



PROJECT DOCUMENT
Serbia

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БЕОГРАД, Немањина 11

Project Title: Aid for Trade: Support to Productive Capacities in the Agro-industrial Sector in Serbia

Empowered lives.
Resilient nations.

Project Number: 00098874

Implementing Partner: Government of Serbia, Office of the Prime Minister

Start Date: 01 September 2016

End Date: 30 June 2019

PAC Meeting date: 19 July 2016

Brief Description

The objective of this project is to promote inclusive growth through promoting productive capacities and competitiveness within the agro-industrial sector in Serbia. The project will focus on increasing trade and increasing/stabilizing income generation in rural areas. The project will achieve this through the following two components: first, the project will assist farmers and processors to improve their productive capacities and increase their knowledge on market and export information. Secondly, the project will strengthen cooperatives and associations to participate and input in relevant decision making processes. In addition to this, the project will work on promoting the potential of Serbian agriculture through supporting participation of producers and processors in fairs and other promotional events in the region as well as internationally. The project will also focus on optimizing the national legal and regulatory frameworks in selected areas to facilitate an enabling environment for export opportunities, with a special focus on increasing the number of certified export facilities.

Contributing Outcome (UNDAF/CPD):

By 2020, there is an effective enabling environment that promotes sustainable economic development, focused on an inclusive labor market and decent job creation

Indicative Output(s):

Improved business performance through enhanced market mechanisms

Total resources required:	\$1,500,000	
Total resources allocated:	UNDP TRAC:	
	Donor:	\$1,500,000
	Donor:	
	Government:	
	In-Kind:	\$2,145,000
Unfunded:		

Agreed by (signatures):

Government Ministry of Agriculture and Environmental Protection	UNDP	Implementing partner General Secretariat of the Government
Branislav Nedimović Minister 	Irena Vojáčková-Sollorano Resident Representative 	Novak Nedić Secretary General
Date:	Date: 5/9/16	Date:

I. DEVELOPMENT CHALLENGE

The agro-industrial sector is one of the most important economic sectors in Serbia. The significance of the sector is reflected in its contribution to the creation of the gross domestic product (GDP). During 2002 to 2010, the share of agriculture in national GDP ranged from 14.3% to 10.6% and the share of food industry ranged from 5.3% to 4.8%.¹ In 2015, the share of agriculture in GDP was 10.3%.² The agro-industrial sector is also an important in terms of providing significant employment. Currently, employment in this sector is close to 0.5 million people and approximately one third of Serbia's labor force is actively employed within this sector.³

Despite its importance, the agro-industrial sector is coming under increasing stress due to:

- Fragmentation within the sector that has resulted in limited productivity, higher input prices, and reduced competitiveness of the sector compared to regional and global markets;
- Limited understanding of the requirements needed to export as well as high investment and risk associated with exporting;
- Little coordination between the associations and cooperatives which is correlated to the overall fragmentation within the sector, but also results in limited participation of the sector in relevant decision making processes especially related to the regulatory framework;
- Regulations and quality infrastructure for agricultural products that are not fully aligned with other market requirements. This prevents and reduces competitiveness and exports of the sector.

Serbia can significantly increase its exports within the agro-industrial sector. The country needs to expand into existing and enter new markets for exporting products. Serbia has a comparative advantage in agriculture and food processing as well as in some other sectors, and still has lower labor costs than most other countries competing for the same markets. As the employment share of this sector is large, it is important to ensure that the sector increases its competitiveness to ensure stable or increasing employment rates.

In order to improve the current situation in agriculture and remove existing barriers, the following interventions are needed:

- Improve the business policy and regulatory framework - regulations are not fully aligned with global market requirements/standards, which prevents and reduces competitiveness and exports of the sector;
- Support businesses in certification processes that are based on global standards to ensure that Serbian businesses can access global and regional markets;
- Increase knowledge on market requirements among producers and businesses, including on standards and certification related to veterinary and phytosanitary standards, as well as quality issues/ standards or issues on Integrated Pest Management (IPM);
- Simplify cumbersome export certificates/permits and procedures. Lengthy procedures during exports, as well as high prices and long wait periods cause significant costs to businesses and forces them to sell in the domestic market for considerably lower prices;
- Support and promote dialogue between producers, processors, associations and institutions to ensure an informed decision process between stakeholders and the government;
- Promote Serbian investment and agricultural potential. Various domestic, regional and foreign specialized events could be used to further promote potentials of Serbian agriculture;
- Develop policies and mechanisms to predict, manage and respond to agricultural risks and crises situations.

¹ Serbian Chamber of Commerce

² Serbian Chamber of Commerce

³ Statistical Office of the Republic of Serbia

II. STRATEGY

This project focuses on building export capacities within the Serbian agro-industrial sector to improve Serbia's long-term trade and economic performance. The project builds upon UNDP experience in development assistance to the countries of Eastern Europe and CIS focused on poverty reduction, human and sustainable development, trade and private sector development, good governance and social and environmental policies. UNDP's approach to trade and productive capacities promotion is deeply rooted in the human development paradigm. The key link is the emphasis on increasing employment and wages, via measures to raise productivity in (mainly agro-processing) small and medium enterprises and farms, by improving export market access and reducing trading costs. Better integration into international trade can play an important role in the countries' efforts to reduce poverty and improve sustainable human development. Economic growth, fueled by trade, can be a pathway to ensure sustainable development if an inclusive and enabling human development-centered trade framework is established.

