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	October 1, 2022 - March 31, 2023
Project Total budget (a):	$ 999,646.54 total project budget; UNDP CO Serbia: $ 971,619.06
Expenditures to date (b):	US $ 307,883.1
Utilization rate (b/a):	32 %
Important issues (ONLY bullets - narrative in the relevant sections below)	• As highlighted in our previous reports and as identified in project design, the risk of COVID-19 restricting the movement and gatherings has been impacting the project roll out. The countermeasures that have been implemented by the PR China have prevented the organization of visits, thus impacting the whole cluster of activities under outcome 2, which have been delayed. Since the beginning of 2023, these measures have been lifted, and we have been able to begin the planning and organization of the events. • Delays in implementation of activities relating to the Western Balkans have been caused by the delay in North Macedonia's ratifying the two agreements regulating the area of free access to the labor market in the countries of the Open Balkans. As North Macedonia ratified the two agreements in mid-February 2023, the implementation is expected to commence later in the year. These activities will be implemented in the coming period.

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 completed and the contracted consultants have reported their findings. Through focus groups and survey methods that combine face-to-face interviews, telephone interviews and online surveys 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.
- **IA 1.2 A Post-COVID-19 SDG Investor Map** - The consultancy company Peterhoff LTD, has finalized the SDG Investor Map. The Map was developed 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 Map has been presented to Serbian national partners.
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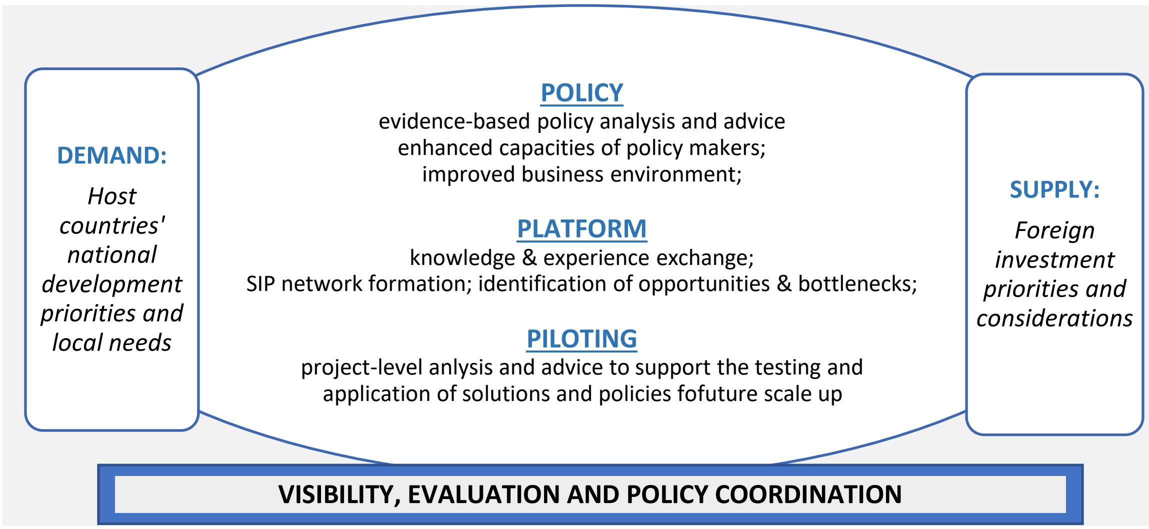
- **IA 1.3 Legal advisory service** - The two contracted consultants delivered an additional four reports that provide legal insight and advice into issues the national partners have identified as important, such as the proposal for enhanced cooperation between companies within the tourism sector in Open Balkan countries, and roadmap for implementation of the Memorandum of Understanding on Trade Facilitation. The total number of reports delivered to date is now eight. There has been a delay in additional report delivery, caused by the slow process of ratification and implementation of the Open Balkans agreements.

2. REVIEW OF PROGRESS

The Project

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.

Progress in the Reporting Period

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

Under Outcome 1 -

IA 1.1 An impact assessment study - The two-phased impact assessment study has been finalized, with the second assessment completed. This assessment focuses on the impact the COVID-19 post-pandemic has had on the local level and enterprises in Serbia. It is the results of survey methods that combine face-to-face interviews, telephone interviews and online surveys. The research conducted by partner companies Per Momentum and CRA Research from August to October 2022 aimed to provide data for drawing conclusions and recommendations to improve the investment climate in Serbia. The project included examining the economic, social, and environmental situation in Serbia through public opinion research and interviews with the business community and local government representatives. The public opinion survey was conducted on a sample of 1,084 participants with a 95.0% confidence interval and a maximum error of ±3.0%. The sample was stratified by gender and residential location. Field research was carried out in seven cities/municipalities with significant foreign direct investments and five cities/municipalities with almost no foreign direct investments. The questionnaire consisted of 27 questions and included topics related to the economic, social, and environmental situation, the impact of COVID-19 pandemic on foreign direct investments in Serbia, development priorities of municipalities/cities, and opinions about foreign companies operating in Serbia. The research also included structured in-depth interviews with local government and company representatives. The topics of the interviews concerned their opinion and strategies for attracting FDI, measuring the impact of FDI, and cooperation with foreign companies operating in Serbia. The study provides insights into the improvement of the overall investment climate to attract foreign investment from all sources to suppress the impact of COVID-19 on economic and social sustainable development in the country. The findings were presented to UNDP and national partners in March 2023, in the offices of the Government of the Republic of Serbia. The assessment will further be used to provide information for the development of the National Development Plan of the Republic of Serbia, the key baseline planning document of the country.

