



**INITIATION PLAN TEMPLATE  
FOR A GEF PROJECT PREPARATION GRANT (PPG)**

**Project Title: Climate Smart Urban Development Challenge (CSUD)**

**Country: Republic of Serbia**

**Initiation Plan Start Date: May 2016**

**Initiation Plan End Date: December 2016**

CPAP Programme Component: By 2020, there are improved capacities to combat climate change and manage natural resources and communities are more resilient to the effects natural and man-made disasters

ATLAS Project Award: 00096169

ATLAS Project ID: 00100158

PIMS Project ID: 5551

Management Arrangement: DIM

**Total budget: US\$ 50,000**

Allocated resources:

- GEF US\$ 50,000
- LDCF US\$
- SCCF US\$
- NPIF US\$
- Government US\$
- UNDP US\$

**AGREED BY UNDP DEPUTY RESIDENT REPRESENTATIVE**

*Steliana NEDERA, DRR*

Date: 23/05/2016

Signature

day/month/year



**A. Brief Description of Initiation Plan:**

The objective of the PPG is to develop a medium-sized project that will promote climate-smart urban development concept by applying a challenge prize approach which actively engage the civil society, public and business communities to come up with new and innovative ideas on how to jointly develop, finance and implement smart solutions for reducing GHG emissions at local level. The project will have a stepwise approach in seeking to achieve its objective.

First, the project will build up the capacity and assist participating municipalities to mainstream ICT into city management systems and to put in place digital inventories and tools to gather data, monitor actions and also make this information easily accessible by the public. This is further encouraged by launching the first challenge program for the development and establishment of such systems with phased awards, technical and financial backstopping for most innovative and cost-effective technical solutions and for most progressive municipalities to implement them.

Secondly, the project will develop and launch a more comprehensive challenge program for climate smart urban development (CSUD) as an innovative mechanism to source solutions for low-carbon activities and to coach and support otherwise their further development, testing and commercialization.

Finally, the project will monitor and evaluate the impact of the supported activities and backstop their replication and mainstreaming, including, as applicable, further development of the national legal and regulatory framework in order to create an enabling environment for the identified climate-smart solutions and for encouraging innovation in urban management in general.

These activities are structured under two main project components (outcomes): Outcome 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; Outcome 2: New innovative technical and systemic solutions and business models contributing to climate smart urban development (CSUD) identified, tested and replicated.

UNDP Serbia will lead the project development process and manage the PPG budget in close collaboration with national authorities. The PPG Atlas budget is presented in the Section D. "Total Budget and Work Plan". UNDP Serbia will be responsible for the procurement of PPG team composed of local and international consultants, developing TORs, arranging travel and meetings, and maintaining project disbursements.

Quality assurance and technical advice for the project development will be provided by the UNDP/GEF Regional Unit in Istanbul.

Regular consultations (working meetings) will be carried out among key project stakeholders to plan and manage project preparation activities. These consultations will also serve to confirm the amount of co-financing to support the project activities. During the initiation plan period, a number of studies will also be undertaken with the view to further develop the project concept that has been approved (see GEF CEO Approval letter attached as Annex 1) into a fully formulated project document. The final output of the initiation plan will be a UNDP-GEF project document and GEF CEO endorsement template ready for submission to UNDP and GEF.

**B. Project preparation activities:**

**A. Component A: Technical review**

- I. Baseline studies: Baseline studies will be undertaken to review and assess the individual, institutional, and systemic capacities that will inform the strategic and technical design of the project. These include the following:

- A) Baseline information on current situation and activities related to climate change mitigation approaches, communication and actions in the Republic of Serbia



- Review and assess the current documents, strategic/policy and legislative framework in Serbia, including references to relevant international trends and goals on climate change issues;
- Identify most advanced Serbian municipalities in dealing with climate change issues (i.e. review and assess successful implemented and finalized projects, as well as related ongoing projects in climate change field);
- Prepare climate change communication strategic framework, based on innovative approaches;

