



Country: Serbia
Initiation Plan

Project Title: Integrated Local Development

UNDAF Outcome(s): Efficient, accountable and people-centered public sector

Expected CP Outcome(s):

1. Improved efficiency, accountability and transparency of the public sector;
2. Sustainable development plans/policies effectively respond to the need of stakeholders, as well as promote employment and environmental protection

Implementing Partners: Belgrade Fund for Political Excellence

Brief Description

The initiation plan aims to set the basis for the promotion of integrated local development in Serbia, starting by addressing key issues in the area of inter-ethnic relations and environmental sustainability. The proposed substantive vision seeks to increase human development gains in Serbia.

The two starting components - improved understanding of inter-ethnic relations in South Serbia, and development and promotion of the market for alternative energy – will also develop a platform for further strategic programming and partnerships.

Programme Period:	2005- 2010
Key Result Area (Strategic Plan):	Promoting inclusive growth, gender equality and MDG achievement
Atlas Award /Project ID:	60050/75404
Start date:	July 2010
End Date:	July 2011

Total budget:	USD 156,000
Total resources required	USD 171,000
Total allocated resources 2010-2011:	USD 156,000
• Regular (UNDP)	
• Other:	
• Donor (BFPE in kind)	USD 15,000
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Agreed by UNDP:

William S. Infante, Resident Representative

The implementing partner will appoint a Project Director (PD) to take overall responsibility over the project implementation. The PD will delegate responsibility for day-to-day management to the Project Manager who will report the project progress to the Project Board.

The Project Board is responsible for overall steering of project outputs and provision of guidance for management decisions that influence the project results. The Project Board is the group responsible for making by consensus management decisions for a project when guidance is required by the Project Manager, including recommendation for approval of project plans and revisions. Project Board decisions should be made in accordance to standards² that shall ensure best value for money, fairness, integrity, transparency and effective international competition. Project reviews by this group are made at designated decision points (i.e. quarterly Project Board meetings) during the running of a project, or as necessary when raised by the Project Manager. This group is consulted by the Project Manager for decisions when tolerances in terms of time, budget and quality have been exceeded. The tolerance levels will be defined during the first PB meeting. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies. The chairing of the Project Board will be fulfilled by the Executive i.e. designated PD.

Project Assurance is the responsibility of each Project Board member; however the role can be delegated. The decision on the possible delegation of the assurance function will be made by the Project Board. The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed.

The **Project Manager** has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Project Board. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. Due to the relatively small scope of the project, the Project Manager will also perform the project support functions (e.g. administration).

As per the UNDP's Programme and Operations Policies and Procedures the UNDP Resident Representative has the authority to approve the Initiation Plan following the recommendations of the Local Project Appraisal Committee (LPAC), which includes the representatives from the government (MPALSG) and the Implementing Partner (BFPE). By appraising the Initiation Plan, the Government authorizes UNDP to sign the Project Cooperation Agreement (PCA) with the BFPE (annexed to the Initiation Plan).

All deliverables produced during the project term, will adhere to UNDP visibility standards as per the Project Cooperation Agreement. Where appropriate, the standard UNDP disclaimer will be placed.

IV. MONITORING FRAMEWORK AND EVALUATION

The Initiation Plan foresees the following monitoring activities:

- **Field Visits.** UNDP will visit the project at least once per year and as frequently as demanded. Field visits serve the purpose of results validation, especially when undertaken in the first half of the year. Field visits should be documented through brief and action-oriented reports, submitted to the Project Board within the week of return to the office.

² UNDP Financial Rules and Regulations: Chapter E, Regulation 16.05: a) The administration by executing entities or, under the harmonized operational modalities, implementing partners, of resources obtained from or through UNDP shall be carried out under their respective financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. b) Where the financial governance of an executing entity or, under the harmonized operational modalities, implementing partner, does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition that of UNDP shall apply.

- Annual Review Report. An Annual Review Report will be prepared by the Project Manager and shared with the Project Board. As a self-assessment by the project management, it does not require a cumbersome preparatory process. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the Project Progress Report (PPR) covering the whole year with a summary of results achieved against pre-defined targets at the output level. As such, it can be readily used to spur dialogue with the Project Board and partners.
- Annual Project Review. Based on the above report, an annual project review will be conducted during the fourth quarter of the calendar year or to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following calendar year. At the end of the Initiation Plan, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes. Once cleared, key elements of the reports shall feed directly into the UNDP's annual reporting exercise on results at the outcome level.

V. ANNUAL WORK PLAN

Expected Output	Planned Activities	Timeframe						Responsible party	Planned budget		
		2010		2011		Funding source	Budget Description		2010	2011	
		Q3	Q4	Q1	Q2						
Output 1: Platform for integrated local development and projects designed	<p>1. <i>Activity result:</i> Based on the analysis, the inter-ethnic relations programming in South Serbia integrated</p> <p>1. <i>Activity description:</i> Conducting a survey on inter-ethnic relations in South Serbia</p>	x	x	x	x		BFPE	TRAC/CCF	Contractual Service Companies	33,500.00	31,500.00
	<p>2. <i>Activity result:</i> Capacities of local and central authorities to be better able to diversify Serbia's energy mix towards alternative renewable energy strengthened</p> <p>2. <i>Activity description:</i> Assessment of legislative, regulatory and market conditions for development of biomass-biogas market / Draft project concept and documentation / /Develop Municipal Guide to alternative energy development in the agricultural sector/ organize two seminars - alternative energy development.</p>	x	x				BFPE	TRAC/CCF	Contractual Service Companies	40,000.00	
	<p>3. <i>Activity result:</i> Final project document(s) with all necessary supporting documentation, including recommendations for</p>	x	x	x	x		BFPE	TRAC/CCF	International consultants/Contractual service companies Local consultants	12,000.00	25,000.00 12,000.00

