



GEF-6 REQUEST FOR PROJECT ENDORSEMENT/APPROVAL

PROJECT TYPE: Medium-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

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PART I: PROJECT INFORMATION

Project Title: Climate Smart Urban Development Challenge			
Country(ies):	Serbia	GEF Project ID: ¹	9342
GEF Agency(ies):	UNDP (select) (select)	GEF Agency Project ID:	5551
Other Executing Partner(s):	Ministry of Agriculture and Environmental Protection of the Republic of Serbia	Submission Date:	2016-12-05
GEF Focal Area (s):	Climate Change	Project Duration (Months)	60
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP <input type="checkbox"/>	
Name of Parent Program	[if applicable]	Agency Fee (\$)	185,250

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

Focal Area Objectives/Programs	Focal Area Outcomes	Trust Fund	(in \$)	
			GEF Project Financing	Co-financing
CCM-2 Program 3	Outcome A. Accelerated adoption of innovative technologies and management practices for GHG emission reduction and carbon sequestration	GEFTF	1,950,000	10,560,000
	Outcome B. Policy, planning and regulatory frameworks foster accelerated low GHG development and emissions mitigation			
Total project costs			1,950,000	10,560,000

B. PROJECT DESCRIPTION SUMMARY

Project Objective: Promote innovation and community engagement for climate smart urban development (CSUD)						
Project Components/Programs	Financing Type ³	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Confirmed Co-financing
Component 1: CSUD Open Data Challenge	TA	Improved access to and availability of data by an open data approach for development, management and monitoring of CSUD related performance of Serbian municipalities.	At least 5 municipalities having an integrated cross-sectoral on-line information management system with open public access covering at least the energy, transport and waste sectors with regularly updated monitoring data and clearly defined sector specific performance targets based on at least 5 CSUD indicators for each subsector and which are disaggregated, to the extent possible, by gender.	GEFTF	405,000	450,000
	Inv		At least 5,000 annual users of the data made available consisting of close to equal shares (within 45-55% for each) of both genders.	GEFTF	250,000	650,000

¹ Project ID number remains the same as the assigned PIF number.

² When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#).

³ Financing type can be either investment or technical assistance.

			At least 5 municipalities producing annual CSUD performance reports at the end of the project.			
Componet 2: CSUD Challenge Program	TA	New innovative technical and systemic solutions and business models contributing to climate smart urban development identified, tested and replicated.	At least 5 new innovative technical and systemic solutions and/or business models contributing to climate smart urban development tested in different sectors and including at least one gender-sensitive concept	GEFTF	595,000	560,000
	Inv		At least 15,000 direct beneficiaries from the measures implemented consisting of close to equal shares (within 45-55% for each) of both genders At least 100 ktons CO2eq of direct GHG reduction from the measures implemented over a 20 year calculation period and at least USD 7.8 million of co-financing leveraged for the actual CSUD investments as a part of the total co-financing target of USD 10 million of the entire project.	GEFTF	500,000	8,450,000
Component 3: Monitoring and evaluation	TA	Knowledge management and M&E to facilitate learning, scaling up and replication of project results.	The project MRV system in place and reporting verified data from all activities. The CSUD knowledge management web-portal established and at least two international CSUD knowledge management events (workshops or seminars) organized by the end of the project. At least one new municipality and 5 project proponents expressing interest to replicate one or more of the supported interventions	GEFTF	95,000	50,000
Subtotal					1,845,000	10,160,000
Project Management Cost (PMC) ⁴				GEFTF	105,000	400,000
Total project costs					1,950,000	10,560,000

⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

C. CONFIRMED SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE

Please include evidence for co-financing for the project with this form. *)

Sources of Co-financing	Name of Co-financier	Type of Cofinancing	Amount (\$)
Recipient Government	Ministry of Agriculture and Environmental Protection	Grants	5,000,000
Recipient Government	Ministry of Agriculture and Environmental Protection	In-kind	400,000
CSO	Standing Committee of Towns and Municipalities	In-kind	100,000
Donor Agency	Serbian Innovation Fund	Grants	1,000,000
Donor Agency	Embassy of Sweden	Grants	1,120,000
Donor Agency	Delegation of the European Union to the Rep. of Serbia	Grants	340,000*)
Private Sector	UniCredit Bank	Loans	2,500,000
GEF Agency	UNDP	Grants	100,000
(select)		(select)	
Total Co-financing			10,560,000