B) Baseline information on current situation and activities of relevance to improved access to and availability of data by an open data approach for development, management and monitoring of climate smart related performance of Serbian municipalities

- Review and assess current data collection and information systems in different sectors of relevance to climate change at national and local level and propose options for innovative solutions in the context of climate smart development and planning;
- Review and assess any climate related ICT solutions and data collection and analysis initiatives currently in place in Serbia, in particular at local level for different communal services; Propose recommendations on how to deliver such services in a more cost-effective, socially acceptable and environmentally friendly way;
- Review and assess the needs and new technical possibilities for open information sharing by public authorities, under the "open data" approach;

c) Baseline studies on institutional arrangements and capacities for integrative climate smart urban development planning

- Prepare a structural map of all institutions involved in climate change mitigation policy planning, activities and initiatives at the country level and the local level, including other stakeholders (such as businesses, scientific/research community, CSOs);
- Assess existing capacities of public administration at the local level regarding the formulation and implementation of climate change mitigation policies and climate resilient development planning, identify capacity gaps, and make recommendations for actions that can be taken by the project to improve the situation;
- Assess existing capacities of local self-governments on managing climate related portfolio of projects and activities;
- propose content and provide inputs for training, capacity building and partnerships on climate smart development and innovations, in particular at local level;

D) Baseline studies on available new innovative technical and systemic solutions and business models contributing to climate smart urban development (CSUD)

- Review and analyse priorities and needs of local self-governments in different sectors (energy, agriculture, waste/water management, transport etc.) that can comply with the requirements of climate smart development and planning, and taking into account GHG emission reductions;
- Assess existing practices, solutions and business models that contribute / or has the potential to contribute to climate smart urban development, in particular at the level of local self-governments, and provide recommendations;
- Assess opportunities and provide recommendations for public-private partnerships;



- Define the structure and propose operational options for the Climate Smart Urban Development Challenge Funding scheme for the purpose of implementation of the project, including identification of potential beneficiaries of the Challenge Fund<sup>1</sup>;
  - Define technical and financial criteria for review and selection of most appropriate proposals for innovative technical and systemic solutions and business models contributing to climate smart urban development (to be supported under the Challenge Funding option);
  - Design a detailed project strategy for raising the awareness and capacities of local self-governments and other stakeholders (such as businesses, scientific community, CSOs etc.) on climate smart development policy and technical innovative solutions;
- II. Studies to address any opportunities/risks identified during an environmental and social screening of the project proposal. Completion of SESP (Social and Environmental Screening Procedure) Template.
- III. Identification of specific sites for intervention
- Review and assess activities (policy level, programmatic, projects and technical solutions) at the level of local self-government, as well as the activities of other relevant stakeholders, in the area of climate change mitigation and climate smart development. This review will take into account the analysis of municipalities' readiness to participate actively in Component/Outcome 2 of the project (New innovative technical and systemic solutions and business models contributing to climate smart urban development (CSUD) identified, tested and replicated);
  - Organization of technical consultation workshop with participation of representatives of local self-governments, relevant state institutions and other stakeholders (business representatives, scientific/research community, CSOs etc.) to present the climate smart development and planning concept and seek for initial expression of interest in climate smart innovative solutions for mitigating climate change at local level;
- IV. Integration with development plans, policies, budgets and complementary projects:
- Design a detailed project strategy for mainstreaming climate smart development approach into "open data" policies, energy related policies, programmes and portfolio of projects related to energy, environment and DRR;
  - Provide recommendations on integration of climate smart development concept into spatial planning, development planning and other sectorial planning documents at national and local level;
  - Determine the linkages between and amongst the project partners, and between competent institutions, such as between the Ministry of Agriculture and Environmental Protection and the Ministry of Education, Science, and Technological Development – National Innovation Fund, Ministry of State Administration and Local Self-Government and other appropriate agencies and departments, as well as business community, Standing Conference of Towns and Municipalities, research and academic institutions and CSOs;
  - Identify and analyse existing involvement of Serbian municipalities in international associations of local communities or voluntarily schemes for local communities related to sustainable urban development and identify the possible synergies between the proposed GEF project and ongoing initiatives;
  - Map current and projected donor activity in the Republic of Serbia of relevance to climate smart development and planning.

