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PROJECT DOCUMENT – Revision

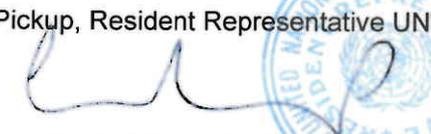
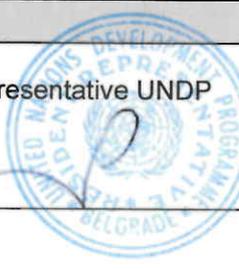
UNDP Serbia

Project Title: Advanced Capacity for Accelerated Delivery Initiative (ACADI)
Project Number: **Award:** 00102693,
Outputs: 00104644/00108125/00110707/00118994/00111577/00127025/00127026
Implementing Partner: Public Investment Management Office of the Government of the Republic of Serbia;
Start Date: 31 March 2017 **End Date:** 31 December 2023 **PAC Meeting date:** 17 March 2017

Brief Description
<p>As the Government of the Republic of Serbia advances the implementation of its complex development agenda, it has established a new Public Investment Management Office (PIMO) to manage complex cross-sectorial projects. PIMO needs additional advanced capacity to implement projects funded by loans to ensure timely and impactful implementation and to indemnify the Republic of Serbia from the potential interest and charges which would appear in case of slow pace of project implementation. UNDP, with its emphasis on capacity development and knowledge management, will support building of this advanced capacity and provide PIMO with access to its knowledge platforms, rosters of expertise and specializations and facilitate timely delivery of projected results.</p> <p>The purpose of this substantive revision is threefold:</p> <ol style="list-style-type: none"> 1. Additional funding - Output 1 and 4 2. Introduction of new project activities – Output 6, 7 and 8 3. Implementation timeframe extension of the project till 31 December 2023

<p>Contributing Outcome (UNDAF/CPD): Equitable economic and employment opportunities are promoted through innovation and circularity.</p> <p>Indicative Output(s):</p> <ol style="list-style-type: none"> 1. Advanced capacity for Health Infrastructure Investment Initiative established 2. Advanced Capacity for the Preparation facility established. 3. Enhanced capacities of the Project Development Office in development of technical concept for Belgrade Philharmonic Orchestra (BPO) 4. Enhanced quality of design documentation and supervision services 5. Strengthening of PIMO in the implementation of key social infrastructure in municipalities and town districts 6. Technical support for Sports Infrastructure Investment Initiatives established 7. Technical support for energy efficiency rehabilitation of public buildings 8. Technical support for water supply networks and wastewater treatments throughout Serbia

Total resources required:	US\$ 26,265,133.17
Total resources allocated:	€ 21,695,000.00 (as per UN exchange rate 0.826 EUR/USD for May, 2021)
	UNDP:
	Government: US\$ 26,265,133.17
	In-Kind:
Unfunded:	

Government	UNDP
<p>Marko Blagojevic, Director a.i., Public Investment Management Office</p> 	<p>Francine Pickup, Resident Representative UNDP Serbia</p> 
<p>Date: 03.06.2021.</p> 	<p>Date: 03.06.2021.</p> 

I. DEVELOPMENT CHALLENGE

As the Government of the Republic of Serbia advances the implementation of its complex development agenda, elaborated in the 10 points programme of the government approved by the Parliament in 2016, there is an increasing emphasis on complex multi-sectorial cooperation of various sectors of the Government as well as fast implementation of development projects, for which funding has been secured through loans provided by development banks.

To facilitate the above two objectives, the Government of the Republic of Serbia has established a Public Investment Management Office (PIMO), which serves as an operational arm of the Government for cross-sectorial development projects. PIMO is a new body of the Government of the Republic of Serbia, which, in addition to managing reconstruction and aid allocation following natural and other hazards, has a primary responsibility for managing projects of reconstruction of thousands of preschools, schools, health care and social protection establishments¹. PIMO's work is cross-sectorial in nature. It also requires active participation of all local communities, both in the process of decision-making and in the process of implementation of projects. Considering that PIMO is tasked with loan implementation, it needs additional advanced capacity to implement projects funded by loans, in order to ensure timely and impactful implementation, to indemnify the Republic of Serbia from the potential interest and charges which would appear in case of slow pace of project implementation. The advanced capacity required for loan implementation stems from two notions: (1) the existing capacities are sufficient to implement development projects in line with national policies and procedures (i.e. Serbian law on public procurement). To implement projects based on the European Investment Bank procurement and financial reporting rules, a capacity more advanced than it currently exists is needed, as discussed with the national partner – PIMO during the conceptualization phase of the Project; (2) the realization of the several loans have thus far has been stalled. For this reason, their implementation has been transferred to PIMO, which currently implements and is tasked with their realization.

In its portfolio of projects PIMO is currently focusing on implementing several initiatives:

- 1) Advanced capacity for Health Infrastructure Investment Initiative established - funded by the Council of Europe Development Bank (CEB);
- 2) Preparation facility for the KfW-financed initiatives
- 3) Enhanced capacities of the Project Development Office in development of technical concept for National Concert Hall (NCH)
- 4) Enhanced quality of design documentation and supervision services
- 5) Strengthening of PIMO in the implementation of key social infrastructure in municipalities and town districts
- 6) Implementation of Sports Infrastructure Investment Initiatives – Government funds
- 7) Energy efficient rehabilitation of public buildings in selected municipalities – KfW financed initiatives.
- 8) Improvement of water supply networks and wastewater treatments throughout Serbia – funded by CEB

The Serbian R&D Infrastructure Investment Initiative (Output 1)

The Government of Serbia's Research and Development Infrastructure Investment Initiative has implemented a series of projects in the first wave of project execution (2010-2016), financed through contracts with CEB (loans 1711 and 1739) and European Investment Bank (EIB), including:

1. Housing for young researchers – residential block, 144 apartments, Belgrade (CEB 1711)
2. Housing for young researchers – residential block, 210 apartments, Kragujevac (CEB 1739)

¹ The Government of the Republic of Serbia established PIMO through a Decree on establishment of the Public Investment Management Office (Official Gazette of the Republic of Serbia, No. 95/15), which stipulated that the PIMO shall perform expert, administrative and operational activities to serve the needs of the Government, related to coordination of the implementation of projects of reconstruction and improvement of public facilities within the competence of the Republic of Serbia, Autonomous Province or local self-government units in terms of collecting the data on current and scheduled projects and the needs for public facility reconstruction, needs and feasibility assessment of the proposed projects, priority identification, coordination of public procurement procedures, meeting of contractual obligations and payments, and also other activities stipulated by the Law or the Government Decision.

3. Procurement of research equipment – cca 70% of initially listed items have been purchased (CEB 1711, EIB)
4. Centralised system for procurement of consumables (EIB)
5. Science and technology Park Novi Sad- phase 1 (EIB)
6. Science and technology Park Zvezdara (EIB)
7. Central building of University in Novi Sad (EIB)
8. Science Centre Petnica (EIB)
9. Natural History Centre Svilajnac (EIB)

The Second Phase of the Serbian R&D Infrastructure Initiative, which is the focus of this Project, is financed through the CEB Loan for financing of F/P 1739 (2011) approved by CEB's Administrative Council on 11 June 2011.² The F/P 1739 (2011), Framework Loan Agreement, between CEB and Serbia, was ratified by the Law on Confirming the Framework Agreement F/P 1739.³ The Serbian R&D Infrastructure Investment Initiative – Second Phase, concerns a series of investments aimed at revitalising public R&D in Serbia. These investments, spread throughout Serbia, include upgrading existing research facilities and infrastructure.