*) Corresponding to EUR 320,000 shown in the letter based in the EUR/USD exchange rate of 1.0625 as of 28. Nov, 2016

D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country Name/Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee ^{a) (b)²}	Total (c)=a+b
UNDP	GEF TF	Serbia	Climate Change	(select as applicable)	1,950,000	185,250	2,135,250
Total Grant Resources					1,950,000	185,250	2,135,250

a) Refer to the Fee Policy for GEF Partner Agencies

E. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁵

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	100,000 metric tons

F. DOES THE PROJECT INCLUDE A "NON-GRANT" INSTRUMENT? No

(If non-grant instruments are used, provide an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF Trust Fund) in Annex D.

⁵ Update the applicable indicators provided at PIF stage. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the GEF-6 Programming Directions, will be aggregated and reported during mid-term and at the conclusion of the replenishment period.

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN WITH THE ORIGINAL PIF⁶

A.1. *Project Description.* Elaborate on: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, GEF focal area⁷ strategies, with a brief description of expected outcomes and components of the project, 4) [incremental/additional cost reasoning](#) and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and [co-financing](#); 5) [global environmental benefits](#) (GEFTF) and/or [adaptation benefits](#) (LDCF/SCCF); and 6) innovativeness, sustainability and potential for scaling up.

The substance of the project design for the subcomponents listed above has remained as elaborated in PIF, but with some further details and elaboration added as presented in the project document in chapters 1.1 (Context and global significance), 1.2 (Baseline, barriers and current government policy to address the root causes and threats), 1.4 (Baseline Projects and Other Related Past, Ongoing or Planned Activities), 2.1 (Project Objective, Outcomes and Outputs), 2.4 (Project Rationale and GEF Policy Conformity), 2.6 (Financial Modality and Cost Effectiveness) and 2.3 (Expected Global, National and Local Benefits)

A.2. *Child Project?* If this is a child project under a program, describe how the components contribute to the overall program impact.

NA

A.3. *Stakeholders.* Elaborate on how the key stakeholders engagement, particularly with regard to [civil society organizations](#) and [indigenous peoples](#), is incorporated in the preparation and implementation of the project.

As described in PIF, but with some further details and elaboration added as presented in the project document in chapters 1.3 (Institutional Framework and Stakeholder Analysis) and Annex 8.4 (Stakeholder Involvement Plan)

A.4. *Gender Equality and Women's Empowerment.* Elaborate on how gender equality and women's empowerment issues are mainstreamed into the project implementation and monitoring, taking into account the differences, needs, roles and priorities of women and men.

The gender related aspects and the empowerment of women with the project activities have been addressed in greater detail in chapters 2.3 (Expected Global, National and Local Benefits) and 5. Project management arrangements and with more gender specific indicators added into the Project Results Framework.

A.5 *Risk.* Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

The foreseen main project risks have remained as described already in the PIF, but with some further details and elaboration added as presented in the project document in chapters 2.2 (Project Indicators, Risks and Assumptions) and Annex 8.1 (Offline risk log). Besides, as a standard requirement for all UNDP projects, a Social and Environmental Screening was completed during the project preparatory phase with no major new social or environmental risks emerging from this assessment.

A.6. *Institutional Arrangement and Coordination.* Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

The project institutional and co-ordination arrangements have remained as described in the PIF, but with some further details and elaboration added as presented in chapter 5 (Project Management Arrangements) of the project document.

⁶ For questions A.1 –A.7 in Part II, if there are no changes since PIF, no need to respond, please enter “NA” after the respective question.

⁷ For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which [Aichi Target\(s\)](#) the project will directly contribute to achieving..