---

<sup>1</sup> Challenge Fund refers to the challenge funding scheme to be supported under the CSUD project and does not preclude any institutional rearrangements at this point, until otherwise decided by the project partners



- V. Completion of GEF focal area tracking tool: CSUD projects complete CD Scorecards matrix, and GHG Tracking tool.
- VI. Stakeholder consultations during technical review: Mobilize and engage stakeholders during project design. Negotiate partnerships with on-going projects to align their activities and the project to build synergies. Document these consultations.

B. Component B: Institutional arrangements, monitoring and evaluation

The outputs of Component A will be used as technical input to Component B for the formulation of the UNDP-GEF project document.

- I. Finalization of project results framework: Further define the results framework with appropriate objective-level and outcome-level quantitative and qualitative SMART indicators and end-of-project targets. Special attention will be made to include socio-economic and sex disaggregated indicators.
- II. Definition of monitoring and evaluation (M&E): A detailed M&E work plan will be developed, including clear identification of responsibilities and accountabilities, as well as an appropriate M&E budget. The plan will be based on the standard template provided in the UNDP-GEF project document template that reflects the mandatory requirements of the GEF M&E Policy. The Plan will also include provisions for an independent evaluation and provision to ensure the learning of lessons from implementation at the termination of the project.
- III. Define sustainability plan: The sustainability plan will outline the principles and guidelines for ensuring the long-term sustainability of project achievements. It will also outline an exit strategy, seeking the continuation of key activities/achievements without the need of long-term international financing.
- IV. Definition of management arrangements: The organisational structure governing the project will be decided. This will include identification of the project board as well as establishment of other possible coordination bodies (for example CSUD Support Unit) in order to secure continuous engagement of all relevant decision-makers at national and local level, and to ensure sustainability of project results after finalisation of this particular project.
- V. Stakeholder consultations during Component B: Involve key agencies in the development of the project strategy to ensure a strong national ownership. In close collaboration with key government representatives and other stakeholders ensure full participation in the development of the project results framework and ensure agreement on the project objectives and outcomes. Undertake consultations to secure agreement(s) on project implementation arrangements; including roles, responsibilities, and accountabilities of lead and partner agencies. Document these consultations.

C. Component C: Financial planning and co-financing investments:

- I. Prepare a detailed multi-year budget following the standard template provided in the UNDP-GEF project document template that reflects the mandatory requirements of the GEF M&E Policy.
- II. Explore multilateral and bilateral co-financing opportunities: Undertake series of consultations with partners to ensure a coherent and sustainable financing package for the project including post- GEF grant phase.
- III. Ensure completion of required official endorsement letters: Official endorsement letter has been provided by the GEF Operational Focal Point of the Government. A co-financing guarantee will be



collected from participating government institutions, bilateral development partners, multilateral development partners and NGOs who wish to provide cash or in kind contributions to the project.

- IV. Stakeholder consultations during Component C: Consultations will be used to explore potential for partnerships with bilateral and multilateral donor agencies and organizations. In addition, consultations will be used to explore partnerships with on-going initiatives to align their activities with proposed project activities where possible to build synergies. Consultations will be designed to identify complementary activities so that the project can leverage other resources to the greatest extent possible.

D. Component D: Validation workshop

A validation workshop or series of structured meetings will gather representatives from all relevant stakeholders to present discuss and validate the final draft project proposal.

