

Readiness & Preparatory Support Proposal

Proposal title:

Applying the Country Platform approach of GCF for translating climate policy priorities into a programmatic investment in Serbia

Reference:

SRB-RS-006

Country(ies):

Serbia

Date of approval:

8 October 2026

The full proposal, including the financial proposal and annexes, is available on the GCF Partner Portal.

Section 1: Summary

Proposal Details

Title of the Direct Access Proposal	Applying the Country Platform approach of GCF for translating climate policy priorities into a programmatic investment in Serbia
Total Requested Amount in USD	\$4,000,000
Implementation Period (in Months)	48 months

Country Information

Proposal scope	Single Country
Country	Serbia
NDA/focal point name	Ministry of Environmental Protection
Name of contact person (NDA, DAE or FWA)	Milos Stojanovic
Contact person's position	Special Advisor to the Minister
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Type of Access	Framework Agreement Partner
Framework Agreement Partner	United Nations Development Programme (UNDP)

Summary of the proposal

The proposed Green Climate Fund (GCF) Readiness Project for Serbia aims to transform the country's ability to access, program, and implement climate finance on a large scale. This will enhance the mobilization and effective use of climate finance, accelerating mitigation and adaptation actions in line with national climate priorities and the Paris Agreement. The program aligns with the Green Climate Fund Readiness Strategy's three objectives and is structured to strengthen institutions, enable investment, and translate strategic ambitions into tangible results while addressing the following barriers:

- Barrier 1: Institutional coordination for climate finance requires further strengthening to ensure consistent and effective institutional collaboration
- Barrier 2: Insufficient technical and human capacities within the NDA and other relevant institutions (e.g. finance, energy, agriculture, etc.)
- Barrier 3: Coordination mechanism for climate action requires further improvement to ensure an inclusive, formalized and systemic engagement of all relevant stakeholders
- Barrier 4: The regulatory framework requires further enhancement to streamline and incentivize investment in resilient and low carbon infrastructure
- Barrier 5: The absence of a national accredited Direct Access Entity (DAE) limits direct access to climate finance
- Barrier 6: Country Programme until 2025 is not aligned with current policy framework
- Barrier 7: National capacity for development of bankable GCF concept notes and funding proposals not fully capacitated and strengthened
- Barrier 8: Gaps in standardized procedures for the application and selection of project proposals
- Barrier 9: Knowledge about international best practice on local climate action and climate finance mobilization remains insufficient and requires further enhancement
- Barrier 10: Untapped potential of regional cooperation and structured coordination among NDAs in the Western Balkans

Objective 1 will encompass targeted capacity building for the National Designated Authority (NDA) and development of an inclusive coordination mechanism within the newly developed GCF Country Platform. The project will further improve the enabling conditions for climate action by updating the long-term climate strategy and Nationally Determined Contribution (NDC) and development of a climate investment plan. The climate investment plan will put in

operation key strategic documents, such as the NDC, National Energy and Climate Plan (NECP), Long-term Climate Change Strategy (LTS) and National Climate Change Adaptation Programme (NAP). Additionally, introducing a national green taxonomy aligned with the EU framework will enhance transparency, reduce greenwashing risks, and provide clear signals to public and private investors. Supporting the accreditation of at least one national Direct Access Entity (DAE) will strengthen country ownership by enabling Serbia to access and manage GCF resources directly. The GCF Country Platform will consist of three key elements: 1. Programmatic component – integrating the elements of the former Country Programme; 2. Operational component inclusive of rules and procedures, coordination mechanism; 3. Investment component – to support the climate investment planning and pipeline development. It will operate through an inclusive coordination mechanism, bringing together government ministries, the private sector, civil society, and academia. This mechanism will be responsible for identifying climate investment gaps and opportunities, building an economy-wide pipeline of project proposals, and ensuring transparent stakeholder participation.

Objective 2 is addressed through activities that translate national climate ambitions into investment-ready pipelines, following the GCF Country Platform approach. The final Platform purpose is to enable fully participatory and continuous identification of climate financing needs, gaps and funding opportunities backed up by inclusive economy-wide investment pipeline.

Once set under Objective 1, the Platform will use a specialized software tool for project identification, evaluation, and management, which will allow stakeholders to submit ideas for consideration. A key function of the platform will be to review, prioritize, and approve these proposals for submission to the GCF and other funding sources, ensuring they are aligned with national strategies like the NDC, NAP, and the country's Long-Term Strategy.

Complementary capacity-building efforts will enhance national expertise in developing high-quality concept notes and funding proposals through training, technical assistance, mentorship, workshops, peer exchange, and hands-on support. The Project will develop and introduce a project identification, evaluation and management software to facilitate the submission process for GCF project proposals and monitor project implementation progress.

The Ministry of Finance is identified as the suitable candidate to become Serbia's first national Direct Access Entity (DAE). In this role, the Ministry will be responsible for the direct management and implementation of GCF-funded projects. This will enhance country ownership of climate finance by allowing Serbia to access and manage GCF resources directly. The project will provide the Ministry of Finance with technical and institutional support, including a gap analysis and a detailed action plan, to navigate the GCF's accreditation process and strengthen its capacity in fund management and climate finance programming. Objective 3 is advanced through structured knowledge sharing at the national and regional levels. These activities will inform

policymaking, investment, and planning processes. One such activity is a study tour to a country with advanced local self-government climate action mechanisms such as Luxembourg, France and Slovenia. Study visits will allow Serbian institutions to bridge theoretical knowledge and practical implementation, particularly in areas such as climate investment planning, MRV systems and project pipeline development, and to establish direct institutional relationships that can support ongoing cooperation and future joint project development. Through this project, Serbia's NDA will liaise with other the NDA from other Western Balkan countries in order to identify joint climate challenges, including both mitigation and climate resilience related. Also, through open-ended regional dialogue, the NDAs will identify challenges, barriers and agree on actions for their removal, including creation of regional enabling policy environment through existing platforms, such as Energy Community. The regional open-ended dialogue will also result in a regional pipeline of priority investment proposals that will further strengthen compliance with UNFCCC/PA requirements. These activities will enhance the mobilization and utilization of climate finance in Serbia, accelerating mitigation and adaptation actions that align with national priorities and the Paris Agreement. By strengthening institutions, improving the policy environment, building robust investment pipelines, and fostering knowledge exchange, the program will enable Serbia to transition from ad hoc project development to systematic, scaled, and transformative climate finance implementation.

The following deliverables are planned within the Project:

The project's direct beneficiaries are primarily national government institutions with formal mandates for climate, environmental, and financial governance, which will receive targeted capacity-building support, institutional strengthening, and direct engagement across multiple out-comes and outputs. The Ministry of Environmental Protection is the principal direct beneficiary. The Ministry will directly benefit from enhanced institutional capacity for climate and environmental governance, strengthened coordination mechanisms, and improved ability to access, program, and implement climate finance. This includes direct engagement under Outcome 1 (institutional coordination and enabling environment), Outcome 2 (development of investment-grade concept notes and full funding proposals), and Outcome 3 (knowledge sharing and regional cooperation), covering multiple outputs related to policy development, coordination frameworks, and project preparation. The Ministry of Finance is also a direct beneficiary, particularly under Outcome 1.3, where the project supports its accreditation as the first national DAE.

The project will generate significant indirect benefits for a broad range of public, private, and civil society stakeholders through improved policies, strengthened institutional frameworks, enhanced access to climate finance, and better-designed climate and environmental investments.

Line ministries, including the Ministry of Mining and Energy and the Ministry of Agriculture, Forestry and Water Management, will be indirect beneficiaries through improved cross-sectoral coordination, strengthened policy coherence, and enhanced availability of investment-grade project pipelines relevant to their sectors. Additional ministries will also benefit indirectly from improved governance frameworks and coordination mechanisms supported under the project.

Local self-governments will be indirect beneficiaries through improved access to guidance, knowledge, and financing mechanisms for climate mitigation, adaptation, and environmental investments, particularly under Outcome 2 activities related to project development and pipeline strengthening. These benefits will support improved local-level planning, service delivery, and resilience building

The private sector, including project developers, enterprises, and financial actors, will benefit indirectly from a more enabling policy and institutional environment, increased availability of climate-aligned investment opportunities, and improved coordination between public and private stakeholders. Civil society organizations (CSOs) will be indirect beneficiaries through improved opportunities for participation in policy dialogue, enhanced access to information, and strengthened institutional frameworks for climate and environmental governance.

Section 2: Country Context

2.1. Country Climate Challenges

From the analysis of climate change and the observed and/or expected impacts of climate change in the Republic of Serbia, several climate factors-influences have been identified which represent the main characteristics of climate change in the territory of the Republic of Serbia: (1) increased climate variability, (2) increase in temperature and heat waves, (3) change in the annual distribution of precipitation, (4) change in precipitation intensity, (5) changes in droughts, (6) changes in climate aridity/dryness. These climate factors-influence contribute to one or more groups of climate hazards. As presented in Serbia's National Climate Change Adaptation Programme (NAP), the most prominent climate change observations in the period 2000-2020 include:

- Mean temperature increased by +1.4°C in 2001–2020 compared to the period 1961–1990
- Increase in the number of heat waves per year by +2.4 in 2001–2020 (in the period 1961–1990 the frequency was less than 1 per year)
- Increase in the number of tropical days (days with maximum temperature above 30°C) from an average of 20–30 per year (1960–1990) to 40–60 in 2001–2020
- Increase in number of hot days (maximum daily temperature above 35°C) in the lowland areas from 2–3 per year in 1961–1990 to between +4 and +7 in 2000–2020
- Increase in the number of days with very heavy daily precipitation (20mm–30mm) and extreme daily precipitation over 30mm, and the amount of precipitation accumulated during such events, while the events with light and moderate precipitation have decreased
- Increase of the percentage of years with drought, on average, for the territory of the Republic, by +30%

In summary, Serbia is experiencing a warming trend that significantly exceeds the global average. Over the past five years, mean annual temperatures have been up to 2.5°C higher than the 1961–1990 baseline. Consecutive record-breaking years were registered in 2023 and 2024, with mean-temperature anomalies of 3.0°C and 3.8°C respectively. The frequency of heat waves has increased by three to four events per year compared to the reference period, and further escalation is anticipated, including more frequent episodes of extremely high temperatures.

Climate projections confirm a continued warming trajectory, with an expected additional increase of 4.5–5.8°C by the end of the century relative to the 1961–1990 baseline (or 1.8–4.1°C relative to the past two decades), depending on future greenhouse-gas emission pathways.

Although long-term trends in total annual precipitation are not statistically significant, climate change is altering both the seasonal distribution and intensity of rainfall. Extreme precipitation events have become more frequent and severe, resulting in recurrent flooding and heightened risks of land degradation—trends that are projected to persist. Conversely, average summer precipitation is declining, and the incidence of extreme summer droughts has doubled over the past 20 years compared with the mid-20th century. These patterns are expected to continue, contributing to additional record-high temperatures, more intense storms accompanied by extreme rainfall and strong wind gusts, and increased frequency and severity of hail events.

Climate-induced hazards are already affecting key sectors. Documented impacts include increased vulnerability of water resources, agriculture, forestry, biodiversity, and public health. Recent experience also demonstrates growing climate-related risks for energy production and distribution, critical infrastructure, transport systems, and the Serbian economy as a whole.