Additional Information not well elaborated at PIF Stage:

A.7 Benefits. Describe the socioeconomic benefits to be delivered by the project at the national and local levels. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

As outlined in the project strategy formulation, climate change mitigation and related EE, RE and other measures are not yet viewed as a primary area of concern by Serbian municipalities and their residents. Most municipalities are facing substantial challenges in trying to secure their financial sustainability and satisfy the demand for basic social and other municipal services such as reliable energy and water supply, public transport and waste management. Therefore, there is a need to identify win-win opportunities addressing the primary concerns of municipal authorities and the city residents, while also producing tangible GHG reduction benefits. There is a wide and constantly growing spectrum of new technical and systemic solutions available, which can improve the quality and efficiency of public services and create new business and employment opportunities for local communities, while simultaneously contributing to climate change mitigation.

The foreseen socioeconomic benefits to be delivered by the project include the creation of green jobs, improving the quality, cost-effectiveness and access to public utility and other services, catalysing private investment and creating new business opportunities as well as contributing to the improved comfort and sanitary conditions of public and residential buildings.

A specific emphasis throughout the project implementation will also be placed on gender related aspects by including gender specific indicators into the project results framework, collecting gender disaggregated data on the project impact during its implementation and specifically encouraging female innovators, entrepreneurs and experts to participate in the project implementation. Gender perspective will also be taken into account, when developing resource mobilization strategies and applying any climate finance instruments. There is a need to ensure adequate access to financial resources for female entrepreneurs, especially those owning small businesses that trade in mitigation technology in line with the Women's Green Business Initiative designed to ensure that efforts to promote greener, more resilient, and sustainable societies are successful from an economic, environmental and social perspective, including through a greater focus on gender equality and women's empowerment.

A.8 Knowledge Management. Elaborate on the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives (e.g. participate in trainings, conferences, stakeholder exchanges, virtual networks, project twinning) and plans for the project to assess and document in a user-friendly form (e.g. lessons learned briefs, engaging websites, guidebooks based on experience) and share these experiences and expertise (e.g. participate in community of practices, organize seminars, trainings and conferences) with relevant stakeholders.

For knowledge management, the project will build on the "Open Data" and "Open Knowledge" approaches by making all the project related documentation, presentations, training materials as well as proposals and solutions developed in the frame of the Challenge Program public in a specific CSUD website, unless there is a specific reason for not doing so (e.g. for protecting some intellectual property rights). This applies also for project mid-term and final evaluations, which similar to all GEF financed UNDP implemented projects can be downloaded from the public UNDP website: web.undp.org/gef/evaluation.shtml

The "Open Data" may be accessed without or with registration, depending on complexity of the requested data and benefits of social networking with people interested in this data. Such people have often proven to be the most valuable part of similar knowledge management systems.

For learning from corresponding initiatives in other countries and for ensuring that the latest global knowledge, systemic approaches and technological developments can be taken into account in defining the challenges, evaluating the proposals received and coaching the proponents and other key stakeholders to develop them further, the project shall link up with other knowledge management networks and platforms such as the already mentioned EIP-SCC, The "Open Knowledge" initiative, UNDP Social Innovation Expert Roster, national innovation foundations such NESTA funded

by the UK government as well as global challenge prize market places such as InnoCentive to just mention a few. Furthermore, the core project team will be supported by the CSUD coaching team established under component 2, including a network of international research institutes and professionals that may provide technical backstopping and share knowledge on the latest international developments in their particular field (e.g. as invited speakers and contributors to the events organized by the project)

During its implementation, at least two international knowledge sharing and knowledge management seminars/workshops will be organized, one at the mid-term and one at the end of the project. A final project result and lessons learnt report will be compiled in prior to the end of the project workshop to contribute to similar future initiatives in Serbia and other countries. Regular exchange of information and knowledge sharing is also sought to be facilitated between the Serbia CSUD project and projects dealing with similar topics in other countries throughout the project implementation.

B. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 Consistency with National Priorities. Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions such as NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, etc.:

The Serbian Government has ratified both the UNFCCC (2001) and the Kyoto Protocol (2008). Under the Kyoto Protocol, Serbia is a Non-Annex I Party meaning that it can participate in clean development mechanism (CDM) projects, but not in international emissions trading. Serbia did not accepted any firm commitments under the Copenhagen Accord, but the letter sent to the UNFCCC Secretariat on January 29th, 2010 indicated a reduction potential from 18% to 29% until 2020 compared to emissions in 1990. This assessment was reviewed during the preparation of the Initial National Communication (INC) of Serbia to the UNFCCC. The Second National Communication of Serbia is expected to be submitted to the UNFCCC Secretariat during 2016. A Technology Needs Assessment (TNA) or a National Programming Framework Exercise (NPFE) has not been carried out for Serbia yet.

In its Intended Nationally Determined Contribution (INDC) submitted to the UNFCCC on June 30th, 2015, the Government of Serbia committed to reduce its GHG emission by 9,8% from the 1990 level by 2030. This is going to be achieved by reducing emissions in key emitting sectors, such as energy production/consumption, agriculture, waste management, transport. Beside taking actions at the national level, there is a huge untackled mitigation potential at the municipal level, including the improvement of local communal services, local industry, businesses etc. The climate change strategy and action plan to be finalized in 2018 is expected to further define the precise activities, methods and implementation deadlines.

The project will contribute to the development and enhancement of national capacities in fulfilling Serbia's commitments to the Convention by raising awareness and knowledge of government planners on issues related to climate change mitigation. The INDC, SNC and FBUR are contributing to the incorporation of climate change issues into national and local development agendas and the CC mitigation measures presented in these documents are providing guidance not only for the central government, but for the local self-governments as well. CSUD project represents a good opportunity for local self-governments to initiate complementary activities in terms of collection and management of GHG emissions related data, as well as to initiate concrete actions and innovative solutions for direct GHG emission reduction, thereby also contributing to the national GHG reduction targets.

The main driver for the current legal and regulatory work and related strategies and implementation plans in Serbia is to harmonize them with those of the European Union. Serbia has been an EU candidate country since March 2012 and talks are ongoing concerning Serbia's possible EU membership. As such and for the time being at least, the consistency of the project design with the national strategies, and as it concerns the GHG mitigation, energy efficiency and renewable energy targets in particular, can also be compared with those of the EU.

The EU targets adopted in 2007 and commonly known as the "20-20-20" targets set three key objectives for 2020: i) 20% reduction in EU greenhouse gas emissions from 1990 levels; ii) raising the share of EU energy consumption produced from renewable resources to 20%; and iii) 20% improvement in the EU's energy efficiency.

In October 2014, the EU leaders agreed on new aggregated targets (so called 2030 Framework) calling for the reduction of GHG emissions by at least 40% below the 1990 level, improving the energy efficiency by at least 27% and increasing the share of renewable energy to at least 27% by 2030, which together are to provide the basis for future EU energy policy response. Although not yet reflected in the Serbian legislation, this is likely to come at some point in the form of new EU directives with more detailed measures and policy requirements to meet such targets and which are to be transposed also into the Serbian legislation.

The EU roadmap until 2050 (COM 2011 - 112) goes further by suggesting a target for cutting the GHG emissions by 80% below 1990 levels and with a vision to transform EU into a low carbon economy by 2050. To reach this, the document is recognizing, among others, "the need for new and innovative solutions to mobilise investments in energy, transport, industry and information and communication". For the time being, however, such "new and innovative solutions" can still be considered as fully incremental to the existing baseline policies.

For smart cities, no particular policy framework yet exist either at the EU or Serbian national level, but several initiatives have been launched to promote the smart city concept such as the "European Innovation Partnership on Smart Cities and Communities (EIP-SCC)" launched in 2011. There is also no agreed common definition for a "smart city" yet, but typically it refers to a city actively engaging its residents for city development, green urban planning, "smart" use of ICT to improve the efficiency and/or quality of different public services, encouraging efficient use of resources and resource sharing, carbon free energy generation and transport and providing a healthy, safe and vivid living environment otherwise by effectively addressing the social and cultural needs of the various groups of city residents. Similar objectives are commonly found scattered in different sectoral policy documents both at the EU and national level, although not necessarily referred to as elements of "smart cities". The challenging and to the great extent still missing part is, however, how to reach these goals in practice, which is why the door still wide open for new and truly innovative solutions.