IA 1.2 A Post-COVID-19 SDG Investor Map - The contracted consultancy company Peterhoff LTD, lead by prof. Dragan Loncar (Vice-Dean of the Belgrade University Faculty of Economics) has completed the SDG Investor Map. The Map was developed as per the unique eight step SGD mapping methodology created by the UNDP HQ SDG Impact Team, and with oversight, comments and quality control by the Impact Team. The Impact Team has provided final consent to the data set and narrative report developed by the Peterhoff consultants and submitted by UNDP Serbia.
The prioritization process involved the analysis of all the national sectors included in the SASB-SICS taxonomy and selecting in accordance with the level of alignment between the country development needs, policies, and attractiveness of business and investment environment. The following five sectors have been selected as the ones identified with the highest priority in Serbia :

- Food & Beverage
- Technology & Communications
- Infrastructure
- Renewables & Alternative Energy
- Healthcare

Serbia's proposed SDG investment portfolio consists of fourteen Investment Opportunity Areas (IOA), which came out as a result of the process of prioritization of country sustainable development needs, the existence of supporting country and sectoral policies, and the identification of appropriate business models for investment development. These are the market sizes of the IOAs, and include the definition as provided in the data set.

IOA 1	Fresh Fruit and Vegetable Primary Production	Food & Beverage	< USD 50 million
IOA 2	Organic Agricultural Production	Food & Beverage	USD 50 million - USD 100 million
IOA 3	Decentralized Solar Energy Generation	Renewables & Alternative Energy	> USD 1 billion
IOA 4	Wind Farms	Renewables & Alternative Energy	> USD 1 billion
IOA 5	High-tech for agriculture production	Technology & Communications	< USD 50 million
IOA 6	Smart Agricultural Technologies	Technology & Communications	> USD 1 billion
IOA 7	Waste Management Services	Infrastructure	USD 100 million - USD 1 billion
IOA 8	Port infrastructure	Infrastructure	USD 100 million - USD 1 billion
IOA 9	Energy-Efficient Residential Housing	Infrastructure / Real Estate	USD 100 million - USD 1 billion
IOA 10	Hospitality Facilities	Infrastructure / Hospitality	USD 100 million - USD 1 billion
IOA 11	Medicine Production and Delivery	Healthcare	> USD 1 billion
IOA 12	Digital Healthcare Solutions and Specialized Medical Services	Healthcare	< USD 50 million
IOA 13	Biotechnology medicine development	Healthcare	USD 100 million - USD 1 billion
Total IOA pipeline estimated			USD 8,30 billion and more

As the SDG Investor map helps translate SDG needs & policy priorities into actionable investment opportunities, information from the Map will also be used in the development of the National Development Plan of the Republic of Serbia. It will also be presented at all high level political events and investment forums that will be organized under the project , and all other events that will target investors and investment into Serbia.

To facilitate easy access to the map and the investment opportunities it presents, the data will be made available through an interactive online platform. This platform will be accessible to both domestic and foreign investors, enabling them to identify sustainable investment opportunities in Serbia. The Sustainable Investment Map will be made available in three languages, including Serbian, English, and Chinese, to reach a wider audience and encourage investment in sustainable development. This activity is currently ongoing and will be finalized in the coming period.

The Map will be showcased at all events planned by the project, as well as other investment promotion events hosted both by the UNDP and Serbian national partners.

IA 1.3 Legal advisory service - Further legal expert support was delivered to the Foreign Direct Investment Unit in implementing the agreements deriving from Open Balkan Initiative. Consultants Jelena Radulović – National Consultant for Progress Monitoring and Nenad Đurđević - National Consultant for Trade Facilitation, worked to help harmonize the policies and legal framework related to free movement of goods, labor and capital in the Open Balkan countries. They provided four additional reports now totaling eight. The reports submitted in this reporting period focus on:

- Progress report on the pace of implementation of the signed, submitted and approved Agreements undertaken under the Open Balkan Initiative (OBI) November 2022
- Report on the proposal for enhanced cooperation between companies within the tourism sector in Open Balkan countries
- Report on the roadmap for implementation of the Memorandum of Understanding on Trade Facilitation
- Report on the Roadmap for Implementation of the Agreement on Cooperation in the field of Veterinary, Food and Feed Safety and Phytosanitary in the Western Balkans

Some delays in report delivery have occurred, as the process of agreement ratification and implementation has been slow. It is planned that the remaining reports will be delivered in the coming period.