Aid for Trade (Aft) is a global initiative that strengthens countries' abilities to capture gains from international trade. Much of this agenda is focused on strengthening domestic production and competitiveness, via the creation of enabling business environments and building economic infrastructure. Activities coming under Aft fall into five categories: (1) trade policy and regulation; (2) trade development; (3) economic infrastructure; (4) productive capacity; and (5) adjustment costs. The current proposal will use a holistic approach targeting at least three of the five categories, namely (1) trade policy and regulation; (2) trade development and (4) productive capacity.

UNDP Serbia is a trusted and preferred partner of the Government of Serbia for several reasons, notably: UNDP provides neutral support to governments drawing from its global experiences in successfully promoting the sustainable development agenda. UNDP has established itself in Serbia as a value-added partner, which provides targeted but flexible support for development priorities of the Government. Finally, UNDP in Serbia has established itself as a knowledge broker ensuring that the latest in development thinking and implementation is made available.

A theory of change has been developed to map the approach the project is putting forward in addresses the issues the productive sector in Serbia is facing:

Immediate causes

- Lack of market access
- Limited dialogue among public and private stakeholders in the agro-industrial sector as well as limited participation from sector representatives in the decision making process
- Limited number of processors and companies compliant with international market requirements

Underlying causes/root causes

- Low knowledge and understanding of market requirements
- Insufficient availability of accurate and up-to-date information on market requirements in a form that is meaningful to support companies
- Regulatory framework complex, complicated and expensive for businesses that want to export (obtaining export licenses)
- Limited governmental support for exports improvement
- Limited investment in productive capacities

The above causes point to the need to i) work on improving access to the market, and ii) create an enabling environment for trade and Serbian agro-industry. All of these will be addressed during the project implementation and will lead to expected positive change. The project will contribute to improving access to markets by (i) developing tools that will assist exporters and processors to acquire information about target markets and, therefore, help them prepare for these markets better, (ii) work directly with companies and provide technical assistance and knowledge on required market standards. In addition, the project will work on creating an enabling environment that is supportive to businesses by facilitating dialogue,

coordination and collaboration between the private and public sectors, simplifying and streamlining regulations that affect trade and exports as well as promote the potentials of Serbian agro-industry in relevant regional markets.

A theory of change diagram is provided below, presenting the analytical flow from the development impact level (SDG) to overall outcome (UNDAF/CPD) and output as identified in a participatory manner between the Government and UNDP. It reflects different levels of priorities that have been identified in consultations with relevant national partners and based on relevant national documents (see the partnerships section below). Also, it contains project level results and planned interventions for addressing the problem and its causes (from top down). The theory of change will be regularly reviewed and updated if and when needed through the Project Board mechanism.

Gender considerations: The project will preferentially support productive activities with potential to generate particular benefits for women. For each project activity equal women participation will be required and close monitoring of any unintended negative consequences of social or economic importance to women will be conducted and such risks avoided. In addition, the income generating nature of the project will have a direct impact on rural household which will also benefit women.

Social and environmental standards: the project has been assessed as low risk impact against social and environmental standards (Annex 2).

Development impact

Outcome

Output

Results

Activities

Assumptions

Risks

Inclusive and sustainable economic growth, employment and decent work for all (SDG#8)

By 2020, there is an effective enabling environment that promotes sustainable economic development, focused on an inclusive labor market and decent job creation

Improved business performance through enhanced market mechanisms

Improved market access

One-stop-shop service

Improve capacities of processing and exporting facilities

- Government remains committed to increasing exports
- Interest and demand from facilities remains the same or increases
- There is sufficient number of businesses with export potential

Enabling environment for agro-industry created

Support cooperatives and associations

Simplify and improve regulatory environment

Participation in trade fairs

- Government maintains organizational capacity to communicate with cooperatives and associations
- There is sufficient number of businesses interested to participate in promotional events

- Government or institutional changes delay regulatory improvements
- Limited capacities of businesses for compliance

- Limited awareness of businesses on the importance of promotion
- Economic slowdown

III. RESULTS AND PARTNERSHIPS

Expected Results

This project will work on promoting inclusive growth through the promotion of productive capacities and competitiveness within the agro-industrial sector of Serbia. It will focus on increasing trade and that will in return increase and stabilize income generation in rural areas.

The project will achieve this through two components: (i) it will assist producers and processors to improve the quality of their products and increase their knowledge on market and export information, and (ii) the project will strengthen cooperatives and associations to participate and input in relevant decision making processes. In addition to this, the project will work on promoting the potential of Serbian agriculture through supporting participation of producers and processors in fairs and other promotional events in the region as well as internationally. The project will also focus on optimizing the national legal and regulatory frameworks in selected areas to facilitate an enabling environment for export opportunities, with a special focus on increasing the number of certified export facilities.

