



REPUBLIC OF SERBIA
Ministry of Agriculture and Environmental
Protection



PROJECT DOCUMENT¹

Project Title: Development of Minamata Convention on Mercury Initial Assessment in the Republic of Serbia

UNDAF Outcome(s):	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
UNDP Strategic Plan Environment and Sustainable Development <u>Primary</u> Outcome:	Outcome 1 - Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded Output 1.3: Solutions developed at national and sub-national levels for sustainable management of natural resources, ecosystem services, chemicals and waste
UNDP Strategic Plan <u>Secondary</u> Outcome:	Outcome 5 - Countries are able to reduce the likelihood of conflict, and lower the risk of natural disasters, including from climate change
Expected CP Outcome(s): <i>(Those linked to the project and extracted from the country programme document)</i>	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
Expected Output(s): <i>(Those that will result from the project and extracted from the CPAP)</i>	Capacities for policy making and implementation of international agreements improved
Implementing Partner:	Ministry of Agriculture and Environmental Protection
Responsible Parties:	Ministry of Agriculture and Environmental Protection, UNDP

Brief Description

The project aims to undertake a Mercury Initial Assessment and to enable the Government of the Republic of Serbia to determine the national requirements and needs for ratification of the Minamata Convention and defining of national priorities for implementation of the Convention.

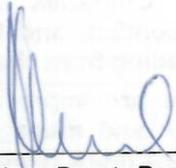
¹ For UNDP supported GEF funded projects as this includes GEF-specific requirements

Programme Period:	2016-2020
Atlas Award ID:	00095474
Project ID:	00099482
PIMS #	5634
Start date:	April 2016
End Date	April 2018
Management Arrangements	NIM
PAC Meeting Date	1 April 2016

Total resources required	297,220 USD
Total allocated resources:	297,220 USD
• Regular	
• Other:	
○ GEF	200,000 USD
○ Government	
▪ In-kind	97,220 USD

Agreed by Government: 
 Ministry of Agriculture and Environmental Protection

Date/Month/Year

Agreed by UNDP: 
 Steliana Nedera, Deputy Resident Representative

19/04/2016
 Date/Month/Year

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LIST OF ACRONYMS

AWP	Annual Work Plan
COP	Conference of the Parties
GEF	Global Environment Facility
LPAC	Local Project Appraisal Committee
M&E	Monitoring and Evaluation
MC	Minamata Convention
MoAEP	Ministry of Agriculture and Environmental Protection
MIA EA	Mercury Initial Assessment Enabling Activities
NAP	National Action Plan
NGO	Non-Governmental Organization
NIM	National Implementation Modality
PIU	Project Implementation Unit
PM	Project Manager
POPP	Programme and Operations Policies and Procedures
PSC	Project Steering Committee
QOR	Quarterly Operational Reports
QSP TF	Quick Start Programme Trust Fund
SAICM	Strategic Approach to International Chemicals Management
SBAA	Standard Basic Assistance Agreement
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme

LIST OF ANNEXES

- Annex A. Risk Analysis**
- Annex B. Agreements**
- Annex C. Terms of Reference for a Key Project Personnel**
- Annex D. Capacity Assessment**
- Annex E. Letter of Agreement**

1 SITUATION ANALYSIS

The Republic of Serbia signed the Minamata Convention on Mercury on October 9th 2014.

As a candidate country for EU membership, the Republic of Serbia has harmonized its national legislation pertaining to the sound management of chemicals and wastes with related EU legislation such as the REACH Regulation, the Waste Frame Directive as well as a set of EU legal acts related to Mercury, including the IPPC and RoSH Directives.

The National Law on Chemicals prescribes bans and restrictions of use, placing on the market and production of Mercury and Mercury compounds. The law established the legal basis for adoption of the Rulebook on Bans and Restrictions of Production, Placing on the Market and Use of Chemicals which has been harmonized with Annex XVII of Regulation No. 1907/2006 (REACH). This Rulebook prescribes bans and restrictions of Mercury and their compounds (No. of ban and restriction: 18, 18a).

Prescribed provisions of entry 18a for general use came into force in 2011. For professional use these provisions will come into force in 2018.

In the same Rulebook, bans and restrictions regarding phenyl mercury compounds listed under no. 62 will enter into force on 10th October 2017.

Also, the Rulebook on Import and Export of Certain Hazardous Chemicals contains provisions pertaining to an export ban on metal Mercury, which is harmonised with Article 1 of Regulation (EC) 1102/2008.

In December 2014, MoAEP started cooperation with the local CSO ALHem (Alternative for Safer Chemicals) to support the implementation of the project "Serbian response to Global Mercury Treaty" in order to raise awareness on Mercury and its impacts among target groups.

2 STRATEGY

2.1 PROJECT RATIONALE

The development and submission of Mercury Initial Assessment has important implications for strengthening Serbia's technical and institutional capacity regarding the mercury management.

The project framework, including envisaged activities, is entirely in line with the GEF Initial Guidelines for Enabling Activities for the Minamata Convention on Mercury (GEF/C.45/Inf.05).

2.2 COUNTRY OWNERSHIP

The Government of Serbia and the various national stakeholders are very motivated to support and implement the project. The Project will be managed by UNDP and the MoAEP through a Project Implementation Unit (PIU) and guided by the Project Board (PB), consisting of key national governmental and non-governmental agencies, and appropriate local level

representatives. Through its Department for Chemicals, MoAEP will perform a leadership and coordination role for the Project in coordination with the other key stakeholders (Ministry of Health, Serbian Environmental Protection Agency, Medicines and Medical Devices Agency of Serbia), research and scientific institutions, institutes, companies, civil society organizations and other stakeholders that may be included in the Project through the Project's participatory approach.

The integration of the different sectors has the effect of strengthening the country ownership of the project and supporting the consolidation of the institutional and technical capacity of a broad range of stakeholders.

2.3 PROJECT OBJECTIVE

The project's objective is to undertake a Mercury Initial Assessment to enable the Government of the Republic of Serbia to determine the national requirements and needs for the ratification of the Minamata Convention and defining of national priorities for implementation of the Convention.

2.4 PROJECT OUTCOMES/OUTPUTS

The project objective will be achieved with the fulfilment of the following outcomes, which are in line with the GEF's Initial Guidelines (GEF/C.45/Inf.05) for the Mercury Initial Assessment. The following project Outcomes (Equivalent to Activities in ATLAS) followed by their related Outputs are expected to be achieved during this project:

2.4.1 Outcome 1: Creating an enabling environment for decision-making on the ratification of the Minamata Convention

This outcome includes a review of the structures, institutions and policies and regulations already in place:

- Legislation on the governance of chemicals in general and the capacities of the key institutions will be the initial focus;
- Review of existing legislation and identification of gaps for meeting the Minamata Convention requirements and initial technical input on proposed amendments;
- Roles of ministries and institutions related to the key sectors where the mercury inventory might be established, the presence of mercury use, emissions and/or releases are to be analyzed. These institutions will include, but not be limited to the Ministries responsible for the issues related to Health, Economy, Environment, Agriculture, Energy and Waste Management;
- Capacities of these institutions will be reviewed and the gaps for comprehensive management of mercury issues will be identified;
- Identification of barriers that would hinder or prevent implementation of the Convention will be identified and recommendations will be made on how to remove such barriers;
- An assessment of the financial, technological and capacity needs and constraints/needs of institutions responsible for activities related to mercury management will be conducted;

- Technical and financial needs for implementation of the Convention, including national sources, bilateral sources, the private sector and others will be identified.

