



Country: Serbia
Project Document - Addendum 2

Project Title: Climate Smart Urban Development Challenge

UNDP Strategic Plan Environment and Sustainable Development Outcome(s): Outcome 5 – Countries are able to reduce the likelihood of conflict, and lower the risk of natural disasters, including from climate change
Outcome 1 – Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded

Expected Output(s): Output 1: Capacities for policy-making and implementation of international agreements improved
(Those that will result from the project and extracted from the CPD) Output 2: Climate change mitigation and adaptation measures implemented in key sectors, at national and local level

Implementing Partner: Ministry of Environmental Protection

Responsible Parties: UNDP

Brief Description


The objective of the project is to promote climate-smart urban development. By a challenge prize approach, it seeks to actively engage the civil society, public and business communities to come up with new and innovative ideas on how to contribute to this in practice and to jointly develop, finance and implement these ideas further. Broader and more effective use of new information and communication technologies (ICT) to enable and spearhead innovation and productivity gains, optimization of the resource use (e.g. by improved energy efficiency and resource sharing), reduction of physical mobility needs, more attractive public and non-motorized transport, increased use of renewable energy sources, climate smart waste management (improved recycling schemes and waste to energy) and other measures contributing to climate change mitigation are among the topics to be considered in this context.

Programme Period – 2016-2020
Key Result Area (Strategic Plan): **Signature solution 3:** Enhance national prevention and recovery capacities for resilient societies.
Atlas Award ID: 00087660
Atlas Project ID: 00104445
Start date: January 2017 –
End Date: December 2021
PAC Meeting Date: 23 December 2016
Management Arrangements: NIM

2018 budget: 300,000 USD

Total resources required:	\$ 300,000
Total allocated resources:	\$ 300,000
Regular	:
MoEP	\$ 300,000
In-kind:	\$ 500,000

Agreed by Government: 

Agreed by UNDP: 

14/03/2018

YEAR: 2018

I. ANNUAL WORK PLAN

EXPECTED OUTPUTS		PLANNED ACTIVITIES		TIMEFRAME				RESPONSIBLE PARTY	Funding Source	Budget Description	Amount in USD
				Q1	Q2	Q3	Q4				
<p>And baseline, associated indicators and annual targets</p> <p>Output 1: Improved access to and availability of data by an open data approach for development, management and monitoring of CSUD related performance of Serbian municipalities.</p> <p>Baseline: No data on municipal integrated cross-sectoral on-line information management system with open public access covering at least the energy, transport and waste sectors with regularly updated monitoring data and clearly defined sector specific performance targets, which are disaggregated, to the extent possible, by gender</p> <p>Indicator: Number of municipalities involved in development of integrated cross-sectoral on-line information management system with open public access covering at least the energy, transport and waste sectors.</p> <p>Target: 5</p>		<p>List activity results and associated actions</p> <p>Public outreach activities to raise awareness of public sector authorities and other key stakeholders (including CSOs and the private sector) on the Open Data concept Activities: Specific open data workshops and seminars, presentations in other public events, "hackathons", including preparation of communication materials such as: posters, press kit (notebooks, pens, USB, bookmarks), brochures, flyers, promotional videos. Compilation of views, ideas and, as applicable, EoIs/MoUs for starting to build up a CSUD open data infrastructure in Serbia</p> <p>Awarding with the CSUD Open Data Challenge Award(s) up to 10 local self-governments to participate in the development and implementation of the CSUD climate change software Activities: Evaluation of received project ideas based on the agreed selection criteria. Selection of the best project ideas Awarding event</p> <p>Further elaboration of CSUD Open Data indicators and benchmarks Activities: Developing Report that will include improved CSUD Open Data indicators and benchmarks, based on which the participating municipalities can set targets, assess their performance and monitor their progress towards these targets, including gender disaggregated targets, when applicable.</p> <p>Establishing Incubator and provide coaching Activities: Establishing incubator, including necessary equipment. Providing technical assistance and coaching of the selected cities and municipalities leading to finalized design and implementation of the integrated climate change software (local GHG inventory). Organizing specific workshops, mentoring sessions.</p>		X	X	X	X	UNDP	Cost sharing 30071	71300-Local consultants	20,000
					X		UNDP	Cost sharing 30071	72100-Contractual services – comp.	20,000	
							UNDP	Cost sharing 30071	71400-Contractual services – individual	30,000	
									71600-Travel	3,000	
									74500-Miscellaneous	1,000	
				X	X	X	UNDP	Cost sharing 30071	72200-Equipment	15,000	
				X	X		UNDP	Cost sharing 30071	75700-Training, workshops and conf.	5,000	