However, the implementation of 1739 has been substantially delayed due to a number of factors on the borrower's side. In 2016, the Government of the Republic of Serbia and CEB, through Technical Annex to Loan Agreement 1739, revised the initially planned project portfolio, and proposed new subprojects.. The Government of Serbia decided to give more focus to the development of biomedical and health research infrastructure, especially the ones benefitting younger population.

Eight projects have been formulated and proposed for CEB support in period 2016 - 2018:

1. Reconstruction and modernisation of the Institute for Neurosurgery
2. Construction of new building - Institute for Cardiovascular Diseases "Dedinje"
3. Reconstruction and modernisation of Clinical Center "Dr Dragiša Mišović"
4. Reconstruction and modernisation of existing building of University Children Clinic "Tiršova"
5. Reconstruction and modernisation of Clinical Center "Zemun"
6. Reconstruction and modernisation of Emergency Center
7. Reconstruction and modernisation of Obstetrics and Gynaecology Clinic "Višegradaska"
8. Financial and technical support to the Project Implementation Unit

The projects directly contribute to the implementation of the Strategy of Scientific and Technological Development of the Republic of Serbia 2016-2020. The implementation of these projects needs to be done in accordance with the European Investment Bank's *Guide to Procurement* in force at the date of the Agreement and considering that CEB will reserve the right to review at any time the procurement procedures and documentation, on a sample basis, to verify their conformity with the applicable *EIB Guide to Procurement*. Also, all projects are to be realized in accordance with the CEB environmental policy, EIB requirements in this area and national legislation. The requirements of this loan represent a challenge in terms of ensuring adequate expertise and capacity for its implementation.

Preparation facility for the KfW-financed initiatives (Output 2)

The Republic of Serbia and KfW have a multilayered cooperation which is developing at an accelerated pace. The Preparation Facility shall set-up the structure for the promotion of start-up business initiatives in Serbia. This preparation facility shall focus on: (1) inception phase for a mechanism to establish a Government-owned guarantee mechanism for PIMO, to provide cash-backed risk-sharing to banks for loans to start-up companies, (2) inception phase for PIMO to establish a mechanism to provide start-up grants as incentives for new start-ups, (3) inception phase for PIMO Technical Assistance (TA) both for start-ups as well as for banks. The inception phase of the preparation facility shall run throughout 2017, with a view to potential upgrading and incorporating the lessons learned in 2017 into the established preparation facility.

² The First Phase was approved by CEB in June 2010 under the reference F/P 1711 (2010);

³ ("Official gazette of the Republic of Serbia – International Agreements 1/2012");

Platform for Designing the National Concert Hall in Belgrade (Output 3)

ACADI project served as a platform for additional support by UNDP to PIMO to develop the National Concert Hall in Belgrade, including the development of the study and technical support. Tender for this was completed and contract signed with Ove ARUP and Partners International Ltd. ARUP is to provide various technical support in the pre-design and design stages through the first, pre-design stage that started in August 2018, ARUP prepared a design programme and developed technical concepts of the new concert hall, assessed feasibility of the development on proposed location, calculated budget and adjusted the development to available funds and assisted the investor in preparation of the prequalification and bidding for design services. In the second, design stage, ARUP is expected to give specialist advice in the selection of the design team and further, support the design team but also review its work in respect of acoustics, audio-visual, lighting and other theatre issues.

Enhanced quality of design documentation and supervision services (Output 4)

Enhanced capacities of Public Investment Management Office in technical documentation development and performing supervisory role on Research and Development Infrastructure Initiatives. UNDP, through the ACADI Project is providing design and supervision services to PIMO for the following infrastructure projects:

- Obstetrics and Gynaecology Clinic "Narodni Front", Belgrade
- Orthopaedic Clinic "Banjica", Belgrade
- Oncology Clinic, Belgrade
- Special Clinic for Cerebrovascular Diseases "Sveti Sava", Belgrade
- Reconstruction of Institute for Neurosurgery, Belgrade
- Reconstruction of Clinical Center "Zemun", Belgrade
- Reconstruction of Emergency Center, Belgrade
- Construction of new building - Institute for Cardiovascular Diseases "Dedinje", Belgrade
- Reconstruction of Obstetrics and Gynaecology Clinic "Višegradska", Belgrade
- Reconstruction of the facade on University Children Clinic "Tiršova", Belgrade
- Reconstruction of University Children Clinic "Tiršova", Belgrade
- Institute of Physics Verrocchio Center
- ST Park Niš
- Electronic Faculty Labs
- Faculty of Organisational Sciences
- Obstetrics and Gynaecology Clinic "Narodni Front", Belgrade
- Orthopaedic Clinic "Banjica", Belgrade
- Oncology Clinic, Belgrade
- Radiology and NMR Center, Belgrade
- Special Clinic for Cerebrovascular Diseases "Sveti Sava", Belgrade
- Belgrade University - new building

PIU support to social infrastructure in migration affected municipalities (Output 5)

Given that ACADI project is responsible for managing projects funded by the Government, the Ministry of Labour, Employment, Veterans and Social Affairs (MoLEVSA) and Public Investment Management Office (PIMO) agreed to assign additional Project Implementation Unit to ACADI project (in the first quarter of 2020) for the purpose of implementing the programme "Strengthening of social infrastructure in municipalities strained by the refugee crisis" ("Programme").

The programme focuses on several infrastructure investment measures regarding the rehabilitation, extension, and/or new construction of social infrastructure in municipalities and town districts which are structurally weak and/or strained by the refugee crisis. The purpose of the Programme is to improve social infrastructure services for the local population and in particular vulnerable groups, such as ethnic minorities (for example Roma) and returnees from failed migration attempts.

The Project described in this Project document aims at providing necessary experts with relevant qualifications and experience, through a cooperation scheme between MoLEVSA, PIMO and United Nations Development Programme (UNDP). The necessary experts will perform tasks and duties

mainly related to the preparation and implementation of investment programmes related to the rehabilitation, extension, and/or new construction of social infrastructure in municipalities and town districts.

Implementation of Sports Infrastructure Investment Initiatives (Output 6)

During 2019 and 2020, several technical documentations for football stadiums were developed. In the meantime, the Government of Serbia have decided to focus on the construction of football stadiums in Zaječar, Loznica and Leskovac. The construction process will have to fulfill all requirements prescribed by the "UEFA Stadium Infrastructure Regulation" for Category 4 sports facilities.

Energy efficient rehabilitation of public buildings (Output 7)

In September 2020, the Government of Serbia/PIMO and KfW signed the Grant agreement in the amount of EUR 1.5M and the Loan agreement in the amount of EUR 21.5M with the purpose to contribute to improved energy performance in targeted buildings, to strengthen capacities for carrying out decentralized public infrastructure projects with focus on energy efficiency and to stimulate local value chains. This Project is to contribute to the population and the environment benefitting from a sustainable, efficient and reliable energy supply laying ground for the convergence of Serbia to the EU (against the background of the Energy chapter of the Acquis Communautaire) through the German engagement. The Project comprises the energy efficient rehabilitation of ca. 50-60 public buildings in selected municipalities throughout Serbia and is divided into two Clusters, Cluster I and Cluster II. Cluster I is to ensure a continued financing of the country-wide PIMO-Programme for Reconstruction and Improvement of State-Owned Public Facilities in Education, Healthcare, Social Protection and Sport Sectors. Cluster II is to introduce structure and energy audits and post construction energy audits.