Project interventions will contribute to the UNDPF/CPD outcome that states “By 2020, there is an effective enabling environment that promotes sustainable economic development, focused on an inclusive labor market and decent job creation” and, furthermore, it will contribute to the overall development challenge of Sustainable Development Goal 8 that addresses inclusive and sustainable economic growth, employment and decent work for all.

Component 1: Improving Market Access

Improving market access relies predominantly on ensuring compliance to international standards of both producers and processors, as well as improving productivity (including quantity) and quality. The intervention will focus around two main areas: productivity and compliance with a special focus on raising awareness on Veterinary and Sanitary and Phyto-Sanitary (SPS) measures and good agricultural and manufacturing practices to meet food safety and quality requirements. Quality, as well as sufficient quantities are equally relevant in order to meet consumer demands and remain competitive on global markets.

Within this component the project targets the following results:

1. Establish a one-stop-shop that provides export-related information to the private sector. The one-stop-shop will reach over 10,000 producers and exporters before the end of the project, with at least 10 companies using their services having increased their export by 10%;
2. At least 400 company representatives will receive trainings on productivity and compliance targeting increasing exports. Direct support will also be provided to at least 8 companies to increase their export capacities through international certification. By the end of the project, participating companies will increase their export volume by at least 10%.

Activity 1.1: Establish a One-Stop-Shop Service to support exporters on knowledge and information required to access target markets. This service will be integrated into existing structures to ensure a stronger sustainability. The main services to be made accessible to producers and processors interested in exporting, may include:

- Export information portal that includes information on:
 - Export requirements, including export procedures, required documents and licenses, sanitary and phytosanitary standards, environmental, as well as technical standards;

- Market intelligence, including information on target markets most relevant for the main productive sectors of Serbia. Qualitative and quantitative needs of selected priority markets;
 - Agro price information, linking to existing platforms (FAOSTAT, etc.) to allow for informed policy decisions, market intelligence and global market monitoring;
 - Preferential arrangements, including guidance on use of preferential agreements;
 - Tariffs, including tariff information, duty relief, quotas and anti-dumping procedures.
- Investment promotion: establish portfolio of concrete investment opportunities in key agro-investment sectors.

The project will conduct an assessment to identify the needs of export ready companies and farms. The assessment will also include a capacity evaluation of existing structures that will host these services (e.g. newly established Serbian Development Agency, Chamber of Commerce, etc.). In order to ensure the availability of these services to a wide range of processors and producers, the services will be provided in-person, on the phone and on-line. In addition, a specific baseline assessment will be conducted to identify the main risks the agricultural sector is exposed to, and concrete mechanisms to address these.

At first, the service lines of the one-stop service will focus pre-dominantly on the horticulture, meat and dairy sectors which represent one of the most important agriculture export sectors in the country.

Activity 1.2: Increase the capacities of processing and exporting facilities such as dairy, meat, horticulture processing facilities, to access and expand into new markets. For this the project will undertake:

- Targeted trainings on market requirements, products standards and quality, packaging, product labeling, etc.;
- Support to the certification processes for 8 medium-size export facilities. This will target the introduction of international standards on veterinary and SPS to demonstrate the impact and results of such certification. The project will provide expert advice to introduce these standards for companies that are investment ready. Companies will finance the necessary infrastructural changes;

The trainings will be developed on the basis of the assessment undertaken under activity 1.1, to ensure that both client needs as well as market demands are met. Only companies that already have some export experience, or are close to export readiness will be selected under this activity.

Component 2: Enabling environment for trade and Serbian agro-industry

Increased and improved participation of a wide range of stakeholder is important to ensure that policies and regulations affecting the private sector are effective and efficient for both the government as well as companies. Many groups of Serbian producers and processors at the moment lack the resources and expertise to participate in these processes effectively. The same situation prevails regarding associations capacities to negotiate on behalf of their membership base on trade volumes, prices, subsidies or any other issues related to positioning their members in the market. The input of these actors could highlight key barriers to expanding the export sector in the country.

In terms of capacities to promote Serbian agriculture sector, there is no doubt that Serbia is not utilizing all the potential this sector has to offer. Stronger efforts are needed in order not only to promote agricultural products, but also to ensure that relevant investment flow is guaranteed into the sector.

1. At least 10 professional cooperatives/associations (100+ active members) demonstrate better skills to represent their members. At least 1,000 members of association and cooperatives will benefit from this;
2. The project will support the Government to improve at least four regulations that will impact at least 100,000 producers reducing barriers to existing, new or emerging markets;
3. At least 10 million USD worth in contracts concluded during trade fairs.

Within this component the project targets the following results:

The following activities are planned:

Activity 2.1: Support cooperatives and associations to participation in decision making processes

This activity will work with key associations and cooperatives providing dedicated trainings identified through a needs assessment. The trainings will focus on key skills that will allow those cooperative and associations to better represent their members. In addition, a producer/processor hub will be created which will constitute of a meeting place for actors in the sector, where they can come to together and decide on joint actions. The ultimate aim of this intervention is to strengthen public private dialogue between producer/processor associations and the government. In order for cooperatives and associations to learn from examples in other countries, one East-East knowledge exchange opportunity will be organized.

