



Belgrade, 27th of September 2022

Minutes of the 2nd Project Steering Committee Meeting
held on 9th September 2022

“EU for Green Agenda in Serbia: Get Started, Take Action, Scale-up”

PSC Members:

- Nicola Bertolini, Head of Cooperation, EU Delegation to Serbia
- Antoine Avignon, Programme Manager, EU Delegation to Serbia
- Jelena Tanasković, State Secretary, Ministry of Environmental Protection
- Jovanka Atanacković, State Secretary, Ministry of Mining and Energy (online)
- Sandra Dokić, Assistant Minister, Ministry of Environmental Protection
- Vesna Laković, Assistant Minister, Ministry of Mining and Energy (online)
- Marko Jovanović, Assistant Minister - Director of the CFCU, Ministry of Finance (online)
- Katarina Obradović Jovanović, Assistant Minister, Ministry of the Economy
- Miona Popović Majkić, Head of the Group for the preparation of projects financed from EU funds, Ministry of the Economy
- Dragana Mehandžić, Head of the Project Management Department, Ministry of Environmental Protection
- Jelena Šćepanović, Head of the Department for EU Integration, Ministry of Environmental Protection
- Jovana Joksimović, Coordinator in the field of infrastructure and regional development, Ministry of European Integration
- Ana Ristić, Independent advisor, Ministry of Agriculture, Forestry and Water Management

Project partners and new project partners:

- Ida Reuterswärd, First Secretary, Embassy of Sweden in Serbia
- Alessandro Bragonzi, Head of EIB Regional representation for Western Balkans, European Investment Bank
- Branko Cevriz, European Investment Bank
- Gordana Kovačević, European Investment Bank
- Ana Pajković, Program Officer, Embassy of Switzerland, Swiss Cooperation Office in Serbia

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Observers:

- Simon Martz, KfW
- Meran Lukić, KfW
- François-Xavier Kowandy, Technical – academic – scientific – institutional cooperation attaché, French Embassy in Serbia

UNDP:

- Yakup Beris, Resident Representative, UNDP Serbia
- Zarko Petrović, Programme Analyst, UNDP Serbia
- Miroslav Tadić, Programme Analyst, UNDP Serbia
- Danijela Šever Radovanović, Communication Analyst, UNDP Serbia
- Radovan Nikčević, Project Manager, UNDP Serbia
- Ana Seke, Project Manager, UNDP Serbia
- Zorica Korać, Portfolio Manager, UNDP Serbia
- Ljiljana Veljković, Project Officer, UNDP Serbia
- Smiljka Živanović, Project Officer, UNDP Serbia
- Ana Mitić-Radulović, Project Coordinator, UNDP Serbia
- Vladimir Jovanović, Project Coordinator, UNDP Serbia
- Milan Cerovac, Portfolio Associate, UNDP Serbia
- Anđela Vila, Administrative Assistant, UNDP Serbia

Objective:

To present project progress, new partnerships, implemented and planned activities as well as the expected results.

Discussions/interventions:

Ms. Jelena Tanasković, State Secretary of the Ministry of Environmental Protection, **Mr. Nikola Bertolini**, EUD Head of Cooperation, and **Mr. Yakup Beris**, Resident Representative of the UNDP Serbia welcomed the participants stressing the importance of the project in the acceleration of Serbia's EU accession process, decarbonisation and green transition.



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Ms. Jelena Tanasković, on behalf of the Ministry of Environmental Protection, as Co-chair of the Steering Committee, stated that the priority of the Government is sustainable economic growth in line with environmental protection. In recent years, the Ministry has adopted much-needed laws in this area, which brought Serbia closer to the EU *acquis*, such as the Law on Climate Change, the Law on Nature Protection, amendments to the Law on Air Protection, etc. Also, the Government adopted a set of laws in the field of energy, opening the road to decarbonization. In addition, important strategic progress is the adoption of the Waste Management Program, as well as the Draft Programme on Sludge Management, and soon the adoption of the Air Quality Protection Program, Circular Economy Program and Low Carbon Development Strategy, with their related action plans, are expected. A particular achievement is the adoption of the revised Nationally Determined Contribution in August of this year. Ms. Tanasković stated that, within the first six months of implementation, the project "EU for Green Agenda in Serbia" attracted great interest of the public and private sectors in the transition to green and circular business models. Ms. Tanasković underlined that this project provides sound support in the realization of Serbia's priorities within the framework of accession negotiations with the EU for Cluster 4 and Negotiation Chapter 27 - environment and climate change. The Ministry also expects that this project will unlock further investments in the green transformation of Serbia.