The Republic of Serbia continues to experience substantial economic losses and damages attributable to the increasing frequency and severity of climate-related extreme events. Conservative estimates indicate that, between 2000 and 2024, cumulative material damages and losses exceeded EUR 10.45 billion. This figure includes a preliminary estimate of approximately EUR 1 billion linked to the extreme drought of summer 2024, which affected around 92% of the national territory. Out of the 24 examined years, in nine years the ratio of the annual sum of claims to GDP was greater than 1%. The highest ratios were in 2012 and 2014: damages in these years amounted to 5,36% and 5,21% of Serbia's GDP, respectively. Droughts and high-temperature events account for nearly 70% of all documented climate-related damages and losses, underscoring the country's high vulnerability to prolonged dry periods and heat stress. Another major cause of significant losses was floods. The increase in the mean global temperature by the end of the century within the limits determined by the Paris Agreement (under 2°C) would result in a Serbia's GDP loss of 4.53% by the middle of the century. The rise in temperature will have negative impacts on health. Between 45 and 55% of the population is at risk from climate change, and 20 to 30% of those are at extremely high risk (certain to suffer climate change consequences). The share of population at high risk is expected to rise due to migration into cities and the ageing rate. Air temperatures in the areas of urban heat islands could be as much as 10 degrees higher compared to measuring points.

In the agriculture sector, while rising temperatures may lead to a longer cropping season, exposure to high temperatures is the biggest emerging risk in livestock farming. More severe droughts lead to crop failure of up to 40% in the driest years compared to the averages during 2011-2020. Hailstorms and frost during the vegetation stage are currently the highest risks in fruit production. Winegrowing is also experiencing high risk of hailstorms.

High temperatures and changed precipitation patterns also impact the energy supply and consumption, which in turn restricts the availability of water resources for energy generation and limits the country's ability to meet increasing energy demand for cooling. Hydropower is the most climate-sensitive part of Serbia's energy mix ($\approx 30\%$ of annual electricity production in normal hydrological years). Climate change will influence it through reduced summer river flows and increased variability and uncertainty. More frequent and prolonged summer droughts will reduce inflows into reservoirs such as Đerdap, Bajina Bašta, and Zvornik. Decreased summer precipitation and higher evaporation will lead to lower water levels during peak electricity demand (cooling loads). Rising average temperatures, more frequent and intense heat waves, and longer warm seasons will significantly alter electricity consumption patterns and drive new economic costs. Rising electricity demand and higher energy expenditures will occur due to electricity demand for cooling could increase by 30–50% by mid-century, depending on the emissions pathway. Serbia is already experiencing higher summer electricity consumption during heat waves. This trend will accelerate, leading to higher household and business electricity bills, particularly in urban areas where air conditioning is widespread. In addition, higher peak loads in summer require additional grid capacity, upgrades in transmission and distribution networks, and reinforcement of transformers and substations. The cost of these adaptations will be borne by the national budget, energy utilities, and ultimately end-users through tariffs. Eventually, urban heat island effects will intensify cooling needs - without green infrastructure, reflective materials, and urban planning reforms, cooling needs in some districts may increase by up to 70%.

The World Bank Climate Change Development Report (2024) estimates the following impact on GDP from the three key factors - riverine floods, heat and drought (wheat and maize) from -5.38% (2030) to -16.10% (2050) under RCP 4.5 scenario and from -4.59% (2030) to -14.70% (2050) under RCP 8.5 scenario. Also, according to Serbia's Biennial Transparency Report, projections indicate that, without robust adaptation measures, Serbia's GDP could decrease by 4.5% by 2040 and up to 9.3% by 2100 if global climate goals are not met. For example, agriculture is the most vulnerable sector, with droughts capable of reducing average crop yields by over 40%. For example, maize yields could decline by up to 58% in non-irrigated conditions by 2030 if no adaptation measures are taken. The 2014 floods alone caused economic damage estimated at €1.5 billion, affecting around 1.6 million people in central and western Serbia. On average, 200,000 people are affected by flooding each year, with an annual GDP cost of US\$1 billion. Major floods in May 2014 pushed an estimated 125,000 people into poverty.

2.2 Policy Framework

The climate policy framework is established by the Law on Climate Change, the Low Carbon Development Strategy (2023 – 2030), the Integrated National Energy and Climate Action Plan

and the National Climate Change Adaptation Programme (2023 – 2030). The Low Carbon Development Strategy together with the draft Strategy for Environmental Protection – Green Agenda, provide for the overarching framework, while the National Adaptation Programme further specifies the adaptation policy. The objectives set in the key policy documents include:

- Law on Climate Change establishes the basis for planning, updating and implementing policies, measures and activities in the field of adaptation to changed climate conditions.
- Low Carbon Development Strategy 2023–2030 was enacted in June 2023. The Action Plan for the Strategy was not enacted.
- The Integrated National Energy and Climate Plan transposes the Energy Community Clean Energy Package 2030 and sets the following 2030 targets: 40.3% emission reduction with LULUCF, 33.6% share of renewable energy in gross final energy consumption, and final energy consumption capped at 9.6 Mtoe. The INECP is under implementation.
- The National Adaptation Programme 2023–2030, enacted in December 2023, defines four priority objectives: 1) increasing awareness, improving knowledge and understanding of the impact of climate change and its consequences; 2) establishing and strengthening capacity for the systematic implementation of the process of adaptation to changing climate conditions from national to local levels; 3) increasing the resilience of critical infrastructure and natural resources to climate change; and 4) improving financial support for implementing the process of adaptation to changing climate conditions.
- The Action Plan for the first three-year period 2024–2026 was enacted together with the Programme and is under implementation.
- The Nationally Determined Contribution of the Republic of Serbia for the period until 2035, NDC 3.0, submitted in September 2025, sets the target of 40.1% GHG emission reduction without LULUCF compared to 1990 levels by 2035.
- The Strategy for the Development of the Energy Sector until 2040, with projections until 2050, was enacted at the end of 2024.

2.3 Institutional Framework, Capacity and Coordination

The Ministry of Environmental Protection is the lead ministry for coordination of the climate change regulatory and policy framework, in direct cooperation with other sectorial ministries and specialized agencies. This mandate is primarily closely coordinated with the Ministry of Mining and Energy, responsible for climate change in the energy sector covering the largest portfolio of climate mitigation actions, as well as in close coordination with the Ministry of Agriculture,

Forestry and Water Management, responsible for climate mitigation and adaptation actions in the agriculture, forestry and water management sectors. The Ministry of Finance has an increasing role in climate actively involved in green finance and the inclusion of climate change in the public finance framework. The Ministry of Interior has a key mandate for creation and implementation of the disaster risk reduction policy (DRR), in close coordination with the Ministry for Public Investments that is responsible for the disaster recovery following the build back better approach.

The Law on climate change sets the legal basis for functioning of the National Climate Change Council as a main Government advisory body. The Council was established in September 2021 with representatives from the central government, academia, the association of local self-governments and representatives of CSOs as members. Its mandate is advisory and in itself doesn't ensure an effective coordination mechanism concerning concrete measures identification and implementation (including investment pipeline development, implementation monitoring). At present, this technical coordination is done at the project' level by setting up numerous long-term working groups which neither sustainable nor effective. The proposed project will support the establishment of a coordination mechanism of technical mandate to act as main institutional structure that will ensure the involvement of competent institutions and other stakeholders. Its primary mandate will be related to identification of climate investment gaps and opportunities, building up an inclusive, economy-wide pipeline of climate investment proposals. Also, its mandate will include cooperation with the GCF through identification of effective and efficient climate action, including investment proposals that will be subject to potential GCF financing. The Ministry of Environmental Protection will chair the coordination council and provide the secretariat functions (to be located at the Climate Change Unit of the Ministry). Other institutions will nominate their representatives in the coordination mechanism (e.g. the ministries in charge of energy, agriculture, infrastructure, finance, specialized agencies and institutes), as well as representatives of network organizations such as Standing Conference of Towns and Municipalities, Chamber of Commerce, R&D sector etc. Overall, the mandate of the coordination council will be to ensure transparent stakeholder participation, solicit project proposals, review and approve the proposals for submission to the GCF for potential financing. The coordination mechanism will closely be linked with the mandate of the NCCC to ensure political support and coherence with the climate change national priorities and alignment with related sectorial policies. The Ministry of Environmental Protection will ensure this synergy since it also provides secretariat functions to the NCCC. The coordination mechanism will ensure functionality and inclusiveness of the Country Platform for climate investments, as per the GCF guidelines.

2.4 Gender Equality Analysis

The institutional framework for gender equality is set by the Gender Equality Law. Article 59 of the law stipulates that gender policy design, implementation and improvement is done by a host of actors, including: the Government; line ministries and other public bodies operating in areas that include and implement general and special measures seeking to advance and attain gender equality; Coordination Body on Gender Equality; public bodies at the level of autonomous provinces; public bodies at the level of local self-governance; and other public bodies, organizations and institutions taking part in preventing gender-based discrimination and prevention of gender based violence.

The leading policy document in the field of gender equality is the National Strategy for Gender Equality 2021- 2030, adopted in October 2021 with its accompanying action plan. The Strategy underlines that "gender aspects must be included in measures taken in emergencies caused not only by the pandemic, but also by many other factors (disasters, floods, earthquakes, climate change, air pollution, large-scale accidents, etc.). Inter-sectoral approaches to gender in emergencies caused by various factors is needed, because they present particular security risks to women's rights.

Therefore, institutional and policy framework for gender equality in the Republic of Serbia is strong and well aligned with the EU framework.

The primary institution addressing women's issues is the Coordinating Body for Gender Equality of the Government of Serbia (www.gendernet.rs), which was established in 2014. In addition to the Coordinating Body, "major partners" in the current UN Development Planning framework for gender-related activities include the Ministry of Labour, Employment and Social Policy, the Ministry of Interior, the Network of Women Members of Parliament, the Provincial Secretariat for Gender Equality, local-level bodies for gender equality, and women's NGOs. The Ministry of Environmental Protection, providing the NDA function, also has dedicated staff member that ensures gender integration and monitoring in climate change and environmental policies and measures. The project will actively engage with gender focal points from the Ministry of Environmental Protection (in its NDA role) to make sure all activities and gender sensitive and produce gender positive impacts.

In 2014, UNDP introduced a new measure into its Human Development Reports, the Gender Development Index (GDI). This measure is based on the sex-disaggregated Human Development Index, which is defined as a ratio of the female to the male HDI. As such, the GDI is meant to identify gender inequalities in three basic dimensions of human development: health (measured by female and male life expectancy at birth), education (measured by female and male expected years of schooling for children and mean years for adults aged 25 years and older); and command over economic resources (measured by female and male estimated GNI

per capita). The UNDP Human Development Report 2021/2022 places Serbia's GDI high with the value of 0.982 in the group of very high developed countries.

1. Gaps in Climate Policy Implementation and Finance

In strict alignment with the GCF Updated Gender Policy, the Country Platform recognizes that climate change impacts in Serbia are fundamentally gender-differentiated. While Serbia has established a foundational national gender machinery (including the Gender Equality Law and the Gender Equality Strategy 2021–2030), significant systemic gaps remain at the intersection of climate policy and climate finance. Specifically, the implementation of Serbia's Nationally Determined Contribution (NDC) and National Adaptation Plan (NAP) lacks systematic gender-responsive budgeting (GRB) and continuous climate finance tracking. Financial flows directed toward mitigation and adaptation rarely utilize sex-disaggregated metrics to measure co-benefits, and there is a disconnect between national gender institutions and the technical ministries managing climate investments. Consequently, green financing mechanisms often overlook the specific capital needs of women-led enterprises, inadvertently perpetuating financial exclusion in the transition to a low-carbon economy.