<p>Output 2: New innovative technical and systemic solutions and business models contributing to climate smart urban development identified, tested and replicated</p> <p>Baseline: No data on innovative technical and systemic solutions and/or business models contributing to climate smart urban development</p> <p>Indicators: Number of new innovative technical and systemic solutions and/or business models contributing to climate smart urban development identified.</p> <p>Target: At least 5</p>	<p>Establishing Incubator and provide coaching Activities: Establishing Incubator, including necessary equipment. Establishing CSUD coaching team to support further development of the ideas, including a network of international research institutes and professionals that may provide technical backstopping and share knowledge on the latest international developments in their particular field, while also taking into account gender related aspects. Branding Incubator (project logo, SDGs) Organizing specific workshops, boot camps, site visits, mentoring sessions.</p> <p>Awarding with the CSUD Innovation Challenge Award(s) up to 25 project ideas to participate in the development of the concepts and projects Activities: Evaluation of received project ideas based on the agreed selection criteria. Selection of the best project ideas. Awarding event.</p> <p>Selection of at least 5 finalists for the final round of the Innovation Challenge (to be decided during the co-financing call) and supporting their actual implementation in co-operation with the local-self governments Activities: Announcing public call (in cooperation with the Ministry of Env.) for co-financing of the projects. Evaluation of completed projects based on the agreed selection criteria. Selection of at least 5 finalist who will receive co-financing for projects' implementation;</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	<p>UNDP</p> <p>UNDP</p> <p>UNDP</p>	<p>Cost sharing 30071</p> <p>Cost sharing 30071</p> <p>Cost sharing 30071</p>	<p>71300-Local consultants</p> <p>72100-Contractual services- comp.</p> <p>71400-Contractual services – individual</p> <p>Premises Alterations</p> <p>74500-Miscellaneous</p> <p>72200-Equipment</p> <p>70000-Operations</p> <p>75700-Training, workshops and conf.</p>	<p>25,000</p> <p>20,000</p> <p>30,000</p> <p>5,000</p> <p>1,000</p> <p>18,000</p> <p>61,000</p> <p>10,000</p>
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	<p>Gender climate change dimension into Open Datana Challenge and Innovation Challenge Activities: Assist participating municipalities to gather and monitor cross-sectoral data on individual men and women (and households) in the selected sectors. Support capacity development of civil servants on gender dimension of the climate change resilience and adaptation and on the key governing frameworks for gender responsive planning. Support to women' organizations and community groups to apply to the CSUD Innovation Challenge and support to applicants to include gender dimension in the applications. Conduct gender analysis of the households GHG in selected cities and municipalities to establish gender patterns and roles and to serve as the guidelines for the CSUD Innovation Challenge</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>UNDP</p>	<p>Cost sharing 30071</p>		
<p>Output 3 Knowledge management and M&E to facilitate learning, scaling up and replication of project results Baseline: <ul style="list-style-type: none"> no climate change related platform Indicators: <ul style="list-style-type: none"> Number of downloads and pageviews Targets: 1000</p>	<p>CSUD knowledge management web-portal established with active content management and regular updating of data (which will be gender disaggregated to the extent possible) Activities: Regular updating website's contents. Continuous improvement of web-portal based on the needs of the users. Developing infographics, promotional videos about each awarded ideas/concepts, promotional video about conceptualization process.</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>UNDP</p>	<p>Cost sharing 30071</p>	<p>74500-Miscellaneous 75700-Training, workshops and meetings</p>	<p>1,000 3,000</p>
<p>Project Management</p>	<p>Monitoring and Evaluation Activities: Developing Annual audit and PIR report</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>UNDP</p>	<p>Cost sharing 30071</p>	<p>71400-Contractual services – individual 71600-Travel</p>	<p>7,392 2,000</p>
<p>Total programme:</p>										<p>277,392</p>
<p>Direct Project Cost (5%)</p>										<p>13,870</p>
<p>GMS (3%)</p>										<p>8,738</p>
<p>TOTAL BUDGET</p>										<p>300,000</p>

II. MANAGEMENT ARRANGEMENTS

The project will be implemented following UNDP's National Implementation Modality (NIM with UNDP support) according to the Standard Basic Assistance Agreement between UNDP and the Government of Serbia, and the Country Programme. All procurement and financial transactions will be governed by applicable UNDP regulations under NIM. The Implementing Partner for this project is the Ministry of Environmental Protection. The implementing partner is responsible and accountable for managing this project, including the monitoring and evaluation of project interventions, achieving project outcomes, and for the effective use of the project resources.

