



**INITIATION PLAN
FOR A GEF PROJECT PREPARATION GRANT (PPG) OR
PROGRAMME COORDINATION BUDGET (PCB)**

Country: Republic of Serbia

Relevant UNDAF Outcome(s) and Indicator(s):

UNDAF Outcome 2: Sustainable Development and Social Inclusion Enhanced / Percentage of energy generated from renewable sources in relation to the total primary energy consumption.
(Link to UNDAF outcome, If no UNDAF, leave blank)

Relevant CP/CPAP Outcome(s) and Indicator (s):

2.5 Improved mechanisms to protect the environment, ensure sustainable management of natural resources, and mitigate and/or adapt to the impacts of global climate change on social, economic, and ecologic systems/ Percentage of energy generated from renewable sources in relation to the total primary energy consumption
(CP outcomes linked t the SRF/MYFF goal and service line)

Relevant UNDP Strategic Plan 2014-2017 Key Result Area:

Sustainable Development Pathways/ Sustainable access to energy and improved energy efficiency

Expected Project Outcome (s) and Indicator (s):

Improved energy sector performance through enhanced market mechanisms, renewable and demand-side initiatives
(In addition to CPAP outcomes)

Programme Period: 2011-2015
Programme Component: Environment and sustainable development
PPG Title: Removing Barriers to Promote and Support Energy Management Systems in Municipalities (EMS) throughout Serbia
ATLAS Award ID: 00079382
ATLAS Project ID: 00089373
PIMS Project ID: 4588
Duration: March 2014 – September 2015
Management Arrangement: DIM

Total budget:	<u>100,000 US\$</u>
Allocated resources:	<u>100,000 US\$</u>
• Government	_____
• Regular	_____
• Other:	
o GEF	<u>100,000 US\$</u>
o Donor	_____
o Donor	_____
• In kind contributions	_____

AGREED BY UNDP RESIDENT REPRESENTATIVE / UNDP DIRECTOR:

(Enter Name, Position)

Signature

Date: (Month, day, year)

Mrs Irena Vojackova Sollorano,
Resident Representative, UNDP Serbia

3/27/14

A. Brief Description of Initiation Plan

The main objective of this PPG funded activities will be the development of an eligible GEF FSP proposal. The expected objective of the FSP is to introduce and support the implementation of Energy Management Systems in municipalities of Serbia and to promote greater investment in energy-efficiency in public buildings and municipal services in Serbia. The brief description of the PPG activities is presented Section B below.

The PPG will fund the elaboration of the GEF CEO Endorsement Request and UNDP Project document. The GEF contribution will be used for contracting international consultant and enabling activities.

Implementation of the preparatory project will be managed in DIM modality by UNDP. The PPG Atlas budget is presented in the Section III "Total Budget and Work Plan". UNDP will be responsible for the selection and recruitment of PPG consultant, developing ToR's, arranging travel and meetings, maintaining project disbursements. PPG Steering Committee will be established to review and endorse PPG outcomes and will consist of the Ministry of Energy, Development and Spatial Planning and UNDP.

During the initiation plan period, a number of studies and stakeholder consultations will be undertaken with the purpose to further develop the approved project concept into a fully formulated project document. The final output of the initiation plan will be a UNDP-GEF project document and GEF CEO Endorsement template ready for submission to UNDP and GEF.

B. Project preparation Activities:

1.1 Detailed Baseline Assessment

Analysis of current issues regarding data collection, aggregation, analysis, and quality control related to end-use energy consumption statistics and associated CO2 emissions in the residential sector.

- 1.2 Elaboration of the baseline studies: This will include a desktop review of all relevant documents, actual and previous studies related to the development of energy management system in Serbia. On the basis of collection and analysis of information on existing policies and the legal and regulatory framework for energy management in the municipal sector deficiencies in the policy and legal framework will be identified and explained. Further to that the institutional capacity scorecard will be completed and used to form the baseline and recommendations for capacity strengthening activities. In addition, assessment of the current system of vocational education and training in the area of energy efficiency and renewable energy technologies.

- 2.5 Definition of management arrangements: The organizational structure governing the project will be decided. This will include identification of the project board.
 - 2.6 Stakeholder consultations during Component 2: Involvement of the key agencies in the development of the project strategy to ensure a strong national ownership. The full participation in the development of the project results framework and ensure agreement on the project objectives and outcomes will be ensured In close collaboration with key government representatives and other stakeholders. Consultations will be undertaken to secure commitment(s) on project implementation arrangements; including roles, responsibilities, and accountabilities of lead and partner agencies. All consultations will be documented.
 - 2.7. Preparation of the environmental and social safeguards (ESSP) report
3. Financial planning and co-financing investments:
- 3.1 Preparation of the a detailed multi-year budget following the standard template provided in the UNDP-GEF project document template that reflects the mandatory requirements of the GEF M&E Policy.
 - 3.2 Exploring multilateral and bilateral co-financing opportunities, by undertaking series of consultations with partners to ensure a coherent and sustainable financing package for the project including post- GEF grant phase.
 - 3.3 Ensuring completion of required official endorsement letters: An official endorsement letter will be prepared by the GEF Operational Focal Point of the Government. A co financing guarantee will be collected from participating government institutions and other partners who wish to provide cash or in kind contributions to the project.
 - 3.4 Stakeholder consultations during Component 3 will be organized with the purpose to identify modalities of appropriation and buy-in before, during and after the implementing phases.
4. Validation workshop
- A validation workshop will gather representatives from all relevant stakeholders to present discuss and validate the final draft project document.

