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PROJECT DOCUMENT – ADDENDUM 1

Serbia

Project Title: Supporting trade and investment in the Agro-industrial sector in Serbia – Addendum 1
Project Number: 00098875
Implementing Partner: Ministry of Agriculture, Forestry and Water Management - Directorate of Agricultural Land
Start Date: 01 September 2016 **End Date:** 31 December 2019 **PAC Meeting date:** 19 July 2016

Brief Description

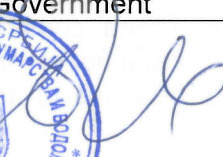
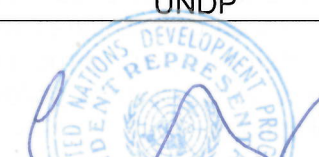
This initiative is a part of UNDP Serbia “Aid for Trade: Support to Productive Capacities in the Agro-industrial Sector in Serbia” programme that has overall objective to further support the Ministry of Agriculture, Forestry and Water Management to implement necessary reforms and policy measures that will contribute to improved trade and investment in Serbian agricultural sector, and uplift Serbia’s agricultural potential for the benefit of sustainable economic development.

Ministry of Agriculture, Forestry and Water Management has a separate directorate which deals with management of the agricultural land owned by the Republic of Serbia known as Directorate of Agricultural Land (DAL). DAL focuses on the identification and determination of agricultural land and the comparison between the information in the cadastre and situation ‘in the field’ in order to improve management of such an important resource in a transparent, efficient and responsible manner.

This initiative will focus on identifying the state-owned abandoned land that represents a great potential for new investments and development of agriculture sector primarily in the part dealing with organic production. Furthermore, it will upgrade the information system and thus set basis for identifying the abandoned land in accordance with European Regulations and the Common Agricultural Policy (CAP).

Contributing Outcome (UNDAF/CPD, RPD or GPD): By 2020, there is an effective enabling environment that promotes sustainable economic development, focused on an inclusive labour market and decent job creation. Indicative Output(s) with gender marker ² : Improved implementation of local development plans and applied sustainable solutions. GEN:1	Total resources required:	67,373.12 \$	
	Total resources allocated:	Donor:	
		Government:	67,373.12 \$
		In-Kind:	
Unfunded:			

Agreed by (signatures)¹:

Government	UNDP	Implementing Partner
 Print Name:	 Print Name:	Print Name:
Date: 18/06/2019	Date: 11/06/2019	Date:

I. DEVELOPMENT CHALLENGE

Agriculture has always been an important part of the Serbia's economy, and it has significant contribution to gross domestic product (GDP), recording around 10 % share of GDP in the last couple of years, while the share of food industry varied around 5% of total GDP. It is also a very important sector in terms of employment. Agriculture accounts for 21% of Serbia's labor force, with a share of rural population of 42.9%. In order to increase employment and stabilize incomes of already employed people, Serbia needs to considerably increase its performance to fully realize the potential that this sector brings. In 2018, male employment in agriculture amounted to 21%, whereas female employment was at 16%. The importance of agriculture in Serbian economy is derived from natural conditions and traditionally important role of the primary agricultural and food processing industry.

The Republic of Serbia has 5.06 million hectares of agricultural land which covers 65.21% of the territory of the Republic of Serbia (7,759 km²). A total of 71% of the surface of agricultural land is used in an intensive way (in the form of ploughed fields, orchards and vineyards), while 29% of the agricultural area consists of meadows and pastures. Characterised by rich land resources and a favourable climate, agriculture represents a vital sector of the Serbian economy. Serbian terrain ranges from the flat and rich lowlands of Vojvodina in the north for crop farming and vegetable production, to hilly terrain in central Serbia and high mountains on the eastern, western and southern borders of the country, suitable for sheep and cattle breeding, and fruit and wine production.