2. Gendered Exposure in Climate-Sensitive Sectors (Agriculture and Energy)

This financial and policy gap exacerbates existing vulnerabilities, particularly in agriculture and energy access. In the agricultural sector, the 2023 Census data indicates that women manage only 22.8% of agricultural holdings in Serbia. Furthermore, female farm managers are predominantly confined to the smallest, most resource-constrained plots; women's representation is highest on farms smaller than 2 hectares, while they manage only about 10% of farms exceeding 100 hectares. This lack of control over productive assets and land titles severely limits their access to commercial credit, irrigation technologies, and state subsidies, making female farmers acutely vulnerable to climate-induced shocks such as prolonged droughts. In the energy sector, nearly 10% of Serbian households struggle to stay adequately warm. Energy poverty disproportionately impacts women—particularly older women and female-headed households in rural areas—due to an economic inactivity rate that is nearly 15% higher than that of men. Because women traditionally bear the burden of unpaid domestic and care work (performing roughly twice as much unpaid care work as men in Serbia), reliance on inefficient, polluting household energy sources not only increases their time poverty but also heightens their exposure to detrimental indoor air pollution.

3. Underrepresentation and the Role of the National Accredited Entity

Women also face pronounced underrepresentation in technical climate roles and green decision-making. For example, women currently represent less than 30% of licensed local energy managers in Serbia, limiting their influence in the design of local energy policies, resilient

infrastructure, and renewable energy technologies. To bridge these critical gaps, the Ministry of Finance—in its capacity as the national Direct Access Entity (DAE)—and the Country Platform will institutionalize a focused gender needs analysis within the climate investment pipeline. The MoF will integrate strict gender-responsive screening criteria into the platform's specialized evaluation software, ensuring that project approvals require sex-disaggregated baseline data and clear gender action plans. By upgrading its own Environmental and Social Safeguards (ESS) during the accreditation process, the MoF will prioritize investments that actively dismantle financial barriers for women—such as dedicated funding windows for female-led climate-smart agriculture, targeted support for household energy efficiency that alleviates women's unpaid care burdens, and capacity-building programs designed to elevate women into technical and leadership roles within Serbia's green transition.

2.5 Stakeholder Engagement

The Government and the NDA are using formal communication and engagement mechanisms, such as through network organizations and associations, for cooperation with stakeholders. For example, the NDA engages with the SMEs and industry through the Chamber of Commerce and Industry, association with obligatory membership for all economic entities in Serbia, including its representatives in working groups and the National Climate Change Council. Similarly, the engagement with municipalities is done through the Standing Conference of Towns and Municipalities, an association of Serbian cities and municipalities. For the preparation of policy documents, designated working groups are formed with the involvement of representatives from the industry, local self-governments and CSOs.

Also, the NDA uses various competitive calls and engagement procedures to foster stakeholder participation. Since 2017, with UNDP support, the NDA has engaged successfully over 500 representatives from public and private sector, civil society and academia to support initiatives and investments that contribute to decarbonization, climate resilience and green transition in Serbia.

Within this project, the NDA will use established communication and engagement mechanisms, including stakeholders' participation in the coordination mechanism to be established by the project, but also inviting them, through competitive processes, to put forward climate investment proposals and initiatives. This approach ensures transparent selection of interventions while maintaining broad stakeholders' involvement in climate finance mobilization and implementation.

During the development stage, the NDA, with UNDP assistance prepared inputs for the GCF proposal by compiling the needs of key competent authorities, including those in charge of mining and energy, agriculture, forestry and water management, construction, transport and

infrastructure, finance, DRR. The inputs also referred to identification of national climate policy priorities, institutional mandates, and elaborated the existing coordination mechanisms for climate finance and reporting. In this way, by building upon the consultative processes that took place under different ongoing climate initiatives (e.g. the NAP), the NDA ensured that the proposal is aligned with national priorities and broad-based ownership.

The results of consultations helped in reviewing the existing capacities, identification of institutional gaps, and proposing the priority areas for readiness support, including climate data management, project pipeline development, and access to international climate finance.

The NDA with UNDP assistance also capitalized on the inputs from consultative events with representatives of local self-governments and public utility companies. Through this engagement, the proposal also took into account local climate risks, investment needs, and challenges in implementing mitigation and adaptation measures. One of identified needs refers to technical assistance for project preparation and improved access to funding for sustainable infrastructure at municipal level.

Through dialogues with business community financial institutions (e.g. IFIs and commercial banks) under the Green Agenda in Serbia initiative, the NDA also identified barriers to private sector participation in climate finance, including limited awareness of available funding instruments, regulatory constraints, and insufficient risk mitigation mechanisms. Their inputs informed the design of activities aimed at strengthening private sector engagement.

The GCF readiness proposal also encompassed the barriers and needs identified through engagement with research community, CSOs and academia related to climate transparency, social inclusion, gender equality, capacity gaps in climate modelling, vulnerability assessments, and impact evaluation.

2.6 Complementarity with Other Initiatives (GCF and non-GCF)

GCF Readiness Activities

Developing the capacities of the Republic of Serbia for an effective engagement with the Green Climate Fund ✓	
SRB-RS-001	
Start And End Dates	12 January 2018 - 29 November 2020
Amount Approved	\$300000

Status	Completed
Key Outcomes & Results 	Identification of an appropriate institutional structure for the National Designated Authority (NDA) responsible for engaging with the GCF; Capacities of stakeholders strengthened regarding the GCF and financing opportunities; Country Programme drafted, including initial procedures for GCF financing.
Objectives	Strengthening capacity for cooperation with the GCF, involving stakeholders and enabling direct access to funds.
Complementarity with the proposed readiness proposal	The project will use the lessons learned from this initiative, in particular concerning the assessment of the capacities of relevant stakeholders for accessing the GCF. Also, the project will use the developed materials to inform the development of rules and procedures under the process of development of the Country Platform and Serbia Country Programme.
Reference Number	SRB-RS-001
End Date	Nov 29, 2020

Adaptation Planning	
SRB-RS-002	
Start And End Dates	26 July 2019 - 23 July 2023
Amount Approved	\$2100000
Status	Disbursed
Key Outcomes & Results 	Improved National Institutional Framework for Climate Change Adaptation; National Climate Change Adaptation Programme with the Action Plan, developed and adopted; Sectorial climate change vulnerabilities assessed and CCA measures identified; Stakeholders capacitated on CCA; digital tools and information systems of relevance to CCA planning

developed and improved (e.g. Digital Climate Atlas); CCA financing and local planning strengthened; CCA integrated into sectorial strategies, plans and regulation;

Objectives

Main Objectives Improving Serbia's legal framework for addressing climate change and strengthening institutional capacities

Complementarity with the proposed readiness proposal

Complementarity with the proposed readiness proposal The project will build upon the stakeholder engagement mechanisms of Serbia's NAP projects, including engagement with relevant stakeholders. Also, the project will use the knowledge materials and lessons learned developed during the implementation. Also, the project will use the National Adaptation Program to update the Country Programme and preparation of the climate investment plan.

Reference Number

SRB-RS-002

End Date

Jul 23, 2023

Strengthening Serbia's capacities for strategic engagement of private sector into climate financing



SRB-RS-003

Start And End Dates

14 October 2020 - 14 April 2022

Amount Approved

\$401575

Status

Completed

Key Outcomes & Results

In line with Serbia's national priorities, the project improved a tool/matrix for assessing and prioritizing project proposals and ideas for GCF finance, helping to evaluate climate investment opportunities from both public and private sectors; capacities increased about the importance and benefits of private sector investments in climate change mitigation and adaptation in

Serbia; Institutions strengthened to engage with the private sector for potential GCF investment planning;

Objectives

Analysis of the role, potential and barriers for private sector participation in climate action, including the accreditation process

Complementarity with the proposed readiness proposal

The project will particularly use the results of this initiative to inform the process of engagement with the private sector. The project will use the knowledge products, established networks of companies that can be further engaged in the GCF pipeline development and further on into climate investment planning. Also, the project will involve the private sector engaged through previous initiative into the Country Platform during the implementation of the proposed readiness project.

Reference Number

SRB-RS-003

End Date

Apr 14, 2022

Increasing national capacity to adapt to climate change through enhanced finance institutions, access to localized climate information and improved climate smart investment frameworks



SRB-RS-004

Start And End Dates

13 April 2021 - 10 September 2022

Amount Approved

\$306304.1

Status

Completed

Key Outcomes & Results

Initial awareness increased of national financial institutions and governance bodies to plan, manage and direct climate adaptation finance in Serbia; Enhancement of localized climate data and information systems that support decision-making at national and sub-national levels; Strengthened frameworks for identification, assessment and prioritization of climate adaptation related investments; Component 1 support

Development Fund of Autonomous Province of Vojvodina (DFAPV) to increase human, technical and institutional capacities to fulfil its roles and responsibilities towards the GCF as DAE. Component 2 developed private sector stakeholders' engagement platform facilitated by DFAPV. Component 3 developed Climate Smart Agriculture / Food Industry Investment Plan and 2 bankable concept notes

Objectives

Increase national capacity to adapt to climate change through enhanced finance institutions, access to localized climate information and improved climate smart investment frameworks

Complementarity with the proposed readiness proposal

The new GCF Readiness project will use the lessons learned from this initiative in particular regarding the local climate actions and engagement of local actors into climate and CGF investment planning. The project will consult institutions involved into the capacity building actions of this initiative to inform the process of strengthening the capacities of the NDA, Ministry of Finance and other institutions engaged in the Country Platform.

Reference Number

SRB-RS-004

End Date

Sep 10, 2022

Advancing medium and long-term adaptation planning in the Republic of Serbia



SRB-RS-005

Start And End Dates

20 March 2025 - 20 March 2027

Amount Approved

\$380618

Status

Disbursed

Key Outcomes & Results

ONGOING PROJECT Capacities of stakeholders further increased on climate change adaptation planning; Identification of priority measures to be implemented

following the National Climate Change Adaptation Programme;

Objectives	The activities planned in phase II build upon the work done in Phase I and have the objective to support the implementation of the recently enacted National Adaptation Program, ensure the foundation for the implementation of adaptation policies across sectors and move away from the ad-hoc, project-based approaches towards a more coherent and strategic approach to CCA
Complementarity with the proposed readiness proposal	Input for climate investment plan, second action plan for NAP to be used for the design of the Countra Programme.
Reference Number	SRB-RS-005
End Date	Mar 20, 2027

Supporting integrated planning to address impacts of climate-related natural hazards and enhancing capacity for climate-resilient agriculture in Serbia

2410-17859

Start And End Dates	N/A - N/A
Amount Approved	-
Status	Sent Back for Completeness
Key Outcomes & Results 	N/A
Objectives	To promote sustainable, climate-adaptive forestry by fostering public-private collaboration, strengthening forest governance, and supporting vulnerable communities
Complementarity with the proposed readiness proposal	The project will organize regular exchange on the topic of climate investments, engagement with the private sector and developed approaches and knowledge materials.. In particular the project will liaise with this initiative to inform the

investment pipeline development from the perspective of forestry sector under the AFOLU. This also includes, involvement of the project teams into GCF readiness project events, capacity building actions and consultative meetings.

Reference Number 2410-17859

End Date -

Other Capacity-Building Initiatives Funded or Commissioned by Parties Other Than GCF

Strengthening capacities in Serbia to comply with the Enhanced Transparency Framework under the Paris Agreement

Start And End Dates 11 December 2025 - 11 December 2028

Status Under implementation

Funding Agency GEF

Main Objectives Strengthening capacities in Serbia to comply with the Enhanced Transparency Framework under the Paris Agreement - CBIT 2, by strengthening Serbia's Policy and Regulatory Framework for transparent climate change reporting, utilizing country-specific tools and data to enhance the Climate Change Transparency System, building institutional and individual capacities for transparent climate policy implementation, and improving Monitoring and Evaluation (M&E) and Knowledge Management practices.