The final product of the proposed PPG phase will be a UNDP/GEF compliant medium-sized project document and Request for CEO Endorsement for submission to UNDP and GEF, including the following:

- A detailed work plan with detailed roles and responsibilities for project implementation;
- A targeted, in-depth analysis of the baseline situation and needs;
- An updated report on the partnership and co-financing opportunities for the proposed project;
- Explicit specification of all capacity development activities to be financed under the project and the rationale of their contribution to meeting Rio Convention objectives;
- A detailed breakdown of the project strategy using the Logical Framework Approach (log frame);
- A detailed monitoring and evaluation plan for the project that builds upon the log frame;
- A stakeholder participation plan;
- Completed and signed UNDP Environmental and Social Screening Checklist;
- Completed GHG tracking tool, and other required annexes to the project document;
- Signed Standard Letter of Agreement on Direct Project Costs;
- Collected and signed letters confirming co-financing commitments from identified key stakeholders;
- Medium-Size Project document and Request for CEO Endorsement per GEF and UNDP formatting and submission requirements;
- Terms of Reference for key project staff, project management committee and key consultants.



C. Project preparation activities work plan, timeframe, responsibilities and budget:

PPG Activity	Responsibility												Budget	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	UNDP	US\$			
Baseline Studies		X	X	X	X	X					UNDP	25,000		
Stakeholder consultations		X	X	X	X	X	X				UNDP	8,500		
Project Document/CEO Approval request preparation					X	X	X	X			UNDP	10,000		
Inception & Validation Workshop		X					X				UNDP	6,500		



**D. Total Budget and Work Plan:**

<b>Award ID:</b>	00096169
<b>Award Title:</b>	Project preparation for Climate Smart Urban Development Challenge (CSUD)
<b>Business Unit:</b>	SRB10
<b>Project Title:</b>	Climate Smart Urban Development Challenge (CSUD)
<b>Project ID:</b>	00100158
<b>PIMS No.:</b>	5551
<b>Implementing Partner (Executing Agency)</b>	UNDP Serbia

GEF Outcome/Atlas Activity	Responsible Party/	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 2016 (USD)	Total budget (USD)	Budget notes:
Project preparation grant to finalize the project document for the UNDP-GEF project "Climate Smart Urban Development Challenge (CSUD)"	UNDP	62000	GEF TRUSTEE	71200	International Consultants	15,000	15,000	1
				71300	Local Consultants	17,700	17,700	2
				71600	Travel	6,000	6,000	3
				75700	Trainings, Workshops, Conferences	10,000	10,000	4
				74500	Miscellaneous	1,300	1,300	5
					<b>PROJECT TOTAL</b>	<b>50,000</b>	<b>50,000</b>	

**BUDGET NOTES:**

1. Fee for one international consultant over a period of 8 months (See TOR below)
2. Fee for two local technical consultants (See TOR below)
3. Travel for: (1) Airfare and DSA for the international consultant (Stakeholder Consultations); and  
(2) Local travel of experts, in particular for regional consultations; and  
(3) Participation of representatives, as appropriate, to inception and validation workshops
4. Stakeholder consultation and validation meetings costs: Venue, facilitation, interpretation as necessary, and materials
5. Miscellaneous cost, e.g: Communication and printing cost



Annex 1: GEF CEO PIF approval letter



GLOBAL ENVIRONMENT FACILITY  
INVESTING IN OUR PLANET

Naoko Ishii  
CEO and Chairperson

April 18, 2016

Ms. Adriana Dinu, GEF Executive Coordinator  
United Nations Development Programme  
New York, NY 10017

Dear Ms. Dinu:

I am pleased to inform you that I have approved the medium-sized project concept detailed below. I have also approved your request for project preparation grant.

Decision Sought:	Project Identification Form (PIF) and Project Preparation Grant (PPG) Approval
GEFSEC ID:	9342
Agency:	UNDP
Agency ID:	5551
Local Area:	Climate Change
Project Type:	Medium Size Project
Country:	Serbia
Name of Project:	Climate Smart Urban Development Challenge
Indicative GEF Project Grant:	\$1,950,000
Indicative Agency Fee:	\$185,250
PPG Grant:	\$50,000
PPG Agency Fee:	\$4,750
Funding Source:	GEF Trust Fund

This PIF and PPG approval is subject to the comments made by the GEF Secretariat in the attached project review document. It is also based on the understanding that the project is in conformity with GEF focal areas strategies and in line with GEF policies and procedures. Please submit your final medium-sized project document for my approval no later than 12 months after PIF approval.