According to data from the Census of Agriculture 2012 there are 631,522 registered farms (99.5% are family farms with 17% being held by women), which used 3.437 million hectares of farmland (67% of agricultural land). The average size of land used by the agricultural holding is 5.4 ha. The dominant part of the agricultural land is used in the form of arable land (3.3 million hectares or 65%), while about 7% per year is not used (it is in the form of fallow or untilled soil). Beside the areas that are left fallow, significant part of meadows and pastures are not used because of inaccessibility or infestation or due to economic unprofitability.

It is estimated that every year between 200 and 350 thousand hectares of arable land and meadows are not utilized, while the area of abandoned agricultural land to pastures is much higher.

Focus of the initiative: State-owned abandoned land

In Central Serbia around 95% of the total land area is with less productive potential and unsuitable for processing (it belongs to V-VIII category) which contributes to high prevalence of unused agricultural land in this region, primarily in Southern and Eastern Serbia and Sumadija and Western Serbia. Risk of land abandonment is one of important indicators monitored through the implementation of the Common Agricultural Policy² (CAP). The indicator on the land abandonment risk has replaced the indicator on marginalization developed on the EU level. The reasons for land abandonment are multidimensional and can be differentiated as follows: natural constraints, land degradation, socio-economic factors, demographic structure, and institutional framework. Regardless of the cause, abandonment is of concern to policy makers because of its negative social, economic and environmental implications.

The Law on Agricultural Land³ (Article 59, paragraph 2) stipulates that the Ministry may lease arable private agricultural land that has not been processed in the previous vegetation period, to an individual or legal person for a period of up to three years (rent-payment to the owner of the

² https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy_en

³ The Law on Agricultural Land ("Official Gazette RS", no. 62/2006, 65/2008 - law, 41/2009, 112/2015, 80/2017 and 95/2018) https://www.paragraf.rs/oropisi/zakon_o_poljoprivrednom_zemljistu.html

land is made after deducting the costs of the proceeding). When it comes to the state-owned agricultural land, Law on Agricultural Land (Article 61. paragraph 5) stipulates that, if state-owned agricultural land has not been leased for at least the last three agro-economic years and has not been used through public auction at an initial price of RSD 0, this agricultural land can be given for a period of up to five years to active individuals and legal persons registered in the Register of Agricultural Households, for agricultural production use. These legal provisions regulate 'abandoned land', however the approach to managing abandoned land should be further elaborated to optimize its use.

Therefore, Serbia needs to thoroughly assess its own factors for land abandonment, determine its driving forces and in response prepare adequate policy measures.

Approach to Improving the Abandoned Land Management

In order to improve effectiveness of agricultural land management, DAL developed Information system for the preparation of the Annual Program for the protection, arrangement and use of agricultural land (IT system in further text). This IT system is implemented as server/client solution with one central server in DAL hosting web applications for managing state owned agricultural land (for more than 150 web clients in local municipalities). Clients use the system to create Annual Program for state owned land lease.

Existing IT system represents an integrated geospatial data system, enabling users to identify and access information on agricultural land. Spatial information unified within a common infrastructure provides a multitude of possibilities for use in agricultural sector. Cadastral parcel plots and related ownership data are the foundation of the system. Data source for this dataset is Republic Geodetic Authority (RGA). Data import, filtering and extracting of state-owned agriculture land is performed automatically. Cadastral parcels are integrated with data related to land lease contracts managed by separate system (Inzem) hosted at the same infrastructure. This data (parcel plots, ownership information and active contracts), along with other auxiliary datasets (web GIS services from RGA, such as Digital Cadastral Plan, orthophoto imagery, satellite imagery, basemaps etc.), is mashed-up in web GIS application for creating Yearly Program for state owned land lease. Central database stores nearly 19 million cadastral parcels with full set of ownership data for the whole territory of Serbia.

Existing IT system currently lacks information about the state-owned abandoned land (200-350 thousand hectares of arable state-owned land and meadows, and large state-owned abandoned pastures). The identification of the state-owned abandoned land and its incorporation into the IT system would create basis for sound management of the state-owned abandoned agriculture land.

II. STRATEGY

This initiative focuses on the identification of the state-owned abandoned land in accordance with European Regulations and the Common Agricultural Policy (CAP).