Under Outcome 2

Due to the continued impact the COVD-19 pandemic has had, and the various countermeasures implemented by the PR of China, the events that were planned to be organized under Outcome 2 have been continually pushed back, waiting for the countermeasures to be lifted. With the situation having improved in Q1 2023, we have been continually liaising with the national partners and UNDP China to find opportunities to organize the events that will suit both the Serbian and Chinese sides. As a result, the following events have been selected for implementation:

IA 2.1 Two sets of annual SIP events with participation from all countries investing in Serbia, held in Serbia and abroad

- **High level political forum in Belgrade (June 2023)** - The UNDP team in cooperation with national partners has identified the time and opportunity for the First High-level Policy Dialogue to be held in Belgrade, Serbia in June 2023. The focus will be on advancing sustainable investment in Serbia to support recovery and strengthen the economy's resilience, despite ongoing crises such as COVID-19, food security, energy instability, inflation, and the war in Ukraine. Key cross-sector stakeholders, including central and local governments, private sector partners, investors, financial institutions, chambers of commerce, development agencies, and commercial associations, will be invited from Serbia, Asia, the EU, and other partner countries. The event will facilitate an agreement among stakeholders on creating an enabling environment for regional cooperation on investment and trade. To gain a better understanding of the investment climate and the incentives provided by Serbian investment policy, a field visit to selected projects, Special Economic Zones, industry parks, or enterprises in major cities such as Belgrade, Novi Sad, Nis, and Kragujevac is planned. The goal is to facilitate first-hand knowledge and experience sharing, fostering cooperation between participants and on-site managers regarding opportunities, challenges, and solutions. As a facilitating tool, the SDG Investor Map developed within the SIP project will be presented. The event's ultimate goal is to exchange understanding, knowledge, and practices on how to facilitate sustainable investment from all sources in Serbia and promote regional cooperation. The Forum will promote the results achieved to date by the SIP project and contribute to finding solutions for a resilient economy despite multiple crises, while promoting best practices, exchange knowledge, and lessons learned. Also the event will be a good opportunity to invite investors from Asian and EU countries, particularly the ones interested in the areas identified in the SDG Investor Map.

- **High-level policy dialogue/Investment Forum in China (Beijing, September 2023) -** A high-level policy dialogue is planned to held in China in Septemberthis year. This event is planned as a counterpart to the event in Serbia, with the participation of government officials, representatives of the private and public sector, international experts, development agencies, chambers of commerce and other relevant participants, about 50-60 participants in total. The dialogue would be an opportunity to encourage discussion on the challenges of achieving the Sustainable Development Goals (SDGs) as a driving force for ending poverty, protecting the planet, and ensuring prosperity for all people. The event will focus on new sustainable investments that are aligned with the principles and practices of economic, social, and environmental sustainability and showcase how such investments can help the countries overcome critical development gaps and achieve the SDGs at the country level faster. The event will combine a plenary session and different bilateral talks (Including SDG Investor

Map presentation) with the field visits to successful projects where participants can exhange ideas and experiences on fostering sustainable investments.

- **Investment Forum** - As part of the CIFIT Investment Fair (China International Fair for Investment and Trade), which will be held in September 2023 in Xiamen, it is agreed with the national partners to organize a side event, i.e. the Second Investment Forum, and present opportunities for investment in Serbia compliant with the SDG standards. It is also planned here to present the SDG Investor Map which was developed within the SIP project, in a form of multimedia interactive presentation, with explanations and translations in English and Chinese.

- **High level political forum New York, USA** - this is an additional event that has been identified to provide supplemental promotion of Serbian investment, promotion of the project and project results, namely the Sustainable Investment Map. UNDP is in discussions with the Serbian Government to co-host a side event during the High-level Political Forum on Sustainable Development (HLPF) to present the project and promote Serbia as a destination for sustainable investment. The HLPF is set to take place 10-19 July 2023, under the auspices of the Economic and Social Council, with a three-day ministerial segment (17 - 19 July 2023) , as part of the High-level Segment of the Council. The theme for the event will be "Accelerating the recovery from the coronavirus disease (COVID-19) and the full implementation of the 2030 Agenda for Sustainable Development at all levels." The event will showcase the Sustainable Investment Map that has been developed to promote sustainable investments in Serbia. The map is an interactive tool that focuses on selected sectors, including food and beverage, renewable and alternative energy, technology and communication, and infrastructure (infrastructure, utilities, and waste management). It helps translate SDG needs and policy priorities into actionable investment opportunities that align with economic, social, and environmental sustainability principles and practices.

IA 2.2 Two knowledge and information exchange visits - The two planned knowledge and information exchange visits will be organized in combination with the events mentioned above – the HLPF in Belgrade in June will be coordinated with an investor visit to Serbia, while the HLPF in Beijing will be complimented with an information visit by Serbian administration and business community. The two visits are closely coordinated with the UNDP China country office.

