2030 Agenda Sub-Fund – UNDESA

PROGRESS REPORT

Project title	Addressing COVID-19 and Sustainable Investments along the Belt and Road by Strengthening Partner Countries' Capacities and Establishing a Network of Sustainable Investment Promotion (SIP) Facilities with Serbia as an Early Pilot
Project Reference no.	PDF-SDG-2020-02
Duration of project	March 15, 2021 - October 14,2023
Lead UN entity	UNDP
Partner implementing entities	General Secretariat of the Government of the Republic of Serbia, Council for Cooperation with Russia and China of the Republic of Serbia, Serbian Development Agency
Reporting period	April 1, 2022 - September 30, 2022
Project Total budget (a):	$ 999,646.54 total project budget; UNDP CO Serbia: $ 971,619.06
Expenditures to date (b):	US $ 228,905.01
Utilization rate (b/a):	24 %
Important issues (ONLY bullets - narrative in the relevant sections below)	• The Project is being implemented on time, in constant communication with National Partners and continued updating and consultancy with UNDESA. • Based on lessons learned and information gathered in project implementation thus far and in communication and agreement with UNDESA and national partners Outcome 0.3.2 has changed from pilot trainings and financial support to a comprehensive curriculum on ESG standards that will be offered to Serbian companies. • General elections were held in Serbia in April and the new government has not been established in the reporting period. Foreseeing this possibility, when creating the timeline for project implementation The UNDP implementing team has kept constant communication with national partners.

1. SUMMARY OF ACHIEVEMENTS TO DATE

Achievements in the reporting period include:

- **IA 1.1 An impact assessment study** – the Impact assessment study has been partially completed and the contracted consultants have reported their findings. Through focus groups they particularly emphasized assessment of the public perception of investment on the local level, having in mind the effect the pandemic has had on the economy. This activity will be finalized in the coming period.

- **IA 1.2 A Post-COVID-19 SDG Investor Map** - In May 2022, UNDP finalized procurement and contracted consultancy company (Peterhoff LTD) lead by prof. Dragan Loncar (Vice-Dean of the Belgrade University Faculty of Economics) to develop the SDG Investor Map, as per the unique SGD mapping Methodology created by the UNDP HQ SDG Impact Team, which also has significant role in the process related to strategic guidance and overall quality control throughout the process. The Inception report has been submitted and approved. The team has completed 4 out of the 8 steps of the SDG Investor Map Development. This activity will be finalized by 1Q 2023.
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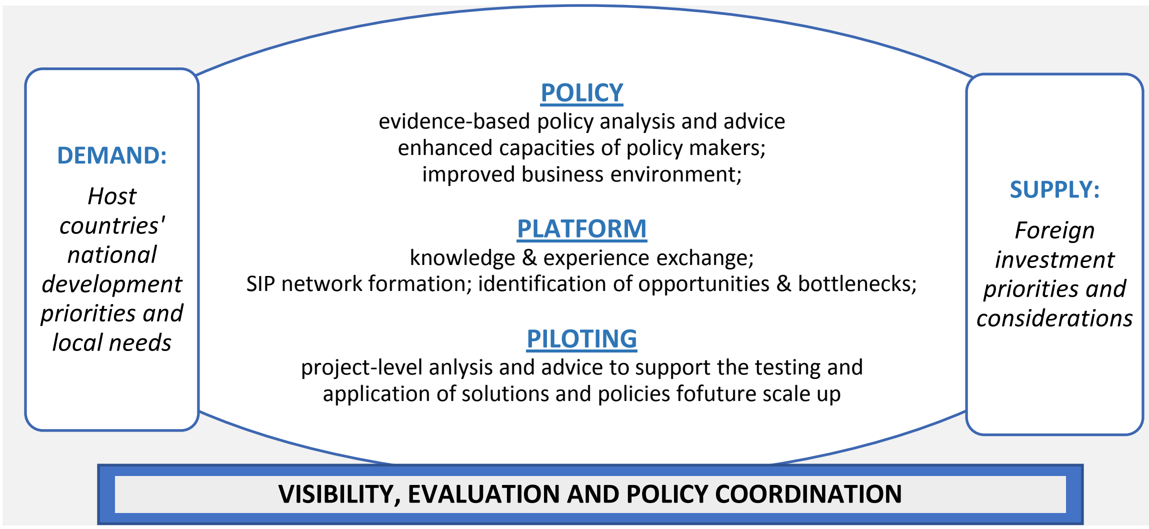
- **IA 1.3 Legal advisory service** - Based on the terms of references developed in coordination with national partners, two consultants have been contracted in the reporting period. The consultants have delivered 4 out of 12 planned reports that will provide legal insight and advice into issued the national partners have identified as important.

2. REVIEW OF PROGRESS

<u>The Project</u>

Through policy engagement, platform building, and piloting projects, the SIP Project in Serbia aims to improve the country's overall investment climate to attract and sustain foreign investments that counteract the impact of COVID-19 on economic and social sustainability of development in the country. This will be done through strengthening the relevant institutional frameworks and further developing capacities.

The overarching short-term goal is to provide a multilateral framework of cooperation to leverage sustainable investment opportunities in response to the immediate aftermath of the COVID-19 pandemic, which will show early and positive results, bridge communication gaps, and ensure that foreign investments complement existing programs and local stakeholders are fully engaged. The program will first focus on the positive early results in Serbia and is expected to generate: i) concrete, relevant and effective modalities for setting up an effective SIP facility; and ii) concrete lessons for what areas to focus on to maximize impact and what approaches work the best (and which ones do not).