Activity 2.2: Simplify and improve the regulatory environment for key export commodities. The project will also target better and more simplified regulatory frameworks that supports the expansion of the private sector, especially dairy (cheese), meat or horticulture (pending confirmation from assessment). For this an assessment will be conducted to identify the main barriers producers and processors face when exporting. On the basis of this assessment an action plan will be developed for implementation by the Government. Depending on the focus of the activities, ground work for business automatization processes selected export processes could start. The project will support at least four changes to the regulatory framework. This activity will be closely aligned to work under taken activity 2.1 to ensure that concerns and issues of the private sector are integrated in the work.

Activity 2.3: Organize and support participation in international trade fairs

Within this activity, participation to up to three international trade fairs will be facilitated. Participation in or organizing three specialized events will be supported in order to present and promote Serbian agriculture. It could include a presentation of one product in target market such as World Food Moscow. A thorough assessment of products with highest export potential as well as of potential target market will be done and event planned together with partners from that country (e.g. embassy or chamber of commerce).

Partnerships

The project builds on the Aid for Trade (Aft) experience UNDP has within the Europe and CIS region, as well as globally. UNDP over the past decades has implemented Aid for Trade projects demonstrating its expertise in this, and its ability to coordinate specialized agency to bring their input when it relates to Aid for Trade. The Aft project in Serbia can built on successful experiences in BiH, Kosovo, Armenia, Georgia, Uzbekistan, Tajikistan and Kyrgyzstan where UNDP has demonstrated value-added in supporting the private sector to develop its productive capacities and to create jobs. Furthermore, the Aid for Trade project in Central Asia possesses strong knowledge on developing trade information platforms similar to the one stop shop proposed, and will be able to provide advisory support services free of charge to the project.

The project is consistent with national priorities, strategic documents and plans, namely with: Agriculture and Rural Development Strategy of the Republic Serbia (2014-2024), National Rural Development Program (2015-200), and draft National Agriculture Program (2015-2020).

In addition, the project is complementary to and will closely cooperate with the following projects and initiatives in the country:

UNDP Project “Support to the Prime Minister’s Office - Management of Citizen-Centric Policy Measures” (2015-2017, budget US\$ 2,630,725) In order to support prompt reforms, UNDP is assisting the Office of the Prime Minister with a strategic project unit, as a single information and coordination point supporting the head of government in achieving planned reforms in the areas of Infrastructure, Investment Climate, Agriculture, Privatization and Reform of State-owned Enterprises, and Public Administration Reform. The project “ Aid for Trade: Support to Productive Capacities in the Agro-industrial Sector in Serbia” will accelerate the objectives set by the Prime Minister in the area of agriculture, by helping to remove trade and market barriers for agricultural products. On the other hand, the Prime Minister’s team financed by the UNDP will be closely involved in AFT project implementation and steer and provide daily guidance for the project team. In addition, part of the project team will be located together with the strategic project unit for Agriculture at no additional cost.

UNDP Project “Strengthening the Oversight Function and Transparency of the Parliament” (Phase 1: 2013-2015 budget US\$ 1,206,000; Phase 2: 2016-2020 budget US\$ 2,512,222) The Project addresses the parliamentary outreach through bringing Members of the Parliament (MPs) closer to their electorate and transmitting experiences from the national to the local level. The project already supported several public hearings and mobile committee sessions, addressing the issues relevant to agriculture and rural development and in particular issues pertaining to the agricultural production and trade. Support to the Committee on Agriculture will continue in the similar manner and issues highly relevant to the proposed project will be discussed with MPs. One of the activities envisaged under the AFT project involve removing regulatory barriers for increasing trade and exports and once the regulatory documents are prepared, UNDP parliament project will organize hearings on these issues among Parliament Members in order to increase their understanding of the proposed changes and ensure smooth adoption. All costs of the related hearings will be borne by the Parliament project.

Cooperation with the Russian Federation

The Russian Federation is an important political and economic partner of Serbia. Serbia and the Russian Federation cooperate in almost all sectors of economy, as well as in education, science, culture, sports and other areas. Russian Federation is a large partner in terms of trade volume, being second most important partner for import (10.2%) and fifth ranked in terms of export (7.6%). Commodity trade between the two countries is around US\$ 3 billion (exports from Serbia amounting to approximately US\$ 1 billion, while the imports amount to over \$1.9 billion). In 2000, Serbia and the Russian Federation signed a Free Trade Agreement. The Agreement stipulates that goods produced in Serbia, i.e. which have at least 51% value added in the country, are considered of Serbian origin and exported to Russian Federation customs free. Unfortunately, Serbia does not have sufficient capacities to utilize this trade potential to its fullest extent.

During 2015, Serbian Prime Minister and Russian Ambassador to Belgrade agreed that there exists potentials for improving the economic cooperation between the two countries even further, primarily in the areas of agriculture and construction industry. The Serbian Prime Minister paid an official visit to the Russian Federation in October 2015. A team of economists and business representatives were also part of the state delegation. Improved political and economic cooperation were discussed and agricultural cooperation was high on the discussion agenda.

Serbia and the Russian Federation are working on improving cooperation on regulatory side, with more frequent exchanges between technical bodies in charge for approving export facilities (veterinary and phytosanitary departments). The project will also work with relevant trade attachés of the Russian Federation embassy in Belgrade, as well as the trade attaché of the Republic of Serbia embassy in Moscow.