C. GEF PPG/PCB approved grant document



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

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Chief Executive Officer and Chairperson

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February 05, 2014

Ms. Adriana Dima
GEF Executive Coordinator
United Nations Development Programme
One United Nations Plaza
304 East 45th St
FF Bldg., 10th floor
New York, NY 10017

Dear Ms. Dima,

I am pleased to inform you that I have cleared the project concept detailed below for inclusion in the upcoming work program. I have also approved your request for project preparation grant.

Decision Sought	Project Identification Form (PIF) Clearance for Work Program Inclusion and Project Preparation Grant (PPG) Approval
GEFSEC ID	5518
Agency(ies)	UNDP
Agency ID	4588 (UNDP)
Focal Area	Climate Change
Project Type	Full Size Project
Country(ies)	Serbia
Name of Project	Removing Barriers to Promote and Support Energy Management Systems in Municipalities (EMIS) throughout Serbia
Indicative GEF Project Grant	\$2,300,000
Indicative Agency Fee	\$218,500
PPG Grant	\$100,000
PPG Agency Fee	\$9,500
Funding Source	GEF Trust Fund

Break-down of Indicative Agency Fee				
Agency	Trust Fund	40% Fees to be committed at Council Approval	Fees to be committed at CEO Endorsement	Total (US\$)
UNDP	GEF	\$87,400	\$131,100	\$218,500

This PIF clearance and PPG approval is subject to the comments made by the GEF Secretariat in the attached project review document. It is also based on the understanding that the project is in conformity with GEF focal areas strategies and in line with GEF policies and procedures.

Template effective 02 October 2008

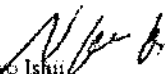
Mx. Adriana Dana

- 2 -

February 05, 2014

Please submit your final project document for my endorsement no later than 18 months after Council approval of the work program.

Sincerely,


Naoko Ishii
Chief Executive Officer and Chairperson

Attachment: GEFSEC Project Review Document
Copy to: Country Operational Focal Point, GEF Agencies, STAP, Trustec

D. Total Budget and Work Plan

Award ID:	00079382
Award Title:	PIMS 4588 CC PPG: Removing Barriers to Promote and Support Energy Management Systems in Municipalities (EMS) throughout Serbia
Business Unit:	SRB 10 (UNDP Serbia)
Project Title:	PIMS 4588 CC PPG: Removing Barriers to Promote and Support Energy Management Systems in Municipalities (EMS) throughout Serbia
Project ID/Atlas project ID:	00089373
Implementing Partner (Executing Agency)	UNDP Serbia

GEF Outcome/Atlas Activity	Responsible Party/Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Total (USD)	See Budget Note:
OUTCOME 1: Elaboration of the Full Size Project Proposal for submission to the GEF	UNDP	62000	GEF	72100	Contractual services - companies	48000	34500	82500	1
				71300	Local Consultants	8000	4000	12000	2
				71600	Travel	1500	1000	2500	3
				74500	Miscellaneous	1500	1500	3000	4
Total Outcome 1						59000	41000	100000	
PROJECT TOTAL						59000	41000	100000	

Summary of Funds:¹

	2014	2015	Total
GEF	\$ 59000	41000	100000
Co-financing	\$		
TOTAL	\$ 59000	41000	100000

Budget notes:

1. Contractual services to companies, institutes and other organisations for consulting services surrounding various aspects of Outcome 1, mainly the preparation of UNDP Project Document and GEF CEO Endorsement Request (Collection of additional data and evaluation of existing barriers to municipal energy management in Serbia)

¹ Summary table should include all financing of all kinds: GEF financing, cofinancing, cash, in-kind, etc. etc

- 20,000\$, Project enabling activities \$12,000, Design of the project implementation strategy 20,500\$, Detailed elaboration of the project document and GEF CEO endorsement request 30,000\$).
2. Professional services including local experts in energy efficiency will be employed to cover technical support the elaboration of the Project Document. Local short-term consultants are budgeted at US\$ 2000 per week, six weeks.
 3. The calculation for local travel (8 travels of app. 600 km) includes gasoline/car rent and DSA at rate of \$100 (DSA rate out of Belgrade).
 4. This is a margin allowed for possible unexpected rises in costs associated with implementation.