Complementarity with the proposed readiness proposal Complementary activities include a climate change capacity and competency needs assessment for government institutions, public enterprises and the industry sector at the institutional and individual levels, ensuring gender disaggregated data collection to identify specific capacity gaps for women. Upgraded MRV-CIS system with a knowledge management module will serve as a centralized, long-term repository of climate-related knowledge and institutional

memory related to climate change in Serbia, the GCF Readiness project will utilize this information for develop bankable project pipelines, assess climate investment priorities and demonstrate emissions reduction potential.

End Date	Dec 11, 2028
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EU for Green Agenda in Serbia

Start And End Dates	10 January 2022 - 2 April 2029
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Status	Under implementation
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Funding Agency	EU, Switzerland, Sweden
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Main Objectives	Fosters the green transition through decarbonization, circular economy, pollution reduction, and sustainable agriculture. It provides seed financing for green innovations and pilots.
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Complementarity with the proposed readiness proposal	Scaling and Leveraging: The GCF Country Platform will utilize the Green Agenda's ecosystem as a project incubator. Successful pilot projects and green innovations identified under the EU initiative will be fed into the GCF Country Platform's software tool to be scaled up into fully bankable, large-scale GCF funding proposals, maximizing the leverage ratio for green investments in Serbia.
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End Date	Apr 2, 2029
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Green Transition Programme for Serbia

Start And End Dates	1 March 2023 - 1 September 2036
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Status	Under implementation
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Funding Agency	World Bank
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Main Objectives	Multi-phased initiative supporting policy reforms, public sector management, and the integration of green budgeting into the national fiscal framework
Complementarity with the proposed readiness proposal	Capacity & Institutional Alignment: As the MoF undergoes GCF accreditation, it will leverage WB's ongoing support in green public financial management. The Country Platform will ensure that GCF investment prioritization aligns with the macro-fiscal climate frameworks and green budgeting taxonomy developed with the WB, ensuring cohesive climate finance tracking.
End Date	Sep 1, 2036

EBRD Green Economy Financing Facility (GEFF)

Start And End Dates	26 September 2018 - 2 September 2030
Status	Under implementation
Funding Agency	EBRD
Main Objectives	Multi-year facility that relies on a combined mechanism of commercial loans, technical advice, and performance incentives, including accelerating green technology penetration, boosting enterprise competitiveness, bridging technical skills gaps.
Complementarity with the proposed readiness proposal	Blended Finance: The Country Platform will actively coordinate with IFIs to design blended finance structures. By aligning GCF concessional resources or guarantees with IFI commercial/sovereign loans, the Platform will de-risk high-impact adaptation and mitigation projects that would otherwise lack financial viability for private sector or municipal actors.

End Date	Sep 2, 2030
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Commercial SME Green Investment Facility

Start And End Dates	1 January 2025 - 29 December 2028
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Status	Under implementation
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Funding Agency	KfW
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Main Objectives	Provide funds in favorable, subsidized commercial credit lines to over 300 Serbian small and medium-sized enterprises (SMEs) to directly fund commercial solar arrays, biogas installations, and industrial warehouse insulation upgrades
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Complementarity with the proposed readiness proposal	Sectoral Gap Filling: The Country Platform's coordination mechanism will map existing KfW/GIZ energy investments to identify specific geographic or technological gaps. The DAE will then target GCF resources toward these underserved niches (e.g., specific vulnerable municipalities) rather than duplicating energy efficiency credit lines.
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End Date	Dec 29, 2028
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2.7 Project Pipeline and Priorities

The current Serbia Country Programme is outdated and no longer fully aligned with Serbia's evolving climate policy and regulatory framework, including priorities defined under the Nationally Determined Contribution, Low Carbon Development Strategy, National Energy and Climate Plan, and the National Adaptation Programme. In parallel, climate-related investments remain fragmented across sectoral policies, and there is currently no consolidated, economy-wide pipeline of prioritized climate investments.

At present, prioritization efforts are being advanced through ongoing initiatives. In particular, the GCF-funded NAP Phase II Project focuses on strengthening capacities for climate-responsive planning and budgeting, identifying adaptation finance options, and integrating climate change adaptation into sectoral policies and strategies. This includes training for key ministries and local

self-governments, as well as the development of methodologies and tools for climate risk assessment, monitoring, and planning (e.g. loss and damage assessment, drought monitoring, and risk reduction).

In addition, a pipeline of investment initiatives is beginning to emerge. For example, United Nations Development Programme has supported the Ministry of Agriculture, Forestry and Water Management in the preparation of a USD 150 million GCF project titled “Strengthening the resilience of small and medium-sized fruit and vegetable producers to climate change-induced water insecurity in Central Serbia”, for which the concept note has already been approved by the GCF.

Despite these advances, significant gaps remain in terms of consolidating and systematizing investment prioritization across sectors, aligning the pipeline with updated national strategies, and ensuring inclusive stakeholder engagement.

The proposed GCF Readiness project will address these gaps by supporting the National Designated Authority (NDA) to update the Country Programme, transforming it into inclusive Country Platform for Climate Finance and develop an integrated, economy-wide pipeline of bankable climate investments aligned with Serbia’s current policy framework and strategic priorities. The project will also strengthen and operationalize coordination mechanisms to enable structured, inclusive, and continuous engagement of key stakeholders—including line ministries, local self-governments, private sector actors, and civil society—in the identification, prioritization, and refinement of climate investment opportunities. This will ensure a coherent, transparent, and strategically aligned pipeline capable of effectively mobilizing climate finance at scale.

To ensure the GCF Country Platform and the newly accredited Direct Access Entity (Ministry of Finance) catalyze transformative climate action, the investment prioritization process will be strictly guided by the targets set forth in Serbia’s Nationally Determined Contribution (NDC). Low Carbon Strategy, NECP and National Adaptation Plan (NAP). The Platform’s software tool and coordination mechanism will systematically curate a pipeline that strives for the GCF’s targeted 50/50 balance between mitigation and adaptation investments over time, recognizing the critical need to scale up historically underfunded adaptation measures while maintaining momentum in the energy transition.

Anticipated Sectors and Intervention Types:

- **Mitigation:** Interventions will heavily target the decarbonization of the energy sector (which accounts for the majority of Serbia’s GHG emissions), industrial processes, and waste management. Expected intervention types include blended finance structures to de-risk private investments in renewable energy, sovereign loans for municipal district heating modernization, and policy-linked financing for circular economy innovations.

- **Adaptation:** Priority will be given to sectors highly vulnerable to climate-induced extremes (more intense and frequent droughts and floods), specifically agriculture, forestry, and water management, but also energy, infrastructure and transport. Intervention types will include grant-based support for nature-based solutions, integrated approach to water management, capacity building and technology transfer for climate-smart agriculture (with a strong gender-responsive focus), and infrastructure investments for resilient urban water systems.

To provide a strategic roadmap for the Country Platform's initial operational phase, the table below outlines the indicative project pipeline at the pre-feasibility stage. This pipeline identifies priority sectors, the nature of the interventions, and the anticipated GCF funding scale (Micro: <\$10M, Small: \$10M–\$50M, Medium: \$50M–\$250M, Large: >\$250M).

Table 2: Indicative Climate Investment Pipeline and Priority Sectors

Priority Sector / Theme	Focus Area (Mitigation / Adaptation / Cross-cutting)	Anticipated Intervention Types	Indicative Scale (GCF Sizing)
Energy Transition & Efficiency	Mitigation	Large-scale retrofits of public/residential buildings; modernization of district heating networks; de-risking mechanisms for decentralized renewable energy (solar/wind/geothermal).	Medium to Large
Climate-Smart Agriculture & Food Security	Adaptation	Deployment of water-efficient irrigation technologies; financial products for agricultural holdings (with particular focus on vulnerable households); introduction of drought-resistant crop varieties.	Small to Medium
Water Management & Flood Resilience	Adaptation	Infrastructure for flood defense and water capture & integrated management in vulnerable municipalities; Nature-Based Solutions (NBS) for river basin restoration.	Medium
Innovation in energy supply diversification for public sector, industries and SMEs	Mitigation	Supporting renewable energy production and increase of RE mix into energy supply and energy consumption by public sector, industries and SMEs (e.g. biomethane production, geothermal energy, etc.)	Small to Medium
Circular Economy & Waste Management	Mitigation	Methane capture from municipal landfills; infrastructure for organic waste management and recycling facilities.	Small to Medium

Sustainable Urban Mobility	Mitigation	Electrification of public transit fleets; expansion of non-motorized transport infrastructure in major urban centers.	Medium
Early Warning Systems (EWS) & Disaster Risk Reduction	Cross-cutting	Upgrading hydro-meteorological data networks; local capacity building for climate risk assessment and emergency response planning.	Micro to Small

N.B. Identified potential financing sources and partnerships: for the medium to large-scale investments, the NDA and DAE will consider financial arrangements with MDBs (e.g. the World Bank, EIB, EBRD, CEB etc.), while for the micro and small-scale investments the NDA and DAE will consider financial arrangements with non-MDB partners (e.g. bilateral donors such as EU, governments of Switzerland, Sweden, Germany (including KfW), France (including AfD), WBIF, etc.).

Pipeline Maturation:

While this table represents the initial priorities, the Country Platform's inclusive coordination mechanism will continuously refine these concepts. By leveraging the programmatic approach, the Ministry of Finance will group smaller, municipal-level interventions (e.g., decentralized EE solutions/RE generation or local flood/water retention infrastructure) into medium or large-scale funding proposals to maximize transaction efficiency and climate impact.

2.8 Specific Readiness needs

The project is designed to overcome the following barriers:

- Barrier 1: Institutional coordination for climate finance requires further strengthening to ensure consistent and effective institutional collaboration

While the responsibilities are dispersed across multiple ministries, there is no established coordination mechanism for climate finance. This fragmentation slows endorsement processes, complicates co-financing arrangements, and reduces strategic prioritization. As a result, climate finance engagement becomes ad hoc rather than programmatic and long-term. Therefore, enhanced coordination is needed to improve strategic planning, avoid fragmentation, and ensure that climate finance opportunities are identified, prioritized, and implemented efficiently in line with national climate commitments.

- Barrier 2: Insufficient technical and human capacities within the NDA and other relevant institutions (e.g. finance, energy, agriculture, etc.)

Although key institutions have demonstrated commitment to advancing climate action, technical expertise and dedicated human resources for climate finance programming, project preparation, and monitoring remain limited relative to the increasing complexity and volume of climate finance opportunities.

Furthermore, the National Designated Authority (NDA) and sectoral ministries often operate with limited staff dedicated specifically to climate finance. Technical expertise in financial modeling, economic appraisal, climate risk assessment, safeguards, and results-based frameworks is frequently insufficient to meet GCF standards. Strengthening institutional capacities will improve the country's ability to develop high-quality project proposals, manage climate finance, and ensure effective implementation and reporting. Currently, the country is most advanced in the achievement of the Objective 1: Targeted capacity building for the NDA. Nevertheless, there is a great need to further improve the capacities for the development, advancement and implementation of NDCs, NAPs and LTSs. The climate policy lead is with the Ministry of Environmental Protection which needs support to increase its capacities not only to further improve but also to implement the key climate policy strategic documents.

- Barrier 3: Coordination mechanism for climate action requires further improvement to ensure an inclusive, formalized and systemic engagement of all relevant stakeholders.

An inclusive coordination mechanism is not in place. The Climate Change Council has an advisory role and, although it includes representative from the academia, CSOs and local self-government, is not effective coordination mechanism. The coordination between line ministries is done on ad-hoc level, usually in form of working groups established for the purpose of drafting public policies or for project purpose. Without inclusive dialogue, project design may overlook local needs, gender dimensions, and private-sector perspectives. This weakens national ownership and undermines the transformational potential required by the GCF. Strengthening the coordination mechanism will improve transparency, support participatory decision-making, and ensure that climate investment priorities reflect national and local needs. This will also enhance alignment between policy development, investment planning, and implementation. The Project will support setting up an inclusive, economy wide, coordination mechanism following the GCF Country Platform approach.

