

Belgrade, 12 June 2023

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**To:** Nabil Gangi,  
FAO Representative in Serbia and Deputy Regional Representative  
Regional Office for Europe and Central Asia, Food and Agriculture Organization of the UN

**Subject:** Letter of Interest on behalf of the Association of Financial Institutions, Chamber of Commerce and Industry of Serbia for the Project **"Enhancing the resilience of Serbian forests and the carbon storage potential of the country to support and boost the decarbonization process through adaptation and mitigation investments"** (the "Project")

Dear Mr Gangi,

This letter is to acknowledge the interesting discussions we held with the FAO Investment Centre Team designing the Project titled **"Enhancing the resilience of Serbian forests and the carbon storage potential of the country to support and boost the decarbonization process through adaptation and mitigation investments,"** which is under development for the consideration of the Green Climate Fund (GCF) and other financiers, and on behalf of the Ministry of Agriculture, Forestry and Water Management, National Designated Authority for the Republic of Serbia to the GCF.

The Association of Financial Institutions notes its strong interest in the Project, due to the common goals and potential complementarities between the Association and its members and the project in reducing the barriers to investing in the decarbonisation of the Serbian economy. In particular, we had interesting meetings on the collaboration of Serbian financial institutions, through the Chamber of Commerce of Serbia (PKS) Circular Economy Platform, with the project.

PKS, and its Association of Financial Institutions, also view high potential synergies with the project to further expand Serbian private sector investment in environmentally sustainable technologies and practices (renewable energy, energy efficiency, carbon insetting and circular economy options). PKS's Association of Financial Institutions also views the project in having considerable potential in raising awareness through informed dialogue between public and private institutions, including local and foreign financial institutions operating in Serbia.

Serbian financial institutions are expanding their climate action portfolios in Serbia, and the project's proposed interventions are timely given this development. Through the Platform of Circular Economy, the potential collaboration with the project, which envisages providing technical assistance to financial institutions – including local financial institutions – will help banks expand their decarbonisation portfolios as well as understand their exposure to climate risks during and after the project lifespan.

We look forward to the potential collaboration and continued discussions with the project design team which will be mutually beneficial.

Sincerely,



Katarina Ocokoljic  
Secretary of Association of Financial Institutions