- **Investors visit to Serbia –** UNDP plans to organize a trip of investors from China to Serbia as a continuation of the High Level Political forum in Belgrade in June, for the promotion of sustainable investments, bringing together a wide range of international investors and companies, representatives of governments and agencies, financial institutions, and the media (about 25 people in total) for selected projects (completed or ongoing), SEZ, industrial parks, or companies in Serbia. Participants will be able to discover/present new investment opportunities after COVID-19, build direct connections with the investment and business community in Serbia, and promote sustainable investments as a supporting measure for overcoming existing multi-crises environment.

- **Information exchange business visit to China** - UNDP plans to organize a visit to China with the topic of exchanging knowledge and experience in sustainable investment for 15 people from relevant ministries, agencies, chambers, etc. The visit should include: 1) seminars and lectures by international experts related to sustainable investments, such as promotion of investments after the crisis, facilitation of cross-border trade, stimulation of employment and revitalization of small and medium enterprises; 2) field visits to selected projects (completed or ongoing), Special Economic Zones (SEZ), or enterprises in China, in order to demonstrate good practice on the spot and facilitate the exchange of knowledge and first-hand experience between participants and managers about opportunities, challenges and solutions for workplaces. Two recommended cities for field visits: Shenzhen and Yulin. 1. ***Shenzhen*** is China's first SEZ, established in 1980. Shenzhen has been incorporating sustainable development in its local development planning and has a wide range of cooperation projects with UNDP China. With the support of HQ, UNDP China and Shenzhen Municipal Government are exploring the possibility to establish a UNDP Center of Excellence for FinTech and Sustainable Finance in Shenzhen. The field trips to Shenzhen will promote a two-way knowledge, experience, and best practice exchange in sustainable development, fintech and sustainable finance. 2. ***Yulin city*** has traditionally been recognized as China's energy base with abundant reserves of coal, gas, and oil. In response to the dual carbon target, Yulin has taken the initiative to scale up the clean energy capacity and gradually phase out coal, and has dramatically increased renewable energy installation. Yulin has seen successful practices regarding coal power phase-out and renewable energy development in recent years, and can provide valuable insights into green transition in other resource-intensive cities. The field trip to Yulin will promote exchanges on low carbon transition and explore opportunities for two way trade and investment

To gauge the interest, expectations, and needs of the target audience for the upcoming events, we plan to conduct pre-event surveys. The surveys will also be used to design a post-event survey to test the effectiveness of the event in increasing awareness and understanding among regional stakeholders. The use of ex-ante and post-facto surveys will facilitate the monitoring and collection of data. By conducting surveys before and after the event, UNDP aims to measure the impact of the event and identify areas for improvement in future events. This data-driven approach will help ensure that our efforts are aligned with stakeholder needs and that the events are effective in achieving their intended goals.

IA 2.3 An online SIP One-Stop Shop Platform – After reaching an agreement with the Belt and Road Institute to host the platform, three consultants were engaged in March 2023 to design and develop the online One-Stop Shop Platform (OSS Platform) that will serve as a centralized hub for sustainable investments. The OSS Platform will encourage investments that align with local needs and offer investment opportunities, post-COVID-19, while reducing transaction costs associated with project identification and screening. Additionally, the platform will provide an enhanced online learning and capacity development experience, and easy access to analysis and measures for project de-risking and assessment. The OSS Platform will prioritize social, environmental, and governance aspects, thereby enabling investors to make informed decisions. Also, a communication campaign will be designed and implemented to promote the plaform and a communications consultant has been hired to design and carry out the campaign.

IA3.1 A pilot online training curriculum package - The UNDP team and national partners have agreed fully on the implementation strategy and the activities under this output are ongoing. Based on what has been identified in a post COVID-19 survey by UNDP[1], a large number of Serbian companies still lack sufficient knowledge and support to implement eCommerce. It has been agreed that the support to SMEs under this output will a) identify the exact needs of companies b) provide training and support for eCommerce implementation.

To implement this training, a consultant has been hired to examine the Serbian export-focused e-commerce landscape in the post-COVID context and provide online e-commerce training and mentorship to selected companies. This activity is planned in three phases. In Phase 1, the consultant will review of existing data and knowledge on export-focused e-commerce in Serbia, which includes reviewing relevant Serbian and international reports, studies, scientific research, and statistics on e-commerce trends, the Serbian export-focused e-commerce ecosystem, and the impact of the COVID-19 crisis. The consultant will also identify any potential structural deficiencies and make a recommendation on which sectors/market segments should be subject to further focus in Phases 2 and 3. In Phase 2, a qualitative deep-dive research into 12-20 relevant companies will be conducted to identify pain points in the e-commerce journey and opportunities, and outline possible solutions. In Phase 3, based on the findings from the first two phases, an online curriculum for eCommerce introduction will be developed and implemented, and the selected companies will be trained, as well as supported directly by a pool of experts to overcome obstacles, create customized e-commerce roadmaps, and document the overall progress of the process. Findings from all three phases will be compiled, through selected case studies and best practices in export-related e-commerce.