Goal of the initiative is to create conditions for putting the state-owned abandoned land in function, and thus increase rural productivity and competitiveness, and prevent degradation of the state-owned abandoned agricultural land.

The main objectives are:

- To determine the exact area of the state-owned abandoned land in 4 municipalities in Serbia using pre-defined criteria;
- To upgrade the existing IT system that will enable establishment of an open data-base of the state-owned abandoned land.

In order to reach the objectives, UNDP will closely cooperate with the Ministry of Agriculture, Forestry and Water Management and its Directorate for Agricultural Land. UNDP will outsource necessary expertise (in further text Expert Team) needed for the technical tasks as specified in the action plan.

Initiative will be implemented through the following actions:

1. Defining the criteria for identification of the state-owned abandoned land:

The criteria for identification of the state-owned abandoned land will be defined using the best practices of the countries that have identified the state-owned abandoned land and combining it with the local context in Serbia. Information about the on-the-spot situation when it comes to the state-owned abandoned land in Serbia will be obtained through pilot field research in four municipalities. Municipalities that are most suitable for determining the status of the state-owned abandoned land will be identified by DAL through the satellite images of the existing IT system. Selected municipalities shall also possess land-use planning documentation in digital (GIS and CAD) format. Experts will be hired to perform field research and examine the status of the state-owned abandoned plots and its' precise GPS location, and analyse the data collected in the field in these pilot municipalities.

DAL will define the criteria for identification of the state-owned abandoned land based on the field analysis conducted in pilot municipalities. Proposed criteria will be tested in order to determine whether the defined criteria are applicable. Expert team will test the proposed criteria through further state-owned abandoned land identification in pilot municipalities. Lessons learned in this process will be used for modifying the criteria, if needed, and coming up with the final criteria for identification of the state-owned abandoned land.

2. Identification of the state-owned abandoned land in four municipalities:

The state-owned abandoned land on the territory of selected four municipalities will be identified using the criteria defined in the first step. The identification will be performed using:

- Satellite images,
- Control in the field,
- Comparison with the information in the existing IT system and with the cadastral data.

Expert team will perform the field research and collect information about the exact GPS locations and characteristics of the state-owned abandoned land in four municipalities. While identifying the state-owned abandoned land in four selected municipalities, expert team will use the criteria for identifying the abandoned state-owned land defined in under the Activity 1.

In the next step, expert team will compare the collected data with the existing satellite and orthophoto recordings from the existing IT system. Ministry of Agriculture, Forestry and Water Management (Directorate for Agricultural Land) is responsible to provide data (satellite and orthophoto recordings from the existing IT system) on the state-owned abandoned land in four municipalities to UNDP that coordinates Expert team, in adequate digital high-quality format.

Expert team will record and report on all the identified discrepancies between field findings and existing satellite and orthophoto recordings in the existing IT system. Expert team will also check the cadastral registration in order to verify ownership and, more importantly, the purpose of the land in these municipalities. The subject of the research will not be the land that is designated as a construction land by the spatial plans nor the privately-owned abandoned land. Ministry of Agriculture, Forestry and Water Management (Directorate for Agricultural Land) will be responsible for making the necessary modifications in the existing IT system.

3. **Development of the additional component to the existing IT system and upload of the information on the state-owned abandoned land into IT system:**

Through this activity an additional IT component that can "remotely" recognize the abandoned state-owned land (instead of only "viewing" option of the satellite and orthophoto recordings) will be developed and integrated in the existing IT system.

The additional component of the existing IT system will be based on a semi-automated process of identifying abandoned land according to a predefined methodology, which includes:

- Use of high-resolution multispectral satellite images (Sentinel, Landsat, RapidEye, SPOT, WorldView, Pleiades, etc.) to automatically identify potential sites of abandoned land with advanced remote detection algorithms;
- Field verification of potential locations through data-collection using mobile and web GIS applications;
- Identification of land ownership using digital cadastral data (web GIS service and physical data of DKP) through the web GIS application;
- Identification of the planned land-use based on the available planning documentation in digital (GIS and CAD) form;
- Monitoring of land-use through automated reporting.