The intermediate and long-term goals are to improve overall investment cooperation and conditions towards a sustainable, forward-looking path, and to anchor the investment promotion approach in well-structured, local institutions that embody local needs and development priorities of partner countries.

<u>Progress in the Reporting Period</u>

In the reporting period the Project has continued to be smoothly implemented. Due to good planning and carefully implemented risk management, the general elections that were held in April 2022 and subsequent ongoing five month period without a new government sworn in, has not caused any major delays in SIP Project implementation.

All drafted Terms of reference for consultant engagement were communicated, shared and agreed with national partners. Consultants have been engaged as planned and are working on the deliverables.

In this period the UNDP team has focused on implementing the following activities:

- **IA 1.1 An impact assessment study** - The impact assessment study has been designed in a two-phased approach. In the first phase, focused on the public opinion on foreign investors (having in mind the o the TORs agreed that were national partners, the BFPE team were contracted in June to perform the impact assessment study. The Study has been partially completed and the contracted consultants have reported their findings. Through focus groups they particularly emphasized assessment of the public perception of investment on the local level, having in mind the effect the pandemic has had on the economy. This activity will be finalized in the coming period.

  The second part of the study, which deals with the COVID-19 post-pandemic impact assessment to local communities and the enterprises in Serbia, based on the survey methods that combine face-to-face interviews, telephone interviews and online surveys, will be finalized and presented to UNDP and national partners by the end of October 2022.

- **IA 1.2 A Post-COVID-19 SDG Investor Map** - In May 2022, UNDP finalized procurement and contracted consultancy company (Peterhoff LTD) lead by prof. Dragan Loncar (Vice-Dean of the Belgrade University Faculty of Economics) to develop the SDG Investor Map, as per the unique SGD mapping Methodology created by the UNDP HQ SDG Impact Team. The Inception report has been submitted and approved (June 2022). The Methodology prescribes 8 steps , which have been depicted in the photo below .

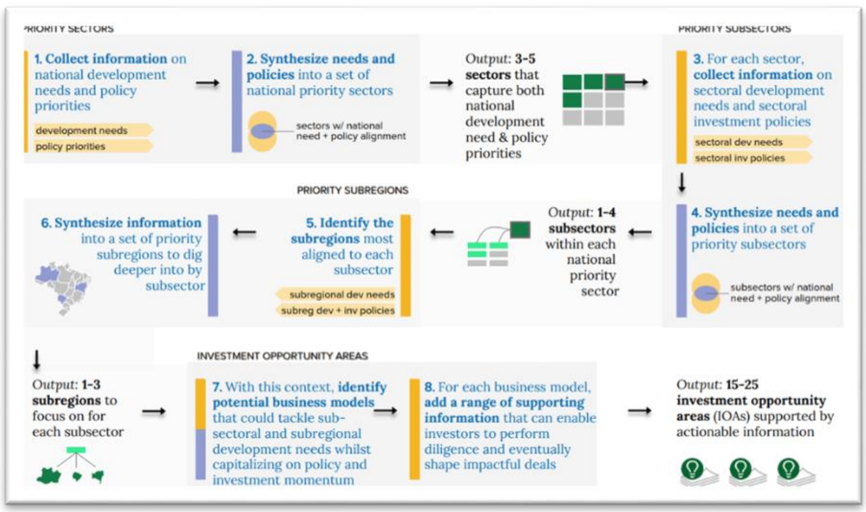


Photo 1 – SDI Mapping Methodology Depicted in 8 steps

In the reporting period the team has completed 1-4 which establish alignment between needs and policy on sector and sub-sector level. The photo below show the sectors and sub-sectors that were selected for the SDG Investor map that is being developed.

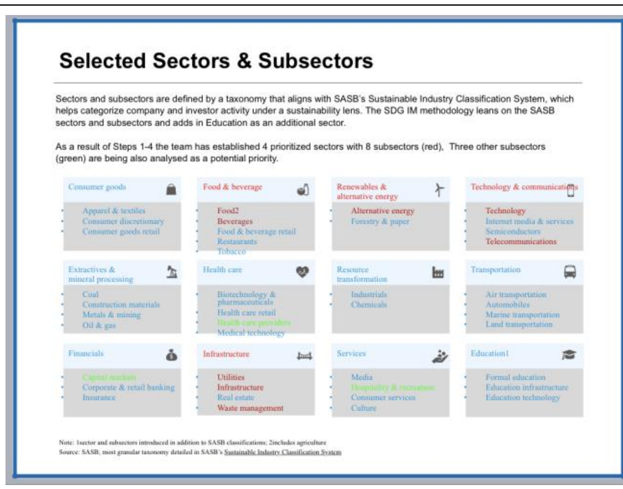


Photo 2 - Selected Sectors

To gather information, the Peterhoff team met with different national stakeholders, including the Ministry of Finance, the Ministry of Economy and The Serbian Chamber of Commerce. The SDG Investor map helps translate SDG needs & policy priorities into actionable investment opportunities. he data will be made available through an online platform for easy access by domestic and foreign investors. This activity will be finalized in the coming period.

