



**United Nations Development Programme
Country: Bosnia and Herzegovina
Project Document**

Project Title: **Climate Change Facility for BiH Cities**

UNDAF Outcome: 3. By the end of 2014, Government meets requirements of EU accession process and multi-lateral environment agreements (MEA), adopts environment as a crosscutting issue for participatory development planning in all sectors and at all levels, strengthens environmental management to protect natural and cultural resources and mitigate environmental threats.

Expected CP Outcome(s): 3.3. Local authorities, public and private sector providers and civil society formulate and implement in participatory manner environmental local action plans ensuring cleaner, safer and sustainable development

Expected Output(s): 1. Sustainable Energy Action Plan for the City of Banja Luka developed and other BiH cities/towns committed to development of similar plan

Implementing Partner: City of Banja Luka, BiH

Brief Description

Aim of the Climate Change Facility for BiH Cities project is to establishment a facility for provision of support to BiH cities interested in adoption and achievement of climate change related goals, by supporting the process of the development of a town/city level sustainable climate change action plans. In the process of developing the plans capacities of city administrations, local experts and relevant CSOs in the field of mitigation and adaptation of climate change will be also strengthened and developed.

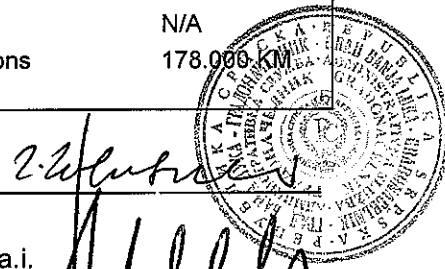
As first step, this project will support development of a Sustainable Energy Action Plan for City of Banja Luka as a pilot exercise, which will serve as basis for demonstrating and advocating adoption and implementation of the model in other BiH town and cities.

Ultimate aim is to creating a network of communities – Climate Change Champions, who will become drivers of change and sustainable development in BiH.

Programme Period:	Dec. 2009 – Jun 2010
Key Result Area (Strategic Plan):	Environment
Atlas Award ID:	00058714
Start date:	01 December 2010
End Date:	30 June 2010
PAC Meeting Date:	20 November 2009
Management Arrangements:	NIM

2010 AWP budget:	USD 42.500
Total resources required:	USD 42.500
Total allocated resources:	USD 42.500
• Regular:	USD 42.500
• Other:	N/A
Unfunded budget:	N/A
In-kind Contributions:	178.000 KM

Broj: 12-G-3089/09 Dana: 24-11-2009
 Agreed by City of Banja Luka: Mr. Dragoljub Davidović, Mayor



Agreed by UNDP: Peter Van Ruysseveldt, Resident Representative a.i.

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 01.12.'09

II. MANAGEMENT ARRANGEMENTS

Context

Leaders of the 21st century will those who are the first to understand that the best way to fight the two biggest global challenges in this moment, economic ones - personified in the current economic crisis, and the environmental ones - personified in the need to fight the climate change, is to turn away from the old ways of doing business and adopt the new philosophy of "green economy" and exploit its development potentials. Root of the new economy has to be in true commitment of, initially governments, but at later stage communities and even individuals, to achieve the key global environmental goals, especially those related to climate change. And this commitment has to than be followed by localizing the global goals, turning them into concrete and achievable measures on local level – a very realistic and detailed action plan, which delegates tasks to concrete institutions and individuals and ensures close follow up of its implementation by all stakeholders.

Cities in Bosnia and Herzegovina are already becoming aware of the global realities and are begging to make first, pioneering steps in that direction. There are already quite few examples of true commitment and dedication to achieving the climate change goals on city level in BiH, and these efforts should be supported and carefully nurtured.

For example, Mayor of Banja Luka has in February 2009, signed a "Covenant of Mayors", which is an EC initiative through which Mayors of towns and cities of Europe, by signing up to the Covenant of Mayors commit their communities to voluntary achievement of EU's "20-20-20" climate change targets (reduce GHG emissions by 20%, increase use of renewable energy sources to 20% by 2020) in their towns and cities. The formal commitment of signatories is translated into concrete measures and projects. Signatory cities accept to report and being monitored on their implementation of the Action Plans. They also accept termination of their involvement in the Covenant in case of non-compliance. In order to implement the commitment city has established a Climate Change Council, as a voluntary advisory body to Mayor and City Assembly, tasked with developing, and later guiding and overseeing implementation of a Climate Change Action Plan for City of Banja Luka.