The system is foreseen to become operative through:

1. **Pilot phase** - application of advanced automatic identification algorithms using time series of multispectral satellite images for the territories of several local self-governments within the boundaries of characteristic geographic and agricultural regions, field verification of identification, and identification of land ownership with recommendations for returning state-owned abandoned land to a sustainable status of use according to purpose;
2. **Calibration phase** – comparison between the results obtained from identification of abandoned state-owned land in four municipalities (performed by the newly developed component of IT system) and the situation in the field (obtained from field research in same municipalities) will provide information about the calibration needs. Further upgrade of the IT system that is beyond the timeframe of the proposed initiative under this Addendum will be a responsibility of the Ministry of Agriculture, Forestry and Water Management, as the owner of the IT system.
3. **Full implementation phase** for the whole territory of the Republic of Serbia and making the IT system publicly available will be responsibility of the Ministry of Agriculture, Forestry and Water Management. In the short-term, IT system will be able to automatically identify abandoned land verified in the field, which will be presented to all stakeholders through the web GIS application. In the medium and long-term, the expected outcome is the increase in the land-use, while respecting the principle of sustainability.

This software will enable incorporation of the information on the identified state-owned abandoned land into the existing IT system and made available in an open source format. Data base will contain geospatial data, enabling users to identify and access spatial information on state-owned abandoned agricultural land.

An additional component of the IT system will show which plots of state-owned land are abandoned. Public insight will be provided making the information on state-owned abandoned plots that could be put into use publicly available. In addition, additional component of the IT system will indicate the parcels that may be suitable for organic production.

Availability of data combined with existing incentives (land-lease at an initial price of RSD 0) is expected to promote further use of the state-owned abandoned land, thus stimulating the agricultural production. The upgraded IT system, containing publicly available information on state-owned abandoned land, will create basis for such deployment of the state-owned abandoned plots.

Deploying the state-owned abandoned agricultural land carries great potential for growth, investments and contribution to overall economic growth, employment generation and improved sector performance. This initiative will enable unlocking of that potential.

III. RESULTS AND PARTNERSHIPS

Expected Results

In order to improve effectiveness of agricultural land management, DAL developed Information system for the preparation of the Annual Program for the protection, arrangement and use of agricultural land (IT system in further text). This IT system is implemented as server/client solution with one central server in DAL hosting web applications for managing state owned agricultural land (for more than 150 web clients in local municipalities). Clients use the system to create Annual Program for state owned land lease.

Existing IT system currently lacks information about the state-owned abandoned land (200-350 thousand hectares of arable state-owned land and meadows, and large state-owned abandoned pastures). The identification of the state-owned abandoned land and its incorporation into the IT system would create basis for sound management of the state-owned abandoned agriculture land

Resources Required to Achieve the Expected Results

The main inputs required in this project relate to human resource capacities, capable of accelerating and improving the utilization of state-owned abandon land. In addition, achieving the outputs of the project relate to communications and marketing type of activities that will be done by the Ministry of Agriculture, Forestry and Water Management so as to make the identified state-owned abandon land attractive to agriculturalist in Serbia. Minor or no purchase of equipment is foreseen as well as relatively small travel costs.

Partnerships

In order to reach the objectives, UNDP will closely cooperate with the Ministry of Agriculture, Forestry and Water Management and its Directorate for Agricultural Land, as well as with identified pilot local self-governments where the mapping of state-owned abandon land will be conducted.

Risks and Assumptions

- Certain abandoned state-owned plots may be non-accessible during field visits, therefore close cooperation with municipalities will be established so as to ensure accessibility.
- Furthermore, technical obstacles to adding the additional IT component to the existing web platform might occur which will be avoided through direct engagement of the experts that developed and operate the existing platform within the Ministry of Agriculture, Forestry and Water Management and its Directorate for Agricultural Land.