The role of the Russian Embassy to Serbia and the Trade Mission Office was identified for the following activities: supporting project in establishing contacts with Russian Federation institutions (various phytosanitary and veterinary services, other import related institutions, etc.), helping project with organizing the promotion of Serbian agricultural products in fairs in the Russian Federation as well as supporting business to business matchmaking activities.

Stakeholder Engagement

Key project stakeholders were identified and their respective roles are described in the table below:

Partner	Project Role
Prime Minister's Office – Delivery Unit for Agriculture	In order to steer reforms at a fast-track pace, the Office of the Prime Minister set up Strategic Project Implementation Units as a single information and coordination point supporting the head of Government in reaching reforms. One of the Units is in charge of agriculture and it focuses on delivering fast results on a number of the Prime Minister's top priorities in this area. This office will be the main project partner and will steer project implementation and ensure highest level government support. The unit is responsible to coordinate with and between relevant line ministries such as the Ministry of Agriculture and Environmental Protection, the Ministry of Economy, the Ministry of Trade, Tourism and Telecommunication, the Serbian Development Agency.
Ministry of Trade, Tourism and Telecommunications	The MTTT will be closely involved in articulating and reviewing changes within the regulatory area as well as in activities that involve one stop shop services and disseminating information related to markets and export. MTTT will be represented in Project Board.
Ministry of Agriculture and Environmental Protection	The MoAEP will participate and provide inputs to agricultural risks identification, management and monitoring. It will also be part of activities related to SPS measures and control quality standards.
Serbian Development Agency	The Serbian Development Agency (RAS) is a government agency established in 2015 for direct investments, promoting and increasing exports and improving the competitiveness of Serbian economy. RAS overtook the mandate and activities of the former Serbian Investment and Export Promotion Agency and National Agency for Regional Development that both ceased to exist. It will be one the most important project partners and some project services such as one-stop-shop might be placed within RAS (pending assessment).
Serbian Chamber of Commerce	The Serbian Chamber of Commerce (SCC) is an independent, non-governmental, business and expert association of legal entities and individuals working in registered economic activity. SCC will be included in all outputs in order to engage their membership to participate actively in the project.
Farmers' and producers' associations/cooperatives	All relevant national associations and cooperatives will be encouraged to join the project as an opportunity to engage their members and ensure that the interest of their members are adequately represented in project activities and results. The project will focus primarily on larger associations and cooperatives (+100 active members).
Academic institutions	Academic and research centers will contribute technical knowledge and information throughout the activities.

UN Food and Agriculture Organization (FAO)	The project will closely cooperate with FAO and rely on their technical and policy expertise whenever relevant and justified.
Serbian embassies abroad	Serbian embassies abroad will be included in the project wherever there are trade related capacities (trade attachés, economic advisers, etc.) in order to support business to business matching activities, provide market intelligence information etc.
Foreign embassies in Serbia	Trade sections of foreign embassies in Serbia will be contacted and partnerships on trade established.

The project will also reach out to Geneva based UN agencies working on trade such as UNECE, WTO and UNCTAD. Especially regarding the one-stop shop specialized agencies of the UN system might provide an added value to the project.

East- East Cooperation

The project will enable harmonization of policies, legal frameworks and regulations between countries (e.g. Eurasian Economic Market, China, etc.) in order to increase opportunities and maximize mutual benefits of these exchange in the area of agriculture markets and exports. UNDP's experience in implementing Aid for Trade projects in Central Asia will help broker knowledge on agriculture and trade related solutions with detailed analysis and information on what has worked and what has not. The project will rely on experiences made within the AfT project in Central Asia on trade information platforms for the establishment of the one stop shop services.

In order to improve trade in agricultural products between Serbia and the Russian Federation, a joint working group was established. The working group meets once a year and discusses status and trends of trade cooperation in this area as well as potentials for improvements. The project will work with its Serbian counterpart to highlight export related issues within the joint working group.

Knowledge

The project will identify and develop information sharing platforms, such as existing electronic (e.g. websites and digital publications) or traditional (e.g. hard copy publications, and seminars and conferences) platforms for knowledge sharing and codify information related to markets requirements and exports for easier access and dissemination. Information and knowledge will be made available to local, regional, and national interest groups through national level forums (e.g. one stop shop, multilingual information portal, etc.). A platform for dialogue will be established for the exchange of information with cooperatives and associations as well as the private sector, helping inform policy level decision making.

Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition, the project will share lessons between the project managers of similar projects. The project will identify and participate, as relevant and appropriate, in scientific, policy-based, and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects.