The Ministry of Agriculture and Environmental Protection will appoint the National Project Director (NPD) among officials from the Ministry of Agriculture and Environmental Protection at a level that provides enough authority and insight to represent the counterpart's ownership and authority over the project, to assume responsibility for achieving project objectives and ensure accountability to the head of the Implementing Partner and UNDP for the use of project resources and achieving outputs.

The Project Organization Structure is the following:

The Project Board (PB, also called Project Steering Committee) is responsible for making by consensus, management decisions when guidance is required by the Project Manager, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached within the Board, final decision shall rest with the UNDP Programme Officer and Project Manager.

The final composition of the Project Board will be decided at the outset of project operations and presented in the Inception Report. New members into the Board or participants into the Board meetings during the project implementation can be invited at the decision of the Board, by ensuring, however, that the Board will remain sufficiently lean to facilitate its effective operation.

The PB will provide high-level policy guidance and orientation to the implementation of the project (strengthen national decision making towards sustainable climate resilient development). The PB will be responsible for making management decisions for the project, in particular when guidance is required by the Project Manager. PB decisions should be made in accordance to standards that shall ensure best value in terms of 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 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 take corrective action as needed to ensure the project achieves the desired results. The Project Board will hold project reviews to assess the performance of the project and appraise the Annual Work Plan for the following year.

The Project Board will meet regularly (at least twice a year) to review project progress, discuss and agree on project work plans. One of the key tasks of the Board will be to ensure coordination and synchronization of central and local-level activities supported by the project. In this respect, the Board will serve as a platform for key project stakeholders to regularly get together and design on a joint strategy of work to reach the envisaged project results

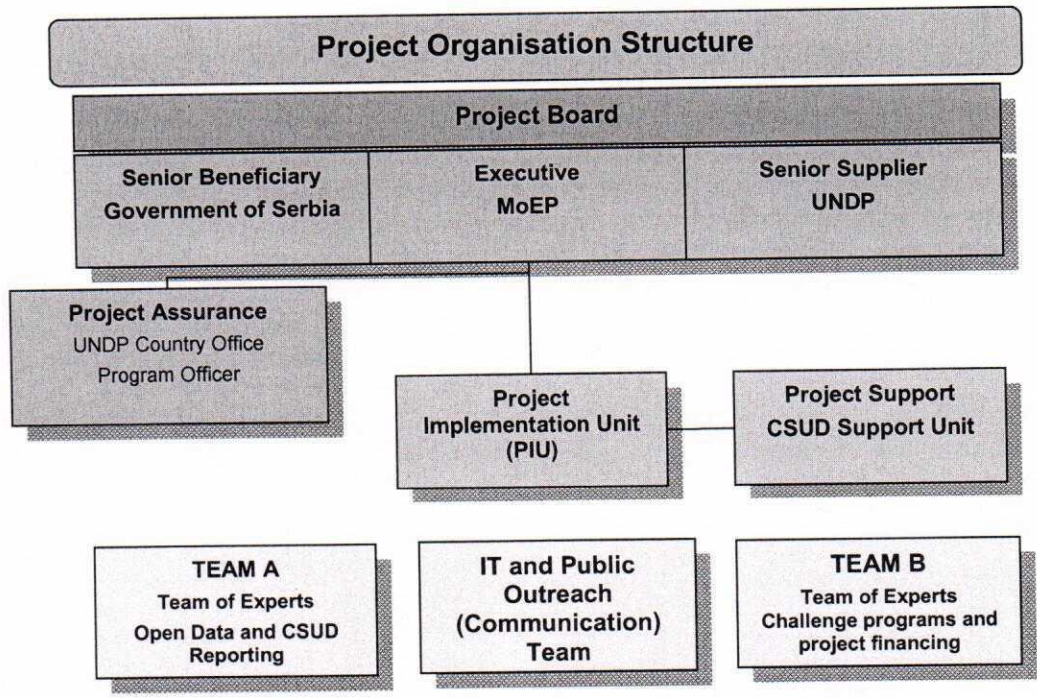
A **Project Implementation Unit (PIU)** will be established by UNDP, including a Project Manager (PM), a Senior CSUD Expert (SCE) and a Project Assistant (PA). The PIU will also closely coordinate project activities with relevant Government institutions and hold regular consultations with other project stakeholders and partners, including UNDP's relevant projects.