The assessments conducted under this outcome will provide relevant ministries with strong arguments for the ratification of the Minamata Convention and prioritization of mercury management on the national agenda.

Once the Convention is ratified, this outcome's outputs will be an essential step in complying with the reporting obligations of the Convention and to monitor its implementation.

In addition, a National Coordination Mechanism will be established in order to ensure involvement of key decision-makers into the discussions and decision making processes on the Minamata convention, sound management of mercury at the national level, support regulatory revisions, and provide overall coordination to project's implementation.

Sectors to participate in the process as part of the National Coordination Mechanism will include representatives from health, environment, labor, finance, economy, industry, mining and energy and planning sectors, trade unions and civil society organizations. This activity also aims at enhancing stakeholders' commitment to the development of the MIA and gaining political support for the ratification and early implementation of the Minamata Convention on Mercury.

The project will organize one (1) Initial Training and Inception Workshop to raise awareness and to define the scope and objective of the MIA process, which will also include the development of a strategy for awareness raising aimed at national stakeholders throughout the project (including the identification of key stakeholders and assigning their roles and responsibilities throughout the project's implementation); Apart from the assessment of the existing policy and regulatory framework and capacity building needs, as part of this project component an awareness raising plan will be developed and subsequent workshops will be organized in order to raise awareness among the general public and population groups at risk on the human health and environmental effects of mercury and mercury compounds as well as conduct awareness on the proper management of mercury containing products and wastes (e.g. thermometers, CFL's tubes, batteries). Furthermore, the project will also target awareness rising of decision makers in order to facilitate the integration of mercury priority interventions into sectoral and national development policies and plans. Project will organize at least one (1) training on how to undertake a National Mercury Inventory aimed at national technical experts, decision makers and other national stakeholders.

Specifically, some targeted actions will be undertaken through preventive programmes on occupational exposure to mercury and its compounds and provision to the public of available information on health effects of mercury and its compounds.

In order to raise the importance of Mercury related national priorities and to ensure that beyond the project's scope national resources are allocated to addressing issues related to Mercury and support the country in meeting its objectives under the Convention, the project aims to i) identify opportunities to maintain/integrate Mercury related issues and priorities into national/sectoral/regional development related plans and strategies; ii) support government counterparts in identifying the most pressing Mercury priorities and preparing an action plan for their integration in national strategies and plans.

Outputs for Outcome 1:

1.1 Existing and required policy and regulatory framework as well as institutional capacity to implement the Convention (incl. overview of existing barriers) assessed.

- 1.2. Coordination Mechanism for effective implementation of the Minamata Convention established
- 1.3. Technology, financial and capacity building needs regarding the management of mercury identified
- 1.4. Hg awareness raising events related to mercury management, targeting decision makers and population groups at risk conducted
- 1.5. Mainstreaming of National Mercury Priority Interventions in national policies/plans

2.4.2 Outcome 2: Developing National Mercury Profile and Mercury Initial Assessment Report

National capacity to undertake the Mercury Inventory will be built through training on data collection methodologies, reliability, credibility, data analysis, etc. A series of training will be organized on how to conduct a National Mercury Inventory, which will be tailored to national technical experts, decision makers and other national stakeholders.

Group of national technical experts will be trained on how to conduct the Mercury Inventory and draft the National Mercury Profile. Training will also be targeted towards key government representatives and other national project stakeholders who need sufficient knowledge about how a Mercury Inventory is conducted in order to be able to review it and comment on it.

This outcome includes development of a National Mercury Inventory, i.e. a qualitative and quantitative National Inventory of all mercury sources and releases, including a national strategic approach to identify and assess mercury contaminated sites.

The Mercury Inventory will cover the following categories:

- Stocks of mercury and/or mercury compounds and import and export procedures including an assessment of the storage conditions;
- Occurrence of mercury in local industrial processes and the source of supply of mercury, and its occurrence in waste streams;
- Sectors that may use mercury and the amount per year, including manufacturing processes, ASGM and mercury added products;
- Trade in mercury and mercury containing compounds.

The Mercury Inventory will also identify:

- Emission sources of mercury;
- Release sources of mercury to land and water.

With the results obtained from the Mercury Inventory a National Mercury Profile will be prepared.

The inventory preparation will be in line with the UNEP "Toolkit for identification and quantification of mercury releases", which provides a standardized methodology and accompanying database enabling the development of consistent national and regional mercury inventories.

The UNEP mercury toolkit will assist the Republic of Serbia to assess: a) Mercury supply sources and trade (Article 3); (b) Mercury-added products (Article 4); (c) Manufacturing processes in which mercury or mercury compounds are used (Article 5); (d) Emissions (Article 8); and (e) Releases (Article 9). It will also include a description of mercury storage conditions.

The project intends to seek additional leveraged co-finance during its implementation from bilateral sources available through UNDP Trust Funds, particularly with the Czech Republic – via a special application, that will analyze existing information on mercury contaminated sites and will formulate a strategy to identify and assess mercury contaminated sites, using nationally agreed criteria. Particular attention would be given to the contaminated site on the territory of Pancevo municipality (“Petrohemija” company).

In accordance with the UNEP Inventory Level 2 methodology it will be prepared an inventory of mercury-containing wastes in Serbia, through desk studies, thorough quantitative and qualitative surveys and field audits of the activities generating mercury-containing wastes in Serbia, in order to:

- a) Identify and assess Mercury emissions to air and Mercury releases to land and water. This will include the identification of activities generating mercury-containing wastes in Serbia.
- b) Collect, compile data and prepare an inventory of the sources, types, quantities and physical states of mercury-containing wastes generated, stored and recycled, treated or disposed of in Serbia. This will include the identification of old, historical sources of Mercury contamination (such as abandoned waste dumping sites).
- c) Assess current levels of handling, storage and management practices for mercury-containing wastes.
- d) Identify key sectors, local authorities, communities and other stakeholders affected by or involved with important Mercury sources and/or emissions.
- e) Identify opportunities and propose measures for the minimisation, recycling, pre-treatment and disposal of mercury containing wastes.

After completion of the data gathering stage, a National Mercury Profile, including significant sources of emissions and releases, as well as inventories of Mercury and Mercury compounds, will be prepared for review, approval and adoption by national stakeholders.

