cofinancing for this GEF project.

Co-financing sources	Brief description of co-funded baseline project activities	Type co-financing	Amount (USD)
GIZ	<p>The project focuses on developing a sustainable bioenergy market in Serbia. The major outputs would be related to strengthening capacities and creating an enabling environment for the sustainable use of bioenergy in Serbia, and improving efficient firewood utilization in households and biomass supply.</p> <p>This project's synergy with this GEF project lies in increasing household level energy efficiency and chain-of-custody system for tracking wood supporting the efforts to red illegal cutting and biodiversity protection.</p>	Grant	8,000,000
GFA	The project focuses on piloting innovative 'close to nature' concept of forest management planning in areas endangered by floods. The project pilots would form a good base for building the multi-functional forest management concept under this project.	Grant	500,000
FAO	FAO will be implementing a Technical Cooperation Programme on 'Improving ecological and economic conditions of degraded forests in Serbia'. The project will explore ways to improve ecological and economic conditions of degraded forest stands through silvicultural approaches. The project will be directly linked to forest management techniques implemented in the proposed GEF project.	In-kind Grant	200,000 260,000

The proposed alternative scenario and a brief description of expected outcomes and components

The project will build on the baseline projects and the project objective will be delivered through the following components.

Enabling environment for multifunctional sustainable forest management

This component will focus on ensuring that the information collection methodology and management systems used in forest management and biodiversity conservation meet international standards and requirements. Utilizing and building on the IFIS development study, an integrated system (including biodiversity and forest carbon information) will be established. The integrated information system will act as a single source for informed decision making, in multifunctional forest management, at all levels. Serbia is planning the second inventory cycle, the inventory is expected to be very similar to the one conducted in 2009, this project will expand the scope of the inventory to include information relevant to biodiversity conservation and forest carbon management. Linking with the afore mentioned output, a detailed assessment of existing MRV systems will be conducted, and they will be adapted to Serbian context. This component will strengthen capacities at all levels in SFM and BD conservation, 120 members/staff will be trained. The targeted organizations/groups would be PEs, NP staff, PFOs, PFOAs, staff of Directorate of Forests and academic and research institutes. The training will focus on developing skills in BD monitoring and protection, forest carbon management and monitoring, conflict resolution and improved administration, and strengthening skills in forest fire prevention and control, forest restoration, methods to control deforestation and forest degradation, and harvesting techniques.

The component will aim to ensure that the relevant policy and strategic framework are in line for effective planning and implementation of multi-functional forest management. The revision would be undertaken through multisectoral and multistakeholder consultations at national and local level. The revision will take into account challenges and issues in non-forestry sectors that directly or indirectly influence management of forest landscapes. The revised strategy and national programme will provide very clear and time-bound directions for incorporating forest carbon management and biodiversity conservation into forest management plans, and their subsequent implementation. Also to ensure effective sectoral coordination, a multisectoral and multilevel stakeholder platform will be established for sustainable multifunctional forest management. This established platform will be a steering body for implementation of the revised national strategy and programme.

Multifunctional forest management

This component will aim to bring about 80,000 ha of forests under sustainable multifunctional management, this will be achieved through development of integrated sustainable forest management plans that incorporate multisectoral priorities and considerations, specifically the carbon sequestration targets and biodiversity conservation objectives. The implementation of the plans would include restoration of forests through assisted natural regeneration and tree planting, improved forest and biodiversity protection and monitoring, improved sustainable harvesting of forest resources. This will also result in sequestration of 954,200 tCO₂eq and increased protection of biodiversity in the productive forest landscapes.

Monitoring, evaluation and lessons dissemination

This component will ensure project's progress is tracked and periodic evaluations are conducted for adaptive management. Under this component, project results and achievements will be disseminated for replicability and scaling up.

Incremental reasoning and expected contributions from the baseline, the GEFTF and cofinancing

Component 1:

GEF resources under this component will build on previous IFIS development study and develop an integrated information system containing easily accessible forest and biodiversity related information. Under the baseline, second NFI is expected to be carried out, GEF incremental resources will be utilized to expand the scope of the inventory to include information relevant to biodiversity and climate change mitigation. And at the same time review, assess and adapt a MRV system, and make it an integral part of the inventory cycle. GEF incremental resources will also ensure policy and legislative level changes to incorporate BD and climate change concerns in to forest management, and sectoral coordination. Existing capacities in the forestry sector (main baseline), will be strengthened by focusing on specific aspects relevant to mainstreaming biodiversity and climate change mitigation concerns into forest management.