- Barrier 4: The regulatory framework requires further enhancement to streamline and incentivize investment in resilient and low carbon infrastructure.

Existing laws and by-laws do not sufficiently incentivize or fast-track climate-resilient and low-carbon investments. Permitting procedures, public procurement rules, and sectoral regulations are not aligned with climate objectives. In some cases, fossil-fuel-intensive or carbon-heavy investments face fewer procedural barriers than innovative green infrastructure. This creates uncertainty for investors and discourages scaling of climate-aligned projects.

Serbia has made significant progress in developing climate-relevant policies and strategies; however, further refinement of regulatory instruments is needed to provide clearer signals and incentives for public and private investment in low-emission and climate-resilient infrastructure. Enhancements such as alignment with the EU green taxonomy, improved project screening criteria, and strengthened policy coherence will help reduce investment uncertainty, facilitate access to finance, and encourage private sector participation in climate aligned investments.

- Barrier 5: The absence of a national accredited Direct Access Entity (DAE) limits direct access to climate finance

Without a nationally accredited Direct Access Entity (DAE), the country relies on international Accredited Entities for accessing GCF resources. This can reduce national ownership, increase transaction costs, and limit institutional learning within domestic institutions. It also restricts the development of long-term national fiduciary, environmental, and social safeguard systems aligned with GCF standards. Strengthening national institutional capacities and supporting DAE accreditation will improve country ownership, efficiency, and long-term sustainability of climate finance flows. Currently, there are no national DAEs and the Project will support the Ministry of Finance to become the country's first Direct Access Entity

- Barrier 6: Country Programme until 2025 is not aligned with current policy framework

The existing GCF Country Programme does not reflect updated national climate commitments, such as revised NDCs, NAP priorities and the Low Carbon Development Strategy. This misalignment reduces strategic coherence between national planning documents and the GCF investment pipeline.

Serbia's existing GCF Country Programme provided an important strategic framework; however, it requires updating to reflect recent policy developments, including revised national climate targets, updated strategic documents, and evolving national priorities. Also, the Programme will evolve into the comprehensive Country Platform for Serbia, inclusive of the project pipeline. Aligning the Country Programme and the future Platform with the latest Nationally Determined Contribution (NDC), Long-Term Strategy, National Energy and Climate Plan, NAP and other relevant frameworks will ensure a coherent and strategic approach to climate finance programming and improve alignment with GCF investment criteria.

- Barrier 7: National capacities for the development of bankable GCF concept notes and funding proposals not fully capacitated and strengthened

Developing bankable GCF proposals requires advanced expertise in financial structuring, cost-benefit analysis, risk-sharing mechanisms, and co-financing mobilization. Serbian institutions lack experience in designing blended finance instruments or structuring public-private partnerships aligned with GCF investment criteria. Feasibility studies and technical

documentation are often underdeveloped or not aligned with international standards. As a result, there is no climate investment pipeline. While Serbian institutions have relevant technical expertise, additional targeted capacity building and hands-on support are needed to strengthen their ability to independently develop competitive concept notes and funding proposals. Enhancing these capacities will improve the country's success rate in accessing GCF and other international climate finance sources.

- Barrier 8: Gaps in standardized procedures for the application and selection of project proposals

There is no procedure in place for identifying, screening, and prioritizing climate project proposals for submission to the GCF. Project selection can therefore be reactive, fragmented, or influenced by short-term institutional interests. Without standardized criteria—such as climate impact, paradigm shift potential, co-financing ratio, gender integration, and safeguard readiness—the pipeline lacks transparency and strategic coherence.

Existing processes for identifying, prioritizing, and endorsing climate project proposals would benefit from further standardization and formalization. The absence of clear, transparent, and consistent procedures may limit the efficiency of project screening and pipeline development. Establishing standardized criteria, procedures, and tools will improve transparency, ensure alignment with national priorities and international requirements, and facilitate the systematic development of a strong and credible climate investment pipeline

- Barrier 9: Knowledge about international best practice on local climate action and climate finance mobilization remains insufficient and requires further enhancement

The engagement of local self-governments in climate action is governed by a number of sector related requirements, such as energy savings under municipal energy management or reduction of waste disposal. Programmes to promote and subsidize holistic climate action on local level are not existing due to the lack of knowledge and experience on international best practice. This reduces opportunities to adapt proven approaches to the Serbian circumstances and incite local climate action aligned with national priorities. Improved knowledge will support the development of more effective climate policies, investment strategies, and implementation mechanisms, particularly at the local level where many climate actions are implemented.

- Barrier 10: Untapped potential of regional cooperation and structured coordination among NDAs in the Western Balkans

Cooperation among NDAs in the Western Balkans is informal and sporadic. There are limited structured mechanisms for joint learning, pipeline exchange, or development of regional climate programmes. As a result, countries miss opportunities to develop multi-country proposals, harmonize approaches, and leverage economies of scale. Strengthening regional coordination

would enable peer learning, exchange of best practices, and identification of joint investment opportunities addressing shared climate challenges. Enhanced regional cooperation will also support alignment with EU climate policies, improve access to regional and international climate finance, and strengthen the overall effectiveness of climate action across the region.

The Country currently requires additional efforts to achieve the stated Objectives. The existing GCF Country Programme is out of date and there are no approved Funding Proposals supported by the RPSP that are aligned with the Country Programme and GCF USP-2 targeted results. The proposed Project will support the development of a new GCF Country Programme and transform it into the comprehensive Country Platform to guide the future applications and establish clear selection and prioritization criteria. In addition, the NDA and DAEs require strengthened processes and systems to ensure the effective implementation and oversight of climate programmes and projects. To address this need, a specialized software will be developed and deployed. The project management software to facilitate the process of identification, selection and potential submission of project proposals that are suitable for potential GCF financing. The software will also enable monitor of project implementation progress. The software solution will also serve as an internal and country communication tool among institutions and stakeholders, who are members of the coordination mechanism. It will facilitate information exchange and learning and will contain various guidance documents, rules, procedures, thematic learning documents, regulations, etc. Stakeholders will use the software tool to submit project ideas for potential GCF financing consideration. It will also contain review sheets and screening criteria for proposals and internal discussions among coordination mechanism members. The software will be procured through a competitive bidding process, in accordance with UNDP procurement procedures and in collaboration with technology providers who have demonstrated experience in platform development. The software encompasses four core modules:

- 1) Project Development Module:** This module aligns funding proposals with GCF templates and performs automated compliance checks.
- 2) Pipeline Management Module:** This module uses visual dashboards to track projects from concept through approval stages, including milestones and deadlines.
- 3) Implementation Monitoring Module:** This module tracks results frameworks, performs financial monitoring, and generates automated reports.
- 4) Knowledge Management Module:** This module includes searchable libraries, best practice repositories, and lessons learned

The Country is utilizing climate knowledge to develop and advance policies, primarily reflecting the EU policy acquis. However, there is need for improvement especially for climate investment

planning. Another area of need is the lack of specialized support schemes promoting climate action on local level.

The non-EU countries of the Western Balkans region are comparatively small economies and are in the process of alignment with the EU acquis. This provides for an excellent opportunity to investigate options for regional approaches for GCF and organization of exchange between DAEs.

Section 3: Statement of Objectives

3.1 Objectives of the Readiness Support

Objective 1. Capacity-building for climate-finance coordination and setting up the enabling environment for integrated climate investment.

1.1. Developing countries, through NDAs or focal points, have enhanced capacity to fulfil their roles, responsibilities and policy requirements, including coordination mechanisms to engage relevant stakeholders to develop, advance, and implement NDCs, NAPs and LTSs.

GCF Readiness Grant SRB-RS-001 proposed the establishment of a National Commission for the verification and approval of projects as a sub-council under the National Climate Change Council (NCCC). This Commission was never established. Also, the Serbian NDA function changed from the Ministry of Agriculture, Forestry and Water Management to the Ministry of Environmental Protection in November 2024. While the capacities in the Ministry of Environmental Protection for climate change have increased in the last years, they are still insufficient to ensure efficient and effective development, advancement and implementation of the policies and measures as defined by the strategic documents such as NDC, NAP, NECP and LTS. In particular, the Ministry needs to strengthen the capacities for its NDA function, in terms of planning and monitoring implementation of climate related investments. This includes strengthening the NDA coordination role, mobilization of stakeholders, building partnerships including with private sector, fostering engagement with financing institutions such as IFIs, commercial banks. Besides the NDA, the capacities of other responsible institutions, such as in the field of finance, energy, and agriculture, need to be enhanced for effective identification and implementation of climate investments.

. The Serbian Law on Climate Change established the National Climate Change Council as an advisory body for climate change policy development and improvements. However, the NCCC does not have technical mandate for consideration of particular climate-related investments. Usually, the Government sets up ad-hoc working groups to work on specific regulatory and investment proposals. In order to enhance transparency, mainstream these roles and enable more technical exchange, the GCF Readiness project will support the establishment of the GCF Country Platform to ensure for a more operational and sustainable coordination mechanism for climate action. This approach will facilitate the dialogue between sector ministries and other stakeholders, such as local level representatives, CSOs and the private sector. The Platform will also unlock the coordination of international donor support for climate finance, inclusive of the GCF financing options. The GCF Readiness project will set up a process of drafting the ToR, inclusive of rules and procedures for the coordination mechanism.

The Country Programme until 2025 developed within the GCF Readiness Grant SRB-RS-001 is out of date and not aligned with the current policy framework (revised NDC, INECP, LTS). It will be replaced by a new Country Platform. As a first step, a comprehensive desk review of the current framework for climate action will be prepared proposing priority areas and pipeline of economy-wide investment proposals. The Country Platform approach will encompass wider stakeholders such as the private sector/industry and commercial banks. This approach enables greater buy-in and facilitates the implementation. Furthermore, the Country Platform for Serbia enables a paradigm shift as it will ensure integration of the inter-institutional & stakeholders coordination mechanism with pipeline development and identifying financing options. This will create enabling conditions for transforming Country's strategic directions into tangible and impactful investments. Following stakeholder consultations, the project will define eligibility and selection criteria, formulate and launch the call for project ideas. Based on a multi criteria analysis, priority ideas will be selected and pipeline for financing defined. The work on the Country platform will frame and guide the capacity building activities, test the proposed procedures and serve as training materials for activities in scope of Outcome 1.1 and Outcome 2.2. The project will support targeted trainings for stakeholders, to strengthen their understanding of the available financing options for climate related investments, as well as how planned investments can contribute to the achievement of national climate targets embedded in key policy and regulatory documents.

This objective and related outcome 1.1 will address the following barriers:

- Barrier 1: Institutional coordination for climate finance requires further strengthening to ensure consistent and effective institutional collaboration
- Barrier 2: Insufficient technical and human capacities within the NDA and other relevant institutions (e.g. finance, energy, agriculture, etc.)
- Barrier 3: Coordination mechanism for climate action requires further improvement to ensure an inclusive, formalized and systemic engagement of all relevant stakeholders
- Barrier 6: Country Programme until 2025 is not aligned with current policy framework

1.2. Developing countries design and implement strategic frameworks (including NDC/NAP/LTS), policies and instruments, including climate investment plans, to create enabling environments for integrated climate investments.

Although the share of climate investments is increasing driven by the donor support, there is a need for streamlining the regulatory framework towards constructing more resilient and low carbon infrastructure. In order to ensure alignment of investments with the achievement of strategic goals, as defined by country's NDC and EU accession related priorities (e.g. the Green

Agenda for the Western Balkans, etc.) and to prevent greenwashing, the introduction of the green taxonomy is necessary.