Improvement of water supply networks and wastewater treatments (Output 8)

In November 2019, the Serbian government signed a loan agreement with CEB so as to implement two components of the project: 1) To support improvement of water supply in up to 60 municipalities. This activity should improve both quality of water and decrease water losses, especially in the context of less available water sources due to climate change and overall pollution. 2) To support construction of waste-water treatment plants as well as connecting sanitary networks for example in Čačak, Niš and Kragujevac.

The United Nations Development Programme (UNDP) works in some 170 countries and territories around the world; our goal is helping to simultaneously reduce poverty and achieve sustainable development that leads to transformational change, bringing about real improvements in people's lives. We promote an integrated approach to achieve sustainable development, while enhancing knowledge, skills and production technologies to reduce risks and sustain development gains. UNDP supports and advocates for a "blended finance" approach to achieve the Sustainable Development Goals (SDGs). ACADI Project shall indirectly contribute to Serbia's progress towards increasing research and development expenditure as a proportion of GDP (SDG indicator 9.5.1, of the target 9.5, which aims at enhancing scientific research, upgrade the technological capabilities of industrial sectors in all countries, [...] encouraging innovation and substantially increasing the number of research and development workers [...] the ACADI Project shall also contribute to the improved Coverage of essential health services (defined as the average coverage of essential services based on tracer interventions that include reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases and service capacity and access, among the general and the most disadvantaged population) (indicator 3.8.1, of the target 3.8, which aims at achieving universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

As the developing countries are relying increasingly on their domestic resources to fund progress against the SDGs, UNDP's role is increasingly to support the advanced capacity of host countries to blend finance from donor sources, lenders, private sources and its own – budgetary funds, until the development countries can take these tasks upon themselves. The multilateral development

banks have understood this tendency and are already shifting focus towards blended finance – on programs that support middle-income countries progressing against the SDGs through domestic finance and partnering with the private sector.

UNDP's capacity and role has led to successful partnering with IFIs in respect to (1) Implementing direct grants from IFIs or through government (TA, coordination, implementation support, monitoring and evaluation, oversight as third party/fiduciary agent). For instance, UNDP implemented large scale GEF grants as well as projects in Yemen (with IDA financing), Palestine & Regional Aid for Trade with IDBG. Also, UNDP increasingly implements loans, borrowed by the Government from IFIs. For instance, IADB loan in Argentina, EIB loan in Armenia, AfDB loan in Guinea, IDBG loan in Kazakhstan, ADB loan in Pakistan, IFAD loan in Turkey, etc. Such partnerships enable both transparent and accountable expenditures as well as achieving development gains intended through the loan and connecting these gains to the SDG agenda.

UNDP and the Office of the Prime Minister are implementing the Project Management of Citizen-Centric Policy Measures, which aims to support the Government of the Republic of Serbia by providing advisory services to its Strategic Project Implementation Unit tasked with supporting the Cabinet of the Prime Minister, in delivering better results faster in five key priority areas: infrastructure, investment climate, agriculture, restructuring of public enterprises and public administration reform.

II. STRATEGY

The existing capacity of the Republic of Serbia to implement development projects is tuned to Official Development Assistance projects, usually funded by EU and bilateral donors. As Serbia is moving on its EU accession agenda, and since it is recognized as upper middle-income country⁴, with high human development,⁵ Serbia is expected by its international development partners to lend more to finance its development from own resources.

There is strong willingness by the Government of Serbia to ensure efficient implementation of the development project financed by described loans and facilities. The expertise for this endeavour exists in Serbia. In order to use this expertise a concerted effort by the Government of Serbia – Public Investment Management Office is required to set up the Project Implementation Units and to organize its capacities in a manner which guarantees the delivery on the said Projects. The Advanced Capacity for Accelerated Development Initiative (ACADI) Project has enabled efficient and effective provision of the necessary expertise, which, on one hand, boost the capacity of the Government of the Republic of Serbia – Public Investment Management Office (PIMO) for fast delivery of projects funded through loans to the Republic of Serbia and on the other, strengthen the capacity of the beneficiary institutions to comply with the requirements of the lender to Serbia in regards to: 1) procurement rules; 2) management; 3) supervision and visibility of intervention. Having a gender-balanced profile of the services required, the ACADI Project has strengthened the access of women to skilled work with equal pay, and enabled gender-disaggregated data to be factored in the implementation of the projects funded by loans to the Republic of Serbia.

The additional funds provided to the project are dedicated to strengthening PIMO's Project Implementation Units, by securing specialised expertise in the areas of project management, public procurement, finance, law, technical sciences, and administration. Such expertise is vital for the effective delivery of results by PIMO. Funds will also be directed to cover the operational costs of project implementation. The ACADI Project contributes directly to the capacity of PIMO and the Government of the Republic of Serbia to implement projects that result in increased quality of healthcare services in Serbia, and significant improvement in the quality of research and educational infrastructure in neurosurgery and related fields and in the quality of general working conditions for research and medical staff, and patients. Furthermore, the additional funds will enable the ACADI project to provide its contribution to the environmental situation in two sectors in Serbia through

⁴ <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519>

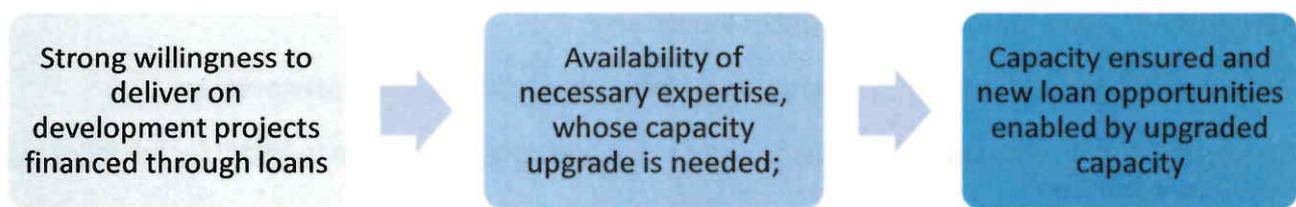
⁵ Human Development Index, <http://hdr.undp.org/en/countries/profiles/SRB>

energy efficiency rehabilitation and wastewater initiatives. Improvements in infrastructure and increase in capacity will be reflected in better services and shorter waiting periods and improving the quality of life of the Serbian population.

The ACADI Project will support the establishment and functioning of the Project Implementation Unit (PIU) of PIMO. The PIU shall principally function based on the following principles:

1. Implementing cross-sectorial projects efficiently and effectively;
2. Providing constant feedback to the Government of the Republic of Serbia, through PIMO, about the relevance and sustainability of the project interventions;
3. Ensuring that ownership of achieved results is widely disseminated as ownership of the Government of the Republic of Serbia – through PIMO;

The PIU is established by the Government of Serbia – Public Investment Management Office (PIMO), to streamline project implementation in line with the development agenda of the Republic of Serbia and the requirements of various lending institutions. The PIU shall serve as a single implementation, information and coordination point to reach implementation and policy decisions within the “R&D in public sector” project, co-financed by CEB and EIB.