Following the finalization of the project activities as envisaged under outcome 1 (outputs 1.1 – 1.4) as well as completion of the project activities under outcome 2 (outputs 2.1 and 2.2, 2.3), the National MIA Report will be prepared.

The Mercury Initial Assessment Report will capture the results of the all the assessments carried out as part of the project. The MIA Report will summarize the challenges, needs and opportunities to the implementation of the Convention and will also include recommendations for the Government of Serbia to implement the Minamata Convention on Mercury, taking into consideration the role of all key players and their responsibilities, in particular gender concerns and the special needs of vulnerable groups.

Following the preparation of the draft MIA report, it will be reviewed and validated by national stakeholders. This process of wide consultation will likely include National Coordination meetings, workshops with key sectors, written communications and discussions leading to a

final MIA document that will allow the National Government to take an informed decision on whether or not to ratify the Convention.

The MIA report will also provide a useful overview for the government on the actions it needs to undertake to ratify the Conventions as well as the actions it need to take in order to meet its obligations under the Convention; b) Organize a national stakeholder workshop to discuss the content of the MIA report and validate it; and c) Disseminate the MIA.

Outputs for Outcome 2:

- 2.1. Capacity building and training for the preparation of National Mercury Inventory conducted;
- 2.2 National Mercury Inventory developed;
- 2.3. Preparation, validation of National MIA report and dissemination of results

3 PROJECT RESULTS FRAMEWORK:

<p>This project will contribute to achieving the following Country Programme Outcome as defined in CPAP or CPD: 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</p> <p>Country Programme Outcome Indicators: Number of laws, plans or policies aligned to convention implementation requirements</p> <p>Primary applicable Key Environment and Sustainable Development Key Result Area (same as that on the cover page, circle one): Mainstreaming environment and energy</p>					
<p>Applicable GEF Strategic Objective and Program: Develop the enabling conditions, tools and environment to manage harmful chemicals and wastes</p>					
<p>Applicable GEF Expected Outcomes: Outcome 2.1: Countries have undertaken Minamata Convention initial assessments activities and ratified the Minamata Convention</p>					
<p>Applicable GEF Outcome Indicators: Indicator 2.1.1: Number and quality of initial assessment activities completed Indicator 2.1.2: Number of ratifications of the Minamata Convention</p>					
	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
<p>Project Objective² (equivalent to output in ATLAS): Undertake a Mercury Initial Assessment (MIA) to enable the Government of the Republic of Serbia to determine the national requirements and needs for the ratification of the Minamata Convention and defining of national priorities for implementation of the Convention</p>	<p>Preparation and submission of Mercury Initial Assessment Report</p> <p>Mechanisms introduced to support ratification of the Minamata</p>	<p>No previous Mercury assessment prepared at national level</p> <p>Insufficient information and knowledge on mercury sources, releases, and existing contamination situation</p> <p>Insufficient information on Minamata convention's provisions and requirements</p>	<p>Mercury Initial Assessment for Serbia completed, public and key stakeholder consultations held, and enabling environment for ratification of the Minamata convention established and supported.</p>	<p>Project Progress Reports</p> <p>Project Terminal Evaluation Report</p> <p>National MIA Report accepted</p>	<p>Risk: Change of the Government stand towards Convention ratification</p> <p>Assumption 1: Government agencies will provide access to data and enable the analysis.</p> <p>Assumption 2: Government and non-governmental project partners will be actively engaged in the project</p>
<p>Outcome 1³ (equivalent to activity in ATLAS): Enabling environment for decision-making on the ratification of the Minamata Convention established</p>	<p>Level of regulatory framework and institutional capacity to comply with Minamata provisions</p>	<p>Limited preparedness to ratify the convention and implement its provisions</p> <p>No consultations among key decision-makers held on the Minamata Convention and its provisions</p>	<p>National awareness on Minamata provisions and decision making increased and public consultations supported</p> <p>National Coordination Mechanism for effective implementation of the Minamata Convention established.</p> <p>Enabling environment for decision-making on the ratification of the Minamata Convention created.</p>	<p>Workshop reports</p> <p>Meeting Minutes</p> <p>Draft legal acts on ratification plans</p> <p>Project progress reports</p> <p>Project Terminal Evaluation Report</p>	<p>Risk: Change of the Government stand towards Convention ratification</p> <p>Assumption: Government and non-governmental project partners will be actively engaged for the beginning of the in the project implementation</p>

² Objective (Atlas output) monitored quarterly ERBM and annually in APR/PIR

³ All outcomes monitored annually in the APR/PIR. It is highly recommended not to have more than 4 outcomes.

<p>Outcome 2 (equivalent to activity in ATLAS): National Mercury Profile and Mercury Initial Assessment Report developed</p>	<p>Number and quality of conducted Mercury Initial assessment activities</p>	<p>No assessment conducted to date with regard to Mercury issues, inventories</p> <p>No national Mercury profile and socio-economic implications of exposure to mercury prepared</p> <p>No consultation on priority action and financial resources for interventions taken place</p>	<p>Initial inventory of mercury sources completed</p> <p>Consultations on socio-economic implications, product substitution, technology transfer, remediation costs and financial resources for intervention held</p> <p>Mercury profile and Assessment report prepared and submitted</p>	<p>Project Progress Reports</p> <p>Project Terminal Evaluation Report</p> <p>National MIA Report prepared and submitted</p>	<p>Risk: Change of the Government stand towards Convention ratification</p> <p>Assumption 1: Government agencies will provide access to data and enable the analysis.</p> <p>Assumption 2: Government and non-governmental project partners will be actively engaged for the beginning of the in the project implementation</p>
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4 TOTAL BUDGET AND WORKPLAN

Award ID:	00095474	Project ID(s):	00099482
Award Title:	Serbia: Mercury Initial Assessment in the Republic of Serbia		
Business Unit:	SRB10		
Project Title:	Serbia: Mercury Initial Assessment in the Republic of Serbia		
PIMS no.	5634		
Implementing Partner (Executing Agency)	Ministry of Agriculture and Environmental Protection		

GEF Outcome/Atlas Activity	Responsible Party/Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Total (USD)	See Budget Note:
OUTCOME 1: Enabling environment for the Minamata Convention ratification	MoAEP	62000	GEF 10003	71200	International Consultants	2,000	13,000	-	15,000	1
				71300	Local Consultants	10,000	15,000	5,000	30,000	2
				71600	Travel	1,000	1,000	1,000	3,000	3
				72100	Contractual services - Companies	3,000	17,800	10,000	30,800	4
				72500	Office Supplies	1,000	-	-	1,000	5
				74500	Miscellaneous	500	1,000	500	2,000	6
					Total Outcome 1	17,500	47,800	16,500	81,800	
OUTCOME 2: National Mercury Profile and MIA Report	MoAEP	62000	GEF 10003	71200	International Consultants	-	10,000	5,000	15,000	1
				71300	Local Consultants	8,000	20,000	8,000	36,000	2
				71600	Travel	1,000	2,000	2,000	5,000	7
				72100	Contractual services - Companies	3,000	5,000	2,000	10,000	4
				72200	Equipment	6,019	-	-	6,019	8
				74200	Audio Visual & Print Product Costs	3,000	5,000	5,000	13,000	9
					Total Outcome 2	21,019	42,000	22,000	85,019	