IA 3.2 Pilot training package on Environment, Social and Governance criteria Standards (ESG Standards) - In the previous reporting period it was agreed to adjust Outcome O.3.2 to provide more impact, and the financial support (grants) were replaced by a comprehensive training program to be offered to companies to enhance their competitiveness and enable them to become suppliers. The implementation of ESG standards in small and medium-sized enterprises (SMEs) has become increasingly important, as investors and potential business partners use these criteria more often when making investment decisions. To support SMEs in aligning their business processes with ESG criteria, three consultants have been contracted and a training program called ESG Practitioner has been designed, and will be implemented in collaboration with the Serbian Development Agency (RAS). The program, which includes expert lectures and workshops, aims to provide practical knowledge and experiences for implementing ESG standards into SME business processes. The ESG Practitioner program is designed for representatives of SMEs who want to increase their business sustainability, companies that are export-oriented, part of or have ambitions to become part of the supply

[1] https://www.undp.org/serbia/publications/exploration-e-commerce-landscape-serbia-post-covid-context

chains of large multinational companies, as well as companies that want to improve risk management and take advantage of the opportunities that the implementation of ESG criteria brings. The training is planned to be implemented through a hybrid of online and in person training sessions. The first sessions will take place in April (April 4, 12 and 26).

In addition to the training program, an awareness-raising campaign will be created and implemented to promote the importance and benefits of ESG standard introduction in SMEs.

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
Outcome 1 **<u>Policy:</u>** Strengthened capacities of policymakers in Serbia to understand the impact of COVID-19 on enterprises, identify practical challenges, priorities, regulatory and institutional gaps in sustaining and upgrading investments and businesses that support Serbia's post-crisis recovery and long-term sustainability of its development.			
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.	*Completed.* *100% of activity completed.* *The second phase of the impact assessment has been completed. It focuses on the impact the pandemic has had on the economy at the local level, and how COVID-19 has impacted enterprises partners (November 2022).* *The findings were presented to national partners (March 2022).*	*The activity has been completed on time and as planned.* *Study has been attached as Annex*
IA 1.2 A Post-COVID-19 SDG Investor Map to highlight business opportunities as well as potential social and economic benefits of foreign investments in priority sectors, subsectors, sub-regions and, more gradually, proven business models to safeguard social security and	No post- COVID-19 SDG investor map for Serbia available.	*Completed.* *100% of activity completed.* *The consultancy company Peterhoff ltd has finalized the SDG Investor Map, as per the unique SGD mapping Methodology created by*	*The activity has been completed on time and as planned.* *The Map dataset has been attached as Annex.*

stimulate economic growth in Serbia after the COVID-19 crisis.		*the UNDP HQ SDG Impact Team. The selected sectors include* *The map is presently being designed as an interactive tool and will be available in three languages. Presentation and launch is planned for Q2 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 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.	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.* In the reporting period the two legal consultants have delivered an additional 4 reports. *70% of activity completed.*	*The implementation of this activity is has slight delays. Timelines have been slightly adjusted due to delays in the ratification of agreements.* *Reports are attached to this report as annexes.*
Outcome 2 **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.	*Ongoing.* *In the reporting period three high level events were selected: HLPF in Belgrade, Serbia (June 2023) HLPF New York , a side event presentation of the Sustainable investment map (July 2023) HLPFChina (September 2023). Also the second investment forum is planned for of the CIFIT Investment Fair (China International Fair for Investment and Trade), (September 2023 in Xiamen, China).* *All four events are being prepared.* *60% of activity completed.*	*Slightly delayed, due to the COVID-19 pandemic and travel restrictions. The plans were re-visited and adjusted with national partners, and the partners in China.* *UNDP will survey the interest, expectation, needs of the target audience, and design of activities.*
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 growth. Field trip to selected projects, Special Economic Zones	No knowledge and information exchange visits organized to facilitate learning and experience sharing among all partner countries.	*Initiated.* *In the reporting period two visits were selected that will build on and add value to the high-level events: and investor visit will combine with the HLPF in Belgrade, Serbia (June 2023) and an information exchange visits that will build on the HLPF China (September 2023) .* *10% of activity completed.*	*Slightly delayed, due to the COVID-19 pandemic and travel restrictions. The plans were re-visited and adjusted with national partners, and the partners in China.* *UNDP will survey the interest, expectation, needs of the target audience, and design of activities.*

(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.	*On-going.* The Belt and Road Institute has been selected to host the platform. Three consultants have been hired to design the platform. *15% 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' awareness and ability to economically and socially	No training package available.	*Initiated.* *In this period, the modality of implementation has be agreed with the national partners to focus the training and provide support to companies for introducing eCommerce. Consultant has been hired to provide an in-depth examination of the situation, as well as identify the needs of*	*The implementation of this activity is on time and is progressing as planned.*

sustain their business, and thus to increase the resilience and inclusiveness of the labor market in Serbia after COVID-19.		*companies and tailor the training and support to their needs.* *Further implementation is planned for Q2 2023.* *15% of the activity completed.*	
IA 3.2 Pilot training package on Environment, Social and Governance criteria Standards (ESG Standards)[2] for **at least 10 selected**[3] **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.	*On-going.* *Three consultants have been contracted to support SMEs in aligning their business processes with ESG criteria, and develop a training program called ESG Practitioner. 13 companies have from RAS portfolio have applied for the training which is organized in 4 online masterclasses and 2 live workshops. Also, a campaign to raise awareness on the need to implement the ESG standards will be created and implemented.* *Training will commence in April 2023.*	*The implementation of this activity is on time and is progressing as planned.*

[2] 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.