Sustainability and Scaling Up

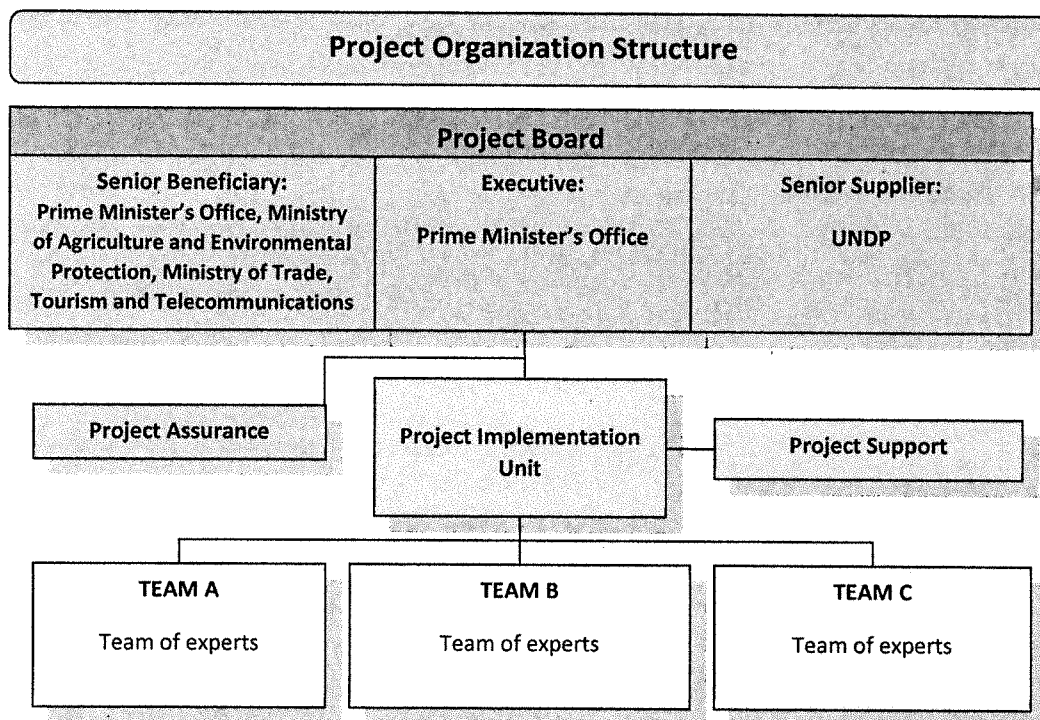
The main design features of this project closely follow the existing prototypes and services that exist in other countries. However, this project includes several innovations. These include (i) involving private sector into regulatory reforms through enhanced dialogues; (ii) supporting capacities of cooperatives and associations.

The project sustainability and success will depend on strong government commitment to support changes in enabling regulatory and legal framework. Since the project will closely cooperate with Prime Minister's Office directly, the highest level support will be ensured.

To strengthen the project sustainability, other institutions and organizations will be involved such as the newly established Serbian Development Agency, Chamber of Commerce, as well as universities and research institutions. Over the past years, UNDP developed in-depth expertise through its Aid for Trade Program in managing such projects and providing technical assistance in these areas.

The project's objectives are based on national priorities and a series of national legislative and strategic documents. Such approach ensures inherent ownership over the project's interventions and targets the core needs of the authorities. Even though the project has been designed specifically for Serbia, it can be easily replicated in other countries of the region as they are facing similar if not identical challenges in the agriculture sector.

IV. PROJECT MANAGEMENT



Given the strategic priority of this project at the national level, the Office of the Prime Minister (OPM) will act as the Implementing Partner of the Project. Serbian Ministry of Agriculture and Environmental Protection will be involved as project beneficiary as well. The OPM will appoint a senior official to be the National Project Director (NPD). The NPD will ensure full government support of the project. The project will be implemented under the National Implementation Modality (NIM) with UNDP support.

A Project Implementation Unit (PIU) will be established by UNDP. The PIU 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 PIU 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). This will consist of key national institutions. UNDP will also be represented on the PB. The Project Board will be responsible for making management decisions for the project, in particular when guidance is required by the Project Manager. 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 Manager 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 also approve any essential deviations from the original plans.

Other sectorial Ministries, such as ministries in charge of economy, agriculture, finance, trade, etc. will have an important role in the project, as well as various quality control organizations, chambers of commerce, etc. Those Ministries and bodies will participate in project activities. In addition, a broad range of stakeholders, such as research and scientific institutions, institutes, companies, CSOs, will also participate in the project implementation in order to foster science, technology and innovation initiatives. The project will also collaborate closely with the other relevant on-going projects in the Republic of Serbia in order to enable an effective information exchange between the projects and full utilization of their results. During the project's implementation, links with relevant regional and international institutions will be created, and their experiences will be used when selecting methodologies and implementing specific activities.

V. RESULTS FRAMEWORK

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 labor market and decent job creation										
Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: Share of value-added products in total value of Agriculture and Food exports (UNDAF indicator 7.3; Baseline: 22.3% (2013), Target: 25% (2020))										
Applicable Output(s) from the UNDP Strategic Plan: Improved business performance through enhanced market mechanisms										
Project title and Atlas Project Number: Aid for Trade: Support to Productive Capacities in the Agro-industrial Sector in Serbia										
OUTPUTS	OUTPUT INDICATORS ⁴	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)					DATA COLLECTION METHODS
			Value	Year	2016	2017	2018	2019	FINAL	
Output 1 Improved access to regional markets for producers, processors and exporters	1.1 The number of service lines established through the one-stop-shop that facilitate market access and market information	Project reports	0	2016	1	3	0	0	4	Service lines official established
	1.1 The number of producers and processors informed through the one-stop-shop service on export procedures		0	2016	0	3,000	5,000	2,000	10,000	Reports, MoU Database of the one-stop-shop service
	1.1 The number of companies with a 10% increase in exports		0	2016	0	4	4	2	10	Questionnaire to companies that use one-stop-shop services
	1.2 The number of company representatives participated in capacity development activities	Project reports	0	2016	50	150	150	50	400	Questionnaire to participating companies
	1.2 The number of exporting facilities possessing the necessary export certification		0		0	5	3	0	8	Questionnaire to participating companies, licenses issued