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IA 1.3 Legal advisory service - Based on the TORs agreed with national counterparts, two consultants were contracted in July 2022. to provide legal expert support to Foreign Direct Investment Unit in implementing the agreements deriving from Open Balkan Initiative: Jelena Radulović – National Consultant for Progress Monitoring and Nenad Đurđević - National Consultant for Trade Facilitation. The postulates of the Open Balkan are based on the desire to establish the principles of four freedoms modeled on the European Union and the EU Single Market – freedom of movement of goods, services, people, and capital; and, through the functional principles of four freedoms, bring the regional market closer to the EU Single Market and thus speed up the EU accession process. The envisaged work of the consultants will help harmonize the policies and legal framework related to free movement of goods, labor and capital in the Open Balkan countries. The consultants are to develop 6 reports each, in total 12 reports, until May 2023. The reports submitted so far focus on:

- Overall assessment of the Open Balkan initiative,
- Overview of the progress achieved in implementing the agreements and memorandums signed during the Open Balkan summits,
- Trade and non-trade barriers between the countries of the Open Balkan and
- Assessment of the initiative for further improvement of cooperation between the companies in construction industry in the Open Balkan countries.

GVA of WB6, current prices, in Construction and Real Estate Activities (in EUR million)

Share of GVA of Construction and Real Estate Activities in GVA total of WB6, 2019 (in %)

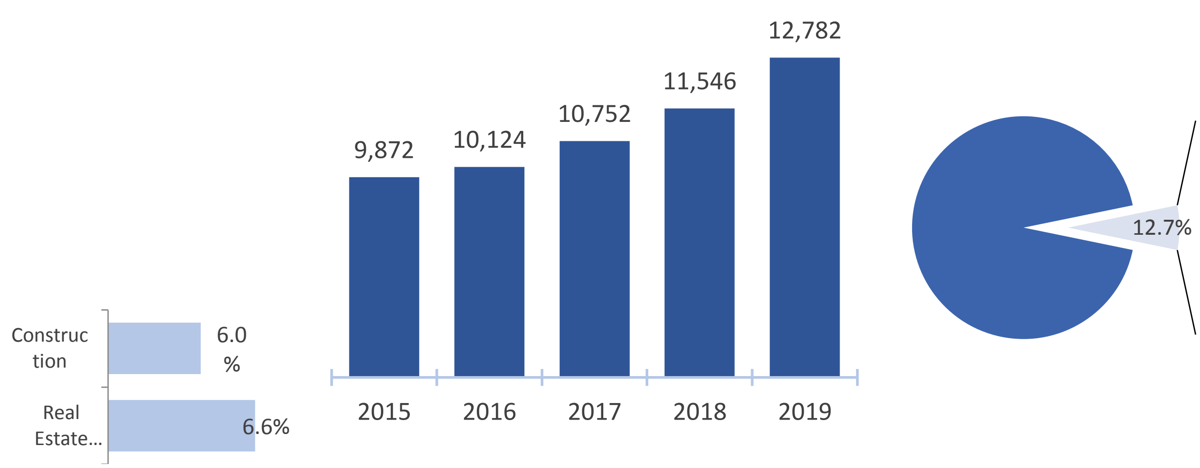

Chart taken from the Assessment of the initiative for further improvement of cooperation between the companies in construction industry in the Open Balkan countries

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The UNDP has maintained continual communication with UNDESA and national partners on all project relevant maters. Though project implementation (namely activity 1.2 SDG Investor Map development) the implementing team has identified that in the period during the COVID pandemic, Serbian companies have had little to no contact with the continued regulation of ESG standards, and non-financial reporting, which will become obligatory in the coming period for all EU enterprises and their suppliers.

After discussion and consultation with UNDESA and national partners, it was jointly agreed to change activities under Outcome O.3.2 to provide more impact, and the financial support (grants) has been replaced by a comprehensive training program to be offered to companies to enhance their competitiveness and enable them to become suppliers. The training will be implemented in 2023, with the Serbian Development Agency (RAS).

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Table 1 – Review of Indicators of Achievement

INDICATOR as approved	BASELINE at the start of the project	INDICATOR OF ACHIEVEMENT at time period of reporting (DO NOT REPEAT ACTIVITY DESCRIPTION)	Comments
EO1			
IA 1.1 An impact assessment study of COVID-19 on enterprises, and its outcome to be developed into an assessment report summarizing key findings with relevant case studies/best practices included.	No available impact assessment of COVID-19 on business.	*Ongoing.* *75% of activity completed.* *The Impact assessment has been completed and the consultants have reported their findings. Through focus groups they particularly emphasized assessment of the public perception of investment on the local level, having in mind the effect the pandemic has had on the economy. The remaining part is the assessment survey of the impact of investment on the local community in Serbia, during and post pandemic times.* *The findings will be presented to national partners once the report is completed (November 2022)*	*The implementation of this activity is on time and is progressing as planned.*
IA 1.2 A Post-COVID-19 SDG Investor Map to highlight business opportunities as well as potential social and economic	No post- COVID-19 SDG investor map for Serbia available.	*Ongoing.* *50% of activity completed.*	*The implementation of this activity is on time and is progressing as planned.*