III. RESULTS AND PARTNERSHIPS

The purpose of this substantive revision is threefold:

1. Additional funding - Output 1 and 4
2. Introduction of new project activities – Output 6, 7 and 8
3. Implementation timeframe extension of the project till 31 December 2023

Expected Results

Output 1 Advanced capacity for Health Infrastructure Investment Initiative established (Project Implementation Unit (PIU) - technical assistance)

UNDP was tasked to establish Project Implementation Unit that has focussed on the implementation of Serbian Research & Development Infrastructure Investment Initiative funded by the Council of Europe Development Bank (CEB) and European Investment Bank (EIB). These investments, spread throughout Serbia, included upgrading existing research facilities and infrastructure, and some of them are a) expanding of the Faculty of Electronic Engineering at University of Nis, b) Construction

of a new building of the Faculty of Organizational Sciences in Belgrade, c) Construction of a new building for the University of Belgrade, d) Bio Sense Institute etc.

Additional funding which is planned under this Addendum will further support the Project Implementation Unit to focus on improvement of health infrastructure funded by the Council of Europe Development Bank (CEB). In particular, the PIU will implement the construction and/or rehabilitation of projects in the field of health and related infrastructure such as:

- State hospitals
- Infrastructures for medical services including those specialized in assisting vulnerable populations
- Elderly nursing homes and Centers for Social Welfare etc.

Namely, the Council of Europe Development Bank and the Republic of Serbia signed Framework Loan Agreement LD 1981 (2018) for financing the public sector - improvement of infrastructure in the field of health care in Serbia. The Financing Agreement was ratified by the Assembly of the Republic of Serbia on 21 May 2019, Law on Ratification of the LD Loan Framework Agreement 1981 (2018) (published in the Official Gazette of the Republic of Serbia, International Agreements no. 6/2019 of 23 May 2019).

This Framework Agreement stipulates the appointment of the Public Investment Management Office (PIMO) as the Project Implementing Entity and envisages the work on the improvement of secondary and tertiary health care institutions and the improvement of obsolete medical and non-medical equipment in public institutions throughout the country.

Output 4 - Enhanced quality of design documentation and supervision services

So far, UNDP has been tasked to provide design and supervision services to PIMO for the following infrastructure projects:

- Obstetrics and Gynaecology Clinic "Narodni Front", Belgrade
- Orthopaedic Clinic "Banjica", Belgrade
- Oncology Clinic, Belgrade
- Special Clinic for Cerebrovascular Diseases "Sveti Sava", Belgrade
- Reconstruction of Institute for Neurosurgery, Belgrade
- Reconstruction of Clinical Center "Zemun", Belgrade
- Reconstruction of Emergency Center, Belgrade
- Construction of new building - Institute for Cardiovascular Diseases "Dedinje", Belgrade
- Reconstruction of Obstetrics and Gynaecology Clinic "Višegradska", Belgrade
- Reconstruction of the facade on University Children Clinic "Tiršova", Belgrade

Additional funding which is planned under this Addendum will provide additional assistance in the development of technical designs and supervision services, particularly to provision of supervision services over the construction of the new facility of the University Clinic in Tirsova, funded by the Council of Europe Development Bank (CEB).

Namely, the Council of Europe Development Bank and the Republic of Serbia signed Framework Loan Agreement LD 2009 (2019) for financing construction of new facility of the University Children Hospital Tirsova (Tirsova 2). The new facility will increase surgery rooms space and rooms for accommodation of patients. It will also have improved ventilation, heating systems, fire protection, evacuation and access to the Clinic. All these interventions will improve overall functionality of the Clinic.

The project will contribute to the improvement of conditions for patients and health workers as well as the quality of services provided. It is expected that improved access to modern equipment will contribute to better diagnostics and more effective treatment of patients, which will lead to reduction

in the number of patients who have to leave the country for treatment. Improving the quality of accommodation, hygiene, working and therapeutic conditions for patients and their carers should lead to greater comfort and dignity of patients during treatment and increase the recovery rate.

Output 6 – Technical support to construction of sports facilities

UNDP has been approached to establish Technical Support Unit that will be focussed on the implementation of Sports Infrastructure Investment Initiatives. Namely, the Technical Support Unit, will consist of numerous engineers of different specialities who will be monitoring and ensuring quality control over construction or reconstruction of football stadiums in Zaječar, Loznica and Leskovac. The construction of mentioned football stadiums will have to be done in accordance with already developed technical designs (and obtained construction permits) and the Technical Support Unit will have to make sure that all requirements prescribed by the "UEFA Stadium Infrastructure Regulation" for Category 4 sports facilities are fulfilled.

During 2019 and 2020, several technical documentations for football stadiums were developed. In the meantime, the Government of Serbia have decided to focus on the construction of football stadiums in Zaječar, Loznica and Leskovac. The construction process will have to fulfil all requirements prescribed by the "UEFA Stadium Infrastructure Regulation" for Category 4 sports facilities.

The engaged Technical Support staff will be located in local self-governments where the football stadiums will be constructed, will be a part of the Technical Support Unit, and will be responsible for daily monitoring as well as supervision of construction of football stadiums in Zaječar, Loznica and Leskovac, respectively. The Technical Support Unit will consist of 30 engineers who will be managed and supervised by the Technical Advisor - Engineering Specialist who will monitor and supervise their work in relation to implementation of the construction or reconstruction of football stadiums in Zaječar, Loznica and Leskovac.

PIMO shall communicate and coordinate with local self-governments participating in the Project and ensure that municipalities fully support all Project activities.

Output 7 - Technical support for energy efficiency rehabilitation of public buildings

In September 2020, the Government of Serbia/PIMO and KfW signed the Grant agreement in the amount of EUR 1.5M and the Loan agreement in the amount of EUR 20M with the purpose to contribute to improved energy performance in targeted buildings, to strengthen capacities for carrying out decentralized public infrastructure projects with focus on energy efficiency and to stimulate local value chains.

This Project is to contribute to the population and the environment benefitting from a sustainable, efficient and reliable energy supply laying ground for the convergence of Serbia to the EU (against the background of the Energy chapter of the Acquis Communautaire) through the German engagement. The Project comprises the energy efficient rehabilitation of ca. 50-60 public buildings in selected municipalities throughout Serbia and is divided into two Clusters, Cluster I and Cluster II. Cluster I is to ensure a continued financing of the country-wide PIMO-Programme for Reconstruction and Improvement of State-Owned Public Facilities in Education, Healthcare, Social Protection and Sport Sectors. Cluster II is to introduce structure and energy audits and post construction energy audits.

In particular, ACADI project will cover the following:

- Take preparatory steps for rehabilitation works: review submitted applications from municipalities for the Project, confirm their general eligibility, present a short list of priority buildings for participation in the Project, approve the preliminary designs of the rehabilitation measures and sign a contract with the municipality specifying the duties.
- Supervise the entire procurement and implementation processes for works and services to be financed under the Project: provide standard bidding documents, supervise the public

tender process conducted by the municipalities, approve the final tender documents, participate in the evaluation of the bids, approve final evaluation and approve the contract with the constructor.

- Administer and supervise the rehabilitation works to be executed: Supervise and monitor the supervisor according to Serbian law (Nadzor) contracted by the municipalities, monitor the implementation of the works according to the contract, periodically visit the construction site, approve the reports submitted by the municipality, execute all approved payment requests for Works, Goods and Services Contracts
- To support PIMO and the municipalities in the implementation of technically/ administratively more challenging rehabilitation measures and/or to overcome qualitative bottlenecks and to speed up implementation, consultancy companies shall be assigned on a short-term basis.