OUTCOME 3: MONITORING, LEARNING, ADAPTIVE FEEDBACK & EVALUATION	MoAEP	62000	GEF 10003	71200	International Consultants	-	-	8,000	8,000	10
				71300	Local Consultants	-	4,000	-	4,000	11
				74100	Professional Services	1,000	1,000	1,000	3,000	12
					Total Outcome 3	1,000	5,000	9,000	15,000	
Project management unit	MoAEP /UNDP	62000	GEF 10003	71400	Contractual Services - Individuals	6,181	6,000	4,000	16,181	13
				74598	Direct Project Costs	500	750	750	2,000	14
					Total Management	6,681	6,750	4,750	18,181	
				PROJECT TOTAL	46,200	101,550	52,250	200,000		

Summary of
Funds:⁴

	Amount Year 1	Amount Year 2	Amount Year 3	Total
GEF	46,200	101,550	52,250	200,000
Government (in-kind)	24,305	48,610	24,305	97,220
TOTAL	70,505	150,160	76,555	297,220

⁴ Summary table should include all financing of all kinds: GEF financing, cofinancing, cash, in-kind, etc...

Budget Notes:

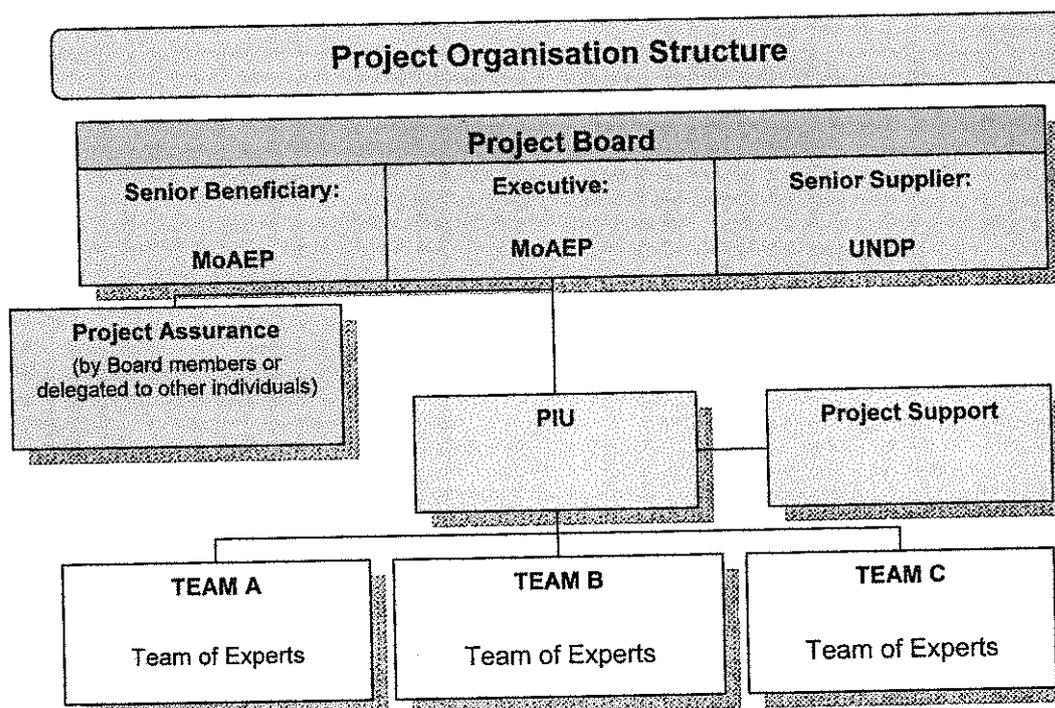
1	International Technical Expert (\$1000x30 weeks)
2	National Policy Expert (\$500x30weeks) / Public Awareness Expert (\$500x20 weeks) / 2 Data Collection Experts (\$500x41 weeks)
3	In-country travel
4	Consultations, workshops
5	Office supply
6	Miscellaneous, bank charges, insurance and unexpected costs
7	International consultant travel, National consultants in-country travel
8	Acquisition of laptops and software licences for the Project Team and National Partners
9	Translation costs, workshop materials
10	International Evaluation Expert (\$1000 x 8 weeks)
11	Project Terminal report
12	Audit
13	Project Manager (Salary for 50 weeks, \$200/week), Project Assistant (Salary for 40 weeks, \$150/week)
14	Direct Project Costs

<i>Position Titles</i>	<i>\$/ Person Week</i>	<i>Estimated Person Weeks</i>	<i>Tasks to be Performed</i>
For EA Management			
Local			
Project Manager and Project Assistant	200 150	50 40	<ul style="list-style-type: none"> - Supervise and coordinate the production of project outputs, as per the project document; - Mobilize all project inputs in accordance with procedures for nationally implemented projects; - Supervise and coordinate the work of project staff, consultants and sub-contractors; - Prepare and revise project work and financial plans; - Liaise with UNDP, relevant government agencies, and all project partners, including donor organizations and NGOs for effective coordination of all project activities; - Facilitate administrative backstopping to subcontractors and training activities supported by the Project; - Oversee and ensure timely submission of all reports as may be required by UNDP, GEF, the Ministry responsible for environment and other oversight agencies;

		<ul style="list-style-type: none"> - Disseminate project reports and respond to queries from concerned stakeholders; - Report progress of project to the PSC, and ensure the fulfilment of PSC directives. - Collect, register and maintain all information on project activities; - Contribute to the preparation and implementation of progress reports; - Monitor project activities, budgets and financial expenditures; - Advise all project counterparts on applicable administrative procedures and ensures their proper implementation; - Maintain project correspondence and communication; - Support the preparations of project work-plans and operational and financial planning processes; - Assist in procurement and recruitment processes; - Assist in the preparation of payments requests for operational expenses, salaries, insurance, etc. against project budgets and work plans; - Follow-up on timely disbursements by UNDP CO; - Receive, screen and distribute correspondence and attach necessary background information; - Prepare routine correspondence and memoranda for Project Managers signature; - Assist in logistical organization of meetings, training and workshops; - Prepare agendas and arrange field visits, appointments and meetings both internal and external related to the project activities and write minutes from the meetings; - Maintain project filing system; - Maintain records over project equipment inventory; - Provide support to all experts in the delivery of the project activities through substantive input and analytical services; - Scrutinize and review the deliverables of the experts recruited under the project.
For Technical Assistance		
Local		
National experts on data collection and organization analysis	500	<ul style="list-style-type: none"> - Identification of main target areas (sites) and sources for collection of data in accordance with the rapid assessment: i) coal-fired power plants; ii) cement production; iii) fluorescent lamps, manometers, thermometers; iv) manufacturing of products containing mercury; v) waste (including medical waste) incineration; and vi) Jewellery sector - Selection of methodology for the collection and analysis of data under each mercury source identified; - Collection of data and analysis; - Review of the rapid assessment of sources and validation (or expansion) of the list in accordance with collected data. - Preparation of Mercury Profile