benefits of foreign investments in priority sectors, subsectors, sub-regions and, more gradually, proven business models to safeguard social security and stimulate economic growth in Serbia after the COVID-19 crisis.		*In May 2022, UNDP finalized procurement and contracted consultancy company (Peterhoff ltd) lead by prof. Dragan Loncar (Vice-Dean of the Belgrade University Faculty of Economics) to develop the SDG Investor Map, as per the unique SGD mapping Methodology created by the UNDP HQ SDG Impact Team. The Inception report has been submitted and approved.* *The Methodology paves eight steps for the development of the map. The team has completed steps 1 to 4 (out of 8).* *It is expected that the majority of technical work regarding map development will be completed by end of December 2022.* *The map presentation and launch is planned for Q1 2023.*	
IA 1.3 Legal advisory service to the Serbian government to align its national legislations and investment policies with Albania and North Macedonia at first, so as to enable the free movement of goods, services, people and	Legal advisory services are not available for national governments to algin legislation and policies and enable the EU "Four Freedoms" in the Western Balkans.	*Ongoing.* *Based on the TORs that were developed with national partners, two experts were contracted (July 2022). In the reporting period the*	*The implementation of this activity is on time and is progressing as planned.*

capital (i.e., EU principles of "four freedoms") in the Western Balkans, facilitating cross-border transport and trade, and improving the general business environment to attract and sustain foreign investments on both national and regional levels after the COVID-19 crisis.		*experts have delivered 4 out of 12 reports, namely* *1. General overview of the Open Balkan Initiative* *2. Report on Key Trade and Non-Trade Barriers between Open Balkan countries* *3. Analysis of the memoranda or understanding and agreements signed under the Open Balkans Initiative.* *4. Report on proposal on enhanced cooperation between construction companies* *More reports are expected in the coming period.* *The experts will be engaged until May 2023.* *40% of activity completed.*	
EO2 Platform Enhanced knowledge, information exchange and communication on foreign investment opportunities, fostered knowledge and experience sharing on investment-led employment stimulation and economic growth after COVID-19, and an established learning and capacity development network among the SIP			

pilot countries towards presenting investment policy as well as governance solutions to counteract the impact of COVID-19 on economic and social sustainable development in Serbia.			
IA 2.1 Two sets of annual SIP events with participation from all countries investing in Serbia, held in Serbia and abroad (i.e., High-level Policy Dialogue and Sustainable Investment Promotion Forum) for increasing the awareness and forging mutual understandings among targeted regional cooperation stakeholders (e.g. Western Balkans, EU, Central Asia, etc). The aim is to identify how to advance sustainable investments in support of Serbia's post-crisis recovery; as well as gaps, lessons learned, and pathways to advance sustainable investment in Serbia and beyond with a specific focus on enterprises most affected by COVID-19.	No annual SIP events with participation from all countries investing in Serbia, held in Serbia and abroad.	*No planned activities in the reporting period.* *50% of activity completed, as reported in the previous period.*	*The implementation of this activity is on time and is progressing as planned.*
IA 2.2 Two knowledge and information exchange visits to facilitate learning and experience sharing among all partner countries, enhance understanding and institutional capacities in Serbia's post-crisis recovery, with a focus on investment-driven employment stimulation and economic	No knowledge and information exchange visits organized to facilitate learning and experience sharing among all partner countries.	*Planned for the next period.* *Due to the COVID-19 pandemic, plans need to be re-visited and adjusted with national partners, and the partners in China.*	*Elections were held in Serbia in April 2022, but a new government has not been formed in the reporting period. The decision will be taken when the new government has been established..*

growth. Field trip to selected projects, Special Economic Zones (SEZs) or enterprises will be organized.			
IA 2.3 An online SIP One-Stop Platform to inform and encourage sustainable investments that facilitate local needs to match investment opportunities from all interested nations after COVID-19, reducing transaction costs on project identification and screening; that enhance online learning and capacity development; and that provide easy access to analysis and measures for project de-risking and assessment with focus on social, environmental and governance aspects.	An online SIP One-Stop Platform not available.	*Initiated.* *Preparatory activities have commenced as planned.* *Consultations to find the most suitable online solution are ongoing with national partners. Several modalities are being considered, to identify the most user-friendly and sustainable solution.* *5% of the activity completed.*	*The implementation of this activity is on time and is progressing as planned.*
EO3 **Pilot:** Learn from and showcase to relevant actors a mini-pilot of successful practices on how sustainable investment and business approaches can support post-crisis recovery and can be further scaled up and/or replicated in Serbia and possibly other SIP pilot countries.			
IA3.1 A pilot online training curriculum package designed for most affected enterprises (especially SMEs) with a focus on sustaining and upgrading their business after COVID-19, to enhance enterprises'	No training package available.	*Initiated.* *In this period, communication has been expanded to include UNDP China. Also, consultations with national partners have continued, revisiting the activities and confirming the need for the training.*	*The implementation of this activity is on time and is progressing as planned.*

awareness and ability to economically and socially sustain their business, and thus to increase the resilience and inclusiveness of the labor market in Serbia after COVID-19.		*Further implementation is planned for Q1 2023.* *5% of the activity completed.*	
IA 3.2 Pilot training package on Environment, Social and Governance criteria Standards (ESG Standards)[1] for **at least 10 selected**[2] **enterprises**. This set of activities will entail capacity building on sustainable business practices for the selected companies, tailored to their specific needs. Also, a set of outreach and communication activities on ESG standards will be implemented. The activity will be completed by Q4 of the third year.	No training on ESG available to companies.	*To be initiated in Q3 2022* *As was decided at the Kick-off meeting with national partners, this activity was revisited in the reporting period and in communication and agreement with UNDESA changed from a pilot best practice training and financial support to a comprehensive ESG training curriculum that will be developed and made available to at least 10 selected companies.* *In this period, communication with national partners was continued to confirm the content and modality of training.*	*This activity has changed (see below under section 4 (Revisions).* *It will be initiated in Q3 2022*