To ensure a swift, smooth and proper implementation, ACADI project will provide the following technical assistance:

- 1) Additional qualified staff members to support PIMO in the day-to-day project activities
- 2) Contracting companies for elaboration/ checking of designs, supervision etc.
- 3) Engagement of consultants for assisting in quality enhancement and assurance related issues, the project monitoring etc.

Output 8 - Technical support for water supply networks and wastewater treatments throughout Serbia

The Government of Serbia/PIMO and CEB signed a loan agreement in 2019 which should improve the quantity and quality of water resources by reducing wastewater pollution and increase water supply efficiency. Wastewater treatment is to reduce the population's exposure to water-borne diseases and protect current economic activities related to water resources, which are affected by the continuous deterioration of water quality. The project will have direct influence on the improvement on the environment and will provide concrete benefits such as improved environmental protection and improved communal services, which will, on the other hand, reduce the pollution of surface and groundwater, preserve water resources, as well as biodiversity and ecosystems.

The project has two components:

- Component 1 related to water supply with the aim of improving the water supply system in about 60 municipalities in Serbia and focussing on protecting water quality and reducing water losses. So far technical documentation is approved for 15 water supply system out of 90 received applications that are in the various phases of design development. The Program for reconstruction of the water supply networks will be co-financed by EIB.
- Component 2 related to wastewater treatment focussing on the construction of new wastewater treatment plants (WWTPs) and related sanitary networks. In the first-year constructions of new WWTPs is planned in Babušnica, Bela Palanka, Bačka Palanka, Bečej, Veliko Gradište and Priboj. PIMO received applications from 61 municipalities and the construction of the WWTPs will start upon approval of technical documentation.

The ACADI project will provide the following technical assistance:

- 1) Additional qualified staff members to support PIMO in the day-to-day project activities
- 2) Contracting companies for elaboration/ checking of designs, supervision etc.
- 3) Engagement of consultants for assisting in quality enhancement and assurance related issues, the project monitoring etc.

Resources Required to Achieve the Expected Results

PIMO with the support of ACADI shall maximize the resources provided to the Republic of Serbia through the national budget and funds borrowed from CEB, EIB, KfW and from various lending instruments i.e. loans which the Republic of Serbia currently implements. The ACADI Project shall also assist PIMO and contribute to the implementation of the activities through the compliance and ensuring transparent and accountable project monitoring, following the internationally recognized transparent and accountable procedures.

Partnerships

UNDP and the Council of Europe Development Bank have a Memorandum of Understanding, signed on 3 September 2007, which established a framework for cooperation and identified areas where joint efforts would help both UNDP and CEB achieve common objectives. The areas for cooperation identified include: (1) project funding; (2) loans; (3) grants; (4) monitoring and evaluation assistance; (5) policy research; (6) training and other activities. Following the expiration of the initial term, UNDP and CEB extended the duration of the MoU from 6 February 2017 to 6 February 2022. The current Project will contribute to the furthering of partnership between CEB and UNDP.

UNDP and European Investment Bank (EIB) have signed a Memorandum of Understanding, identifying strategic priorities for cooperation, and UNDP committing to cooperating in areas of mutual concern to enhance the effectiveness of their work in support of the 2030 Agenda for Sustainable Development. The partnership focuses on scaling up ongoing initiatives, and exploring new opportunities to collaborate on developing and implementing effective projects fulfilling mutual goals, with relevance to the SDGs, reinforcing policy-level analysis and collaboration on programming with a view to advancing sustainable results in beneficiary countries and promoting institutional dialogue, knowledge sharing, and cross-institutional learning. This cooperation is focused on (1) Climate change response; (2) Responding to crisis and post crisis situations; (3) Promoting inclusive markets and entrepreneurship, generating jobs; (4) Response to the migration crisis. Examples of this cooperation include work which UNDP and EIB have done in the implementation EUR 30 million border management program in Armenia, whereby UNDP supports the implementation of EIB-funded loan to Armenia as well as joint work on implementing blended loan (EUR 100 million from EIB) and grant funds (20 million for technical assistance from GCF). The Project Energy efficiency in public residential buildings, was approved by the GCF in June 2016, strives to improve energy efficiency in Soviet-era residential buildings throughout Yerevan. Also, cooperation exists in Ukraine for the capacity building component of the Early recovery program.

KfW and UNDP share a history of successful partnerships, and significant potential for enhanced collaboration to support the implementation of the SDGs and leave no one behind. Clear synergies exist between UNDP and KfW— including on development solutions for displacement, support to peacebuilding in fragile and conflict-affected situations, and project development and implementation on SDG priority areas including poverty reduction, governance and the rule of law, reducing and managing risks of conflict and natural disasters, climate change, sustainable energy, social and economic infrastructure and service provision. In June 2019, UNDP and KfW signed a Letter of Intent which involve: direct technical assistance; project development and implementation; potential co-financing, parallel financing or innovative financing arrangements in support of SDG focused programmes/ projects; joint knowledge creation and exchange; policy analysis, advocacy and dialogue; regular exchange of/access to information regarding each organization's priorities or products/publications; and promoting staff exchanges to increase awareness about the work and operations.

PIMO shall ensure the inter-governmental coordination with the departments of the Government of Serbia, under whose mandates are the beneficiary institutions described above. PIMO shall also ensure coordination with the lending institution(s), as well as other stakeholders connected to this Project. UNDP may be invited as observer to coordination bodies established by Govt and CEB, EIB and KfW.

Risks and Assumptions

The ACADI Project shall strive to support PIMO through the best available capacities and in a timely manner. Risks of the Project involve snap elections on central and local level which could hamper

the project implementation. Also, risks include macroeconomic risks connected to the financing mechanisms which the ACADI Project is to assist in implementation as well as regulatory risks connected to the licencing and permits, which would delay the implementation of activities. Some of the identified risks may involve early elections which cause a slower pace of decision making which UNDP shall mitigate by securing consultations to discuss further project duration and objectives. Also, changing priorities of the Government of Serbia can sometimes re-focus attention to different projects than those. Keep an open line of communication between the PiMO, staff and UNDP to be able to quickly adapt the project activities to this changing environment. At times, high turnover of experts and increased competition on the market results in frequent changes of project staff. UNDP and PIMO shall keep clear vision towards the development of the project pipeline and harmonious working environment in line with high UNDP standards sustained. Finally, although unlikely, some identified national expertise may not be sufficient for all activities which PIMO plans. In this case, UNDP shall broaden the expertise base to the region of RBEC and international for solicitation of adequate expertise.

The ACADI project rests on the assumption that PIMO shall be able to set up the PIU and make it operational as well as that the available expertise in the Republic of Serbia could be attained for the specific development tasks. Also, PIMO and UNDP shall be able to identify quickly the capacity gaps and quickly either build such capacity in PIU, or identify additional expertise which could quickly augment this gap.

Stakeholder Engagement

The ACADI Project will closely liaise with the Government of Serbia sectors involved in the Project implementation. The ACADI will support PIU in coordinating the work both with the relevant line ministries, such as Ministry in charge of health infrastructure, education, science and other ministries, as well as with representatives of lending institutions.