National policy expert on regulatory analysis and recommendations	500	30	<ul style="list-style-type: none"> - Preparation of MIA Report - Detailed review of regulatory framework and identification of gaps in management of mercury; - Development of specific recommendations on adjustments, amendments required in existing legislation; - Liaise with Ministry of Environment, Minamata focal point and relevant government agencies for development of effective proposals for regulatory framework development.
Public awareness expert	500	20	<ul style="list-style-type: none"> - Develop public awareness activities necessary to raise awareness on mercury and the Minamata convention among the key stakeholders and target groups identified during the initial assessment; - Support implementation of public awareness activities and supervise any sub-contractors recruited for implementation; - Maintain quality control over public awareness outputs.
International			
International technical experts	1000	30	<ul style="list-style-type: none"> - Provision of technical advisory support (with missions) to the local team on the Minamata convention as the new MEA instrument, mercury sources, data organization, collection and validation process in each related sector/sub-sector; - Support to the national level consultations on the data analysis, national mercury profile formulation and priority setting processes for decision-making; - Provision of regulatory advisory support where needed with respect existing international benchmarks - Provision of support to develop and analyze cost related to the implementation of the Convention and description of potential sources of funds, including existing bilateral sources - Provision of support services to start creating expertise on how to deal with mercury in the workplace including substitution of mercury by alternative substances in certain production processes.

5 MANAGEMENT ARRANGEMENTS



5.1 Implementation arrangements

UNDP is the GEF Agency for this project. The proposed project is consistent with the UNDP's mandate on promoting environmental protection, while recognizing the need to sustainably manage resources through capacity building and encouraging broader multi-sectoral participation of stakeholders. Given UNDP's recognized role in capacity development, the Government of Serbia has requested UNDP's assistance in the design and implementation of this project.

At the national level, the Ministry of Agriculture and Environmental Protection (MoAEP) will act as Implementing Partner and coordinating body of the Project. The MoAEP will appoint a senior official to be the National Project Director (NPD). The NPD will ensure full government support of the project.

The Ministry of Agriculture and Environmental Protection will establish an inter-institutional Working Group comprised of key Government Institutions, but not limited to: Ministry of Agriculture and Environmental Protection, Ministry of Health; Serbian Environmental Protection Agency; Provincial Secretariat in charged for Environmental protection; Customs Administration; Plant Protection Directorate; Medicines and Medical Devices Agency of Serbia. This Working Group is comprised of institutions that have responsibilities pertaining to mercury management and will improve the data and information collection and management during the mercury inventory's development.

Based on successful results of work of the Working Group, the project will upon its completion ensure establishment of a National Coordination Mechanism which will enhance stakeholders' commitment and secure political support for the ratification and subsequent implementation of the Minamata Convention on Mercury in the Republic of Serbia.

The project will be implemented under the National Implementation Modality (NIM) with UNDP support. The financial arrangements and procedures for the project are governed by the UNDP rules and regulations for National Implementation Modality (NIM). All procurement and financial transactions will be governed by applicable UNDP regulations under NIM.

Following consultations on the project implementation UNDP and the Government agreed that the UNDP country office will provide support services to the project at the request of the National Implementing Partner. These support services may include assistance with reporting requirements, procurement and direct payments (see Annex 3. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution is strengthened.

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;

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.

A Project Implementation Unit (PIU) will be established by UNDP, including a Portfolio Manager (PM) and a Project Assistant. The PIU will assist the Ministry to perform its role as implementing partner. The PM will be responsible for overall project coordination and implementation, consolidation of work plans and project documentation, preparation of quarterly 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 and partners, including UNDP's relevant projects.

Overall guidance will be provided by a **Project Steering Committee (PSC)**: The PSC will provide high-level policy guidance and orientation to the Implementation of the Project (Strengthen national decision making towards ratification of the Minamata Convention and build capacity towards implementation of future provisions). The PSC will be composed of the project's principal stakeholders and decision-makers, ensuring a balanced and effective composition. All the necessary preparations for its effective functioning (preparation of Workplans, Budgets, Progress Reports, etc.) will be handled by the UNDP Portfolio Manager.

The PSC will be responsible for making management decisions for the project, in particular when guidance is required by the Portfolio Manager. PSC 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 Portfolio 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 PSC 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 Portfolio Manager and any delegation of its Project Assurance responsibilities. Based on the approved Annual Work Plan, the PSC can also consider and approve the quarterly plans and also approve any essential deviations from the original plans.

The **Portfolio Manager** has the authority to run the project on a day-to-day basis on behalf of the PSC within the constraints laid down by the PSC. The Portfolio Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

The PM 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 PM, the Project Assistant will be responsible for administrative and financial issues, and will get support from the existing UNDP administration.

The **Project Support** role provides project administration, management and technical support to the PM.

The project activities will be implemented in accordance with UNDP procedures, in accordance with the Law on Ratification of the Agreement between the Socialist Federative Republic of Yugoslavia and United Nations Development Programme (Official Gazette – International Agreements – No 11/1988).

5.2 Inclusion of stakeholders

Key Government Institutions:

- **Ministry of Agriculture and Environmental Protection (MoAEP):** Ensure overall coordination at national level in support of the Minamata Convention, in particular: Setting of national targets; Support the Mercury inventory; Monitoring levels of contamination in environmental matrices; Coordination between Chemicals and Waste management departments, Air and water protection units, IPPC department; Coordination with partners such as the Ministry of Health for achievement of the major objectives related to mercury phase-out; Oversee the environmentally sound disposal of waste products and materials resulting from phase-out efforts; Put into place interim and permanent measures for ensuring implementation of the Minamata Convention.
- **Ministry of Health (MH):** Coordinate the project components that relate to the use of Mercury in the health sector. Sanitary Inspectorate has competencies in the field of the ban and restriction of the use of chemicals in articles for common use.
- **Provincial Secretariat in charge of Environmental Protection.** The Secretariat has shared responsibility for implementation of national environmental legislation on the territory of the Autonomous Province of Vojvodina, including legislation in the field of chemicals management.
- **Serbian Environmental Protection Agency (SEPA).** SEPA is in charge of environmental monitoring and reporting activities at the entire territory of Serbia.