[1] Environmental, social, and governance (ESG) criteria are a set of standards for a company's behavior used by socially conscious investors to screen potential investments. Environmental \criteria consider how a company safeguards the environment, including corporate policies addressing climate change, for example. They are the root to sustainable finance, in the financial sector as environmental, social and governance (ESG) criteria into account when making investment decisions, leading to more long-term investments in sustainable economic activities and projects.

[2] The criteria for selection will be developed by the order of the potential impacts, as assessed by the Project Board at the time of implementation.

Table 2 – Review of Activities/Outputs

Outputs/Activities	Status	Comment
O.1.1 **Output 1.1** Depending on the evolution of the pandemic, prepare and launch an **impact assessment study of COVID-19 on enterprises** in Serbia to assess the short-term and mid/long-term impact of COVID-19 on these enterprises, the support needed by them, and the impact on their ability to implement sustainable investment in the country; to identify potential opportunities, gaps, and priority areas for recovery to inform follow-up programme actions including critical "building back better" aspects; and to produce an assessment report summarizing key findings with relevant case studies/best practices included. The knowledge product is planned to be started in Q4 of the first year, and to be launched by Q1 of the second year, with a consultation / review meeting included in the half-day launch event, tentatively to invite about 100 participants. A team of senior national and international experts will be convened for drafting, based on both desk writing and field visits (if situation allows).	☐Not yet started ☒ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	This Output is one of the key knowledge products that this project will deliver. It is unique, and has not been performed in Serbia to date. The consultants were engaged as planned and they began work on the 12 planned reports. In this period 4 out of 12 reports have been delivered. All activities under this Output are on time and are being implemented as planned.

O. 1.2 Building upon the findings of the SDG Impact[3] initiative, develop a **Post-COVID-19 SDG Investor Map**, a targeted platform of country-level data that highlights business opportunities as well as potential social and economic benefits of foreign investments in priority sectors, subsectors, sub-regions and, more granularly, proven business models to safeguard social security and stimulate economic growth in Serbia after the COVID-19 crisis. A team of senior national and international experts will be convened for drafting, based on both desk writing and field visits (if situation allows). The SDG Investor Map is planned to be started in Q4 of the first year, and to be launched in Q4 of the second year.	☐Not yet started ☒ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	The activities under this Outcome are on time and are being implemented as planned. Through an open call the Peterhoff LTD consulting company has been contracted. They have provided a comprehensive Inception Report (June 2022) which the UNDP HQ Impact Unit has commented as being of high quality. In the Inception report the Peterhoff LTD team has mapped stakeholders (government, public and private) as well as sectors of the economy and prominent players/companies in the selected sectors. The Peterhoff team is now developing the SDG Investor Map, using the Methodology for SDG Investor Map Development provided by the UNDP HQ SDG Impact Unit. The 8 step phased development of the Map, as prescribed by the Methodology (see photo above) , sets out activities to be completed to cumulatively develop the SDG Investor Map. The team is now on steps 5 and 6. According to the planned timeline, it should be developed by end of 2022/1Q 2023.
O. 1.3 In line with Serbian national strategies on foreign investment, provide **legal advisory service** to the Serbian government to align its national legislation and investment policies with countries in the region as to enable the free movement of	☐Not yet started ☒ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	Two legal consultants have been contracted and each has been tasked with the production of 6 different analytical reports. In the reporting period each has delivered 2 reports (total 4 out of the 12 planned).

[3] SDG Impact is a UNDP initiative focused on eliminating barriers and driving integrity for SDG-enabling investment at scale. It consists of three pillars: 1) Impact Management, with practice standards, tools for impact measurement and certification with an SDG Impact Seal; 2) Impact Intelligence, with country-level data on SDG-enabling investment; 3) Impact Facilitation.

goods, services, people and capital (along the EU principles of "four freedoms") in the Western Balkans[4], facilitating cross-border transport and trade, and improving the general business environment to attract and sustain foreign investments at both national and regional levels after the COVID-19 crisis. A team of senior legal experts will be convened for drafting, based on both desk writing and field visits (if situation allows). This activity is planned to be completed by Q2 of the third year.		According to the timeline, all 12 reports should be ready by May 2023.
O. 2.1 Based on the findings of the impact assessment of COVID-19 on enterprises (O. 1.1) and the legal advisory services on enabling "four freedoms" (O. 1.3), organize **High-level Policy Dialogue** among relevant stakeholders from Serbia, and other partner countries to facilitate exchanges, forge mutual understandings, identify opportunities, bottlenecks as well as pathways to advance sustainable investment in Serbia in support of its post-crisis recovery after COVID-19.	☐Not yet started ☒ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	This output is a cumulative output of the sub-outputs below. Activities under this output have been initiated and are in progress, as noted below under O. 2.1.1
O. 2.1.1 **First High-level Policy Dialogue**, aiming to exchange understanding, knowledge and practices on how to advance sustainable investment in Serbia supporting its post-COVID-19 recovery,	☐Not yet started ☒ In progress ☐Completed (indicate month & year)	Activities under this sub-output have been initiated and are in progress. Implementation has been cautious due to the ongoing COVID-19 pandemic and national governments introduced measures (often restriction to movement and travel) to counter its effects locally.