C. DESCRIBE THE BUDGETED M & E PLAN: Project monitoring and evaluation will be conducted in accordance with the established standard UNDP and GEF procedures described in further detail in Chapter 6 of the Project Document. The project results, as outlined in the project results framework, will be monitored annually and evaluated periodically during project implementation to ensure the project effectively achieves these results. Supported by component/ outcome three: Knowledge Management and M&E, the project monitoring and evaluation plan will also facilitate learning and ensure knowledge is shared and widely disseminated to support the scaling up and replication of project results.

Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the UNDP POPP and UNDP Evaluation Policy. UNDP Country Office will work with the relevant project stakeholders to ensure UNDP M&E requirements are met in a timely fashion and to high quality standards. Additional mandatory GEF-specific M&E requirements will be undertaken in accordance with the GEF M&E policy and other relevant GEF policies.

In addition to the mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Report. This will include the exact role of project target groups and other stakeholders in project M&E activities including the GEF Operational Focal Point and national/regional institutes assigned to undertake project monitoring. The GEF Operational Focal Point will strive to ensure consistency in the approach taken to the GEF-specific M&E requirements (notably the GEF Tracking Tools) across all GEF-financed projects in the country.

A Project Inception Workshop will be held within the first 2 months of project, followed up by the Project Inception Report including the first year annual work plan and elaborating in further detail the roles, support services and complementary responsibilities of UNDP CO and RCU staff vis à vis the project team. The Terms of Reference for the project staff and required complementary experts will also be discussed again and elaborated further, as needed. In addition, the project targets, assumptions, risks and risk mitigation measures will be reassessed and updated, as required.

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 inception meeting.

Annual Project Implementation Reports (PIRs) are prepared to monitor the project progress since project start and will cover the reporting period July (previous year) to June (current year) for each year of project implementation. The Project Manager will ensure that the indicators included in the project results framework are monitored annually in advance of the PIR submission deadline so that progress can be reported in the PIR. Any environmental and social risks and related management plans will be monitored regularly, and progress will be reported in the PIR.

An independent mid-term review process will begin after the second PIR has been submitted to the GEF, and the MTR report will be submitted to the GEF in the same year as the 3rd PIR. The MTR findings and responses outlined in the management response will be incorporated as recommendations for enhanced implementation during the final half of the project's duration.

An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terminal evaluation process will begin three months before operational closure of the project allowing the evaluation mission to proceed while the project team is still in place, yet ensuring the project is close enough to completion for the evaluation team to reach conclusions on key aspects such as project sustainability.

The project's terminal PIR along with the terminal evaluation (TE) report and corresponding management response will serve as the final project report package, complemented by a more detailed project results and lessons learnt report on the challenge programs implemented. The final project report package shall be discussed with the Project Board and other key stakeholders during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

The key steps of the project's M&E plan and their indicative budget is summarized in the table below:

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget ⁸ (US\$)		Time frame
		GEF grant	Co-financing ⁹	
Inception Workshop	UNDP Country Office	10,000	NA	Within two months of project document signature
Inception Report	Project Manager	None	NA	Within two weeks of inception workshop
Standard UNDP monitoring and reporting requirements as outlined in the UNDP POPP	UNDP Country Office	None	NA	Quarterly, annually
Monitoring of indicators in project results framework	Project Manager	Project team	NA	Annually
GEF Project Implementation Report (PIR)	Project Manager and UNDP Country Office and UNDP-GEF team	None	NA	Annually
NIM Audit as per UNDP audit policies	UNDP Country Office	15,000 over 5 years	NA	Annually or other frequency as per UNDP Audit policies
Lessons learned and knowledge generation	Project Manager	10,000	NA	Annually
Monitoring of environmental	Project Manager	None	NA	On-going

⁸ Excluding project team staff time and UNDP staff time and travel expenses.