Output 2 <i>Enhanced enabling environment for trade and Serbian agro-industry</i>	2.1 The number of cooperatives/associations having better skills to represent their members through trainings	Project reports	0	8	2	0	10	Feedback questionnaires Assessments
	2.3 The value of contracts (million USD) concluded during trade fairs and agricultural promotion events							Contracts, feedback questionnaires

⁴ It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

<p>Project Report</p>	<p>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 long with mitigation measures, and any evaluation or review reports prepared over the period.</p>	<p>Annually, and at the end of the project (final report)</p>			<p>Project staff cost</p>
<p>Project Review (Project Board)</p>	<p>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.</p>	<p>At least annually</p>	<p>Any quality concerns or slower than expected progress should be discussed by the Project Board and management actions agreed to address the issues identified.</p>		<p>Project staff cost</p>

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:

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 analyzed 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.		Project staff cost
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.		Project staff cost
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.		Project staff cost
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 decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		Project staff cost
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 staff cost

Evaluation Plan

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Final project evaluation	All project partners	Improved business performance through enhanced market mechanisms	By 2020, there is an effective enabling environment that promotes sustainable economic development, focused on an inclusive labor market and decent job creation	December 2018	All listed under the Stakeholders and Management Arrangements section	USD 20,000 (project budget)

VII. MULTI-YEAR WORK PLAN

Expected outputs and expected results	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	Funding Source	PLANNED BUDGET	
		2016	2017	2018	2019			Budget Description	Amount (US\$)
		<p>Output 1 Improved access to regional markets for producers, processors and exporters</p> <p>R. 1.1 At least 4 service lines established through the one-stop-shop that facilitate market access and market information</p> <p>R. 1.1 The One Stop Shop service informs at least 10,000 producers and processors on export procedures</p> <p>R.1.1 At least 10 companies demonstrate 10% increase in exports</p> <p>s1.2 At least 400 businesses participated in capacity development activities</p> <p>R. 1.2 At least 8 exporting facilities possess the necessary export certification and increase their exports by 10%</p>	<p>1.1 Establish a One-Stop-Shop Service</p>	85,000	100,000			125,000	70,000
<p>1.2 Increase the capacities and certification of processing and exporting facilities</p>		43,000	70,000	70,000	40,000	UNDP	TFD	<p>71400 Contractual Services - Individuals</p>	75,000
<p>1.3 Management & Monitoring</p>		20,000	30,000	30,000	20,000	UNDP	TFD	<p>71600 Travel</p> <p>74500 Miscellaneous Expenses</p> <p>64300 Direct Project Cost</p>	<p>10,000</p> <p>5,000</p> <p>10,000</p>
Sub-Total for Output 1									703,000

Output 2 Enabling environment for trade and Serbian agri-industry R. 2.1 At least 10 cooperatives/associations have better skills to represent their members through trainings and at least one East East knowledge exchange activity. The overall activity will impact on at least 1,000 members R. 2.2 At least 4 regulations changed to facilitate export in selected areas, affecting at least 100,000 producers R. 2.3 At least 10 mln USD worth in contracts concluded during trade fairs and agricultural promotion events	2.1 Support cooperatives and associations	20,000	70,000	74,000	40,000	UNDP	TFD	72100 Contractual Services-Companies	50,000	
	2.2 Simplify and improve the regulatory environment for key export commodities	30,000	40,000	48,000	20,000	UNDP	TFD	72600 Grants 71600 Travel 74500 Miscellaneous Expenses 71300 Local Consultants 71200 International Consultants 71600 Travel 74200 Printing and publications 74500 Miscellaneous Expenses	100,000 50,000 4,000 60,000 50,000 15,000 9,000 4,000	
	2.3 Participation in trade fairs	44,000	75,000	75,000	30,000	UNDP	TFD	72100 Contractual Services-Companies 71600 Travel 74500 Miscellaneous Expenses	200,000 20,000 4,000	
	2.4 Management & Monitoring	20,000	30,000	30,000	39,889	UNDP	TFD	71400 Contractual Services - Individuals 74500 Miscellaneous Expenses 64300 Direct Project Cost	75,000 2,889 10,000	
	Sub-Total for Output 2									685,889
	Subtotal Outputs 1&2									1,388,889
	General Management Support 8%									111,111
	TOTAL									1,500,000

VIII. LEGAL CONTEXT

Click [here](#) for the standard text.

Consistent with the Article III of the Standard Basic Assistance Agreement (SBAA), 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.

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.

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/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document".