Mr. Nicola Bertolini, on behalf of the EU Delegation to Serbia, as Co-chair of the Steering Committee, addressed the Steering Committee participants in 9 points. (1) there is an obvious development of green investments in Serbia, broader than the context of this project. The big demand for co-financing received for Challenge Calls proves the importance of support to the economy on this pathway. (2) there is a need to accelerate actions since climate change is an urgent challenge. (3) new partnerships are welcome, streamlined to the same objectives and joining forces to achieve better environmental conditions in Serbia. (4) the EIB and EU signed the project contract, which is highly beneficial for scaling up the investments. (5) the success of the project depends on the commitment of national institutions present at the meeting, but also of other numerous ministries. After establishment of the new government, the Green Agenda should be the top priority. Energy security can also be achieved via the Green Agenda, in the long term. (6) In the context of IPA funds, Serbia moves towards the new instrument: sector operational programme 2023-2027, which will entail all environmental investments, as well as investments in EE, RES, etc. This is an instrument in the making, and the EU is assessing the possibility of support to SMEs, in particular with clear green elements. (7) There is a significant lack of regional development policy in Serbia. Regional development and cohesion policy are the base of the EU, and 70% of the IPA leading towards Serbia's EU accession is being implemented on the local level. LSGs are far away from being able to absorb that, in terms of knowledge, actions and capacities, which requires urgent action. (8) Considering the importance of the Green





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Agenda for the economy, the proposal to the PSC (including the Ministry of Economy) is to include Serbian Development Agency in the PSC meetings as an observer. This might be a step forward in policy improvement. (9) Strengthen synergy between the governmental Sector Working Group on the Green Agenda and the PSC.

Mr. Yakup Beris, Resident Representative of the UNDP Serbia, underlined that, with the alarming security and energy crisis in Europe, it becomes even more important to accelerate efforts towards decarbonization and green transformation of economies and societies. As part of the Green Deal, the EU is working on "Fit for 55" legislative package that sets a binding target for achieving decarbonization and climate neutrality by 2050. New and more ambitious 2030 targets for the Energy Community are expected by the end of the year. These important policy updates, along with the upcoming EU "Carbon Border Adjustment Mechanism", are a clear signal for Serbia and other accession countries, that the green transformation is a must for maintaining the competitiveness of economies. He also congratulated the Ministry of Environmental Protection on the recent adoption of the updated NDC. For the "EU for Green Agenda in Serbia" project, Mr. Beris noticed that after only six months from the project initiation we already have some major achievements. The project is starting preparations for the development of the Green Agenda Strategy – in September. UNDP will support the Government in launching the National Consultations to facilitate public dialogues throughout Serbia and among all stakeholder groups. This process goes hand-in-hand with the progress in development of the National Climate Change Adaptation Plan. Mr. Beris introduced new partners to the Green Agenda for Serbia – the Government of Switzerland. In addition to complementing activities of the EU for Green Agenda project, the Swiss support will also focus on climate adaptation planning at the municipal level, bringing additional value to the overall action. Mr. Beris explained that the environmental protection agenda is also an investment opportunity, and that we need to leverage potential and bring NDC pledge into reality. He expressed gratitude to the EU Delegation and the Government of Serbia for the opportunity to lead the efforts on green transformation, and for additional support of new partners, the Government of Switzerland, as well as to SIDA and EIB for their partnership, explaining that this is an excellent example of the creation of Green Agenda support platform.