- **Custom administration** performs the function of control of export and import of goods, including chemicals.
- **Plant Protection Directorate.** The Directorate is in charged for control of placing on the market of the plant protection products and their registration.
- **Medicines and Medical Devices Agency of Serbia (ALIMS).** The Agency is in charged for management and control of the mercury containing medical instruments.

Governmental institutions which have responsibilities pertaining to mercury management will be engaged during the mercury inventory's development through data and information collection on the mercury situation.

Non-Governmental stakeholders:

- Industrial association: Serbian Chamber of Commerce.
- Secondary and Tertiary Education Institutions involved in key research programmes on mercury and mercury waste management.
- Private Sector: Involved in various important aspects of the proposed project: Private and parastatal companies/industries responsible for the release of Mercury and production of mercury containing wastes; Private medical facilities making use of mercury containing devices; Service providers involved in waste collection, disposal and treatment; Distributors and retailers of Mercury containing and Mercury-free consumer products; Laboratories for testing and certification; etc.
- Civil Society Organizations and Non-Governmental Organizations (CSOs/NGOs): Will be engaged in the project to help required and important information (e.g. on the environmental and health aspects and concerns of mercury releases and accumulation in the environment) reach local communities at risk, the general public and decision makers.

Additional stakeholders, in particular NGOs and industry representatives, will be identified during the project's inception phase. Industry partners will be involved through the Serbian Chamber of Commerce.

5.3 Gender Dimensions

Generally, two groups are more at risk from the effects of mercury: fetuses and people who are regularly exposed (chronic exposure) to high levels of mercury.

As mercury is passed on from mother to child, fetuses and children are most susceptible to developmental effects from mercury, the MIA will pay particular attention to assessing national capacity to keep such risk groups safe.

Recommendations on how to improve gender dimensions and gender mainstreaming related to mercury, and priorities actions in this area will be highlighted in the project document and the MIA report.

6 MONITORING FRAMEWORK AND EVALUATION

The project will be monitored through the following M& E activities. The M& E budget is provided in the table below.

Project start:

A Project Inception Workshop will be held within the first 2 months of project start with those with assigned roles in the project organization structure, UNDP country office and where appropriate/feasible regional technical policy and programme advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan.

The Inception Workshop should address a number of key issues including:

- a) Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of UNDP CO and RCU staff vis à vis the project team. Discuss the roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff will be discussed again as needed.
- b) Based on the project results framework and the relevant GEF Tracking Tool if appropriate, finalize the first annual work plan. Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.
- c) Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The Monitoring and Evaluation work plan and budget should be agreed and scheduled.
- d) Discuss financial reporting procedures and obligations, and arrangements for annual audit.
- e) Plan and schedule Project Board meetings. Roles and responsibilities of all project organisation structures should be clarified and meetings planned. The first Project Board meeting should be held within the first 12 months following the inception workshop.

An Inception Workshop report is a key reference document and must be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

Quarterly:

- Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.
- Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS. Risks become critical when the impact and probability are high. Note that for UNDP GEF projects, all financial risks associated with financial instruments such as revolving funds, microfinance schemes, or capitalization of ESCOs are automatically classified as critical on the basis of their innovative nature (high impact and uncertainty due to no previous experience justifies classification as critical).
- Based on the information recorded in Atlas, a Project Progress Reports (PPR) can be generated in the Executive Snapshot.

- Other ATLAS logs can be used to monitor issues, lessons learned etc... The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

Bi-annual progress:

- Status Survey Questionnaires to indicate progress and identify bottlenecks as well as technical support needs will be carried out twice a year.

Periodic Monitoring:

A detailed schedule of project reviews meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Steering Committee Meetings, (or relevant advisory and/or coordination mechanisms) and (ii) project related Monitoring and Evaluation activities.

Day to day monitoring of implementation progress will be the responsibility of the Project Coordinator, Director or CTA (depending on the established project structure) based on the project's Annual Work plan and its indicators. The Project Team will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.

Periodic monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the project proponent, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

End of Project:

During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

Audit clause:

Audit on project will follow UNDP Financial Regulations and Rules and applicable Audit policies.

Learning and knowledge sharing:

Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums.

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 through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects.

Finally, there will be a two-way flow of information between this project and other projects of a similar focus.

Communications and visibility requirements:

Full compliance is required with UNDP's Branding Guidelines. These can be accessed at <http://intra.undp.org/coa/branding.shtml>, and specific guidelines on UNDP logo use can be accessed at: <http://intra.undp.org/branding/useOfLogo.html>. Amongst other things, these guidelines describe when and how the UNDP logo needs to be used, as well as how the logos of donors to UNDP projects needs to be used. For the avoidance of any doubt, when logo use is required, the UNDP logo needs to be used alongside the GEF logo. The GEF logo can be accessed at: http://www.thegef.org/gef/GEF_logo. The UNDP logo can be accessed at <http://intra.undp.org/coa/branding.shtml>.

Full compliance is also required with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines"). The GEF Guidelines can be accessed at: http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf. Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items.

Where other agencies and project partners have provided support through co-financing, their branding policies and requirements should be similarly applied.

M& E workplan and budget

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Inception Workshop and Report	<ul style="list-style-type: none"> ▪ Project Manager ▪ UNDP CO, UNDP GEF 	0	Within first two months of project start up
Measurement of Means of Verification of project results.	<ul style="list-style-type: none"> ▪ UNDP GEF RTA/Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members. 	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none"> ▪ Oversight by Project Manager ▪ Project team 	To be determined as part of the Annual Work Plan's preparation.	Annually and to the definition of annual work plans
ARR/PIR	<ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO ▪ UNDP RTA ▪ UNDP EEG 	None	Not applicable for EA projects

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Periodic status/ progress reports	<ul style="list-style-type: none"> ▪ Project manager and team 	None	Quarterly
Mid-term Evaluation	<ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO ▪ UNDP RCU ▪ External Consultants (i.e. evaluation team) 	None	Not applicable for EA projects
Final Evaluation	<ul style="list-style-type: none"> ▪ Project manager and team, ▪ UNDP CO ▪ UNDP RCU ▪ External Consultants (i.e. evaluation team) 	None	Not applicable for EA projects
Project Terminal Report	<ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO ▪ local consultant 	\$12,000	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> ▪ UNDP CO ▪ Project manager and team 	Indicative cost: \$3,000	Once throughout project lifespan
Visits to field sites	<ul style="list-style-type: none"> ▪ UNDP CO ▪ UNDP RCU (as appropriate) ▪ Government representatives 	For GEF supported projects, paid from IA fees and operational budget	Yearly
TOTAL indicative COST Excluding project team staff time and UNDP staff and travel expenses		US\$ 15,000 (+/- 5% of total budget)	

7 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:

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;
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.