South-South and Triangular Cooperation (SSC/TrC)

As the development aid funding is becoming scarcer, and is not sufficient to cover the needs of countries in achieving the targets of the Agenda 2030, the blending of funds and combination of loan/budget/donor funds becomes more needed in various development settings. Serbia is a fruitful ground to test the case for such approach to blending funds, which, if successful, could be transferred into other development settings. The capacity building of people tasked with the complex loan implementation shall entail upgrade of skills, which run beyond usual background. Experts will need knowledge of procurement procedures, while managers shall require additional knowledge of management in line with the set of rules of the lending institution in question. Therefore, this practice shall be valuable for both south-south and triangular cooperation for Serbia in the future.

Knowledge

The knowledge obtained through this ACADI Project shall serve both the Republic of Serbia and UNDP for future such interventions when the Republic of Serbia shall have the roster of experts of various specializations available for the implementation of complex cross-sectorial and blended finance loans and UNDP shall be able to facilitate such intervention in even more complex settings and environments.

Sustainability and Scaling Up

The advanced capacity which the Republic of Serbia shall develop through the ACADI Project shall remain for the implementation of similar loan initiatives as well as for the other initiatives, which Serbia, as upper middle-income country, can foresee, considering the scarcity of development grants and increased relying on the loan funds for complex development initiatives.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

The Cost Efficiency of the Project shall be ensured through quick provision of best available expertise in the Republic of Serbia. Such expertise shall, once created, remain in the Government of the Republic of Serbia and be readily available for further use of PIMO and UNDP.

Project Management

The ACADI project shall be managed by the Project Manager. The Project shall also have the Project Board, which will give strategic guidance of the Project. The Project Board shall meet twice per year to provide strategic direction and review progress performance as well as the achievement of targets. The ACADI Project shall be located physically in Belgrade. No significant travel to locations outside of Belgrade shall be necessary.

V. RESULTS FRAMEWORK

Intended Outcome as stated in the UNDAF:

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

Outcome indicators targets: Employment rate, disaggregated by sex

Applicable Output(s) from the UNDP Strategic Plan: Output3.2. Functions, financing and capacity of sub-national level institutions enabled to deliver improved basic services and respond to priorities voiced by the public, #of countries where sub-national administration show improved capacities for planning, budgeting and monitoring basic services delivery

Project title and Atlas Project Number: Advanced Capacity for Accelerated Development Initiative (ACADI)
00104644/00108125/00110707/00118994/00111577/00127026/00127029

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)								DATA COLLECTION METHODS & RISKS			
			Value	Year	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	FINAL				
Output 1 Advanced capacity for R&D Infrastructure Investment Initiative supported;	1.1 Number of External expertise provided;	Project Reports	0	2016	39	39	39	39	39	39	39	39	39	39	39	On-site visits
	1.2 Number of capacity building activities conducted;	Project Reports	0	2016	2	3	4	4	4	2	2	2	2	19	19	On-site visits
	1.3. % of female staff in the PIJ	Staff lists	0	2016	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	On-site visits
	1.4. Number of initiatives for loan implementation prepared for the approval of the director of PIMO	Project Reports	0	2016	8	10	15	15	5	3	2	2	58	58	58	On-site visits
Output 2	2.1 Number of external expertise provided;	Project Reports	0	2016	3	3	3	3	3	N/A	N/A	3	3	3	3	On-site visits

Advanced Capacity for the Preparation facility supported;	2.2 Number of capacity building activities conducted;	Project Reports	0	2016	3	3	3	3	3	N/A	N/A	3	On-site visits	
Output 3 Enhanced capacities of the Project Development Office in development of technical concept for National Concert Hall (NCH)	2.3. Number of initiatives prepared for further financing by PIU	Project Reports	0	2016	1	2	2	3	2	N/A	N/A	10	On-site visits	
	3.1 # of documents from induction period (preparatory phase) prepared	Project Reports	0	2018	N/A	3	2	N/A	N/A	N/A	N/A	5	Project progress report	
	3.2 Pre-qualification process for designers and collection of applications completed	Project Reports	0	2018	N/A	N/A	N/A	N/A	10	N/A	N/A	10	Project progress report	
	3.3 # of design competition documents prepared	Project Reports	0	2018	N/A	N/A	N/A	N/A	N/A	1	2	3	Project progress report	
	3.4 design-technical documentation developed	Project Reports	0	2018	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A	1	Project progress report
	3.5 technical control and monitoring of design development involved	Project Reports	0	2018	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1	Project progress report
	4.1# of technical documents developed	Project Reports	0	2018	N/A	N/A	N/A	2	5	10	10	3	30	Project progress report
Output 4 Enhanced capacities of Public Investment Management Office in technical documentation development and performing supervisory role on Research and Development Infrastructure Initiatives.	4.2# of infrastructure initiatives adequately supervised	Project Reports	0	2018	N/A	N/A	1	4	5	10	10	30	Project progress report	
Output 5	5.1 # of hired expert.	PIMO internal act on the classification of jobs;	0	2019	N/A	N/A	N/A	up to 5	up to 5	up to 5	N/A	5	Project progress report	

Strengthening of PIMO in the implementation of key social infrastructure in municipalities and town districts	UNDP Report; Published Job Ad; Contracts signed.	0	2019	N/A	N/A	N/A	N/A	N/A	experts	experts	experts	9	Project progress report
	5.2 # of completed infrastructure works	0	2019	N/A	N/A	N/A	N/A	N/A	3	3	3	9	Project progress report
Output 6 Technical support for Sports Infrastructure investment Initiatives established	6.1# of staff and experts hired in accordance with job classification and ToRs	0	2021	N/A	N/A	N/A	N/A	N/A	30	30	30	30	Project progress report
	7.1 # of staff and experts hired in accordance with job classification and ToRs	0	2021	N/A	N/A	N/A	N/A	N/A	up to 10 experts	up to 10 experts	up to 10 experts	10	Project progress report
Output 7 Technical support for energy efficiency rehabilitation of public buildings	7.2 # of technical designs, verifications and supervisions completed	0	2021	N/A	N/A	N/A	N/A	N/A	up to 10 experts	up to 10 experts	up to 10 experts	10	Project progress report
	8.1 # of staff and experts hired in accordance with job classification and ToRs	0	2021	N/A	N/A	N/A	N/A	N/A	20	20	20	20	Project progress report
Output 8 Technical support for water supply networks and wastewater treatments throughout Serbia	8.2 # of technical designs, verifications and supervisions completed	0	2021	NA	N/A	N/A	N/A	N/A	20	40	40	40	Project progress report
		0	2021	NA	N/A	N/A	N/A	N/A	20	40	40	40	Project progress report

VI. MONITORING AND EVALUATION

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

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected by Project Manager and analysed to assess the progress of the project in achieving the agreed outputs.	semi-annually	Slower than expected progress will be addressed by project management.	n/a	n/a
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring of project progress.	semi-annually	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	n/a	n/a
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	n/a	n/a
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Initial + Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	n/a	n/a
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	n/a	n/a
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		n/a	n/a
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of-project review to capture lessons	annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	n/a	n/a

	learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.					
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Evaluation Plan

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
e.g., Mid-Term Evaluation	n/a	Output 2.1: Measures to improve local development strengthened	Equitable economic and employment opportunities are promoted through innovation and circularity.	December 2021	PIMO, UNDP, Government of Serbia	UNDP, 20,000
Final Evaluation	n/a	Output 2.1: Measures to improve local development strengthened	Equitable economic and employment opportunities are promoted through innovation and circularity.	December 2023	PIMO, UNDP, Government of Serbia	UNDP, 20,000