The Low-carbon development strategy is a key long-term policy that needs to be updated and aligned with the EU 2030 targets including an investment plan for the implementation. The project will also support the alignment of the country's climate investment planning with other strategic frameworks such as NDC revision, NECP implementation and reporting, development of the new action plan for the implementation of the NAP.

Since a large number of climate related investments should be implemented at the local level (e.g. energy efficiency, renewables, transport, climate adaptation and DRR), the project will particularly focus on strengthening the capacities of local self-governments for development and implementation of climate related investments. Through targeted trainings, the project will strengthen synergy between national priorities and local climate actions and translate national climate actions into local policies and measures. The Law on Climate Change introduces the obligations for the local level in terms of alignment of public policies and monitoring and reporting, however, without binding targets and incentive mechanisms for local climate action. The ultimate goal is to increase the number of project proposals prepared and submitted for potential GCF and other climate financing.

Since public financing is scarce, there is a need to further mobilize private capital to complement the public sector spending for achieving national climate targets, as well for the alignment with the EU acquis. Most of the private sector investments in climate actions are related to energy efficiency, renewable energy and circular economy transition. There is a need to expand the scope of climate-related investments in the private sector, in particular through strengthening partnerships and engagement with the private investors. The project will develop a climate investment plan based on NDC/NAP/LTS, to attract private sector investments in all sectors defined by these documents. Also, the project will support open-ended dialogues and roundtable discussions with investors, promote PPP and climate finance dialogues including with commercial banks and IFIs, among others. Also, the project will support both, the NDA and the Ministry of Finance, to further elaborate options for setting up a sustainable mechanism for green and climate finance. In doing so, the project will explore all potential revenue streams of such mechanism, including carbon tax, and also potential disbursement and subsidy schemes (including, but not limited to CBAM affected industries, climate resilience etc.).

This objective and related outcome 1.2 will address the following barrier:

- Barrier 4: The regulatory framework requires further enhancement to streamline and incentivize investment in resilient and low carbon infrastructure

1.3. Direct access applicants and accredited entities (DAEs) have met and maintained the accreditation standards of the GCF and strengthened their programming capacities, as evidenced by the development of GCF-funded activities.

In Serbia there are no national DAEs. Within the GCF Readiness Grant SRB-RS-001 and the GCF project “Increasing national capacity to adapt to climate change through enhanced finance institutions, access to localized climate information and improved climate smart investment frameworks” the Development Fund of Vojvodina was supported to seek accreditation. However, this process was not finalized due to the political changes in the institutional framework. In consultations with the GCF NDA, the Ministry of Finance has been identified as a suitable candidate for DAE accreditation due to the established capacities in fund management and increasing engagement in financing climate related investments. For example, the Ministry of Finance has a key role in introducing climate sensitive budget tagging, defining the rules and procedures for carbon taxation and setting up future GHG emissions trading system, as well as loans to be used for co-financing of future GCF projects. The activities would include DAE accreditation readiness assessment, action plan for the accreditation and support during the accreditation process. The accreditation will improve coordination for accreditation of further national DAEs, once the central system is set and capacities are increased at national and local level on GCF programming. The project will also produce needed guidelines and recommendations for improvement of the existing financing procedures, policies and regulation to further unlock green and climate financing. A step-wise approach will be applied with the aim to support accreditation process of at least one more national DAE in addition to the Ministry of Finance.

This objective and related outcome 1.3 will address the following barriers:

- Barrier 5: The absence of a national accredited Direct Access Entity (DAE) limits direct access to climate finance

Objective 2. Paradigm-shifting GCF pipeline development and implementation for adaptation and mitigation, based on country needs and guided by USP-2 programming targets.

2.2. Developing countries have developed high-quality concept notes linked to approved GCF proposals for adaptation and mitigation that are aligned with the USP-2 results, including through DAEs, that build on readiness support and country programmes.

The NDA recently moved from the Ministry of Agriculture, Forestry and Water Management to the Ministry of Environmental Protection. There is a need for training of the Climate Change Department for the development of high quality, bankable proposals that align with GCF’s investment framework. Also, such capacity building will strengthen links between the policies and measures identified by the key strategic documents such as the LCDS, NAP and NDC, NECP

with the programming for GCF, IFI and other sources of climate related financing. Knowledge levels on financial structuring and risk assessment of government institutions are insufficient, especially among less experienced staff of the Ministry. The project will provide needed mentorship in the scope of preparation of concept notes and funding proposals. The project will also ensure strong stakeholder engagement and inclusive collaboration at the stage of proposal design to enhance ownership and increase likelihood for successful implementation. Since responsibility for climate-related investments is divided among various government institutions and agencies, in parallel to strengthening the NDA capacity, the project will also capacitate other relevant stakeholders for climate pipeline identification and development of concept notes.

This will primarily be done through the coordination mechanism established within Objective 1 and targeted thematic training sessions.

The project will develop studies for the implementation of NDC/NAP/LTS, with clear cost-benefit assessments, to attract private sector investments, which will serve as a basis for project proposal development.

This objective and related outcome 2.2 will address the following barriers:

- Barrier 7: National capacities for the development of bankable GCF concept notes and funding proposals not fully capacitated and strengthened

2.3. NDAs and DAEs have enhanced processes and systems to effectively oversee the implementation, financial management, monitoring and reporting of climate programmes and projects.

Currently the NDA has no system for application and monitoring of project implementation. Such an online software should enable tracking of project progress, monitoring of key performance indicators and ensure compliance with GCF reporting requirements. Also, this system will ensure tracking of investment proposals linkages with sector specific priorities defined by the key policy documents – LCDS, NAP, NDC and NECP. Such system will also facilitate monitoring and reporting obligations. The software encompasses four core modules: Project Development Module (funding proposals aligned with GCF templates and automated compliance checking); Pipeline Management Module as visual dashboards tracking projects from concept through approval stages with milestone and deadlines; Implementation Monitoring Modules with results framework tracking, financial monitoring and automated reporting generation; Knowledge Management Module including searchable libraries, best practice repositories and lessons learned.

This objective and related outcome 2.3 will address the following barriers:

- Barrier 8: Gaps in standardized procedures for the application and selection of project proposals

Objective 3. Knowledge-sharing and learning to enhance national and regional cooperation on climate programming and financing.

3.1. Developing countries, through NDAs or focal points, have made use of knowledge products to address policy gaps and integrated climate investment programming and implementation.

In order to strengthen climate related investments programming and implementation, the project will facilitate access to knowledge and information. The project will tap into global, regional and EU knowledge sharing networks and expertise to capacitate national institutions and local self-governments. Focus will be given to capacitation of the local actors to accelerate local climate related investments programming and implementation. The project will create options for regular communication on opportunities for climate finance to the local level, inclusive of peer exchange through study visits to EU member states with developed national programs fostering local or regional climate action such as KlimaPakt in Luxembourg, Plan Climat-Air-Énergie Territorial framework in France, Slovenia etc. Besides promotion of vertical cooperation on climate action, the project will develop national schemes for the inclusion of municipalities in climate action within Outcome 1.2 and organize knowledge sharing events for its promotion.

This objective and related outcome 3.1 will address the following barriers:

- Barrier 9: Knowledge about international best practice on local climate action and climate finance mobilization remains insufficient and requires further enhancement

3.2. Enhanced collaboration among developing countries on climate change issues, evidenced by transboundary and regional cooperations/South-South cooperation.

Considering the small size of the economies in the region and similar challenges in conversion to low carbon economies, one opportunity would be to assess the options for a regional approach for GCF. The Serbian NDA would benefit from exchanging with the other NDAs in the region, as well as from a visit to an established and operational NDA in one of the transition economy countries. Through enhanced regional cooperation NDAs of the WB region can have a strategic opportunity to overcome structural limitations, leverage collective strengths, and maximize access to international climate finance, particularly from the Green Climate Fund. Through systematic collaboration, countries in the region can strengthen institutional capacities, share technical expertise, information and data, harmonize climate adaptation and mitigation actions and approaches, reduce transaction costs, and develop scalable regional solutions. The rationale for this is in the fact that WB economies share common climate risks often with transboundary

impacts. Joint planning of climate investments could enable the WB countries to develop joint risk assessments and climate models, coordinate early warning systems, align adaptation actions, implement integrated water, drought and flood management, etc. In order to strengthen peer exchange, joint learning and planning of climate investments, the NDAs of the WB should set up a formal or semi-formal regional cooperation platform. This platform would function as a permanent mechanism for joint strategic coordination. The competent authorities of the WB countries discussed such approaches under the existing cooperation frameworks such as the Regional Cooperation Council, bilateral and multilateral environmental agreements. However, due to evident climate emergency in the WB region, specific platform is needed to enable more focused and permanent dialogue among the NDAs on climate investment planning and potential regional pipeline development.

This objective and related outcome^{3.2} will address the following barriers:

- Barrier 10: Untapped potential of regional cooperation and structured coordination among NDAs in the Western Balkans

Objective 1. Capacity-building for climate-finance coordination and setting up the enabling environment for integrated climate investment.

- ✓ 1.1. Developing countries, through NDAs or focal points, have enhanced capacity to fulfil their roles, responsibilities and policy requirements, including coordination mechanisms to engage relevant stakeholders to develop, advance, and implement NDCs, NAPs and LTSs.
- ✓ 1.2. Developing countries design and implement strategic frameworks (including NDC/NAP/LTS), policies and instruments, including climate investment plans, to create enabling environments for integrated climate investments.
- ✓ 1.3. Direct access applicants and accredited entities (DAEs) have met and maintained the accreditation standards of the GCF and strengthened their programming capacities, as evidenced by the development of GCF-funded activities.

Objective 2. Paradigm-shifting GCF pipeline development and implementation for adaptation and mitigation, based on country needs and guided by USP-2 programming targets.

- ✓ 2.2. Developing countries have developed high-quality concept notes linked to approved GCF proposals for adaptation and mitigation that are aligned with the USP-2 results, including through DAEs, that build on readiness support and country programmes.
- ✓ 2.3. NDAs and DAEs have enhanced processes and systems to effectively oversee the implementation, financial management, monitoring and reporting of climate programmes and projects.

Objective 3. Knowledge-sharing and learning to enhance national and regional cooperation on climate programming and financing.

- ✓ 3.1. Developing countries, through NDAs or focal points, have made use of knowledge products to address policy gaps and integrated climate investment programming and implementation.
- ✓ 3.2. Enhanced collaboration among developing countries on climate change issues, evidenced by transboundary and regional cooperations/South-South cooperation.

3.2 Anticipated Impact on Climate Programming and Direct Access

The readiness support will apply the Country Platform approach of GCF for translating climate policy priorities into a programmatic investment.

The readiness support is expected to strengthen the capacities of the new Serbian National Design Authority (NDA) and the Climate Change Department at the Ministry of Environmental Protection, enabling them to implement national climate policy effectively and design high-quality project proposals that align with the Green Climate Fund (GCF) investment criteria. The project will enhance the NDA's capacity to fulfil its role and support the establishment of a comprehensive coordination mechanism for stakeholder engagement. Additionally, the project will contribute to developing an enabling strategic framework that fosters climate investments, creating the conditions necessary for scaling up climate action in Serbia. The project will support the government in replacing the outdated Country Programme with an inclusive Country Platform, ensuring that strategic climate priorities are translated into high-quality concept notes and project pipelines.

The project will support the Ministry of Finance through the accreditation process as the first national DAE with the GCF. Furthermore, options for accrediting an additional DAE will be reviewed, with the aim of having at least two national accredited DAEs.