[4] https://ec.europa.eu/neighbourhood-enlargement/policy/common-regional-market_en#:~:text=The%20Common%20Regional%20Market%20represents,privileged%20relation%20with%20the%20EU.

and to jointly develop a comprehensive Action Plan among cross-sector stakeholders on facilitating sustainable investment from all sources in Serbia, and creating an enabling environment for regional cooperation (e.g. Western Balkans, EU, Central Asia, etc.) on investment and trade. Tentatively to invite about 80 participants from Serbia, Asia and other partner countries, with a specific focus on central and local governments, investment bureaus, private sector partners, financial institutions, overseas chambers, local commercial associations as well as development agencies. A field trip visit to selected projects (completed or ongoing), SEZs, industry parks or enterprises around Belgrade will also be planned, as to facilitate first-hand knowledge and experience sharing between participants and in-site managers on opportunities, challenges and solutions.	☐ Cancelled ☐ Delayed	The UNDP team in cooperation with national partners has been identifying and implementing solutions to maximize impact while keeping in line with measures introduced to curb the COVID-19 impact. The dialogue is currently planned to be held in Q3 of the third year. As noted in the Project Document, depending on the evolution of the pandemic, the timing and format (e.g., teleconference) of the proposed activity may be further adjusted.
O 2.1.2 **Final High-level Policy Dialogue**, summarizing programme results and outcomes, contribution to post-crisis recovery, and consolidating best practices and lessons learned for future SIP programme expansion in other partner countries. The high-level dialogue tentatively plans to invite about 50 key policy makers, technical experts, enterprises and other relevant stakeholders from Serbia, Asia and other partner countries for in-depth discussion.	☒Not yet started ☐ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	As initially planned and agreed with national partners, the first event was supposed to be held in China, as a high level policy dialogue. With the introduction of counter pandemic measures by the Chinese government, it was decided to put on hold the implementation and to revisit this initiative in the later stage of the project implementation e.g. by the end of 2022.
O. 2.2 Facilitate sustainable investment cooperation through **Sustainable Investment Promotion Forums**, with the aim to support the	☐Not yet started ☒ In progress ☐Completed (indicate month & year)	This output is a cumulative output of the sub-outputs below. As planned, the first set of activities under this output have been completed (under o.2.2.1. below). The second is planned for Q1 2023.

promotion, actualization, sustaining and upgrading of foreign investment from all interested nations in Serbia with a specific focus on enterprises most affected by COVID-19.	☐ Cancelled ☐ Delayed	
O. 2.2.1: **First Sustainable Investment Promotion Forum**, convening about 100 private and public stakeholders from Serbia, Asia and other partner countries to meet, exchange and share their practices, expertise and experience. Targeting potential investors from all interested nations, the forum plans to focus on opportunities and challenges for investing in Serbia after COVID-19 through investment pitches, roundtable discussions and Business to Business (B2B) networking sessions to advance the general sustainable investment climate in Serbia. The forum is planned in Q1 of the third year (may be further adjusted depending on the evolution of the pandemic).	☐Not yet started ☐ In progress ☒Completed (indicate month & year) ☐ Cancelled ☐ Delayed	*This output has been completed in March 2022.*
O. 2.2.2: **Second Sustainable Investment Promotion Forum**, convening about 100 private and public stakeholders from Serbia, Asia and other partner countries to meet, exchange and share their practices, expertise and technologies. Focusing on existing and potential international investors from all interested nations with concrete investment plans in Serbia, the forum will emphasize the actualization, sustaining and upgrading of foreign investment in Serbia after the COVID-19 crisis. The forum is planned in Q3 of the third year (may be	☒Not yet started ☐ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	In cooperation with national partners the activity has been planned for end Q1 2023 (earliest). Decisions around the second SIP Forum will be revisited by the end of 2022.

further adjusted depending on the evolution of the pandemic).		
O. 2.3 Knowledge and information exchange visits to facilitate learning and experience sharing among all partner countries, enhance understanding and institutional capacities in Serbia's post-crisis recovery, with a focus on investment-led employment stimulation and economic growth. Field trip to selected projects, Special Economic Zones (SEZs) or enterprises will also be organized.	☒Not yet started ☐ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	This output is a cumulative output of the sub-outputs below, which are planned for Q4 2022 and onwards. C Due to ongoing pandemic, options will be revisited in the Q4 of 2022.
O. 2.3.1 **Organize a knowledge exchange** in Asia, tentatively to invite about 15 participants (at both policy making and implementation levels) from line ministries in Serbia. The exchange is designed to include: i) seminars led by international experts and practitioners based in Asia and elsewhere regarding sustainable investment related topics such as post-crisis investment promotion, cross-border trade facilitation, employment stimulation, and small and medium enterprise (SME) revitalization, etc. Specific topics will be determined based on further consultation with Serbian government to reflect actual training needs; and ii) field visits to selected projects (completed or ongoing), SEZs or enterprises in Asia , as to demonstrate good practices and to facilitate first-hand knowledge and	☒Not yet started ☐ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	Planned for Q4 2022 and onwards. Due to ongoing pandemic, options will be revisited in the second half of 2022.