Stakeholder Engagement

The Ministry of Agriculture, Forestry and Water Management and its Directorate for Agricultural Land will be responsible for selection of pilot local self-governments and its

leadership. They will be acquainted with the project activities and results so as to ensure smooth implementation of activities. Data gathered and calibrated will be posted on the Ministry site and thus become available to wider audience.

South-South and Triangular Cooperation (SSC/TrC)

- *n/a*

Knowledge

Specific outputs of the project will address the creation of knowledge product aimed at promoting state-owned abandon land in Serbia. In addition, this product will be publicly available in an open source format. Finally, once the outputs are completed, the Ministry of Agriculture, Forestry and Water Management and its Directorate for Agricultural Land will focus on the creation of a more clear and stable regulatory investment framework, which will generate a series of knowledge products. The project will also liaise closely with other UNDP initiatives, including those related to the local level, and central Government support projects.

Sustainability and Scaling Up

As noted previously, the project will be deeply embedded within the structures of the Ministry of Agriculture, Forestry and Water Management and its Directorate for Agricultural Land, working on close partnership and coordination with local self-governments in Serbia. Having in mind that the initiative will be piloted in four municipalities, the task of the Ministry will be to upscale the abandoned land identification to the whole territory of the Republic of Serbia by upgrading the existing IT software for automatic identification. This is expected to result in increase of the land-use, due to leasing the state-owned abandoned land to potential agricultural producers. Finally, the project represents a small-scale intervention in the sector, with the intention to mobilize additional resources for scaling up activities.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

The project will build on lessons learnt from the "Aid for Trade" project in terms of operational modalities and forging key partnerships with the Ministry of Agriculture, Forestry and Water Management and in particular Directorate for Agricultural Land.

As a cost efficiency element, technical advisory services will be greatly merged with managerial responsibilities, leading to better informed management decisions and better streamlining of activities, targeting direct needs at lower cost for assessment-like activities.

Project Management

The existing Aid for Trade Project Team (in further text Project Team), established by UNDP, will be responsible for overall project coordination and implementation, consolidation of work plans and project papers, preparation of progress reports, reporting to the project supervisory bodies, and supervising the work of the project experts and other project staff. The Project Team will also closely coordinate project activities with relevant Government institutions and hold regular consultations with other project stakeholders, including other relevant projects.

Overall project guidance will be provided by the Project Board (PB) that will consist of UNDP and Ministry of Agriculture, Forestry and Water Management representatives. The Project Board will be responsible for making management decisions for the project, in particular when guidance is required by the Project Team. It will play a critical role in project monitoring and evaluations by assuring the quality of these processes and associated products, and by using evaluations for improving performance, accountability and learning. The Project Board will ensure that required resources are committed. It will also arbitrate on any conflicts within the project and negotiate solutions to any problems with external bodies. In addition, it will approve the appointment and responsibilities of the Project Team and any delegation of its Project Assurance responsibilities. Based on the approved Annual Work Plan, the Project

Board can also consider and approve project plans and approve any essential deviations from the original plans.

The Project Board is the group responsible for making by consensus management decisions for a project when guidance is required by the Project Team, including recommendation for approval of project plans and revisions. Project Board decisions should be made in accordance to standards that shall ensure best value to money, fairness, integrity, transparency and effective international competition. Project reviews by this group are made at designated decision points during the running of a project, or as necessary when raised by the Project Team. This group is consulted by the Project Team for decisions when tolerances (normally in terms of time and budget) have been exceeded. 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.

Project Assurance is the responsibility of each Project Board member. Due to other obligations and responsibilities that Project Board members have outside the project, the role can be delegated. 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. For nationally implemented projects, the assurance role is usually assumed by UNDP staff. UNDP will assume the project assurance role accountable to the Project Board. Managerial and administrative accountability will be ensured through periodic field visits and spot checks.