The PC will also closely coordinate project activities with relevant government institutions and hold regular consultations with other project stakeholders and partners. Under the direct supervision of the project manager, the Project Assistant will be responsible for administrative and financial issues, and will get support from the existing UNDP administration.

The Project Manager will run the project on a day-to-day basis on behalf of the Implementing Partner within the constraints laid down by the Board. The Project Manager function will end when the final project terminal evaluation report and corresponding management response, and other documentation UNDP Environmental Finance Services required by the GEF and UNDP, has been completed and submitted to UNDP (including operational closure of the project).

The project assurance roll will be provided by the UNDP Country Office by the UNDP Programme Officer and UNDP Programme Associate. Additional quality assurance will be provided by the UNDP Regional Technical Advisor as needed.

The Ministry of Agriculture and Environmental Protection (MoEP) will establish CSUD **Project Support Unit** comprised of representatives of several key MoEP departments.



III. MONITORING FRAMEWORK AND EVALUATION

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

Within the annual cycle

- On an annual basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.

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

Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.
- **Annual GEF Project Implementation Report (PIR).** Annual GEF PIR covers the reporting period July (previous year) to June (current year) for each year of project implementation. Any environmental and social risks and related management plans will be monitored regularly, and progress will be reported in the PIR

Quality Management for Project Activity Results

OUTPUT 1: Improved access to and availability of data by an open data approach for development, management and monitoring of CSUD related performance of Serbian municipalities.

Activity Result 1 (Atlas Activity ID)	Short title to be used for Atlas Activity ID <i>Improved access to data</i>	Start Date: March 2017 End Date: December 2021
Purpose	<i>What is the purpose of the activity?</i> To assist the participating local self-governments to develop their capacities to gather and monitor CSUD related, and to the extent possible, real time data with an emphasis on integrated, cross-sectoral data management systems and development of web portals and mobile platforms for facilitating public access to this information.	
Description <i>*Planned actions to produce the activity result.</i> 1.1. <i>Planned actions to produce the activity result.</i>	<ol style="list-style-type: none"> 1. Public outreach activities to raise awareness of public sector authorities and other key stakeholders (Including CSOs and the private sector) on the Open Data concept (Specific open data workshops and seminars, presentations in other public events, "hackathons", „.Compilation of views, ideas and, as applicable, Eols/MoUs for starting to build up a CSUD open data infrastructure in Serbia 2. Awarding with the CSUD Open Data Challenge Award(s). up to 10 local self-governments to participate in the development and implementation of the CSUD climate change software (Evaluation of received project ideas based on the agreed selection criteria, Selection of the best project idea, Awarding event) 3. Further elaboration of CSUD Open Data indicators and benchmarks 4. Establishing Incubator and provide coaching (Establishing incubator, including necessary equipment, providing technical assistance and coaching of the selected cities and municipalities leading to finalized design and implementation of the integrated climate change software (local GHG inventory) 	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. What method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>
Number of municipalities involved in development of integrated cross-sectoral on-line information management system with open public access covering at least the energy, transport and waste sectors	Field Verification	End 2018
<p>OUTPUT 2: New innovative technical and systemic solutions and business models contributing to climate smart urban development identified, tested and replicated</p>		
Activity Result 1 (Atlas Activity ID)	Short title to be used for Atlas Activity ID <i>Improved access to data</i> <i>Innovative solutions</i>	Start Date: March 2017 End Date: December 2021
Purpose	<i>What is the purpose of the activity?</i> To support the design, establishment and operation of a CSUD Innovation Challenge to initiate and support new innovative ideas and solutions leading to actual GHG emission reduction, as well as to harness innovation and foster shared goals around CSUD in cooperation with the participating local self-governments.	