Component 2:

Through main baseline activities, forest management plans are prepared and implemented, GEF incremental resources building on this would ensure that the plans take into account the multiple functions provided by the forests, especially the biodiversity concerns and targets, and subsequently pilot the improved (multi-functional) forest management plans. The cofinancing activities of GFA will directly feed into the management plan preparation processes. Activities carried out by GIZ and FAO (through a technical cooperation programme) will directly contribute to the implementation of the plans, in terms of reducing pressure on forest resources and providing adequate technical inputs through on-the-ground experiments.

Global Environment Benefits (GEBs)

- By incorporating biodiversity conservation concerns into the national forest development strategy and forestry legislation (sector policy and sector specific legislation) and multi-functional productive forest planning and management, conservation of globally significant species will be enhanced

- Restoration of 4000 ha will result in sequestration of 954,200 tonnes of CO2 eq
- The flow of important forest ecosystem services sustained through improved SFM

Calculation of carbon benefits: Under restoration, forest cover will be increased by 5% in the pilot areas (5% of targeted 80,000 ha = 4000 ha). With conservative estimate of 65 tC/ha in Serbian forests. Carbon benefits would be 4000 ha x 65 tC/ha = 260,000 tC or 954,200 tCO2eq. The measurement of the carbon benefits will be through the MRV system adapted through the project.

*More accurate carbon benefit calculations will be conducted during the project preparation.

Innovativeness, sustainability and potential for scaling up

Innovativeness: In the context of Serbia, the project is innovative as it is implementing approaches that are new to the country. In general, the approaches and techniques to be implemented in the project have been tried successfully elsewhere and are not innovative in itself. Forest management in Serbia is just starting to become more multi-benefit oriented, where now forests are managed largely for the timber, in the future forests will be managed much more for other benefits they provide to society, including biological diversity conservation and climate change mitigation. This is especially the case in non-state forests where lack of appropriate forest management plans, guidelines for forest management or appropriate financial mechanisms (such as payments for ecosystem services or certification of forest management) causes loss of forest biodiversity. The GEF grant will help bend the trajectory of forest management in Serbia in this way. That is an innovative aspect of this project.

Sustainability and potential for scaling up: The institutional capacities built, the systems setup, and strengthening of national level policy and legislation, will together enable smooth scaling up of piloting activities (implementation of multi-functional forest management) undertaken in the project and ensure the sustainability of the results achieved.

2. **Stakeholders.** Will project design include the participation of relevant stakeholders from civil society and indigenous people? (yes /no) If yes, identify key stakeholders and briefly describe how they will be engaged in project design/preparation:

Stakeholder	Type of engagement in project preparation
Ministry of Agriculture and Environmental Protection- Directorate of Forests	Project proponent and taking into account the project activities and the forest management arrangements in Serbia, one of the main beneficiaries of the project. Will lead the project preparation process along with FAO
Other Directorates under the Ministry of Agriculture and Environmental Protection and other relevant Ministries	Given the intersectoral coordination gaps and threats generated through these gaps, all relevant government entities will be involved in extensive consultations to understand the conflicts in sectoral programmes and devise the relevant project component
Forest owners, managers and administrators (PEs, NPs, PFOs and PFOAs)	Beneficiaries of the project, and key local level project implementation partners. Will be involved in all the consultations to build up the baseline of the project and design of components
Wood, pulp and paper industry (e.g. processors of forest products, forestry operations enterprises)	Key implementation partners, especially in the context of on the ground piloting of integrated forest management activities (e.g. improved harvesting operations). Will be consulted in designing components relevant to their operations.

Stakeholder	Type of engagement in project preparation
Tourist organizations	Key target group in understanding the threats from the tourist industry and potential partners in the implementation, to be involved in extensive consultations during the project preparation.
Academic and research institutes	Expected to play a key role in capacity building and information management activities, will play a central role in developing the relevant project activities.
CSOs	CSOs will play a vital role in organizing local level consultations.
Local communities	Will be involved in all relevant consultations, specifically in understanding their perspectives in the contexts of threats to the forests and potential involvement in the project implementation
Cofinancing partners	Key role in designing the project components

3. *Gender Considerations.* Are gender considerations taken into account? (yes /no). If yes, briefly describe how gender considerations will be mainstreamed into project preparation, taken into account the differences, needs, roles and priorities of men and women.

The main way that gender issues will be incorporated into project preparation is through the adoption and use of participatory approaches in all important decisions and activities under the project preparation phase (leveraging active women environmental activists in the country). The project design will also ensure that adequate representation of both genders is achieved in all project activities. Reporting on project activities, outputs and outcomes will also be disaggregated by gender (where applicable), so that performance in this respect can be monitored.

4 *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).

The following potential risks and mitigation measures have been identified. These will be reviewed and updated during the project preparatory (PPG) phase.