Sincerely,

Naoko Ishii  
Chief Executive Officer and Chairperson

Attachment: GEFSEC Project Review Document  
Copy to: Country Operational Focal Point, GEF Agencies, STAP, Trustee

1818 H Street, NW • Washington, DC 20133 • USA  
Tel: +1 (202) 473 3202 • Fax: +1 (202) 522 3240  
E-mail: [gefeco@thegef.org](mailto:gefeco@thegef.org)  
[www.thegef.org](http://www.thegef.org)



**Annex 2: Summary of Consultants Financed by the Initiation Plan**

<b>Local Consultants</b>
<p><i>LC/Environmental Program Management Specialist</i></p> <ul style="list-style-type: none"> <li>- Conduct stakeholder analysis among national and provincial government agencies, industrial and business sector, civil society and academic/research institutions;</li> <li>- Identify stakeholders' interests and current and potential roles in project activities;</li> <li>- Assess opportunities for public-private partnerships;</li> <li>- Identifying and approaching potential beneficiaries of the Challenge Fund;</li> <li>- Identifying and analyzing existing involvement of Serbian municipalities in international associations of local communities or voluntarily schemes for local communities related to climate smart urban development and identify the possible synergies between the proposed GEF project and ongoing initiatives and projects;</li> <li>- Propose capacity building and awareness raising measures;</li> <li>- Facilitate stakeholder consultations to ensure local and national ownership of the proposed project;</li> </ul>
<p><i>LC/Climate Change Specialist</i></p> <ul style="list-style-type: none"> <li>- Collect and analyse information on current situation and activities related to climate change mitigation approaches and actions in the Republic of Serbia</li> <li>- Review and assess the current documents, strategic/policy and legislative framework in Serbia, including references to relevant international trends and goals on climate change issues;</li> <li>- Review and analyse information on current situation and activities of relevance to improved access to and availability of data by an open data approach for development, management and monitoring of climate smart related performance of Serbian municipalities</li> <li>- Analyse existing and propose available new innovative technical and systemic solutions and business models contributing to climate smart urban development (CSUD)</li> <li>- Review and analyse priorities and needs of local self-governments in different sectors (energy, agriculture, waste/water management, transport etc.) that can comply with the requirements of climate smart development and planning;</li> <li>- Define the structure and propose operational options for the Climate Smart Urban Development Challenge Funding scheme for the purpose of implementation of the project,</li> <li>- Design a detailed project strategy for raising the awareness and capacities of local self-governments and other stakeholders (such as businesses, scientific community, CSOs etc.) on climate smart development policy and technical innovative solutions;</li> <li>- Conduct stakeholder consultations;</li> </ul>
<b>International consultants</b>
<p><i>IC/Capacity Development and Project Design Specialist</i></p> <ul style="list-style-type: none"> <li>- Work together with local consultants (LCs), UNDP and national counterparts on setting PPG implementation strategy.</li> <li>- Finalize PPG work plan, and design consultation and validation workshops.</li> </ul>



- Support LCs as they undertake background studies, providing guidance and support.
- Oversee completion of background studies, ensuring they are appropriate in scope and provide required analysis.
- Conduct meetings with national decision-makers to identify priorities and approaches.
- Facilitate and guide consultations to determine project strategy, priorities, key partners, and key barriers to success.
- Provide technical and professional support to LCs and national stakeholders.
- Develop the project strategy; detailed budget tables, work plan and logical framework, M&E plan, sustainability and replication strategy.
- Finalize the draft project document for submission to the GEF together with the CEO Endorsement Request, GHG tracking tool, social screening template and other required annexes to the project document;
- Review, respond and/or incorporate all comments received from the STAP and GEF Secretariat on project document and the GEF CEO Endorsement Request for final submission of the UNDP-GEF MSP "Climate Smart Urban Development".