<p>Description</p> <p>*Planned actions to produce the activity result.</p> <p>1.2. Planned actions to produce the activity result.</p>	<ol style="list-style-type: none"> 1. Establishing Incubator and provide coaching, establishing Incubator, including necessary equipment, establishing CSUD coaching team to support further development of the ideas, organizing workshops, boot camps, site visits. 2. Awarding with the CSUD Innovation Challenge Award(s). up to 25 project ideas to participate in the development of the concepts and projects: evaluation of received project ideas based on the agreed selection criteria, Selection of the best project ideas, awarding event. 3. Selection of at least 5 finalists for the final round of the Innovation Challenge (to be decided during the co-financing call) and supporting their actual implementation in co-operation with the local-self governments 4. Gender climate change dimension into Open Data Challenge and Innovation Challenge: 	
<p>Quality Criteria</p> <p>how/with what indicators the quality of the activity result will be measured?</p>	<p>Quality Method</p> <p>Means of verification. What method will be used to determine if quality criteria has been met?</p>	<p>Date of Assessment</p> <p>When will the assessment of quality be performed?</p>
<p>Number of new innovative technical and systemic solutions and/or business models contributing to climate smart urban development identified</p>	<p>Field Verification</p>	<p>End 2018</p>
<p>OUTPUT 3: Knowledge management and M&E to facilitate learning, scaling up and replication of project results</p>		
<p>Activity Result 1 (Atlas Activity ID)</p>	<p>Short title to be used for Atlas Activity ID</p> <p>Improved access to data</p> <p>Innovative solutions</p>	<p>Start Date: March 2017</p> <p>End Date: December 2021</p>
<p>Purpose</p>	<p>What is the purpose of the activity?</p> <p>To encourage and facilitate further development, scaling up and replication of the project results and intervention strategy.</p>	
<p>Description</p> <p>*Planned actions to produce the activity result.</p> <p>1.3. Planned actions to produce the activity result.</p>	<ol style="list-style-type: none"> 1. CSUD knowledge management web-portal established with active content management and regular updating of data (which will be gender disaggregated to the extent possible): Regular updating website's contents, Continuous improvement of web-portal based on the needs of the users. 2. Monitoring and Evaluation, Developing Annual audit and PIR report 	
<p>Quality Criteria</p> <p>how/with what indicators the quality of the activity result will be measured?</p>	<p>Quality Method</p> <p>Means of verification. What method will be used to determine if quality criteria has been met?</p>	<p>Date of Assessment</p> <p>When will the assessment of quality be performed?</p>
<p>Number of downloads and pageviews</p>	<p>Web-site statistics</p>	<p>End 2018</p>

IV. LEGAL CONTEXT

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

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

The implementing partner shall:

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

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

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

UNDP shall transfer all rights or titles over the purchased property or equipment, from the funds secured by the Ministry of Environmental Protection, and shall not have any claim over such property, equipment, beyond the satisfactory delivery of this property to the Ministry of Environmental Protection by UNDP selected vendor.

ANNEXES

Annex I - Risk Analysis: An assessment of risks that may affect the project should be conducted.

#	Description	Date identified	Type	Probability & Impact	Countermeasures / Mgt response	Owner	Submitted, updated by	Last Update	Status
1.	Lack of political will to effectively support open data approach, CSUD challenge programs and further implementation of the winning proposals.		Political	P = 3 I = 5	Identification of win-win opportunities not addressing climate change mitigation only, but challenges, on which there is a common agreement within the participating municipalities to be among the most pending ones. The final selection of the participating municipalities to be done only during the final design and/or implementation of the Challenge Program(s) on the basis of the demonstrated interest and commitment of the candidate municipalities to effectively participate in and contribute to project implementation.	Project Board			
2.	Lack of incentives and co-operation between public entities to effectively coordinate data management and to exchange and open data for public use.		Organizational	P = 3 I = 3	Awareness raising and demonstrated examples on the common benefits and related cost savings of an open data approach and co-ordinated data management. As needed, supporting the public administration to improve the regulatory framework governing the public data management.	Project Board + Project Team			
3.	Non-compatible data management software tools in different public entities preventing or slowing down data exchange and opening in machine readable formats.		Technology	P = 3 I = 3	Identifying and introducing already developed and tested ICT solutions in other countries (such as Estonia) to deal with the problem of originally incompatible data management systems and software used by different public entities.	Project Team			
4.	Lack of interest of the private sector and Serbian municipalities to take the challenge i.e. a risk that no proposals of decent quality and amount are received for the challenges announced.		Operational	P = 3 I = 5	Careful preparation and design of the challenges, including a comprehensive scoping study, consultations and capacity building of the key stakeholders in prior to launching the challenge. Design of the challenges in such a way that the reward for winning solutions (in terms of money, recognition, visibility or replication potential) can be judged as high enough by the potential participants to justify the risk of not being awarded. Securing adequate follow-up also for those non-awarded, but still promising solutions that may benefit	Project team			