VII. MULTI-YEAR WORK PLAN ⁶⁷

NOTE: THE EARLIER BUDGETS AND PLEDGES ARE COVERED BY PREVIOUSLY SIGNED ADDENDUMS.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year, in EUR			Responsible party	PLANNED BUDGET (EUR)		PLANNED BUDGET (USD) UNORE 05/21 (0.826)
		Y1	Y2	Y3		Funding Source	Budget Description	
Output 1 (00104644): Advanced capacity for Health Infrastructure Investment Initiative supported. Baseline: -No technical capacities to implement loans and credit in PIMO office Indicators: 1. Number of staff and experts hired in accordance with job classification and ToRs Targets: 1. 30 staff and 10 consultants	1.1 Activity: Up to 40 experts contracted for advancing capacity to deliver loans 1.2 Support to UNDP financial, accounting, procurement, travel and reporting of ACADI. 1.3 Mid-term/Final Evaluation Direct project costs (3%)	433,483.72	866,967.45	866,967.45	UNDP	GoS	NPSA (71400)	2,167,418.62
		13,546.37	27,092.73	27,092.73				67,731.83
		4,515.46	9,030.91	9,030.91				22,577.28
		16,371.23	39,504.81	34,433.05				90,309.10
		3,381.17	-	5,071.76	UNDP	GoS	Professional services (74100)	10,233.57
		14,138.94	28,277.88	28,277.88	UNDP	GoS	DPC (64300)	85,586.80

⁶ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

⁷ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

	General Management Support (3%)	14,563.11	29,126.21	29,126.21	29,126.21	UNDP	GoS	GMS (75100)	72,815.53	88,154.40
	TOTALS OUTPUT 1 (00104644):	500,000.00	1,000,000.00	1,000,000.00	1,000,000.00				2,500,000.00	3,026,634.38
Output 4 (00110707): Enhanced quality of design documentation and supervision services Baseline: -No adequate technical documentation -Limited project supervisory capacities	1.1. Activity: Design and verification of technical documentation; Supervision services	2,065,020.70	1,961,769.67	946,467.82		UNDP	GoS	Company Contracts (72100)	4,973,258.20	6,020,893.70
		86,042.53	81,740.40	39,436.16				Individual Consultants (71300)	207,219.09	250,870.57
Indicator: 1.# of technical documents developed 2.# of infrastructure initiatives adequately supervised Target: 1.At least 2 technical documents developed 2.At least 2 infrastructure initiatives supervised	1.2. Support to UNDP financial, accounting, procurement, travel and reporting of ACAD	107,685.67	105,608.60	45,729.60		UNDP	GoS	UNDP Operating expenses (70000)	259,023.87	313,588.23
		3,481.28	-	5,221.92			UNDP	GoS	Professional services (74100)	8,703.20
	Direct project costs (3%)	67,866.91	64,473.56	31,105.67	31,105.67	UNDP	GoS	DPC (64300)	163,446.13	197,876.67

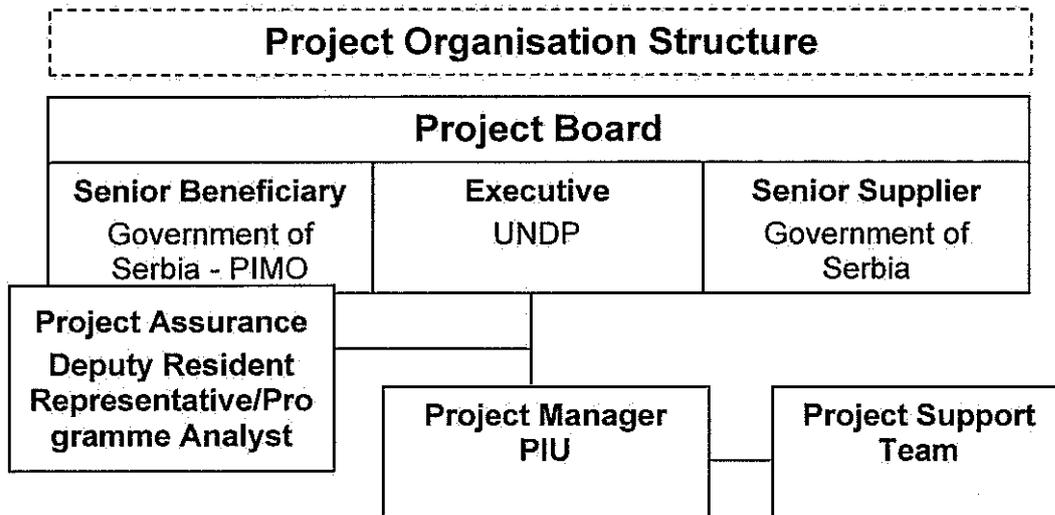
	General Management Support (3%)	69,902.91	66,407.77	32,038.83	UNDP	GoS	GMS (75100)	168,349.51	203,812.97
	TOTALS OUTPUT 4 (00110707):	2,400,000.00	2,280,000.00	1,100,000.00				5,780,000.00	6,997,578.69
Output 6 (00111577): Technical support for Sports Infrastructure Investment Initiatives established Baseline: -No technical capacities for sports infrastructure in PIMO office Indicators: # of staff and experts hired in accordance with job classification and ToRs Targets: Up to 30 staff engaged	1.1 Activity: Up to 30 experts contracted for advancing capacity to implement sports infrastructure initiatives 1.2 Support to UNDP financial, accounting, procurement, travel and reporting of ACADI 1.3 Mid-term/Final Evaluation	350,783.82	613,871.69	263,087.87			NPSA (71400)	1,227,743.38	1,486,372.13
		7,232.66	12,657.15	5,424.49	UNDP	GoS	Travel (71600)	25,314.30	30,646.85
		3,616.33	6,328.57	2,712.25			Company Contracts (72100)	12,657.15	15,323.42
		12,114.70	26,959.73	11,554.16	UNDP	GoS	UNDP Operating expenses (70000)	50,628.59	61,293.70
		3,290.86	-	-	UNDP	GoS	Professional services (74100)	3,290.86	3,984.09

Output (00127025): Technical support for energy efficiency rehabilitation of public buildings Base/line: -No technical capacities -Limited or no technical documentation Indicators: - # of staff and experts hired in accordance with job classification and ToRs # of technical designs, verifications and supervisions completed Targets: - Up to 10 staff and experts engaged - Up to 10 technical designs, verifications and	Direct project costs (3%)	11,311.15	19,794.51	8,483.36	UNDP	GoS	DPC (64300)	39,589.03	47,928.61
	General Management Support (3%)	11,650.49	20,388.35	8,737.86	UNDP	GoS	GMS (75100)	40,776.70	49,366.46
	TOTALS OUTPUT 6 (00111577):	400,000.00	700,000.00	300,000.00				1,400,000.00	1,694,915.25
	1.1 Activity: Technical documentation	103,591.61	103,591.61	103,591.61	UNDP	GoS	Company Contracts (72100)	310,774.82	376,240.70
	1.2 Activity: Consultants	4,316.32	4,316.32	4,316.32	UNDP	GoS	Individual Consultants (71300)	12,948.95	15,676.70
	1.3 Activity: Staff	217,224.77	217,224.77	217,224.77			NPSA (71400)	651,674.30	788,951.94
		6,788.27	6,788.27	6,788.27	UNDP	GoS	Travel (71600)	20,364.82	24,654.75
	1.4 Support to UNDP financial, accounting, procurement, travel and reporting of ACADI.	2,262.76	2,262.76	2,262.76			Equipment (72200)	6,788.27	8,218.25
		12,811.27	16,147.76	11,143.02	UNDP	GoS	UNDP Operating expenses (70000)	40,102.05	48,549.69