ANNEX 1: BACKGROUND INFORMATION

The project aims to promote integrated local development in Serbia by addressing key issues in the area of inter-ethnic relations and environmental sustainability. The project will begin with a situation analysis of the education, gender, ethnic relations, and socio-economic development in the South of Serbia. This survey will provide information to be used as a framework for future projects. The second project component will support Serbia in attaining a level of energetic sustainability by diversifying its alternative/renewable energy sector.

The rationale behind this Initiation Plan of the integrated development project is to systematically organize what UNDP does and to increase its relevance in pursuing integrated local development approaches as well as to provide a clarity of vision for the implementation of the new Country Programme Document (2011-2015).

Context in South Serbia

Development efforts have focused on South Serbia due to its high levels of poverty, complex inter-ethnic relations, and political instability. High emigration, high unemployment and low post-secondary education attainment (and access, for Albanian and Roma communities) are all parts of the problem. Coupled with the history of conflict, current ethnic composition and social divisions, all of these contribute to the potential for constant political instability and prevent sustainable and long-term development and significant conflict transformation.

In 2001, the UN had established an inter-agency office in South Serbia, and the implementation of the South Serbia Municipal Improvement and Recovery Programme (SSMIRP) and the Rapid Employment Programme (REP) had begun. The South Serbia programme has benefited from effective division of labour among the international agencies active in the region. Whereas UNDP has focused on programming in governance, civil society and (to a lesser degree) local economic development, OSCE has taken a leading role on judicial and police reform. Likewise, the monitoring of the security situation has fallen under the mandate of the European Union Monitoring Mission (EUMM). While areas of overlap have been present (among other things between UNDP- and USAID-funded initiatives), these overlaps were increasingly managed in a coordinated manner.

The last survey about the situation in the region of South Serbia was conducted in 2007. Several research analyses have collected information about different aspects of life in South Serbia since the beginning of the 2000-2001 conflict in the municipalities of Presevo, Bujanovac and Medvedja.

In order to successfully implement integrated local development projects and initiatives, it is necessary to examine and better understand the societal and political issues that continue to shape the society in the South of Serbia. The Initiation Plan will conduct a quantitative and qualitative data analysis and produce a study identifying the primary factors and current problems that exist in this region. The main factors that the research would focus on are: opportunities in social advancement, attitudes on social, ethnic and gender differences, estimated gross income of selected occupational groups and personal ideas about a fair gross income for these occupational groups, contrasts or conflicts between various social groups in the region, social origins, employment and occupation of spouse.

The survey will also provide a trend analysis of the situation based on a comparison with the 2007 survey data.

Environmental sustainability and energy efficiency

Promotion of alternative and renewable energy is essential for conserving natural resources and enabling sustainable local development. Certain measures can be very fast, like using solar panels or adopting thermal regulations for construction. Various ministries, including the Ministry of Environment and Spatial Planning and the Ministry of Energy and the Ministry of Agriculture and

Forestry have expressed their interest in diversifying Serbia's energy mix away from non-renewable, predominantly coal-fired thermal towards alternative renewable energy including hydropower, geothermal, wind and biogas. Serbia currently exceeds EU targets for renewable energy because of the significant hydro capacity installed at Djerdap and other installations. Non-hydro renewable resources have not been developed to any appreciable degree, though significant opportunities exist in wind and bio-gas, among others.

The energy sector is one of the largest in the Serbian economy accounting for more than 10% of its GDP. According to Deputy Prime Minister Bozidar Djelic, Serbia is among the least energy efficient economies. The country uses 3.8 times more energy to produce one dollar of GDP than the world average. Serbia produces 6.8 times more carbon per dollar of GDP than the world average, and 10.8 times more than the OECD average (20 countries). This could be particularly perilous for Serbia if the European Union imposes border tariffs on imports from more polluting countries, as it is currently considering.

The term "energy mix" is a concept increasingly used with the emergence of new sources of energy (nuclear, alternative or renewable). It represents the distribution of different sources of energy in the total electricity production of a network. Among other things, shares of fossil, nuclear and renewable energy are benchmarks to compare different networks and to define the auto-sufficiency of a territorial entity. Acknowledging the key energy challenges of our age and our dependence on expensive imports, among other feedstock such as coal and oil fuel, the Republic of Serbia has set a political goal of attaining a certain level of energy self-sufficiency.

UNDP's project purpose is to provide a tool for information and research in order to help the Republic of Serbia in achieving its goal of diversifying the energy mix towards alternative renewable energy. The project will develop a study of possible technical solutions to this challenge which is the sufficiency of the country. This research project on the energy mix would study the consequences of various technical alternatives to fossil fuel consumption and emissions of greenhouse gases.