#	Description	Date identified	Type	Probability & Impact	Countermeasures / Mgt response	Owner	Submitted, updated by	Last Update	Status
5.	Municipalities don't have the financial resources to invest in CSUD i.e. a risk that the project develops a wish list of investments with no follow-up in terms of the actual investments.		Financial	P = 3 I = 4	from the complementary information sharing and networking activities of the project This risk is mitigated by a number financing schemes currently available in Serbia with a potential to finance CSUD investments, including projects funded by bi- and multilateral donors and the already existing environmental funds managed by the local self- governments. There are also several municipalities, which have not reached their credit limit yet, meaning that they can still borrow money for investment that make economically and financially sense. Finally, there are likely to be measures which can be implemented at very low costs not really burdening the municipal budgets.	Project Board			
6.	Due to technical failure of the equipment and/or software used, the trust of the key stakeholders and investors on the proposed solution(s) is lost.		Technology	P = 3 I = 4	Given the innovative nature of the proposed solutions, this risk is present, but is sought to be mitigated by adequate pre-testing of the proposed solutions. As a part of that, adequate emphasis also needs to be put on the network safety and data protection of any ICT solutions tested and taken into use;	Project team			
7.	The proposed solution(s) and CSUD investments may generate waste that is harmful to the environment or have other environmentally detrimental impacts.		Environmental	P=3 I=3	The project will mitigate this risk by having as an obligatory component for all challenges that the proposed solutions need to include an environmental impact assessment (not a full-fledged, but of a scale corresponding to the type and stage of development of the proposed solution) addressing also the waste issue.	Project team			
8.	Overlapping project activities with other donor funded projects leading to duplication, inefficient use of resources and "donor fatigue" of the targeted beneficiaries.		Organizational	P = 2 I = 3	Adequate stakeholder consultations with other donors both during the project preparatory and its implementation, so as to define and proceed with fully complementary rather than overlapping activities	Project Board + project team			
9.	Lack of awareness and capacity at the municipal and central government level to effectively adopt and implement the CSUD		Operational	P = 3 I = 5	Strong focus of the project on awareness raising, coaching and capacity building and on identifying win-win opportunities not addressing only climate change mitigation.	Project Board + project team			

#	Description	Date identified	Type	Probability & Impact	Countermeasures / Mgt response	Owner	Submitted, updated by	Last Update	Status
10.	<p>ideas.</p> <p>Inadequate and/or non-capacitated human resources within the core project team to successfully implement the project by adaptive management and support the mainstreaming of its results.</p>		Operational	<p>P = 3</p> <p>I = 5</p>	<p>Recruitment of the key project staff based on competitive selection procedures emphasizing the qualifications and requirements set up in the ToR. Effective planning and day-to-day monitoring of the progress towards the set targets to complement the regular annual monitoring, including the use of international expert support to backstop and build up the local capacity for adaptive management and mainstreaming the project results when and as needed. Furthermore, this risk is foreseen to be mitigated by teaming up with an international expert entity having experience of designing and running challenge programs in other countries as well as by benefiting from the resources of the coaching team to be established under component 2 of the project.</p>	Project Board + RTA			

Annex II - Capacity Assessment: Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)

STANDARD LETTER OF AGREEMENT BETWEEN UNDP AND THE MINISTRY OF ENVIRONMENTAL PROTECTION FOR THE PROVISION OF SUPPORT SERVICES