The project will develop and introduce advanced climate change project management software for submission of project ideas, as well as the monitoring of project implementation progress. The NDA will also rely on GCF guidance on country climate platforms to inform the setting up of the coordination mechanism (including stakeholder involvement), the development of the Country Platform, and the setting up of the software tool for sourcing and managing potential investment proposals. The software solution will also be used as an internal/country communication tool among institutions and stakeholders, i.e. members of the coordination mechanism, and for information exchange and learning purposes, as it will contain various guidance documents, rules, procedures, thematic learning documents and regulations. The software tool will be used to submit project ideas to stakeholders for potential GCF financing consideration. It will also contain review sheets and screening criteria for proposals, as well as

facilitating internal discussions among the coordination mechanism members. The software will be procured through a competitive tender process, in line with UNDP procurement procedures and in collaboration with technology providers who have experience in developing platforms. The software encompasses four core modules:

- The Project Development Module will align funding proposals with GCF templates and perform automated compliance checks.
- The Pipeline Management Module will use visual dashboards to track projects from concept through to approval stages, with milestones and deadlines.
- The Implementation Monitoring Module will track results frameworks, perform financial monitoring and generate automated reports.
- The Knowledge Management Module will include searchable libraries, best practice repositories and lessons learned.

User groups and permissions: NDA administrators (full system access); project developers (proposal development and editing); technical reviewers (comment and approval functions); implementing entities (implementation data entry); and read-only stakeholders (progress monitoring). Each group will receive a customized interface to match their functional needs.

System integration: The platform will integrate with national climate databases, the MRV system, and potentially GCF platforms via secure APIs. Security and hosting: A cloud-based server will be used for encrypted communications with daily backups to prevent data loss. Role-based authentication will be implemented and the software will be hosted in a national data centre. The hosting provider should guarantee that the system will be available and operational 99.5% of the time.

These combined efforts will support the capacity development of the Serbian NDAs and the first accredited national DAE in developing and implementing a paradigm-shifting pipeline of climate projects. These projects are aligned with the GCF Strategic Plan 2024-2027 and Serbia's national climate objectives.

This readiness support should directly advance the GCF's paradigm-shift mandate and the climate-resilient development agenda defined in the updated strategic plan for 2024–2027 (UPS2). By strengthening the institutional framework, enhancing direct access modalities and fostering inclusive stakeholder engagement, the project will enable Serbia to progress from incremental adaptation and mitigation measures to systemic, transformative change. The focus on national capacity building and direct access ensures that climate finance is effectively channeled to locally driven, high-impact interventions, thereby supporting Serbia's transition to low-emission, climate-resilient development. Furthermore, establishing an environment that enables climate investments and developing innovative project management tools will catalyze

the generation and implementation of paradigm-shifting projects. These initiatives are expected to deliver scalable, replicable climate action models, contributing to the GCF's global objectives.

The expected impact of this readiness project is directly anchored in Serbia's overarching climate policy framework, specifically ensuring that the newly operationalized GCF Country Platform and the Ministry of Finance (as the national Direct Access Entity) have the capacity to finance and implement the targets set within the Nationally Determined Contribution (NDC), National Adaptation Plan (NAP), and the Long-Term Strategy (LTS). By shifting from ad-hoc project development to a systemic, platform-based approach, the country will translate policy targets into a realistic, bankable pipeline.

Indicative Post-Readiness Impact and Quantification: While the precise financial targets will be formally defined as an output of the comprehensive Climate Investment Plan developed during this readiness phase, the project establishes the following indicative, post-readiness targets to quantify expected engagement and capital mobilization:

- Pipeline Volume and GCF Engagement: Within 24–36 months following the operationalization of the Country Platform and the completion of the MoF's DAE accreditation process, the coordination mechanism is expected to develop, evaluate, and submit at least 3 Funding Proposals to the GCF.
- Indicative GCF Financing Volumes: Post-project, the programmatic approach facilitated by the Platform aims to secure an indicative GCF financing volume of USD 50 million to USD 100 million over a 3-to-5-year medium-term horizon, balanced across mitigation and adaptation priorities. Furthermore, this GCF investment is projected to leverage an additional USD 100-150 million from other sources, including International Financial Institutions (IFIs), commercial banks, and private sector equity, demonstrating a strong catalytic effect for Serbia's green transition,

- **Catalyzing Private Finance and Co-Financing:** The Country Platform will act as a primary mechanism to de-risk investments and blend resources. Through the pipeline generated, the MoF aims to catalyze an additional USD 150 million to USD 300 million in co-financing. Particularly for mitigation, sustainable mobility, and energy transition interventions, the platform will target a private sector leveraging ratio of at least 1:2 to 1:3, actively mobilizing domestic and international private capital alongside IFI resources. The project will particularly focus on the investments of larger industrial facilities- with largest decarbonization potential when investing in process improvements, renewable energy and energy efficiency measures. This includes e.g. the facilities in need of obtaining the Integrated Pollution Prevention and Control Permits (IPPC operators) and GHG Permits. Consequently, the project may engage with, but not be limited to, cement, steel, chemicals industry, food processing industry, paper industry, etc. In Serbia, there are over 220 of IPPC operators and approximately over 100 industries subjected to GHG permitting process.
- **Stakeholder Reach:** The implementation of the specialized software tool and the inclusive coordination mechanism will aim to actively engage over 50 institutional stakeholders (including private sector entities, commercial banks, and CSOs) annually in the pipeline identification and prioritization process, ensuring broad-based country ownership.

By formally defining these quantifiable targets within the anticipated Climate Investment Plan, this readiness project ensures that the impact of institutional capacity building translates directly into measurable climate finance mobilization aligned with Serbia's NDC, LCDS, NECP and NAP ambitions.

3.3 Alignment with NDC/NAP/LTS Implementation

The existing GCF Country Programme until 2025 is out of date and not aligned with the current policy framework. The Readiness support will strengthen the capacities of the NDA for the implementation of climate policy and programming. The new Country platform to be developed will be aligned with the NDC 3.0, NAP and Long-Term Strategy, Integrated National Energy and Climate Plan, and other strategic documents that will be revised and/or developed during the project implementation, and it will enable identification and prioritization of the pipeline of climate investments based on the country's strategic targets. The project will also create sustainable and inclusive coordination mechanism with the purpose to facilitate stakeholder dialogues and climate investments pipeline identification. Such approach will guarantee the economy-wide approach to climate investment planning aligned with country's NDC and other strategic priorities. Also, the capacity building activities combining training, workshops and mentorship for the design of project concept notes will result in greater access and utilization of the GCF and other climate related financing streams.

Section 4: Approach, Methodology and Implementation Activities

4.1 Theory of Change

This project is designed to support enhanced mobilization and effective utilization of climate finance in Serbia to accelerate climate mitigation and adaptation actions, in line with national climate priorities and the Paris Agreement

This reflects a transformational shift in the country's ability to access, program, and implement climate finance at scale resulting in economy decarbonization and strengthened climate resilience (IMPACT).

IF Serbia establishes a coordinated and inclusive GCF Country Platform that strengthens institutional capacities and enables the development of a strategic pipeline of high-quality, GCF-aligned climate projects, THEN the country will increase its access to and effective use of international climate finance, accelerating the implementation of transformational mitigation and adaptation actions in line with national priorities and the Paris Agreement BECAUSE the country will have an accredited DAE, a well-functioning coordination mechanism and greater capacity to access climate finance.

Barrier analysis

The project seeks to address capacity, technological and financial barriers for mobilization and effective utilization of climate finance in Serbia, including:

- Barrier 1: Institutional coordination for climate finance requires further strengthening to ensure consistent and effective institutional collaboration

While the responsibilities are dispersed across multiple ministries, there is no established coordination mechanism for climate finance. This fragmentation slows endorsement processes, complicates co-financing arrangements, and reduces strategic prioritization. As a result, climate finance engagement becomes ad hoc rather than programmatic and long-term. Therefore, enhanced coordination is needed to improve strategic planning, avoid fragmentation, and ensure that climate finance opportunities are identified, prioritized, and implemented efficiently in line with national climate commitments.

- Barrier 2: Insufficient technical and human capacities within the NDA and other relevant institutions (e.g. finance, energy, agriculture, etc.)

Although key institutions have demonstrated commitment to advancing climate action, technical expertise and dedicated human resources for climate finance programming, project preparation, and monitoring remain limited relative to the increasing complexity and volume of climate

finance opportunities. Furthermore, the National Designated Authority (NDA) and sectoral ministries often operate with limited staff dedicated specifically to climate finance. Technical expertise in financial modeling, economic appraisal, climate risk assessment, safeguards, and results-based frameworks is frequently insufficient to meet GCF standards. Strengthening institutional capacities will improve the country's ability to develop high-quality project proposals, manage climate finance, and ensure effective implementation and reporting.

- Barrier 3: Coordination mechanism for climate action requires further improvement to ensure an inclusive, formalized and systemic engagement of all relevant stakeholders

The Climate Change Council has an advisory role and, although it includes representatives from academia, CSOs and local self-government, it is not an effective coordination mechanism. Coordination between line ministries is carried out on an ad hoc basis, usually in the form of working groups established for the purpose of drafting public policies or for project purposes. Without inclusive dialogue, project design may overlook local needs, gender dimensions, and private-sector perspectives. This weakens national ownership and undermines the transformational potential required by the GCF. Strengthening the coordination mechanism will improve transparency, support participatory decision-making, and ensure that climate investment priorities reflect national and local needs. This will also enhance alignment between policy development, investment planning, and implementation.

- Barrier 4: The regulatory framework requires further enhancement to streamline and incentivize investment in resilient and low-carbon infrastructure

Existing laws and by-laws do not sufficiently incentivize or fast-track climate-resilient and low-carbon investments. Permitting procedures, public procurement rules, and sectoral regulations are not aligned with climate objectives. In some cases, fossil-fuel-intensive or carbon-heavy investments face fewer procedural barriers than innovative green infrastructure. This creates uncertainty for investors and discourages scaling of climate-aligned projects. Serbia has made significant progress in developing climate-relevant policies and strategies; however, further refinement of regulatory instruments is needed to provide clearer signals and incentives for public and private investment in low-emission and climate-resilient infrastructure.

Enhancements such as alignment with the EU green taxonomy, improved project screening criteria, and strengthened policy coherence will help reduce investment uncertainty, facilitate access to finance, and encourage private sector participation in climate-aligned investments.

- Barrier 5: The absence of a national accredited Direct Access Entity (DAE) limits direct access to climate finance

Without a nationally accredited Direct Access Entity (DAE), the country relies on international Accredited Entities for accessing GCF resources. This can reduce national ownership, increase

transaction costs, and limit institutional learning within domestic institutions. It also restricts the development of long-term national fiduciary, environmental, and social safeguard systems aligned with GCF standards. Strengthening national institutional capacities and supporting DAE accreditation will improve country ownership, efficiency, and long-term sustainability of climate finance flows.

- Barrier 6: Country Programme until 2025 is not aligned with the current policy framework

The existing GCF Country Programme does not reflect updated national climate commitments, such as revised NDCs, NAP priorities and the Low Carbon Development Strategy. This misalignment reduces strategic coherence between national planning documents and the GCF investment pipeline. Serbia's existing GCF Country Programme provided an important strategic framework; however, it requires updating to reflect recent policy developments, including revised national climate targets, updated strategic documents, and evolving national priorities. Aligning the Country Programme with the latest Nationally Determined Contribution (NDC), Long-Term Strategy, National Energy and Climate Plan, and other relevant frameworks will ensure a coherent and strategic approach to climate finance programming and improve alignment with GCF investment criteria.