⁹ Not applicable, because the project co-financing contributions for M&E will not be channelled through UNDP


GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget ⁸ (US\$)		Time frame
		GEF grant	Co-financing ⁹	
and social risks, and corresponding management plans as relevant	UNDP CO			
Addressing environmental and social grievances	Project Manager UNDP Country Office BPPS as needed	None for time of project manager, and UNDP CO	NA	Costs associated with missions, workshops, BPPS expertise etc. can be charged to the project budget.
Project Board meetings	Project Board UNDP Country Office Project Manager	None	NA	At minimum annually
Supervision missions	UNDP Country Office	None ¹⁰	NA	Annually
Oversight missions	UNDP-GEF team	None ⁵³	NA	Troubleshooting as needed
Knowledge management	Project Manager	25,000	NA	On-going
GEF Secretariat learning missions/site visits	UNDP Country Office and Project Manager and UNDP-GEF team	None	NA	To be determined.
Mid-term GEF Tracking Tool updates	Project Manager	Project team	NA	Before mid-term review mission takes place.
Independent Mid-term Review (MTR) and management response	UNDP Country Office and Project team and UNDP-GEF team	15,000	NA	Between 2 nd and 3 rd PIR.
Terminal GEF Tracking Tool updates	Project Manager	Project team	NA	Before terminal evaluation mission takes place
Independent Terminal Evaluation (TE) included in UNDP evaluation plan, and management response	UNDP Country Office and Project team and UNDP-GEF team	20,000	NA	At least three months before operational closure
Translation of MTR and TE reports into English	UNDP Country Office	NA	NA	As required. GEF will only accept reports in English.
TOTAL indicative COST Excluding project team staff time, and UNDP staff and travel expenses		95,000		

¹⁰ The costs of UNDP Country Office and UNDP-GEF Unit's participation and time are charged to the GEF Agency Fee.

PART III: CERTIFICATION BY GEF PARTNER AGENCY(IES)

A. GEF Agency(ies) certification

This request has been prepared in accordance with GEF policies¹¹ and procedures and meets the GEF criteria for CEO endorsement under GEF-6.

Agency Coordinator, Agency Name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Adriana Dinu UNDP-GEF Executive Coordinator		12/05/2016	Marcel Alers EITT-PTA	212- 9066199	Marcel.alers@undp.org

¹¹ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, and SCCF
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ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

The Project Results Framework can be found from section 3 of the UNDP Project document, but is also presented below for easy reference.

This project will contribute to the following Sustainable Development Goal (s): SDG 13: Take urgent action to combat climate change and its impacts, SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable					
This project will contribute to the following country outcome included in the UNDAF/Country Programme Document: 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					
This project will be linked to the following output of the UNDP Strategic Plan: <i>consult with the UNDP Country Office and the UNDP-GEF Regional Technical Advisor before selecting one of the following outputs. Delete the outputs copied below that are not selected. See opening section under further information for additional details.</i>					
Output 1.3: Solutions developed at national and sub-national levels for sustainable management of natural resources, ecosystem services, chemicals and waste.					
Output 1.4: Scaled up action on climate change adaptation and mitigation cross sectors which is funded and implemented.					
Output 1.5: Inclusive and sustainable solutions adopted to achieve increased energy efficiency and universal modern energy access (especially off-grid sources of renewable energy)					
Output 2.5: Legal and regulatory frameworks, policies and institutions enabled to ensure the conservation, sustainable use, and access and benefit sharing of natural resources, biodiversity and ecosystems, in line with international conventions and national legislation.					
	Objective and Outcome Indicators	Baseline ¹²	Mid-term Target ¹³	End of Project Target	Assumptions ¹⁴
Project Objective: Promote innovation and community engagement for climate smart urban development (CSUD)	<i>Mandatory IRRF indicator 1:</i> 1.4.1 a: Extent to which climate finance is being accessed	NA	At least USD 3.5 million complementary financing leveraged to support climate smart urban development in Serbia	At least USD 10 million complementary financing leveraged to support climate smart urban development in Serbia	The anticipated co-financing contributions by the project partners met in full.
	<i>Mandatory indicator 2:</i> Number of direct project beneficiaries with gender disaggregated data.	NA	5,000 people, from whom not more than 55% for the same gender	20,000 people, from whom not more than 55% for the same gender	A sum of targets for indicators 6 and 9
	<i>Indicator 3:</i> Direct incremental GHG emission reduction impact of the project	0	20 kttons of CO _{2eq} calculated over 20 years' lifetime of the investment	100 kttons of CO _{2eq} calculated over 20 years' lifetime of the investment	Successfully completed pilot/demo projects with adequate MRV systems in place

¹² Baseline, mid-term and end of project target levels must be expressed in the same neutral unit of analysis as the corresponding indicator. Baseline is the current/original status or condition and need to be quantified. The baseline must be established before the project document is submitted to the GEF for final approval. The baseline values will be used to measure the success of the project through implementation monitoring and evaluation.