Triggered by the pioneering effort of Banja Luka, City of Sarajevo has also decided to sign the "Covenant of Mayors", and now they are considered to be included for support though a regional initiative of GTZ named Capital Cities for Climate Change, which links efforts of Zagreb, Podgorica and Sarajevo in field of climate change.

City of Tuzla has few years ago adopted energy efficiency as their strategic priority and has already implemented ~~mainly with their own financial resources a number of concrete energy~~ efficiency projects, especially related to expansion of district heating network heating and elimination of individual sources of GHG and SO₂ emissions. Their approach has so far been maybe too much technically focused and narrow in addressing the problems, but they express strong commitment to adopt a much more strategic approach if somebody with that expertise can assist them.

In short, a very positive momentum has been created and timing for a targeted assistance in further development of these efforts and turning them into concrete, achievable plans and actions is perfect.

Strategy

As it is not realistic to expect that such ground breaking model can be rolled out immediately on a country level, since there are serious differences in knowledge, openness and capacities among communities, it is more likely to foresee that it will be first piloted on a smaller scale in individual communities, cities, municipalities or maybe smaller regions – "Champions"- who will have necessary vision and courage to lead the way for rest of country to follow.

Focus on local level is an approach that usually produces much better results in countries with weak centralized governance structures, complicated decision making and bureaucracy that seriously slows any change process and significantly delays delivery of results.

From environmental perspective focus on urban areas is fully justified, as urban areas are estimated to be source of more than 50% of the total global green house gases (GHG) emissions; and as 80% of the population lives and works in cities, where up to 80% of energy is consumed. Being the closest to their citizens, local administrations are the best positioned to address the challenges in a comprehensive way, reconcile public and private interests and integrate sustainable management of environment energy into overall local development goals. And from economic perspective such approach is very good, as it opens additional opportunity and motivation for creation of "role model" communities, who as champions can then further promote replication of the model in country while the "green SMEs" established in those communities get a excellent chance for future growth and expansion as demand for their services grows through nation and region wide replication of the model.

Objectives

Key objectives of this project are to:

1. Establishment of a facility for support of cities in BiH in adoption and achievement of climate change related goals, by supporting process of development and adoption of a town/city level Climate Change Action Plans
2. Develop a Sustainable Energy Action Plan (SEAP) for Banja Luka as pilot
3. Through work on the development of the SEAP develop capacities of the Banja Luka city administration, local experts and relevant CSO in field of mitigation and adaptation of climate changes.
4. Support and advocate adoption and implementation of the same model in other BiH cities / municipalities, thus creating a network of communities – Climate Change Champions, who will become drivers of the changes and sustainable development in BiH

The assistance to be provided through this project will have multiple positive effects both for BiH and its communities, as well as for UNDP, as environment and climate change action are at the core of UNDP's mandate. Concretely this pilot is expected to produce three key results:

- City of Banja Luka has a Sustainable Energy Action Plan, which is integrated with existing local level development plans and strategies.
- City level structure and capacities necessary for the implementation of these activities established in Banja Luka city
- Model replicated in other BiH cities and local communities using Banja Luka as example

Activities

Activities necessary to achieve the objectives include:

a) Advocating for political commitment of cities / municipalities

Cities /municipalities need to commit to achieving concrete and measurable reductions of GHG emissions and increased use of renewable sources of energy, and to participate in replication the model through cooperation with other cities in BiH. In Case of City of Banja Luka, by signing the "Covenant of Mayors", City of Banja Luka has already made a major step in terms of political commitment. Still there is a need to provide support in ensuring wider buy-in of local public for the process, as well in turning that political commitment into concrete action.

b) Facilitate process of city level consultations

Aim of the consultation process is to agree on methodology and institutional set up for realization of the commitments. This step is crucial for success of climate changes adaptation and mitigation actions on local level. In case of City of Banja Luka, City Assembly has already established a City Climate Change Advisory Board, as advisory body to Mayor which serves as a platform that brings together decision makers, experts, academia, CSOs, private sector and all other relevant stakeholders. Aim is to reach widest possible agreement of all stakeholders, through a transparent and participatory process, on best methodology and steps necessary for the development and implementation of the SEAP.

c) Provide financial support for development of one SEAP as pilot for the approach

City of Banja Luka is the first BiH city that has joined the EU Covenant of Mayors initiative and thus pledged to achieve concrete and measurable voluntary reductions of GHGs emissions and increased usage of renewable energy in accordance with the EU's 20-20-20 strategy. With this the city administration has committed itself to develop and adopt a clear local climate change action plan, with concrete commitments, projects and time lines. This makes them an ideal partner for piloting the local climate change action approach, which UNDP advocates for.