[3] 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.

		Further implementation is planned for Q2 2023. *20% of the activity completed.*	

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,	☐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. This impact assessment is planned as a two-phased impact assessment, has been competed. The consultants (BFPE) completed the second part of the study- the COVID-19 post-pandemic impact assessment to local communities and the enterprises in Serbia has been presented to the national counterparts in March 2023. All activities under this Output were on time and were implemented as planned (the Assessment was finalized in November 2022). The knowledge products are included as annexes to this report.

based on both desk writing and field visits (if situation allows).		
O. 1.2 Building upon the findings of the SDG Impact[4] 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 have been implemented on time and as planned (March 2023). The contracted consultancy company Peterhoff LTD, led by prof. Dragan Loncar (Vice-Dean of the Belgrade University Faculty of Economics) has finalized the SDG Investor Map. The Map was developed as per the unique eight step SGD mapping Methodology created by the UNDP HQ SDG Impact Team, and with oversight, comments and quality control by the Impact Team. To facilitate easy access to the map and the investment opportunities it presents, the data will be made available through an interactive online platform. This platform will be accessible to both domestic and foreign investors, enabling them to identify sustainable investment opportunities in Serbia. The Sustainable Investment Map will be made available in three languages, including Serbian, English, and Chinese, to reach a wider audience and encourage investment in sustainable development. This activity is currently ongoing and will be finalized in the coming period.
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	☐Not yet started ☒ In progress ☐Completed (indicate month & year) ☐ Cancelled ☒ Delayed	*In the reporting period the experts have delivered 4 out of 12 reports, namely*: 1. *Progress report on the pace of implementation of the signed, submitted and approved Agreements undertaken under the Open Balkan Initiative (OBI) November 2022*

[4] 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.

in the region as to enable the free movement of goods, services, people and capital (along the EU principles of "four freedoms") in the Western Balkans[5], 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.		2. *Report on the proposal for enhanced cooperation between companies within the tourism sector in Open Balkan countries* 3. *Report on the roadmap for implementation of the Memorandum of Understanding on Trade Facilitation* 4. *Report on the Roadmap for Implementation of the Agreement on Cooperation in the field of Veterinary, Food and Feed Safety and Phytosanitary in the Western Balkans* Some delays in report delivery have occurred, as the process of agreement ratification and implementation has been slow. It is planned that the remaining reports will be delivered in the coming period.
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 It should be noted that in addition to the two planned events below, third high level policy dialogue is also being organized, as a side event during the High-level Political Forum on Sustainable Development (HLPF) . The HLPF is set to take place 10-19 July 2023, under the auspices of the Economic and Social Council. The event will showcase the interactive Sustainable Investment Map, and present investment opportunities in sectors such as food, energy, technology, and infrastructure, aligning with economic, social, and environmental sustainability principles.
O. 2.1.1 **First High-level Policy Dialogue**, aiming to exchange understanding, knowledge and practices on how to advance sustainable investment in	☐Not yet started ☒ In progress	Activities under this sub-output in progress. Implementation has been cautious due to the ongoing COVID-19 pandemic and national

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

Serbia supporting its post-COVID-19 recovery, 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.	☐Completed (indicate month & year) ☐ Cancelled ☒ Delayed	governments introduced measures (often restriction to movement and travel) to counter its effects locally. The UNDP team in cooperation with national partners has identified the time and opportunity for the First High-level Policy Dialogue in Belgrade, Serbia in June 2023. The high-level political forum in Belgrade aims to showcase the Sustainable Investment Program's progress and encourage resilient economies despite crises. Key stakeholders from central and local governments, private sector partners, investors, and financial institutions will attend from Serbia, Asia, the EU, and other countries. The event will facilitate agreements on regional investment and trade cooperation and incorporate a field visit to selected projects (including Special Economic Zones, industry parks, or enterprises in major cities such as Belgrade, Novi Sad, Nis, and Kragujevac) is planned to share experience and cooperation opportunities. The SDG Investor Map will be presented as a facilitating tool for sustainable investment. The forum's goal is to share knowledge and practices to promote sustainable investment in Serbia and regional cooperation. The HLPF event will be complimented by a investor visit (see below O. 2.3.2).
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 be the second event that will take place. The UNDP team in cooperation with national partners, in with UNDP China, has identified the time and opportunity Final High-level Policy Dialogue to be held in China, in Beijing in September 2023, during the China International Fair for Trade in Services. The UNDP Serbia team has liaised with national counterparts and UNDP China, to gain better knowledge of the needs and expectations of the Serbian delegation, as well as the Chinese counterparts expectations.