V. RESULTS FRAMEWORK

<p>Intended Outcome as stated in the UNDAF/Country (or Global/Regional) Programme Results and Resource Framework: By 2020, there is an effective enabling environment that promotes sustainable economic development, focused on an inclusive labour market and decent job creation.</p>							
<p>Outcome indicators as stated in the Country Programme (or Global/Regional) Results and Resources Framework, including baseline and targets:</p>							
<p>1. Number of municipalities in the extremely underdeveloped group Baseline (2013): 46; Target (2020): 35</p>							
<p>2. Employment rate disaggregated by sex Baseline (2013): 54.9% male, 40.1% female; Target (2019): 60% male, 45% female</p>							
<p>Applicable Output(s) from the UNDP Strategic Plan: Low emission and climate resilient objectives addressed in national, sub-national and sectoral development plans and policies to promote economic diversification and green growth</p>							
<p>Project title and Alias Project Number: Supporting trade and investment in the Agro-industrial sector in Serbia - Addendum 1 / 0008874</p>							
EXPECTED OUTPUTS	OUTPUT INDICATORS ⁴	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)		DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	FINAL	
<p>Output 1 The exact area of state-owned abandoned land defined and identified in four municipalities in Serbia</p>	<p>1.1 Number of defined criteria for identification of state-owned abandoned land</p>	<p>Published report</p>	<p>3</p>	<p>2019</p>	<p>5</p>	<p>5</p>	<p>Questionnaire</p>
	<p>1.2 Identified state-owned abandoned land in four municipalities in Serbia</p>	<p>Published report</p>	<p>No</p>	<p>2019</p>	<p>Yes</p>	<p>Yes</p>	<p>Consultancy reports</p>

⁴ UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

⁵ It is recommended that projects use output indicators from the Strategic Plan RRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

Output 2 Information on the state-owned abandoned land available in the open source web data-base	2.1 % coverage with information on state-owned abandoned land available in the IT system	Published report	0	2019	100%	100%	System report:
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VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.		
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to		

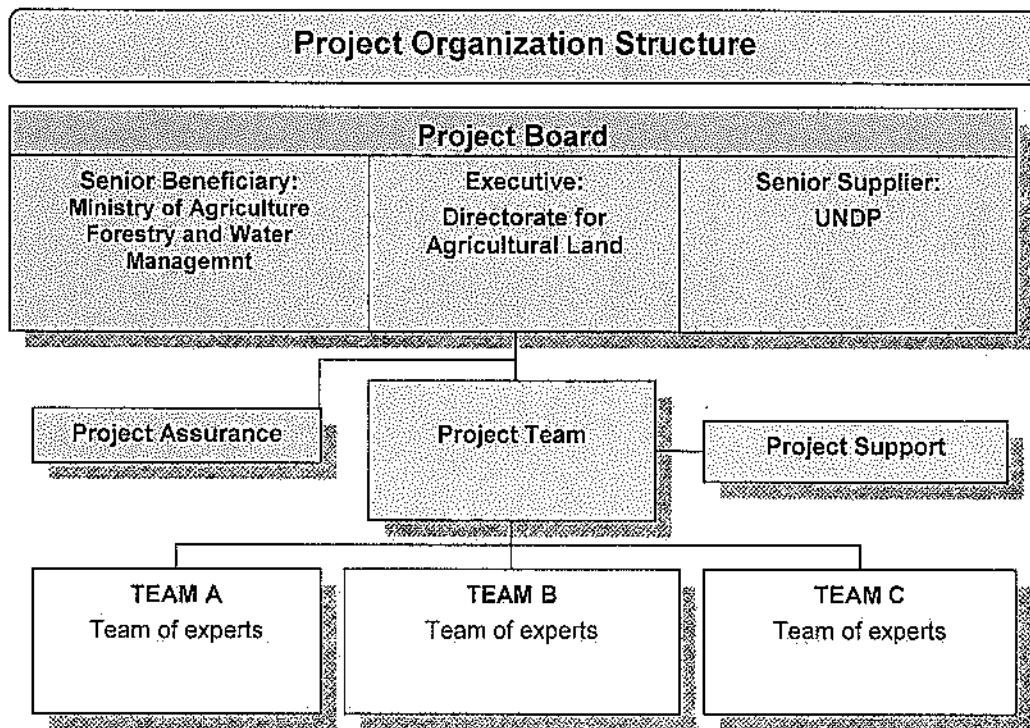
	decision making to improve the project.		improve project performance.		
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)			
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.		