¹³ Target is the change in the baseline value that will be achieved by the mid-term review and then again by the terminal evaluation.

¹⁴ Risks must be outlined in the Feasibility section of this project document.

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Component/Outcome¹⁵ 1: Improved access to and availability of data by an open data approach for development, management and monitoring of CSUD related performance of Serbian municipalities.	Indicator 4: Number of municipalities having an integrated cross-sectoral on-line information management system with open public access covering at least the energy, transport and waste sectors with regularly updated monitoring data and clearly defined sector specific performance targets, which are disaggregated, to the extent possible, by gender.	0	2	5	Commitment of the local public authorities to co-operate and assign required human and other resources to build and operate the system
	Indicator 5: Number of municipal CSUD indicators, for which data is publicly available on line	0	at least 3 indicators for each subsector (energy, transport, waste)	at least 5 indicators for each subsector (energy, transport, waste)	No legal obstacles or confidentiality requirements restricting the data access
	Indicator 6: Annual number of data users (combined for all the participating municipalities) and disaggregated, to the extent possible, by gender.		1,000	5,000	The number of on-line visitors in the system can be monitored by the gender by available e ICT solutions
	Indicator 7: Number of municipalities producing annual CSUD performance reports	0	2	5	Commitment of the local public authorities to co-operate and assign required human and other resources to work on this
Component/ Outcome 2: New innovative technical and systemic solutions and business models contributing to climate smart urban development identified, tested and replicated.	Indicator 8: Number of new innovative technical and systemic solutions and/or business models contributing to climate smart urban development identified, tested and replicated	NA	At least 1 new concept contributing to climate smart urban development tested in one of the subsectors	At least 5 new concepts contributing to climate smart urban development tested in different sectors and including at least one gender-sensitive concept	The challenge program and prizes can be made attractive enough for the targeted participants
	Indicator 9: Number of direct beneficiaries with gender disaggregated data from the measures implemented ¹⁶	NA	4,000, from whom not more than 55% for the same gender	15,000, from whom not more than 55% for the same gender	Calculated on the basis of having CSUD measures implemented in at least 5 municipalities with total population of at least 150,000 people and from whom at least

¹⁵Outcomes are short to medium term results that the project makes a contribution towards, and that are designed to help achieve the longer term objective. Achievement of outcomes will be influenced both by project outputs and additional factors that may be outside the direct control of the project.

¹⁶ The co-financing and GHG reduction related targets of the measures implemented are addressed at the objective level

					10% will be targeted as direct beneficiaries of the measures implemented.
Component/ Outcome 3: Knowledge management and M&E to facilitate learning, scaling up and replication of project results.	<i>Indicator 10:</i> Status of the Project MRV system and quality of the data delivered by that	No project related MRV system in place	A MRV system for emissions reductions resulting from project activities in place and reporting verified data from all activities.	A MRV system for emissions reductions resulting from project activities in place and reporting verified data from all activities.	Envisaged co-operation with the EMIS project as it concerns any energy related data
	<i>Indicator 11:</i> Agreed knowledge management products and events delivered	NA	The CSUD knowledge management web-portal established At least one international CSUD knowledge management event (workshop or seminar) organized	The CSUD knowledge management web-portal sustained after the project Lessons learnt report finalized An international end of the project workshop organized	
	<i>Indicator 12:</i> Number of expressions of interest received for replicating the project intervention strategy, specific technical solutions or business models for new projects and/or municipalities	NA	0	At least one new municipality and 5 project proponents expressing interest to replicate one or more of the supported interventions.	The project implementation approach and awarded solutions show success