supervisions completed	1.5 Mid-term/Final Evaluation	3,336.49	-	5,004.74	UNDP	GoS	Professional services (74100)	8,341.23	10,098.34
	Direct project costs (3%)	10,509.94	10,509.94	10,509.94	UNDP	GoS	DPC (64300)	31,529.83	38,171.71
	General Management Support (3%)	10,825.24	10,825.24	10,825.24	UNDP	GoS	GMS (75100)	32,475.73	39,316.86
	TOTALS OUTPUT 7 (00127025):	371,666.67	371,666.67	371,666.67				1,115,000.00	1,349,878.93
8 Output (00127026): Technical support for water supply networks and wastewater treatments throughout Serbia	1.1 Activity: Technical documentation	614,483.61	2,457,934.43	3,072,418.04	UNDP	GoS	Company Contracts (72100)	6,144,836.08	7,439,268.86
Basefine: No technical capacities -Limited or no technical documentation	1.2 Activity: Consultants	25,603.48	102,413.93	128,017.42	UNDP	GoS	Individual Consultants (71300)	256,034.84	309,969.54
Indicators: - # of staff and experts hired in accordance with job classification and ToRs	1.3 Activity: Staff	438,916.86	1,492,317.33	1,492,317.33	UNDP	GoS	NPSA (71400)	3,423,551.53	4,144,735.51
# of technical designs, verifications and supervisions completed		13,716.15	46,634.92	46,634.92			Travel (71600)	106,985.99	129,522.98

Targets: Up to 10 staff and experts engaged - Up to 40 technical designs, verifications and supervisions completed		4,572.05	15,544.97	15,544.97				35,662.00	43,174.33
	1.4 Support to UNDP financial, accounting, procurement, travel and reporting of ACADI.	30,537.78	126,836.00	141,638.33	UNDP	GoS	UNDP Operating expenses (70000)	299,012.11	362,000.13
	1.5 Mid-term/Final Evaluation	3,285.15	-	4,927.72	UNDP	GoS	Professional services (74100)	8,212.87	9,942.94
	Direct project costs (3%)	33,933.45	127,250.45	147,044.96	UNDP	GoS	DPC (64300)	308,228.86	373,158.43
	General Management Support (3%)	34,951.46	131,067.96	151,456.31	UNDP	GoS	GMS (75100)	317,475.73	384,353.18
	TOTALS OUTPUT 8 (00127026):	1,200,000.00	4,500,000.00	5,200,000.00				10,900,000.00	13,196,125.91
	TOTAL PROGRAMME:	4,575,238.13	8,343,544.79	7,493,834.25				20,412,617.16	24,712,611.57
	TOTAL MID TERM/FINAL EVALUATION:	16,774.95	-	20,226.14				37,001.08	44,795.50
	TOTAL DPC:	137,760.39	250,306.34	225,421.81				613,488.55	742,722.21
	TOTAL GMS:	141,893.20	257,815.53	232,184.47				631,893.20	765,003.88
	GROSS TOTALS PROJECT COSTS:	4,871,666.67	8,851,666.66	7,971,666.67				21,695,000.00	26,265,133.17

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS



The project will be executed under the **National Execution Modality** with UNDP support services as required.

PIMO will appoint a **National Project Director (NPD)** to take overall responsibility of project execution. The NPD will delegate responsibility for day-to-day management to the Project Manager who will also report the project progress to the Project Board.

The **Project Board** is the group responsible for making by consensus management decisions for a project when guidance is required by the Project Manager, including recommendation for approval of project plans and revisions. Project Board decisions should be made in accordance to standards⁸ that shall ensure best value to money, fairness, integrity transparency and effective international competition. Project reviews by this group will be made semi-annually, or as necessary when requested by the Project Manager. This group is consulted by the Project Manager for decisions when time, budget and quality tolerances are likely to be exceeded. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies.

Project Assurance is the responsibility of each Project Board member, but is usually delegated. In this case, UNDP Programme Analyst will perform the project assurance role. UNDP Programme Analyst will support the Project Board by carrying out objective and independent project oversight and monitoring functions thus ensuring that appropriate project management milestones are managed and completed.

The **Project Manager** has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board. The Project Manager is responsible for day-to-day management and decision-making for the project. The Project 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.

⁸ UNDP Financial Rules and Regulations: Chapter E, Regulation 16.05: a) The administration by executing entities or, under the harmonized operational modalities, implementing partners, of resources obtained from or through UNDP shall be carried out under their respective financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. b) Where the financial governance of an executing entity or, under the harmonized operational modalities, implementing partner, does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, that of UNDP shall apply.

The Project Support role provides project administration, management and technical and financial support to the Project Manager.

All deliverables produced during the project term, will bear the donor and UNDP logo and, where appropriate, the standard UNDP disclaimer.

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Early elections cause slower pace of decision making	Project development phase	Political	Enter probability on a scale from 1 (low) to 5 (high) P = 2 Enter impact on a scale from 1 (low) to 5 (high) I = 4	Secure consultations at the highest level immediately after establishment of Cabinet in order to discuss further project duration and objectives	Project manager	Project developer	Project development phase	
2	Changing priorities of the Government of Serbia re-focus attention to different projects than those identified in the existing financing arrangements	Project development phase	Operational Political Strategic	P = 2 I = 2	Keep an open line of communication between the PIMO, staff and UNDP to be able to quickly adapt the project activities to this changing environment. publicity	Project manager	Project developer	Project development phase	
3	High turnover of experts and increased competition on the market results in frequent changes of project staff.	Project development phase	Strategic	P = 2 I = 2	Clear vision towards the development of the project pipeline and harmonious working environment in line with high UNDP standards sustained.	Project manager	Project developer	Project development phase	
4	Identified national expertise may not be sufficient for all activities which PIMO plans.	Project development phase	Operational	P = 1 I = 4	Broadening the expertise base to the region of RBEC and international for solicitation of adequate expertise	Project manager	Project developer	Project development phase	
5	Development of designs takes longer than anticipated	Project development phase	Operational	P = 2 I = 2	Close monitoring of engaged companies, and close contact with departments that issue location permits and construction permits	Project manager	Project developer	Project development phase	
6.	Companies sign several contracts which results in not meeting the deadlines	Project development phase	Operational	P = 2	Thorough assessment of key personnel, engineers when evaluating tenders	Project manager	Project developer	Project development phase	

IX. LEGAL CONTEXT AND RISK MANAGEMENT

Select the relevant one from each drop down below for the relevant standard legal text:

1. Legal Context:

- Country has signed the Standard Basic Assistance Agreement (SBAA)

2. Implementing Partner:

- Government Entity (NIM)

Government Entity (NIM)

1. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
 - a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.
4. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
8. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
9. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full

cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

10. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

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

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

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

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

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

12. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
13. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
14. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

X. ANNEXES

1. **Project Quality Assurance Report**
2. **Social and Environmental Screening Template** [\[English\]](#)[\[French\]](#)[\[Spanish\]](#), including additional Social and Environmental Assessments or Management Plans as relevant.

The Project is comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences.

3. **Risk Analysis.** Use the standard [Risk Log template](#). Please refer to the [Deliverable Description of the Risk Log](#) for instructions
4. **Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)
5. **Project Board Terms of Reference and TORs of key management positions**