Your excellency,

1. Reference is made to consultations between officials of the Ministry of Environmental Protection (hereinafter referred to as "the Ministry") and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally managed programmes and projects. UNDP and the Ministry hereby agree that the UNDP country office may provide such support services at the request of the Ministry through its institution designated in the relevant programme support document or project document, as described below.
2. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution (the Ministry) is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the project and in line with UNDP and GEF Guidelines.
3. The UNDP country office may provide, at the request of the designated institution, the following support services for the activities of the programme/project:
 - (a) Identification and/or recruitment of project and programme personnel;
 - (b) Identification and facilitation of training activities;
 - (c) Procurement of goods and services
4. The procurement of goods and services and the recruitment of project and programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the programme support document or project document, in the form provided in the Attachment hereto. If the requirements for support services by the country office change during the life of a programme or project the annex to the programme support document or project document is revised with the mutual agreement of the UNDP Resident Representative and the designated institution.
5. The relevant provisions of the UNDP standard basic assistance agreement signed on 24 March 1988 (Official Gazette of SFRJ 11/1988) with the Government of the Republic of Serbia (the "SBAA"), including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The overall responsibility for the nationally managed programme or project is retained through Government designated institution – the Ministry. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the programme support document or project document.
6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.
7. The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the programme support document or project document.
8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.
9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.

10. If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between the Ministry and UNDP on the terms and conditions for the provision of support services by the UNDP country office for nationally managed programmes and projects.

Yours sincerely,



Signed on behalf of UNDP
Steliana Nedera,
Deputy Resident Representative



For the Ministry of Environmental Protection of the Republic of Serbia
Goran Trivan, Minister

Attachment

DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

- Reference is made to consultations between the Ministry of Environmental Protection, the institution designated by the Government of the Republic of Serbia, and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed programme or project "Climate Smart Urban Development Challenge", project number 00087660/00104445 "the Project".
- In accordance with the provisions of the letter of agreement and the project document, the UNDP country office shall provide support services for the Project as described below.
- Support services to be provided:

UNDP Support services as per UNDP Programme and Operations Policies and Procedures	Schedule for the provision of the support services	Amount and method of reimbursement of UNDP (where appropriate) ¹⁾	Cost to UNDP of providing such support services (where appropriate) ^{2), 3)}
Outcome 1			
Local Consultants	As per AWP/ProDoc	20,000	As per actual cost
Contractual services – comp.	As per AWP/ProDoc	20,000	As per actual cost
Contractual services - individual	As per AWP/ProDoc	30,000	As per actual cost
Travel	As per AWP/ProDoc	3,000	As per actual cost
Miscellaneous	As per AWP/ProDoc	1,000	As per actual cost
Equipment	As per AWP/ProDoc	15,000	As per actual cost
Training, workshops and conf.	As per AWP/ProDoc	5,000	As per actual cost
Outcome 2			
Local Consultants	As per AWP/ProDoc	25,000	As per actual cost
Contractual services – comp.	As per AWP/ProDoc	20,000	As per actual cost
Contractual services – individual	As per AWP/ProDoc	30,000	As per actual cost
Premises Alterations	As per AWP/ProDoc	5,000	As per actual cost
Miscellaneous	As per AWP/ProDoc	1,000	As per actual cost
Equipment	As per AWP/ProDoc	18,000	As per actual cost
Operations	As per AWP/ProDoc	61,000	As per actual cost
Training, workshops and conf.	As per AWP/ProDoc	10,000	As per actual cost
Monitoring and Evaluation			
Miscellaneous	As per AWP/ProDoc	1,000	As per actual cost
Training workshops & meetings	As per AWP/ProDoc	3,000	As per actual cost
Project management			
Contractual services – individual	As per AWP/ProDoc	7,392	As per actual cost
Travel	As per AWP/ProDoc	2,000	As per actual cost

Direct Project Costs	As per AWP/ProDoc	13,870	As per actual cost
GMS	As per AWP/ProDoc	8,738	As per actual cost

- 1) *A revision of the Annual Work Plan (including adjustment to the actual funds availability to the project), provided in the Project Document, conducted in agreement with the MoEP, may result in the adjustment of amounts authorized to be disbursed by UNDP, which will be reflected in the revision of the AWP to be signed by the National Project Director and UNDP.*
- 2) *Support Services Actual Cost which adheres to the „UNDP Cost Recovery Operational Guidelines for Implementation of Direct Project Costing“ effective as of January 2014*
- 3) *Support services provision by UNDP may be a subject to revision requested as per formal Letter to be submitted by the Ministry of Environmental Protection to UNDP.*

4. Description of functions and responsibilities of the parties involved:

UNDP shall conduct the full process while the role of the Implementing Partner (IP) will be as follows:

- The Implementing Partner will send a timetable for services requested annually;
- The Implementing Partner will send the request to UNDP for the services enclosing the specifications or Terms of Reference required;
- For the hiring staff process: the IP representatives will be on the interview panel as ex officio members, i.e. as observers, if requested.