Mr. Radovan Nikčević, Project Manager at the UNDP Serbia, presented the project structure, PSC organization and partnership matrix, pillar-specific policy objectives and plans, and main implemented activities (PowerPoint presentation attached). Mr. Nikčević presented policy support activities including the development of the Environmental Protection Strategy – Green Agenda. He explained that UNDP team managed to onboard **more than 140 public and private companies** through the **four conducted challenge calls** under the Green Agenda pillars covering circular economy, decarbonization, air quality improvements and





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development of green infrastructure. These projects have a **total investment value of more than \$73 million** which comes from legal entities that account for approximately 4% of business operations of the Serbian economy in 2020. The **identified financing gap needed to unlock the implementation of these projects amounts to more than \$11 million**. It is obvious that project team still needs to mobilize additional resources to support the urgently needed green transformation. However, the project will not co-finance every single project proposal received, but the project team will coordinate selection of those with the biggest environmental, climate, social, economic, and other benefits. Therefore, the project implementation team very much value the forthcoming contribution of the Government of Sweden to the pillar 4, as well as other potential partnerships. Concerning the contribution of the Government of Switzerland, as a new project partner, the UNDP project team additionally explained that it is going to be used as parallel financing of the project activities. In addition, a special Project Board comprised of representatives of UNDP, the Ministry of Environmental Protection and Embassy of Switzerland will monitor the Swiss contribution.

Mr. Alessandro Bragonzi, Head of Regional Representation for the Western Balkans of European Investment Bank, explained in more detail the new project component contracted recently. He explained that rapid mobilization of human and technical capacities is the priority, in cooperation with the Government and by the usage of the existing EIB programme: Green Gateway. The programme is comprised of online tools, a library for green investments, and a green ability checker. Moreover, EIB will closely collaborate with other project partners, for impact measuring and monitoring. In bilateral discussions among partners, and in communication with the teams from accelerators, the EIB will identify the projects with the biggest potential for scaled up financing.

Ms. Ida Reuterswärd, First Secretary at the Embassy of Sweden in Serbia, explained that the Green Agenda process is improving and strengthening government processes and EU approximation, and it is impressive to see how much interest there is from local level and from the industry from across the country for a green transition. She reconfirmed that the Swedish support projects ENVAP, supporting EU negotiations and approximation, and IED project supporting industrial emissions directive process are well coordinated with the EU for Green Agenda project. The project implementation team at UNDP has set a good structure to support overall government processes, but now it needs to manage expectations and coordination to secure that activities support Serbia's priorities regarding Cluster 4. Ahead it is critical with good planning and coordination to assure that additional support mobilised is used smartly, and she welcomed the Swiss engagement and contribution to the Project. The phase of scaling up the Green Agenda interventions, both on technical support and investments, using the good examples as inspiration for further reform initiatives and





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mobilisation of investments, will be a critical next step. Ms. Reuterswärd pointed out that inclusiveness and dialogue must remain the most important values throughout the project implementation, and she emphasized the importance of the Environmental strategy to be prepared. Ms. Reuterswärd thereafter presented the preparation of a possible new contribution from Sida which is under preparation, adding to the partnership in the EU for Green Agenda. The contribution is planned together with the Ministry of Environmental Protection and UNDP and will focus on strengthening Pillar 4 of the Green Agenda, since climate and biodiversity is a priority of Swedish Government.

Ms. Danijela Šever-Radovanović, Communication Analyst at the UNDP Serbia, presented achieved communications and awareness raising results, as well as the upcoming events and materials (PowerPoint presentation attached).

Ms. Ana Pajković, Program Officer at the Embassy of Switzerland, expressed the strong commitment of the Swiss Cooperation Office in Serbia to improvement of environmental conditions in Serbia in the next four years, based on the Programme of support until 2025. The Swiss Government shifted the focus of support from the energy sector to Climate Change and Sustainable Urban Development. Ms. Pajković stressed also that Swiss Economic Cooperation and Development (SECO) is interested in investing an additional € 2 million into decarbonization – related actions of the Green Agenda. The current collaboration of the Swiss Cooperation Office in Serbia with the Ministry of Finance focuses on the green budget tagging and green budgeting. Ms. Pajković also confirmed that the Swiss contribution to the Green Agenda in Serbia will represent parallel financing of the project activities.

Presentation on so far implemented communication activities and their impact, raised a discussion on the importance of promotional efforts and educational campaigns for the general public. Mr. Bertolini raised the question if communication can measure the impact on ordinary people, and requested for clarity concerning the pitching sessions (in terms of public vs. individual/company interests). Ms. Šever-Radovanović explained that the Communications activities carried out were in line with the goals in the Project Communications Plan (the first one being the promotion of partnership on the Green Agenda). She pointed out that the best solutions from the Challenge Calls would be promoted extensively as best practices in the second phase of the communication campaign, while at this time the campaign must focus on the provision of information and general awareness raising, by repeating the same message from at least 3 different channels – to introduce the topic among the ordinary people. This phase needs to last at least 6 months, followed by the phase of changing attitudes, and then hopefully changing the behaviour.