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

N/a - No Council comments and STAP review for Medium-size projects

GEF Secretariat Comments at the CEO Endorsement

GEFSec Comment at the CEO Endorsement	UNDP Response	Reflection in the Project Document / CEO Endorsement Request (CEO ER)
<p><i>3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?</i></p> <p><u>MY 8/23/2016:</u> Not at this time. The project financing is adequate, but the project does not demonstrate any cost-effective approach to meeting the project objective. Please undertake a literature review on any other approaches to promoting innovation and community engagement for climate smart urban development. Then, please justify cost-effectiveness of the approach that is used in this GEF project.</p> <p><u>MY 10/24/2016:</u> Yes, comments were addressed and issues were cleared</p>	<p><u>UNDP 08/09/2016:</u> In response to the comment made, a complementary literature review was undertaken and its findings summarized in chapter 2.3 of the project document addressing, to the extent possible, the requested cost-efficiency aspects. The literature references used as a basis for this review can be found from the footnotes of the narrative added into the chapter 2.3 of the project document. As noted by many sources, the conclusions related to cost-efficiency of the challenge prize approach and other elements of the promoted “open innovation” strategy are still at this relatively early stage primarily based on reported success stories and anecdotal evidence rather than full-fledged scientific studies, but even so the observations and lessons learnt appear encouraging.</p>	<p><u>Project document:</u> Paragraphs 135-141 added into the project document (in chapter 2.3), pp.38-40</p> <p><u>CEO ER:</u> Annex B, with response added</p>
<p><i>5. Is co-financing confirmed and evidence provided</i></p> <p><u>MY 8/23/2016:</u> The co-financing letters from the following organizations do not show or match the amounts shown in Table C on page 3. Please ask these organizations to provide new letters.</p> <p>The co-financing letter of the UNDP for the grant of \$100,000 is a good example. Please ask the organizations to use the format of the UNDP co-financing letter. Thanks.</p> <ol style="list-style-type: none"> 1. The Serbian Innovation Fund for the grant of \$780,000; 2. The Swiss Co-operation Office for the grant of \$1,000,000; 3. The Embassy of Sweden for the grant of \$1,000,000; 4. The UniCredit Bank for the Loans of \$1,500,000; and 5. The Delegation of the European Union to the Rep. of Serbia for the grant of \$320,000 <p><u>MY 10/24/2016:</u> Not at this time. Please further work with the potential donors or project stakeholders to get co-financing letters. Given the difficult situation of the country, the PM would recommend the project with a reduced ratio of co-financing. However, he still insists that co-financing letters be issued by relevant project partners/stakeholders before project implementation, which is a GEF co-financing policy.</p>	<p><u>UNDP 11/30/2016:</u> As requested, new co-financing letters were obtained from the project partners with the figures now matching those in the updated Table C on page 3 of the CEO Endorsement request.</p> <p>Co-operation with the Swiss supported “European Energy Award in the Municipal Energy Efficiency & Management Project” is foreseen to take place as envisaged in the original submission, but since the SCO was not in a position to submit a new letter, the anticipated SCO co-financing contribution was left out from the formal project co-financing structure. The increasing co-financing from other project partners was, however, compensating for this.</p>	<p><u>Project document:</u> New co-financing letters obtained from the project partners and all co-financing figures presented in the project document checked and, as applicable, updated to match with the figures shown in the co-financing letters.</p> <p><u>CEO ER:</u> All co-financing figures presented in the CEO ER checked and, as applicable, updated to match with the figures shown in the co-financing letters.</p>

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS¹⁷

A. Provide detailed funding amount of the PPG activities financing status in the table below:

PPG Grant Approved at PIF: 50,000			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Baseline studies	25,000		25,000
Stakeholder consultations	8,500	8,500	
Project document/CEO approval request preparation	10,000		10,000
Validation workshop	6,500		6,500
Total	50,000	8,500	41,500

¹⁷ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue to undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities. Agencies should also report closing of PPG to Trustee in its Quarterly Report.
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ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF Trust Funds or to your Agency (and/or revolving fund that will be set up)

N/a