experience sharing between participants and in-site managers on opportunities, challenges and solutions for post-crisis recovery. The exchange is planned to be held in Q1 of the third year (may be further adjusted depending on the evolution of the pandemic).		
O. 2.3.2 Organize an **investor trip** to Serbia as a follow-up to the Sustainable Investment Promotion Forum in Asia (O. 2.2.1), bringing together a broad range of international investors and enterprises from all interested nations, government representatives and agencies, financial institutions, advisory groups and media (approximately 25 people in total) to selected projects (completed or ongoing), SEZs, industry parks or enterprises in Serbia. Participants will be able to discover/showcase emerging investment opportunities after COVID-19, build direct connections with the investment and business community in Serbia, and advance the actualization of sustainable investment in support of the country's post-crisis recovery. The involvement of media also aims to increase international exposure of the exchange through site visits and communication platforms. The investor trip is planned to be held in Q3 of the third year.	☒Not yet started ☐ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	Planned for Q1 2023 and onwards. Due to ongoing pandemic, options will be revisited in the Q4 of 2022.

O. 2.4 Develop and maintain an online SIP One-Stop Platform, that offers a wide array of information and analysis and training resources for both existing and potential foreign investors from all interested nations keen on sustaining and expanding their business in Serbia and beyond after COVID-19.	☒Not yet started ☐ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	This output is a cumulative output of the sub-outputs below, which are planned for Q1 2023 and onwards. The UNDP team will with the national partners revisit the implementation strategy that has been agreed and other options in Q4 2022. The most suitable option is to embed this platform into existing Belt and Road Institute in Serbia and to ensure its sustainability on a long run.
O. 2.4.1 **A "one-stop shop**" that offers a wide array of information, analysis and training resources for existing and potential foreign investors from all interested nations keen on sustaining and expanding their business in Serbia and beyond after COVID-19. The one-stop shop will serve as a resource and service hub that provides context analysis at country, sectoral and industry level; online training resources helping enterprises and investors adjust to new business models and industrial trends after COVID-19 (e.g. cross-border ecommerce, digital transformation); as well as tailored solutions at project/investment level addressing specific enquiries and/or barriers encountered by companies. A **desk/field officer working mechanism** will be established to facilitate communication and outreach to all relevant institutions and delivery units within and beyond Serbia. The desk/field officers will serve to enhance public sector efficiency and enforcement of investment-related policies at all levels in Serbia. Each regional desk/field officer will be	☒Not yet started ☐ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	The UNDP team will with the national partners revisit the implementation strategy that has been agreed and other options in the second half of 2022, as the implementation of this output is planned for Q1 2023 and onwards

responsible to liaise between the investors, central government bodies and the local governments. This function will be incorporated into relevant institutional setting established by the Government of Serbia with other stakeholders to ensure long-term sustainability.		
O. 2.4.2 **Online platform** to enhance the easy access of information and data, and to facilitate service provision for brokering demand and supply for foreign investments from all interested nations in Serbia. Consolidating the efforts of the one-stop shop, the main functions of this online platform can tentatively include the following: ○ Enable **information publication and retrieval**, particularly on context information and analysis of investment-related policies, regulations, laws and legislations at country and sectoral/industry level. ○ Advance **online learning and capacity development** for investors, particularly in response to emerging business models and industrial trends after COVID-19. ○ Allow potential investors to **identify and make initial contacts** with respective government agencies, professional institutions / organizations, or experts who can	☒Not yet started ☐ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	This output is a cumulative output of activities which are planned for Q1 2023 and onwards .The UNDP team will with the national partners revisit the implementation strategy that has been agreed and other options in Q4 2022.

provide support in their quest to establish cooperation with/in Serbia. ○ Establish a **Frequently Asked Questions (FAQs)** section with answers to common investment inquiries to avoid duplication of efforts and thus to improve service efficiency of relevant government agencies. To host **open calls for cooperation** to enable matchmaking between investors and product/technology/service providers.		
O. 3.1 Based on programme outcomes and findings of the impact assessment of COVID-19 on enterprises, design **a pilot online training curriculum package** for high value-added enterprises with innovative background, focusing on sustaining and upgrading their business after COVID-19. Topics will cover both the economic (e.g. financing, cost reduction, cross-border ecommerce, digital transformation) and social sides (e.g. labor law, protection of women and children rights, vulnerable employment) of post-crisis business, to enhance enterprises' awareness and ability to economically and socially sustain their business, and thus to increase the resilience and inclusiveness of the labor market in Serbia after COVID-19. The online training curriculum	☒Not yet started ☐ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	As this output is directly linked to the output above, as with the previous output, the UNDP team will with the national partners revisit the implementation strategy that has been agreed and other options in the second half of 2022.

package will be completed by Q4 of the second year.		
O. 3.2 Provide **and subsequently implement** the pilot training package on Environment, Social and Governance criteria Standards (ESG Standards)[5] for at least 10 selected[6] enterprises. This set of activities will entail capacity building on sustainable business practices for the selected companies, tailored to their specific needs. Also, a set of outreach and communication activities on ESG standards will be implemented. The activity will be completed by Q4 of the third year.	☒Not yet started ☐ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	Based on lessons learned during the implementation of the project, and in coordination with UNDESA and national partners, the activity has been slightly modified to focus on capacity building and communication outreach activities instead of the initially planned emergency cash funding, With the change in activity, the timeline for implementation has also been adjusted. The activities are planned to begin in Q1 2023. All activities have been agreed and will be implemented with together the Serbian Development Agency (RAS). .