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Mr. Žarko Petrović, Programme Analyst at UNDP Serbia, responding to Mr. Bertolini's question, pointing out that the impact of the communication campaign on general population can be measured based on the results of a very detailed public opinion survey on attitudes regarding environmental protection issues, and expressed readiness to organize a follow-up survey to track the changes compared to the baseline from 2021. He also explained the importance of the project in terms of de-risking public and private investments. The acceleration process and performance-based payment agreements (PBPA) are perceived as de-risking mechanisms (accelerator's milestones serve as risk assessment) and a part of the equity by the commercial banks, for loan contracting. We estimated that calls like the ones already conducted through the project, have the capacity to initiate the green transformation of the economy. Thus, he presented a plan to open one Open-ended Call (on a rolling basis) with the aim to mobilize more green investment proposals, upscaling the results and multiplying impacts. Mr. Petrović pointed out that there is a public interest for the Green Agenda support "platform", which is the easiest way for channelling financial resources towards both public and private enterprises, in order to be able to really implement in practice recently improved regulatory and policy framework.

Mr. Antoine Avignon, Programme Manager at the EU Delegation to Serbia underlined that the project serves as a platform for pilot actions, to support the implementation of national policy goals. EU PRO + project also supports green local initiatives thus it is important to coordinate Green Agenda implementation with various complementary activities of various ministries. Green Agenda may provide tools for clarity and joining forces for fulfilling national political goals and project goals on the local level. Green Agenda should impose mechanisms beyond the project, for regional initiatives, towards compliance with the Green Deal goals.

The UNDP project implementation team, namely **Mr. Vladimir Jovanović** and **Ms. Ana Mitić-Radulović**, briefly illustrated examples of the projects under the circular economy pillar which started the Acceleration process at the end of August (PowerPoint presentation is attached). Selected teams, with the support of mentors and experts, will technically and financially elaborate project proposals in the following months. In December 2022, representatives of the most mature projects will sign the Performance-Based Payments Agreements.

Mr. Simon Martz, from KfW, and on behalf of German Cooperation, expressed strong commitment as a political partner in Green Agenda, and confirmed that collaboration will be increased and intensified, especially within the Climate Partnership with Serbia, including GIZ, KfW and the German Embassy.



The Project is
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Mr. François-Xavier Kowandy, Technical – academic – scientific – institutional cooperation attaché at the French Embassy in Serbia, confirmed that the meeting has been very inspiring, and sparked ideas on collaboration in the framework of “Eco-opština”, in cooperation with LSGs, SCTM and NALED.

The Project Steering Committee acknowledged all comments and suggestions made by the members.

Conclusions and follow-up actions:

- The PSC meeting raised high interest and strong interaction among the Steering Committee members, partners, and observers. The meeting discussions covered both policy and innovation aspects and sparked creative and constructive discussion;
- In the process of selecting projects for circular economy acceleration, UNDP received approval from the PSC Co-chairs (MEP and DEU). The selected projects had also been shared for information with the project partners: SIDA and EIB. The UNDP project team published the results at www.euzatebe.rs website and invited the PSC members to Accelerator’s Kick-off Event. Upon Accelerators’ launch, the UNDP project team will share descriptions of all the projects with other PSC members as well. This mechanism of approving projects has been set and will be implemented for all the upcoming accelerators, as well;
- Prior to the Meeting, the UNDP project team shared with all PSC members the Progress Report on implemented and planned activities and no objections have been received;
- As a new partner, the Government of Switzerland, Embassy of Switzerland/Swiss Cooperation Office in Serbia has been included as a new Project partner to the PSC;
- The PSC members acknowledged the requests for additional support submitted by the two PSC members, namely the Ministry of Mining and Energy and the Ministry of Agriculture, Forestry and Water Management. The UNDP project team presented the requests for additional support in the power point presentation and no objections were received. The approval of additional support will be handled separately in line with Government and EUD guidance;
- UNPD project team will separately present to the PSC Co-chairs (EUD and MEP) a proposal for budget adjustment for 2022, corresponding with updated project activities.
- In line with Rules of Procedure (RoP), the next PSC meeting will take place in early December.