		Based on the information a tentative plan has been made to hold the event in September, 2023 in China. It is planned to be held as a counterpart to the event in Serbia, with the participation of government officials, representatives of the private and public sector, international experts, development agencies, chambers of commerce and other relevant participants. The event will focus on new sustainable investments that are aligned with the principles and practices of economic, social, and environmental sustainability and showcase how such investments can help the countries overcome critical development gaps and achieve the SDGs at the country level faster. It is also planned here to present the SDG Investor Map which was developed within the SIP project, in a form of multimedia interactive presentation, with explanations and translations in English and Chinese. The HLPF event will be complimented by an information exchange visit (see below O. 2.3.1)
O. 2.2 Facilitate sustainable investment cooperation through **Sustainable Investment Promotion Forums**, with the aim to support the 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.	☐Not yet started ☒ In progress ☐Completed (indicate month & year) ☐ Cancelled ☒ Delayed	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 event was planned for Q1 2023, but as been delayed, due to COVID-19 countermeasures, it will be organized in September 2023, as presented below in o 2.2.2.
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	☐Not yet started ☐ In progress ☒Completed (indicate month & year) ☐ Cancelled ☐ Delayed	*This output has been completed in March 2022.*

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).		
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 further adjusted depending on the evolution of the pandemic).	☐Not yet started ☒ In progress ☐Completed (indicate month & year) ☐ Cancelled ☒ Delayed	In cooperation with national partners the Second Sustainable Investment Promotion Forum is planned as part of the CIFIT Investment Fair (China International Fair for Investment and Trade), which will be held in September 2023 in Xiamen, it is agreed with the national partners to organize a side event, i.e. the Second Investment Forum, and present opportunities for investment in Serbia compliant with the SDG standards. It is also planned here to present the SDG Investor Map which was developed within the SIP project, in a form of multimedia interactive presentation, with explanations and translations in English and Chinese. This event is planned with UNDP China.
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 due to ongoing pandemic, have been delayed. The UNDP team and national partners have agreed fully on the implementation strategy for this output and the activities under this output are ongoing.
O. 2.3.1 **Organize a knowledge exchange** in Asia, tentatively to invite about 15	☐Not yet started ☒ In progress	Based on continual communication with national partners and UNDP China, and Chinese counterparts, it has been determined that the

	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 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).	☐Completed (indicate month & year) ☐ Cancelled ☒ Delayed	knowledge exchange visit will build on the High level political dialogue planned in China (September 2023). UNDP Serbia has surveyed the needs and objectives of the participating national partners. to better align the visit with desired outcomes and provide greater impact of the visit. It is planned that participants from relevant ministries, agencies, and chambers will visit China to exchange knowledge and experience in sustainable investment. The visit will include seminars and field visits to selected projects, Special Economic Zones (SEZ), and enterprises in China to demonstrate good practices and facilitate the exchange of knowledge and first-hand experience. Shenzhen and Yulin are recommended cities for the field visits. Shenzhen has been incorporating sustainable development into its local planning and has cooperation projects with UNDP China. Yulin has taken the initiative to scale up clean energy capacity and phase out coal, providing valuable insights into green transition.
	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	☐Not yet started ☒ In progress ☐Completed (indicate month & year) ☐ Cancelled ☒ Delayed	The investor trip is planned to build on the June High level Policy dialogue Forum that will be organized in Belgrade Serbia. UNDP Serbia is closely coordinating activities with UNDP China. It is planned that a trip of investors from China to Serbia as a continuation of the forum for the promotion of sustainable investments, bringing together a wide range of international investors and companies, representatives of governments and agencies, financial institutions, and the media (about 25 people in

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.		total) for selected projects (completed or ongoing), SEZ, industrial parks, or companies in Serbia. Participants will be able to discover/present new investment opportunities after COVID-19, build direct connections with the investment and business community in Serbia, and promote sustainable investments as a supporting measure for overcoming existing multi-crises environment. UNDP Serbia and UNDP China are currently surveying the needs and objectives of the targeted investors to better align the visit with desired outcomes and provide greater impact of the visit.
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 has revisited the implementation strategy with the national partners and agreed that 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. The BRI has agreed to host the platform and the activity is ongoing.
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	☐Not yet started ☒ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	The UNDP team has finalized all the details regarding the strategy of implementation of this activity with the national partners and it has been agreed that the Belt and Road Institute, that will host the online platform, will also provide the desk officer side of the one stop shop. The mechanism will be piloted through one desk-officer position and will later be amplified if needed. The terms of reference for the position are being agreed with the national partners.