8 ANNEXES

ANNEX A RISK ANALYSIS

IDENTIFIED RISKS	RISK ASSESSMENT	MITIGATION MEASURES
<p>Political Change of the Government stand towards Convention ratification</p>	<p>Low</p>	<p>The project outputs have been identified, and project activities developed, in close collaboration with the Ministry of Agriculture and Environmental Protection and other government institutions and stakeholders.</p> <p>The project will further support a Mercury Initial Assessment to enable the Government of the Republic of Serbia to determine the national requirements and needs for ratification of the Minamata Convention and establish a sound foundation to undertake future work towards the implementation of the Convention</p>
<p>Organizational: Institutional Arrangements (Lack of collaboration and participation from the relevant stakeholders)</p>	<p>Low</p>	<p>The National Project Director (NPD) will ensure that the relevant stakeholders of the Project Steering Committee are fully aware of the various activities under the project and their respective tasks and responsibilities. The NPD will also ensure that those tasks are achieved in a prompt and timely manner as per the Annual Work Plan and the progress report.</p>
<p>Operational: Delay in the execution of activities due to lengthy governmental procedures.</p>	<p>Low</p>	<p>Proper project planning will be ensured by the Project Steering Committee as per the Annual Work plan and monitoring of same will be done through the quarterly progress reports.</p> <p>The UNDP will provide assistance in the execution of certain activities.</p>

ANNEX B AGREEMENTS

Any additional agreements, such as cost sharing agreements, project cooperation agreements signed with NGOs (where the NGO is designated as the "executing entity", letters of financial commitments, GEF OFP letter, GEF PIFs and other templates for all project types) should be attached.

ANNEX C TERMS OF REFERENCES

<i>Position Titles</i>	<i>\$/ Person Week</i>	<i>Estimated Person Weeks</i>	<i>Tasks to be Performed</i>
For EA Management			
Local			
Project Manager and Project Assistant	200 150	50 40	<ul style="list-style-type: none"> - Supervise and coordinate the production of project outputs, as per the project document; - Mobilize all project inputs in accordance with procedures for nationally implemented projects; - Supervise and coordinate the work of project staff, consultants and sub-contractors; - Prepare and revise project work and financial plans; - Liaise with UNDP, relevant government agencies, and all project partners, including donor organizations and NGOs for effective coordination of all project activities; - Facilitate administrative backstopping to subcontractors and training activities supported by the Project; - Oversee and ensure timely submission of all reports as may be required by UNDP, GEF, the Ministry responsible for environment and other oversight agencies; - Disseminate project reports and respond to queries from concerned stakeholders; - Report progress of project to the PSC, and ensure the fulfilment of PSC directives. - Collect, register and maintain all information on project activities; - Contribute to the preparation and implementation of progress reports; - Monitor project activities, budgets and financial expenditures; - Advise all project counterparts on applicable administrative procedures and ensures their proper implementation; - Maintain project correspondence and communication; - Support the preparations of project work-plans and operational and financial planning processes; - Assist in procurement and recruitment processes; - Assist in the preparation of payments requests for operational expenses, salaries, insurance, etc. against project budgets and work plans;

			<ul style="list-style-type: none"> - Follow-up on timely disbursements by UNDP CO; - Receive, screen and distribute correspondence and attach necessary background information; - Prepare routine correspondence and memoranda for Project Managers signature; - Assist in logistical organization of meetings, training and workshops; - Prepare agendas and arrange field visits, appointments and meetings both internal and external related to the project activities and write minutes from the meetings; - Maintain project filing system; - Maintain records over project equipment inventory; - Provide support to all experts in the delivery of the project activities through substantive input and analytical services; - Scrutinize and review the deliverables of the experts recruited under the project.
For Technical Assistance			
Local			
National experts on data collection and organization analysis	500	82	<ul style="list-style-type: none"> - Identification of main target areas (sites) and sources for collection of data in accordance with the rapid assessment: i) coal-fired power plants; ii) cement production; iii) fluorescent lamps, manometers, thermometers; iv) manufacturing of products containing mercury; v) waste (including medical waste) incineration; and vi) Jewellery sector - Selection of methodology for the collection and analysis of data under each mercury source identified; - Collection of data and analysis; - Review of the rapid assessment of sources and validation (or expansion) of the list in accordance with collected data. - Preparation of Mercury Profile - Preparation of MIA Report
National policy expert on regulatory analysis and recommendations	500	30	<ul style="list-style-type: none"> - Detailed review of regulatory framework and identification of gaps in management of mercury; - Development of specific recommendations on adjustments, amendments required in existing legislation; - Liaise with Ministry of Environment, Minamata focal point and relevant government agencies for development of effective proposals for regulatory framework development.
Public awareness	500	20	<ul style="list-style-type: none"> - Develop public awareness activities necessary to raise awareness on mercury and the Minamata convention among the key stakeholders and target groups identified

expert				<ul style="list-style-type: none"> - during the initial assessment; - Support implementation of public awareness activities and supervise any sub-contractors recruited for implementation; - Maintain quality control over public awareness outputs.
International				
International technical experts	1000	30		<ul style="list-style-type: none"> - Provision of technical advisory support (with missions) to the local team on the Minamata convention as the new MEA instrument, mercury sources, data organization, collection and validation process in each related sector/sub-sector; - Support to the national level consultations on the data analysis, national mercury profile formulation and priority setting processes for decision-making; - Provision of regulatory advisory support where needed with respect existing international benchmarks - Provision of support to develop and analyze cost related to the implementation of the Convention and description of potential sources of funds, including existing bilateral sources - Provision of support services to start creating expertise on how to deal with mercury in the workplace including substitution of mercury by alternative substances in certain production processes.
International Evaluation Expert	1000	8		<ul style="list-style-type: none"> - To assess overall performance against the project objective and outcomes as set out in the Project Document and other related documents; - To assess the effectiveness and efficiency of the project; - To analyze critically the implementation and management arrangements of the project; - To assess the progress towards achievement of the outcomes; - To list and document initial lessons concerning project design, implementation and management; - To assess project relevance to national priorities; - To provide lessons learned and recommendations

ANNEX D CAPACITY ASSESSMENT

UNDP Serbia conducted HACT Macro and Micro Assessment for all UNDP Implementing Partners in the Republic of Serbia. Macro-Assessment was conducted in 2010 by an independent authority indicating the lack of the capacity and resources of the Supreme Audit Institution as well as the immanent risk related to the cash management, budget reporting and internal audit function of public sector in the Republic of Serbia. In November 2011 UNDP Serbia also conducted Micro-Assessment of all key Implementing Partners of UNDP Serbia, including the Ministry of Environment, Mining and Spatial Planning.

Assessment was conducted by the independent Audit Company "Baker Tilly, Ltd" procured through UNDP procurement. The key audit areas with medium risk finding were "Staffing, Internal Audit and Reporting and Monitoring". All other risk areas were defined as "low" as follows: Implementing Partner, Funds Flow, Accounting Policies and Procedures, External Audit, Information Systems. The overall report indicated low risk status of the Ministry of Environment, Mining and Spatial Planning.