VII. MULTI-YEAR WORK PLAN

EXPECTED OUTPUTS And indicators including annual targets	PLANNED ACTIVITIES List all activities including M&E to be undertaken during the year (towards stated outputs)	TIMESFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding source	Budget Description	Total Amount
Output 1: The exact area of state-owned abandoned land defined and identified in four municipalities in Serbia Baseline: DAJ does not possess criteria for identification of abandoned land Indicator 1: Defined criteria for identification of state-owned abandoned land	1.1 Defining the criteria for the identification of abandoned land 1.2 Verifying the state-owned abandoned land in four municipalities in Serbia using: - Satellite images, - Field work (visits to the sites), - Comparison with the information in the existing IT system and with the cadastral data.		X			UNDP	MoAFW 71301 Local consultants	30,000.00	
Indicator 2: Identified state-owned abandoned land in four municipalities in Serbia Target: 1: Yes 2: Yes			X		UNDP	MoAFW 71600 Travel	2,000.00		
					UNDP	MoAFW 72303 Information Technology Equipment	5,865.00		
					UNDP	MoAFW 72301 Transportation Equipment	12,000.00		
Output 2: Information on the state-owned abandoned land available in the open source web data-base Baseline: The existing IT system does not support info on state-owned abandoned land Indicator 1: Information on state-owned abandoned land available in the IT system Target: 1: Yes	2.1 Developing the additional IT component for identification of abandoned land under the existing IT system 2.2 Uploading the information on identified abandoned land into the IT system	X	X	X	UNDP	MoAFW 72101 Contractual Services-Companies	13,000.00		
PROGRAMMABLE								62,865.00	
DFC 4%								2,515.80	
GMS 3%								1,962.32	
GRAND TOTAL								67,343.12	

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The project will be executed under the National Implementation Modality, with UNDP support. Main implementing partner will be Ministry of Agriculture, Forestry and Water Management – Directorate for Agricultural Land that will appoint a National Project Director (NPD) to ensure overall responsibility of the project implementation and ensure full government support.



IX. LEGAL CONTEXT

Option a. Where the country has signed the Standard Basic Assistance Agreement (SBAA)

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Serbia and UNDP, signed on 24th of March, 1988. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by Ministry of Agriculture, Forestry and Water Management – Directorate for Agricultural Land ("Implementing Partner") in accordance with its 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. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. RISK MANAGEMENT

Option a. Government Entity (NIM)

1. Consistent with the Article III of the SBAA *[for the Supplemental Provisions to the Project Document]*, 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. To this end, 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.
2. 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 the Implementing Partner's obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no 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/sc/committees/1267/aq_sanctions_list.shtml.
4. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the

project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

8. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
9. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
10. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

11. *Choose one of the three following options:*

Option 1: UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

Option 2: The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Option 3: UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

12. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

13. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
14. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

Special Clauses. In case of government cost-sharing through the project, the following clauses should be included:

1. The schedule of payments and UNDP bank account details.
2. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.
3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
4. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
5. All financial accounts and statements shall be expressed in United States dollars.
6. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavors to obtain the additional funds required.
7. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph [] above is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
8. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

- (a) [...] cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
 - (b) Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.
9. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
 10. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP."

XI. ANNEXES

1. **Project Quality Assurance Report**
2. **Social and Environmental Screening Template** [\[English\]](#)[\[French\]](#)[\[Spanish\]](#), including additional Social and Environmental Assessments or Management Plans as relevant.
(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).
3. **Risk Analysis.** Use the standard [Risk Log template](#). Please refer to the [Deliverable Description of the Risk Log](#) for instructions.
4. **Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)
5. **Project Board Terms of Reference and TORs of key management positions**