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 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:	☐Not yet started ☒ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	The Belt and Road Institute will host the platform. Three consultants were engaged in March 2023 to design and develop the online One-Stop Shop Platform that will serve as a centralized hub for sustainable investments. The OSS Platform will encourage investments that align with local needs and offer investment opportunities from all interested nations, post-COVID-19, while reducing transaction costs associated with project identification and screening. Additionally, the platform will provide an enhanced online learning and capacity development experience, and easy access to analysis and

○ 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 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.		measures for project de-risking and assessment. The OSS Platform will prioritize social, environmental, and governance aspects, thereby enabling investors to make informed decisions. A communications consultant has been hired to design and carry out the campaign to promote the platform.
O. 3.1 Based on programme outcomes and findings of the impact assessment of COVID-19 on enterprises, design **a pilot online training**	☐Not yet started ☒ In progress	The UNDP team and national partners have agreed fully on the implementation strategy and the activities under this output are ongoing. Based on what has been identified in a post COVID-19 survey

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 package will be completed by Q4 of the second year.	☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	by UNDP, a large number of Serbian companies still lack sufficient knowledge and support to implement eCommerce. It has been agreed that the support to SMEs under this output will a) identify the exact needs of companies b) provide training and support for eCommerce implementation. To implement this training, a consultant has been hired to examine the Serbian export-focused e-commerce landscape in the post-COVID context and provide online e-commerce training and mentorship to selected companies. This activity is planned in three phases. Phase 1 involves reviewing existing data, identifying potential structural deficiencies, and making recommendations. In Phase 2, qualitative deep-dive research into 12-20 relevant companies will be conducted to identify pain points and opportunities. In Phase 3, an online curriculum for eCommerce introduction will be developed, and the selected companies will be trained and supported by a pool of experts.
O. 3.2 Provide **and subsequently implement** the pilot training package on Environment, Social and Governance criteria Standards (ESG Standards)[6] for at least 10 selected[7] enterprises. This set of activities will entail capacity building on sustainable business practices for the selected companies, tailored	☐Not yet started ☒ In progress ☐Completed (indicate month & year) ☐ Cancelled ☐ Delayed	Three consultants have been contracted to support SMEs in aligning their business processes with ESG criteria, and develop a training program called ESG Practitioner. The program will be designed and implemented in collaboration with the Serbian Development Agency (RAS). The ESG Practitioner program is designed in a two phased approach, through online masterclasses and live workshops and it focuses on representatives of SMEs who want to increase their business sustainability, companies that are export-oriented, part of or have

[6] 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.

[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.

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.		ambitions to become part of the supply chains of large multinational companies, as well as companies that want to improve risk management and take advantage of the opportunities that the implementation of ESG criteria brings. There are 13 companies (RAS partner companies) which applied for the programme. The program has been designed around their needs and understanding/knowledge of ESG standards. The training is planned to be implemented through a hybrid of online and in person training sessions. The first two online classes are organized on April 4th and 12th and the first live workshop is organized on April 26th.

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

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 has been constantly monitoring information on the effects the pandemic is having in Serbia and in China and in other relevant countries. This has caused delays in organizing events under Outcome 2. 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. Through continual communication that has been maintained with UNDP China and national partners as well as constant monitoring of the situation, as soon as the countermeasures were lifted in January 2023, the Team has identified potential opportunities and upon confirmation from all sides has begun planning and organizing the events.

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

No revisions were made to the Approved Project Document in this reporting period.

5. FINANCIAL INFORMATION

Total Project Budget	Expenditures	Balance	Delivery %
$ 971,619.06	$ 307,883.1	$ 663,735.96	32%

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.

6. OUTREACH AND ADVOCACY

No outreach nor advocacy activities were implemented in this period.

In the coming period, we intend to have several outreach activities to promote the project results, which will inherently provide further visibility and outreach of the project. Firstly, an awareness-raising campaign will be conducted to promote ESG standards. Secondly, the sustainable investment map will be promoted at events under Outcome 2, including the High-level Political Forum in Belgrade in June 2023 and a High-level Policy Dialogue in China and the Second Investment Forum in China in September 2023. Lastly, a side event is planned during the High-level Political Forum on Sustainable Development in New York, USA, in July 2023, to showcase the Sustainable Investment Map. At all these events we will also promote Serbia as a destination for sustainable investment, in particular at the Second Investment Forum will be organized as part of the CIFIT Investment Fair in Xiamen in September 2023.

7. ANNEXES

(a) Cumulative Financial Report

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

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

(d) An impact assessment study (report- IA 1.1)

(e) Sustainable Investment Map (report - IA 1.2 A Post-COVID-19 SDG Investor Map)

(f) Progress report on the pace of implementation of the signed, submitted and approved Agreements undertaken under the Open Balkan Initiative (OBI) (report- IA 1.3 Legal advisory service)

(g) Report on the roadmap for implementation of the Memorandum of Understanding on Trade Facilitation(report- IA 1.3 Legal advisory service)

(h) Report on the Roadmap for Implementation of the Agreement on Cooperation in the field of Veterinary, Food and Feed Safety and Phytosanitary in the Western Balkans (report- IA 1.3 Legal advisory service)

(i) Report on the proposal for enhanced cooperation between companies within the tourism sector in Open Balkan countries (report- IA 1.3 Legal advisory service)

(j) ESG Practitioner training information (IA 3.2 Pilot training package on ESG Standards)