Implementing Partner – Ministry of Environmental protection of the Republic of Serbia:

The Ministry of Environmental Protection is designated as the Implementing Partner based on a consultative process led by the UNDP Country Office with the Ministry. The Implementing Partner assumes overall responsibility for the management of the programme or project, which has two dimensions:

- responsibility for achievement of outcome, through output(s) and key activities; and
- accountability to UNDP for use of programme or project resources (refer to Box 1).

Box 1 – Responsibilities of the Ministry of Environmental Protection

- Assume primary responsibility to the Government of the Republic of Serbia and to UNDP for the overall performance of the project and for the use of resources.
- Effectively manage the project on the basis of clear annual work plans that are approved jointly by the project management, the Ministry of Environmental Protection and UNDP.
- Ensure that key activities are undertaken, and output is produced, in accordance with the document and work-plans.
- Designate or appoint, in cooperation with UNDP, the management of the project from the Ministry of Environmental Protection side (National Project Director).
- Ensure that due operational procedures for Projects are applied. Assume technical, financial and administrative accountability of the project.
- Provide the necessary personnel, physical facilities (office space, equipment, etc.) and other resources that are part of the Ministry counterpart's contribution, as specified in the project document.
- Participate in monitoring, evaluation and reporting on the substantive and financial performance and impact of the project to the Ministry and UNDP.

Project Management:

The ultimate responsibility on behalf of the Ministry of Environmental Protection for managing the programme or project is placed on a senior Ministry official who shall be designated as the National Project Director (NPD).

The NPD is the party representing the Ministry of Environmental Protection ownership and authority over the programme/project, responsibility for achieving the objectives and accountability to the Ministry and UNDP for the use of resources.

Commensurate with these responsibilities, the NPD holds the ultimate authority to expend funds from the project budget. No project funds can be drawn and spent without his/her signed approval, or approval by UNDP responsible managers if a due arrangement via work planning has been made for delegation of approval authority from the NPD. (See Box 2 for details on the duties and responsibilities of the NPD).

Box 2 – Duties and Responsibilities of the National Project Director

In consultation with UNDP, the Ministry of Environmental Protection designates the National Project Director among officials from the Ministry of Environmental Protection at a level that provides enough authority and insight to represent the counterpart's *ownership* and *authority* over the project, to assume *responsibility* for achieving project objectives and ensure *accountability* to the head of the Implementing Partner and UNDP for the use of project resources and achieving outputs.

Duties and Responsibilities

- a) Assume overall responsibility for the successful execution and implementation of the project, accountability to the counterpart and UNDP for the proper and effective use of attached resources;
- b) Ensure consistency of the project with partner's reform strategy and relevant Ministry policies and legal procedures;
- c) Serve as a focal point for the coordination of projects with other development partners, Ministry and other stakeholders;
- d) Ensure that all counterpart's inputs committed to the project are made available and used according to the work plan;
- e) Supervise the preparation of project work plans (annual and quarterly), updating, clearance and approval, in consultation with UNDP and other stakeholders and ensure the timely request of inputs according to the project work plans;
- f) Support, in cooperation with UNDP, the recruitment of the project professional and support staff as per the agreed recruitment system outlined in National Implementation by the Government of UNDP Supported Projects: Guidelines and Procedures;
- g) Support the effective implementation of the project and delivery of the expected results, objectives and impact;
- h) Ensures appropriate supervision over the management of the project, including financial management;
- i) Ensures participation of Ministry officials in the implementation of the project;
- j) Supports adequate monitoring and impact assessment of the project;
- k) Enhances adequate documentation of the project experience and its dissemination.

Selection criteria:

National Project Director is appointed/nominated by the Ministry of Environmental Protection and should be senior management official.

Remuneration and entitlements:

National Project Director must not receive monetary compensation from project funds for the discharge of his/her functions.