After the elections in the Republic of Serbia in July 2012, i.e. since 26 July 2012, the Ministry has been merged (Energy and Environment) forming Ministry of Energy, Development and Environmental Protection of the Republic of Serbia. The part dealing with environmental protection has had a long-lasting cooperation in the implementation of GEF projects in cooperation with UNDP. The part dealing with energy has previous experience in cooperation with UNECE, thus, the newly formed Ministry has had cooperation with United Nations Organizations which made a solid ground for continuation of the cooperation in developing new proposals.

Due to the fact that the new Ministry was established, in line with UNDP requirements, separate 2013 Micro-Assessment was performed by UNDP Country Office with the new Ministry, in line with UNDP POPP, Project Implementation, Project Definition/Initiation requirements, Prince2 based methodology. Assessment was conducted by UNDP Serbia Prog/Finance and Ministry's Head of Finance Unit. In the meantime, UNDP Serbia will continue engaging external private audit firms to conduct annual audits for NIM/NGO projects until further notice. Since 2003 (year of initial NIM project implementation) UNDP Serbia has had annual external audits every year. All reports have been unqualified with no high audit risks. Every year UNDP Serbia conducts review and recommendation on all audit findings for all projects in Country Office.

Moreover, UNDP has contacted Republic of Serbia Supreme Audit Institution and inquired about the possibility to include UNDP projects into regular SAI annual audits but no positive response was received from SAI due to the lack of staff and no possibility to commit to additional work to be performed by the Institution that started audit exercises in 2007 only. Full Micro-Assessment is attached to the project proposal. Key audit areas defined were: Staffing, Internal Audit and External Audit. UNDP is of the opinion that the Ministry is to be appointed as fully-fledged Implementing Partner to this project.

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

Your excellency,

1. Reference is made to consultations between officials of the Ministry of Agriculture and 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 Agriculture and Environmental Protection of the Republic of Serbia

Prof. dr Zoran Rajic, State Secretary

under authority of the Minister no. 119-01-13/2/2015-09 from 12 January 2015

DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

1. Reference is made to consultations between Ministry of Agriculture and 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 "Development of Minamata Convention on Mercury Initial Assessment in the Republic of Serbia" project number 00099482 [*"the Project"*].

2. 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.

3. Support services to be provided:

Support services (insert description)	Schedule for the provision of the support services	Cost to UNDP of providing such support services (where appropriate)	Amount and method of reimbursement of UNDP (where appropriate)
1. Identification and/or recruitment of project personnel * Project Manager * Project Assistant	In the first three months of the project implementation	US\$ 260.53 (unit prize), (per UPL) or (per actual cost*)	UNDP will directly charge the project upon receipt of request of services from the Implementing Partner (IP)
2. Procurement of goods: * Data show, computers, printers	June 2016 – Dec 2016	US\$ 232.74 (unit prize), (per purchasing process)	UNDP will directly charge the project upon receipt of request of services from the Implementing Partner (IP)
3 Identification and recruitment of consultants *National experts on data collection organization and analysis *National policy expert on regulatory analysis and recommendations *Public awareness expert *International technical experts *Evaluation Expert	On-going throughout project implementation	US\$ 381.96 (unit prize) (per UPL) or (per actual cost*)	UNDP will directly charge the project upon receipt of request of services from the Implementing Partner (IP)
4. Finance transactions	On-going throughout project implementation	US\$ 36.44 (unit prize) (per UPL) or (per actual cost*)	UNDP will directly charge the project upon receipt of request of services from the Implementing Partner (IP)
5. Travel management	On-going throughout project implementation	US\$ 27.14(unit prize) (per UPL) or (per actual cost*)	UNDP will directly charge the project upon receipt of request of services from the Implementing Partner (IP)
Total		up to USD 2,000	

**As per authorization by UNDP HQ obtained in 2011 to apply local customized Actual Price List for Direct Support Cost. Support Services Actual Cost which adheres to the „UNDP Cost Recovery Operational Guidelines for Implementation of Direct Project Costing“ effective as of January 2014.*

Support services provision by UNDP may be a subject to revision requested as per formal Letter to be submitted by the Ministry of Agriculture and Environmental Protection to UNDP. Direct project costs charged against the GEF-financed project budget will not exceed the amount approved by GEF Secretariat for these services.

3.1 In addition to Article 3 of this Letter of Agreement and Section 4 of the Project Document (total budget and workplan, page 13) detailed budgetary breakdown of services to be provided by UNDP as per Outcome and budget category is stipulated as follows:

UNDP Support services as per UNDP Programme and Operations Policies and Procédures	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)
Outcome 1			
International Consultants	As per AWP/ProDoc	15,000 USD	As per actual cost
Local Consultants	As per AWP/ProDoc	30,000 USD	As per actual cost
Travel	As per AWP/ProDoc	3,000 USD	As per actual cost
Contractual services	As per AWP/ProDoc	30,800 USD	As per actual cost
Office Supplies	As per AWP/ProDoc	1,000 USD	As per actual cost
Miscellaneous	As per AWP/ProDoc	2,000 USD	As per actual cost
Outcome 2			
International Consultants	As per AWP/ProDoc	15,000 USD	As per actual cost
Local Consultants	As per AWP/ProDoc	36,000 USD	As per actual cost
Travel	As per AWP/ProDoc	5,000 USD	As per actual cost
Contractual services	As per AWP/ProDoc	10,000 USD	As per actual cost
Equipment	As per AWP/ProDoc	6,019 USD	As per actual cost
Audio Visual & Print Product Costs	As per AWP/ProDoc	13,000 USD	As per actual cost
Outcome 3			
International Consultants	As per AWP/ProDoc	8,000 USD	As per actual cost
Local Consultants	As per AWP/ProDoc	4,000 USD	As per actual cost
Professional Services	As per AWP/ProDoc	3,000 USD	As per actual cost
Project Management			
Local Consultants	As per AWP/ProDoc	16,181	As per actual cost
Direct Project Costs	As per AWP/ProDoc	2,000	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 MoAEP, 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.*

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 Agriculture and Environmental Protection of the Republic of Serbia:

The Ministry of Agriculture and 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 Agriculture and 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 Agriculture and 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 Agriculture and 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 Agriculture and 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 Agriculture and 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 Agriculture and Environmental Protection designates the National Project Director 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.

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. Support the effective implementation of the project and delivery of the expected results, objectives and impact;
- g) Ensures appropriate supervision over the management of the project, including financial management;
- h) Ensures participation of Ministry officials in the implementation of the project;
- i) Supports adequate monitoring and impact assessment of the project;
- j) Enhances adequate documentation of the project experience and its dissemination.

Selection criteria:

National Project Director is appointed/nominated by the Ministry of Agriculture and 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.