Risk	Rating	Mitigation Measure
Lack of close and collaborative cooperation between many institutional stakeholders	Medium	Close and collaborative cooperation between many institutional stakeholders will be essential for the project to achieve its stated goal and objectives. This will be achieved through involvement of all stakeholders from the beginning of the project preparation process and through establishment of a working group for the project implementation under the project steering committee. A communication strategy will also be developed and regular meetings and presentation of project results in different phases of the project implementation will be organized.
Unclear responsibilities of institutions at national and local level	Medium	Clearly defined and legally prescribed responsibilities of different institutions as well as involvement of all of responsible institutions

		will be clarified during the project preparation.
Low technical capacity at national and local level halting the project's progress	Low	Capacity and technical expertise of stakeholders are weak. This will be mitigated through the project's capacity building activities
Lack of political support	Low	Achievement of the project goals, especially in regard to policy development and enforcement will rely on political willingness. Engagement of high level officials throughout the project preparation and involvement of appropriate officials in the project steering committee will aid in ensuring political support. Some of the project results, specifically the information collected through the inventory can reinforce the importance of forestry sector to the economy.
Natural changes in ecosystems and associated species due to gradual changes in climate and extreme weather events.	Unknown	The monitoring system developed in the project will identify changes in ecosystems likely to be linked to climate change (e.g. occurrence of forest fires, pests and diseases, spread of invasive species) so that remedial actions can be taken.

5. *Coordination.* Outline the coordination with other relevant GEF-financed and other initiatives.

MAEP is responsible for preparation of the Second National Communication and the First biennial update report to the UNFCCC (through GEF financing). The projects are in the final phase of implementation. The findings and results of these projects will be taken into consideration in the full design of this project.

The project will also close collaborate with EU funded project, for preparation of the Climate Change Strategy and Action plan that is expected to start in the mid of 2015 and to be led by MAEP - Climate Change Division.

Moreover, the project will continuously communicate with all relevant national institutions and take into account any further relevant activities. This will be further clarified during the project preparation phase.

6. *Consistency with National Priorities.* Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes /no). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, etc.

The project is aligned with the following priorities;

The Forestry Development Strategy (FDS) of the Republic of Serbia identifies the need for improvement of forest management, taking into account protected area management and sustainable management of the surrounding landscapes. The FDS has found that the general state of forests is unsatisfactory, and the actual state of state forests is characterized by insufficient production volume, unfavorable age structure, unsatisfactory density of stocking and forest cover percentage; unfavorable stand condition - high percentage of stands with discontinuous canopy and weeded areas and unsatisfactory health condition. The project addressed these concerns through its SFM activities.

The first National Communication to the UNFCCC articulates the contribution of forestry sector to GHG emissions and proposes certain actions in regard to emission reduction in this sector. There is a specific mention of lack of capacities in forest carbon management and availability of adequate inventory data. The project will address these gaps directly.

According to the Biodiversity Strategy of the Republic of Serbia for the period 2011-2018, the main obstacles in nature conservation are lack of data (national flora, national vegetation, and national fauna) and an integral information system and inadequate management of forest ecosystems and protected areas. It stipulates involvement

7. 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.

The project will work with stakeholders at all levels to ensure relevant information and transfer of lessons learnt is fed into the project preparation process and subsequent implementation. Specifically, FAO's significant experience in national forest inventories will be leveraged. In terms of capturing knowledge generated through the project, a strategy will be developed during the project preparation phase and will be implemented under Output 3.1.2.

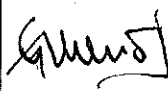
PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT⁸ OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):
(Please attach the Operational Focal Point endorsement letter(s) with this template. For SGP, use this SGP OFF endorsement letter).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Ms. Stana Božović	State Secretary, GEF Operational Focal Point	Ministry of Agriculture and Environmental Protection	02/27/2015

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies⁹ and procedures and meets the GEF criteria for project identification and preparation under GEF-6.

Agency Coordinator, Agency name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email
Gustavo Merino Director Investment Centre Division Technical Cooperation Department FAO Viale delle Terme di Caracalla (00153) Rome, Italy TCI-Director@fao.org		07/27/2015 29/7/15	Norbert Winkler Forestry Officer FAO REU Ankara, Turkey		Norbert.Winkler@fao.org
Jeffrey Griffin FAO Senior GEF Coordinator Email: Jeffrey.Griffin@fao.org Tel: +3906 5705 5680					

C. ADDITIONAL GEF PROJECT AGENCY CERTIFICATION (APPLICABLE ONLY TO NEWLY ACCREDITED GEF PROJECT AGENCIES)

For newly accredited GEF Project Agencies, please download and fill up the required GEF Project Agency Certification of Ceiling Information Template to be attached as an annex to the PIF.

⁸ For regional and/or global projects in which participating countries are identified, OFP endorsement letters from these countries are required even though there may not be a STAR allocation associated with the project.

⁹ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, and SCCF