As local capacities and experiences are still limited and insufficient to achieve such ambitious goals, UNDP will provide direct support for development of a Sustainable Energy Action Plan for City of Banja Luka.

d) Support and advocate replication of model throughout BiH

The project will provide support for rising of public awareness and mobilization of support for development of implementation of the for the climate change action plans in other cities in BiH, though dissemination of information on the pioneering work done by Banja Luka city and their experiences in the process. This will be used as a platform to advocate adoption and implementation of the same model in other BiH cities and local communities, creating a network of communities – Climate Change Champions, who will become drivers of the changes and sustainable development in BiH.

Required expertise

Initial estimation is that a team of experts that will be assembled to work on development of the SEAP will need to have at least one expert for 13 different sectors that need to be considered in development of such a plan. The estimated time for development of the plan of 3 months is rather strict over a five months period, hence it is planned that for some of the more demanding sectors more than one expert will be engaged to work simultaneously on meeting the task. Each of experts engaged on this project will have a detailed ToR with requirements specific for the sector in which he/she is a specialist.

The key sectors for which expertise is required in development of SEAP, but not limited to, are:

1. GHG emission calculation
2. District heating
3. Building
4. Electricity
5. Forestry Agriculture
6. Waste
7. Energy Efficiency and RES
8. Traffic
9. International cooperation
10. Economy
11. Climate changes
12. Urban planning
13. Local development

National Project Manager will for each of the areas of expertise develop a detailed work plan, number of experts needed, as well as detailed terms of reference (ToR) and concrete deliverables for each of the experts. As all of the experts will be engaged as short-term consultants and time frame for implementation of the project is limited with necessity to finished the SEAP by end of February 2010, the experts will be selected and contracted through a desk-review based selection process in line with relevant UNDP rules.

In-kind contribution

City Administration of Banja Luka has, due to the budgetary cuts they were forced to make this year as consequence of global financial crisis, limited human and financial resources to allocate for the SEAP development and implementation process. Still understanding the importance of the process, they have committed themselves to provide in-kind support for the process. To that effect, in city budget planned for the next year an amount of approximately 178.000 KM is allocated

to be used for financing functioning of the City Climate Change Advisory Board and to co-finance implementation of projects that will be identified as priorities by the SEAP.

City administration at this moment does not have not even nearly adequate infrastructure or human capacities to meet the requirements of this process. On the other side there are numerous cities in Europe who have already successfully developed and implement such plans. This opens opportunity to identify a suitable twinning arrangement.

Implementation arrangements

The project will be implemented by the City of Banja Luka, with support of the UNDP BiH Country Office, though a proven modality of National Implementation (DIM) which is standard UNDP's implementation methodology throughout the world.. NIM will be applied in a way to take into account potentials for maximum cost-effectiveness and tailored flexible capacity development of local governments and institutions.

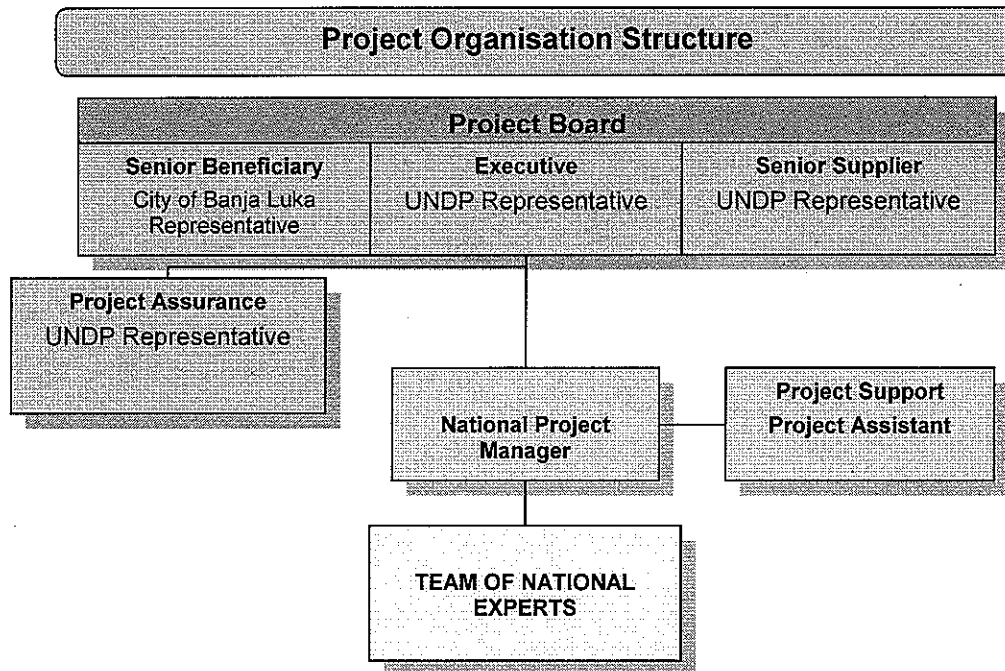
In order to support City of Banja Luka and the National Project Manager which will be appointed, in implementation of this project, the Country Office (CO) will take over responsibility for provision of procurement and recruitment services for the project, while the City remains overall responsible for production of outputs/implementation of activities envisaged. The management of project funds will be carried out according to UNDP financial rules and regulations, based on a work plan with a detailed budget. The National Project Manager will on behalf of the City, ensure day-to-day management and oversight for the project as a whole, and will be responsible for project achievements and the reporting on the resources allocated. Project monitoring and evaluation will be conducted in accordance with relevant procedures.