[5] Environmental, social, and governance (ESG) criteria are a set of standards for a company's behavior used by socially conscious investors to screen potential investments. Environmental \criteria consider how a company safeguards the environment, including corporate policies addressing climate change, for example. They are the root to sustainable finance, in the financial sector as environmental, social and governance (ESG) criteria into account when making investment decisions, leading to more long-term investments in sustainable economic activities and projects.

[6] The criteria for selection will be developed by the order of the potential impacts, as assessed by the Project Board at the time of implementation.

3. CHALLENGES/PROBLEMS ENCOUNTERED SO FAR (IF APPLICABLE)

Corrective action

Table 3 – Challenges and Corrective actions

Description of challenge	Corrective Action(s) taken to solve the issue, if any
On-going COVID-19 pandemic (including countermeasures that governments introduce to battle the effects of the pandemic have on individual countries)	Due to the ongoing COVID-19 pandemic, and continual shift in numbers of newly infected cases, the Team is constantly monitoring information on the effects the pandemic is having in Serbia and in China and in other relevant countries. The Team is keeping abreast of all countermeasures that are being introduced by national governments and is constantly communicating with national partners and other stakeholders to be able to adjust or act quickly, as needed. Also, constant communication with UNDP China is being maintained, in order to have the updated information on the situation regarding COVID-19 in China. Importantly, the UNDP team has agreed with the national partners to constantly and timely revisit the planned timeline and individual activities that are planned for implementation in the later part of the project.
Elections in April in Serbia might cause a backlog and/or potential delays in moving forward.	The UNDP team was aware of this challenge when the project was being developed and the careful selection of national partners for its implementation was crucial. The national partners selected are interested in the project and highly invested in its successful implementation. To secure smooth implementation, the UNDP team keeps in constant communication with the national partners.

4. ANY REVISIONS REQUIRED TO THE AGREED/APPROVED PROJECT DOCUMENT (IF APPLICABLE)

As the implementation of activities has successfully continued, in particular activity 1.2 The Post-COVID Sustainable Investment Map, and in communication with UNDESA and national partners it became evident that in the post-COVID period, assistance to enterprises needs to focus on training in areas which have continued to develop during the pandemic, but to which the enterprises have not had access to.

Based on previous activities, the implementing team has identified that Serbian companies have had little to no contact with the continued regulation of ESG standards, and non-financial reporting, which will become obligatory in the coming period for all EU enterprises and their suppliers.

It was jointly agreed to change activities under Outcome O.3.2 to provide more impact, and the financial support (grants) has been replaced by a comprehensive training program to be offered to companies to enhance their competitiveness and enable them to become suppliers.

Previously the text regarding this outcome read:
Outcome **O. 3.2** Provide **and subsequently implement** the pilot online training package for 10 selected[7] enterprises that have been most affected by COVID-19 in Serbia**,** and pair the training curriculums with **cash funding** for these enterprises to increase their cash flow to get through the temporary market downturn, allow them the flexibility to adjust post-crisis business strategy and increase their resilience capacity.

The text now reads:

O. 3.2 Provide and subsequently implement the pilot training package on Environment, Social and Governance criteria Standards (ESG Standards)[8] for at least 10 selected[9] enterprises. This set of activities will entail capacity building on sustainable business practices for the selected companies, tailored to their specific needs. Also, a set of outreach and communication activities on ESG standards will be implemented.

The activity will be completed by Q4 of the third year.

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[7] The criteria for selection will be developed by the order of the potential impacts, as assessed by the Project Board at the time of implementation.

[8] Environmental, social, and governance (ESG) criteria are a set of standards for a company's behavior used by socially conscious investors to screen potential investments. Environmental \criteria consider how a company safeguards the environment, including corporate policies addressing climate change, for example. They are the root to sustainable finance, in the financial sector as environmental, social and governance (ESG) criteria into account when making investment decisions, leading to more long-term investments in sustainable economic activities and projects.
[9] The criteria for selection will be developed by the order of the potential impacts, as assessed by the Project Board at the time of implementation.

5. FINANCIAL INFORMATION

Total Project Budget	Expenditures	Balance	Delivery %
$ 971,619.06	$ 228,905.01	$ 742,714.05	24%

Kindly note that although the total budget for the project is $999,646.54, UNDP CO Serbia will receive $971,619.06 for the implementation of activities, as per project budget.

UNDP CO Serbia received the 1st tranche in the amount of $388,711.43, which means that the delivery for the actual revenue received is currently 59%.

6. OUTREACH AND ADVOCACY

No outreach nor advocacy activities were implemented in this period.

7. ANNEXES

(a) Cumulative Financial Report

(b) Outputs Disaggregated Data (use the template as provided by the Management Unit)

(c) Contacts List of stakeholders and beneficiaries (use template as provided by the Management Unit)