IX. ANNEXES

1. Detailed Co-Financing Breakdown

Source of co-financing	Type of co-financing	Description	Amount US\$
UNDP Serbia	UNDP Project "Strengthening the Oversight Function and Transparency of the Parliament"	Through one of its activities that supports parliamentary outreach, this project will support public hearings and mobile sessions for the Committee of Agriculture addressing the issues relevant to agriculture and rural development (e.g. incentives, trade barriers, production quality, etc.). The project has thus far supported 9 mobile sessions on agricultural production topics since its beginning in 2013 and additional 15 are planned in the following years.	\$300,000
UNDP Serbia	UNDP project "Support to the office of Prime Minister - Management of Citizen-Centric Policy Measures"	In order to steer reforms at a fast-track pace, UNDP supports the Office of the Prime Minister in setting up Strategic Project Implementation Units as a single information and coordination point for reaching reforms. One of the Units is in charge of Agriculture and is focused on delivering fast results on a small number of the Prime Minister's top priorities in this area (improvement of farm extension services, operationalization of food testing laboratories, reform of veterinary services and institutional building within Ministry of Agriculture) The co-financing amount represents the parallel financing that UNDP is supporting this very unit for next 2.5 years.	\$345,000
Government of Serbia	Ministry of Agriculture and Environmental Protection	Subsidies for investments in agricultural production and processing. Yearly subsidies for these activities are around US\$ 5 million, however, the estimate is that producers and processors that will be supported through this project will absorb approximately US\$ 0.5 m per year in subsidies.	\$1,500,000
Total Co-financing			\$2,145,000

2. Social and Environmental Screening Template

Project Information

Project Information	
1. Project Title	Aid for Trade: Support to Productive Capacities in the Agro-industrial Sector in Serbia
2. Project Number	
3. Location (Global/Region/Country)	Serbia

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the Project mainstreams the human-rights based approach

The project directly contributes to the right to work ICESCR Art 6.1, the right to an adequate standard of living ICESCR Art 11, as well as the elimination of discrimination against women UN CEDAW Art 14. The overall aim of the project is to support more decent jobs for population in rural areas. Interventions target increasing productivity and better access to global markets.

Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment

The project has an overall target of 30% female participation across its activities

Briefly describe in the space below how the Project mainstreams environmental sustainability

The project introduces international standards in export, these will be compliant with internationally recognized environmental norms.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks?
Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Attachment 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.

QUESTION 3: What is the level of significance of the potential social and environmental risks?
Note: Respond to Questions 4 and 5 below before proceeding to Question 6

QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?

Risk Description	Impact and Probability (1-5)	Significance (Low, Moderate, High)	Comments	Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.
Risk: female participation in trade and export related activities, especially within the agriculture can be difficult	1 = 2 P = 1	low		
Risk: support companies that produce adverse environmental damage	1 = 2 P = 1	low	The project will establish minimum environmental criteria to ensure that polluting companies will not be eligible for support	
Risk: informal employment	1 = 2 P = 1	low	The project will not work with companies that do not provide decent jobs, that include proper health and safety standards	
QUESTION 4: What is the overall Project risk categorization?				
Select one (see <u>SESP</u> for guidance)				Comments
Low Risk <input checked="" type="checkbox"/>				
Moderate Risk <input type="checkbox"/>				
High Risk <input type="checkbox"/>				

QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?

Check all that apply		Comments
<i>Principle 1: Human Rights</i>	<input type="checkbox"/>	
<i>Principle 2: Gender Equality and Women's Empowerment</i>	<input type="checkbox"/>	
<i>1. Biodiversity Conservation and Natural Resource Management</i>	<input type="checkbox"/>	
<i>2. Climate Change Mitigation and Adaptation</i>	<input type="checkbox"/>	
<i>3. Community Health, Safety and Working Conditions</i>	<input type="checkbox"/>	
<i>4. Cultural Heritage</i>	<input type="checkbox"/>	
<i>5. Displacement and Resettlement</i>	<input type="checkbox"/>	
<i>6. Indigenous Peoples</i>	<input type="checkbox"/>	
<i>7. Pollution Prevention and Resource Efficiency</i>	<input type="checkbox"/>	

Final Sign Off

<i>Signature</i>	<i>Date</i>	<i>Description</i>
QA Assessor		UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	No
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ⁶ greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No

⁶ In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions? ⁷	No

⁷ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	<p>Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?</p> <p><i>If the answer to the screening question 6.3 is "yes" the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i></p>	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	<p>Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?</p> <p><i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i></p>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

3. Risk Analysis

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Management response	Owner	Submitted, updated by	Last Update	Status
1	Government or institutional changes may delay regulatory improvements	Project development phase	Political	P = 4 I = 2	Elections are expected in late April 2016, however by the time project starts (expected mid-2016) the government will be constituted and institutions operational	Project Developer	Project Developer		
2	Economic slowdown may impact project results	Project development phase	Financial	P = 2 I = 2	The project will closely follow macroeconomic assessments and analyses that Ministry of Finance is conducting in order to preempt any negative consequences from potential fluctuations	Project Developer	Project Developer		
3	Natural disasters in the upcoming period might hamper agricultural production as well as trade and exports	Project development phase	Environmental Strategic	P = 2 I = 4	In case of natural disasters, One Stop Shop platform will include information for stakeholders on how to mitigate and/or adapt to those situations	Project Developer	Project Developer		