The overall coordination of the project will be the responsibility of a Project Board (PB) whose mandate will be to:

- Provide strategic guidance to the project;
- Support project implementation, including bottlenecks resolution;
- Monitor project implementation, discuss and assess project results.

It will be composed of the representatives of Banja Luka city and UNDP Country Office in BiH. Project revisions that involve changes to project goal, or substantial modification of project outputs, will be agreed in writing by members of the Project Board by calling an ad hoc session, or by collecting (including through email) written opinions of the PB members.

The UNDP will select the experts which will be responsible for implementing of project activities. The project will be implemented in close cooperation with all relevant national authorities, especially Mayor and City Assembly of Banja Luka city and the City Climate Change Advisory Board.



III. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Quality Management for Project Activity Results

OUTPUT 1: Sustainable Energy Action Plan for the City of Banja Luka developed and other BiH cities/towns committed to development of similar plan		
Activity Result 1.1.	Developed SEAP for Banja Luka	Start Date: 01 Jan 2010 End Date: 28 Feb 2010
Purpose	Support development of Sustainable Energy Action Plan (SEAP) for the City of Banja Luka	
Description	Plan work on development, assemble team of national experts, coordinate work on development of the SEAP, produce final text of the SEAP, coordinate its' submission to the EU Covenant of Mayors Office.	
Quality Criteria	Quality Method	Date of Assessment
The SEAP has to be developed in line with the Guidelines and the SEAP Template Instructions of the EU Covenant of Mayors Office.	Final version of the SEAP is submitted by Mayor to the EU Covenant of Mayors Office, who will verify quality of the document in line with the detailed recommendations for SEAP elaboration and CO2 baseline inventory.	01 March 2010
Activity Result 2.1.	Process, content and importance of the Banja Luka City SEAP presented to interested BiH City/Municipal authorities	Start Date: 01 Mar 2010 End Date: 30 Jun 2010
Purpose	The SEAP model replicated in other BiH cities/municipalities	
Description	Presentation and workshops other BiH cities/municipalities, elaborating importance and benefits of the approach	
Quality Criteria	Quality Method	Date of Assessment
Interest of BiH cities / municipalities to develop their own local climate change action plans.	Report on number of BiH cities / municipalities who made formal commitment to develop local climate change action plans.	01 June 2010

IV. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA [or other appropriate governing agreement] and all CPAP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for ~~the safety and security of the implementing partner and its personnel and property, and of UNDP's~~ property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document".

ANNEX I: Risk Analysis

INITIAL RISK LOG

Project Title: Climate Change Facility for BIH Cities		Award ID:		Date: 17 NOV 2009					
#	Description	Date Identified	Type	Impact & Probability	Counter-measures / Management response	Owner	Submitted, updated by	Last Update	Status
1	Short time available for development of the SEAP	17 NOV 2009	Environmental	If occurs potential risk would jeopardise quality of results. P = 2 I = 2	Work clearly defined and planned ahead of project start.	Project Manager	UNDP BIH E&E Cluster Coordinator	N/A	N/A
2	Lengthy UNDP staff recruitment procedures	17 NOV 2009	Operational	If occurs potential risk would result in delayed delivery of project Outcome 1. P = 3 I = 3	Recruitment to be first priority soon as project is approved	Project Manager	UNDP BIH E&E Cluster Coordinator	N/A	N/A