- Barrier 7: National capacities for the development of bankable GCF concept notes and funding proposals are not fully capacitated and strengthened

Developing bankable GCF proposals requires advanced expertise in financial structuring, cost-benefit analysis, risk-sharing mechanisms, and co-financing mobilization. Serbian institutions lack experience in designing blended finance instruments or structuring public-private partnerships aligned with GCF investment criteria. Feasibility studies and technical documentation are often underdeveloped or not aligned with international standards. As a result, there is no climate investment pipeline. While Serbian institutions have relevant technical expertise, additional targeted capacity building and hands-on support are needed to strengthen their ability to independently develop competitive concept notes and funding proposals. Enhancing these capacities will improve the country's success rate in accessing GCF and other international climate finance sources.

- Barrier 8: Gaps in standardized procedures for the application and selection of project proposals

There is no procedure in place for identifying, screening, and prioritizing climate project proposals for submission to the GCF. Project selection can therefore be reactive, fragmented, or influenced by short-term institutional interests. Without standardized criteria, such as climate impact, paradigm shift potential, co-financing ratio, gender integration, and safeguard readiness, the pipeline lacks transparency and strategic coherence. Existing processes for identifying,

prioritizing, and endorsing climate project proposals would benefit from further standardization and formalization. The absence of clear, transparent, and consistent procedures may limit the efficiency of project screening and pipeline development. Establishing standardized criteria, procedures, and tools will improve transparency, ensure alignment with national priorities and international requirements, and facilitate the systematic development of a strong and credible climate investment pipeline.

- Barrier 9: Knowledge about international best practice on local climate action and climate finance mobilization remains insufficient and requires further enhancement

The engagement of local self-governments in climate action is governed by a number of sector-related requirements, such as energy savings under municipal energy management or reduction of waste disposal. Programmes to promote and subsidize holistic climate action at the local level do not exist due to the lack of knowledge and experience on international best practice. This reduces opportunities to adapt proven approaches to Serbian circumstances and incite local climate action aligned with national priorities. Improved knowledge will support the development of more effective climate policies, investment strategies, and implementation mechanisms, particularly at the local level where many climate actions are implemented.

- Barrier 10: Untapped potential of regional cooperation and structured coordination among NDAs in the Western Balkans

Cooperation among NDAs in the Western Balkans is informal and sporadic. There are limited structured mechanisms for joint learning, pipeline exchange, or development of regional climate programmes. As a result, countries miss opportunities to develop multi-country proposals, harmonize approaches, and leverage economies of scale. Strengthening regional coordination would enable peer learning, exchange of best practices, and identification of joint investment opportunities addressing shared climate challenges. Enhanced regional cooperation will also support alignment with EU climate policies, improve access to regional and international climate finance, and strengthen the overall effectiveness of climate action across the region.

This proposal and activities are designed to overcome the above barriers.

The project will adopt an integrated and programmatic approach to ensure strong linkages between capacity-building, enabling environment development, and climate investment programming. Under Objective 1, the project will strengthen the institutional capacities of the National Designated Authority (NDA) and relevant stakeholders to effectively fulfil their roles and responsibilities in line with GCF requirements (Outcome 1.1), including the establishment and operationalization of inclusive and functional coordination mechanisms. These enhanced capacities will directly support the improvements and implementation of strategic frameworks, policies, and instruments, such as NDCs, NAPs, LTS, and climate investment plans, to create an

enabling environment for integrated climate investments (Outcome 1.2). In parallel, targeted support to Direct Access Entities (DAEs) will facilitate compliance with and maintenance of GCF accreditation standards, while strengthening their programming and project development capacities (Outcome 1.3). Collectively, these interventions will establish the foundational conditions required for a coherent, country-driven and programmatic engagement with the GCF, but also strengthen the capacities for wider access to climate financing options, including engagement with the private sector, IFIs, etc.

Building on these enabling conditions, Objective 2 will support the development of a paradigm-shifting pipeline of GCF-aligned projects and programmes. The updating and operationalization of Country Programmes (Outcome 2.1) will provide a strategic framework to guide GCF engagement and prioritize investments in line with national climate strategies and GCF USP-2 programming directions. This will enable the development of high-quality Concept Notes and funding proposals for adaptation and mitigation (Outcome 2.2), including through DAEs supported under Objective 1, ensuring alignment with GCF investment criteria and results areas. Strengthened institutional systems and processes for project oversight, financial management, monitoring, and reporting (Outcome 2.3) will further ensure effective implementation and compliance with GCF standards. Objective 3 will be implemented as a cross-cutting component, promoting systematic knowledge-sharing, learning, and regional cooperation to enhance the sustainability, replicability, and scaling of climate programming and investments.

4.2 Beneficiaries

Direct Beneficiaries. The project's direct beneficiaries are primarily national government institutions with formal mandates for climate, environmental, and financial governance, which will receive targeted capacity-building support, institutional strengthening, and direct engagement across multiple out-comes and outputs.

The Ministry of Environmental Protection is the principal direct beneficiary. The Ministry will directly benefit from enhanced institutional capacity for climate and environmental governance, strengthened coordination mechanisms, and improved ability to access, program, and implement climate finance. This includes direct engagement under Outcome 1 (institutional coordination and enabling environment), Outcome 2 (development of investment-grade concept notes and project pipelines), and Outcome 3 (knowledge sharing and regional cooperation), covering multiple outputs related to policy development, coordination frameworks, and project preparation. The Ministry of Finance is also a direct beneficiary, particularly under Outcome 1.3, where the project supports its accreditation as the first national DAE.

Gender disaggregation (direct beneficiaries):

Direct beneficiaries within government institutions will include both women and men employed in relevant ministries and agencies. The project will actively promote balanced participation of women and men in trainings, technical assistance, and coordination mechanisms, with particular attention to increasing women's participation in senior technical and decision-making roles where they are underrepresented. Data on direct beneficiaries will be disaggregated by sex (women/men) where feasible.

Indirect Beneficiaries

The project will generate significant indirect benefits for a broad range of public, private, and civil society stakeholders through improved policies, strengthened institutional frameworks, enhanced access to climate finance, and better-designed climate and environmental investments.

Line ministries, including the Ministry of Mining and Energy and the Ministry of Agriculture, Forestry and Water Management, will be indirect beneficiaries through improved cross-sectoral coordination, strengthened policy coherence, and enhanced availability of investment-grade project pipelines relevant to their sectors. Additional ministries will also benefit indirectly from improved governance frameworks and coordination mechanisms supported under the project.

Local self-governments will be indirect beneficiaries through improved access to guidance, knowledge, and financing mechanisms for climate mitigation, adaptation, and environmental investments, particularly under Outcome 2 activities related to project development and pipeline strengthening. These benefits will support improved local-level planning, service delivery, and resilience building

The private sector, including project developers, enterprises, and financial actors, will benefit indirectly from a more enabling policy and institutional environment, increased availability of climate-aligned investment opportunities, and improved coordination between public and private stakeholders. These benefits are expected to support increased private sector engagement in climate investments.

Business and local government associations, including the Chamber of Commerce and Industry of Serbia and the Standing Conference of Towns and Municipalities, will benefit indirectly through enhanced dialogue with government institutions, improved access to information on climate finance opportunities, and strengthened capacity to support their members in climate-related initiatives

Civil society organizations (CSOs) will be indirect beneficiaries through improved opportunities for participation in policy dialogue, enhanced access to information, and strengthened institutional action

Gender disaggregation (indirect beneficiaries):

Indirect benefits will accrue to both women and men across all stakeholder groups. By strengthening inclusive governance, improving access to climate finance, and promoting participatory processes, the project is expected to contribute to more equitable access to economic opportunities, decision-making processes, and climate-resilient development outcomes for women and men alike.

The project’s direct beneficiaries are clearly defined and carefully mapped against the core outcomes: the operationalization of the GCF Country Platform, pipeline development, and the Direct Access Entity (DAE) accreditation of the Ministry of Finance (MoF). To ensure measurable impact and inclusive participation, the project establishes indicative quantitative targets for capacity building, technical assistance, and stakeholder engagement.

In strict adherence to the GCF Updated Gender Policy and Serbia’s national gender equality commitments, the project mandates a minimum target of 50% female participation across all training, consultation, and platform governance activities. The table below provides the indicative quantitative beneficiary estimates per stakeholder group, appropriately sex-disaggregated:

Table 3: Indicative Quantitative Beneficiary Estimates per Stakeholder Group

Stakeholder Group	Role in Project & Key Interventions	Indicative Total Beneficiaries	Sex-Disaggregated Target (Female / Male)
Ministry of Finance (MoF) <i>(DAE Candidate)</i>	Direct technical assistance for GCF accreditation; training on ESS, Gender policies, GRM, and green public financial management.	40 staff members	20 Female / 20 Male

National Designated Authority (NDA) / Min. of Environmental Protection	Institutional support to operate the Country Platform coordination mechanism and utilize the specialized software tool.	20 staff members	10 Female / 10 Male
Line Ministries & National Agencies (<i>e.g., Energy, Agriculture, Water</i>)	Training on origin and preparation of sector-specific, GCF-aligned concept notes; users of the pipeline software.	50 representatives	25 Female / 25 Male
Local Self-Governments (Municipalities)	Engagement in sub-national project identification (focusing on local adaptation and energy efficiency); pipeline consultations.	60 representatives (<i>from approx. 30 local govts</i>)	30 Female / 30 Male
Private Sector & Financial Institutions (<i>Chambers of Commerce, Banks</i>)	Participation in the inclusive coordination mechanism; capacity building on blended finance, co-financing, and green investments.	40 representatives	20 Female / 20 Male

Civil Society (CSOs), Academia & Women's Organizations	Active inclusion in project review consultations, transparency monitoring, and ensuring gender- responsive pipeline development.	40 representatives	≥ 25 Female / ≤ 15 Male (<i>Weighted for women's CSOs</i>)
Total Indicative Direct Beneficiaries		250 Individuals	130 Female / 120 Male

Monitoring and Reporting:

These quantitative targets will be rigorously tracked throughout the project lifecycle. Disaggregated data (by sex, institutional affiliation, and geographic representation) will be collected via mandatory registration forms, post-training capacity-enhancement surveys, and the Country Platform's internal M&E module. This data will be consolidated and reported to the GCF through the Bi-annual Progress Reports (BPRs) to ensure accountability and verify that the defined beneficiary targets are being met in an equitable manner.

4.3 Implementation Activities

Objective 1. Capacity-building for climate-finance coordination and setting up the enabling environment for integrated climate investment.

- ✓ 1.1. Developing countries, through NDAs or focal points, have enhanced capacity to fulfil their roles, responsibilities and policy requirements, including coordination mechanisms to engage relevant stakeholders to develop, advance, and implement NDCs, NAPs and LTSs.
- ✓ 1.1.1. NDA/focal point and other climate stakeholders have enhanced their capacity to fulfil their roles and responsibilities to develop, advance and implement NDCs, NAPs and LTSs.

Activities

1-1-1.a. Strengthen the capacities of the GCF National Designated Authority through targeted thematic training workshops. This activity will bolster the institutional and technical capabilities of Serbia's National Designated Authority (NDA) to fulfill its core roles, responsibilities, and policy requirements. Crucially, it will strengthen the national Coordination Mechanism to effectively engage relevant climate stakeholders. The activity will develop a comprehensive Capacity-Building Programme specifically designed to enhance the collective capacity of these actors to develop, advance, and implement Serbia's Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), and Long-Term Strategies (LTSs). Rather than focusing solely on external procedures, the Capacity Building Programme will center on strategic climate investment planning, policy translation, and project concept development. By equipping the NDA, Coordination Mechanism members, and key stakeholders with the skills to translate high-level climate targets into actionable, country-driven initiatives, the programme ensures strict alignment with Serbia's core climate policies. As a result, the NDA and the Coordination Mechanism will be better placed to guide national actors, facilitate cross-sectoral collaboration, and provide enhanced quality assurance of climate proposals that directly advance the practical implementation of the NDCs, NAPs, and LTSs. The Capacity Building Programme will also incorporate GCF policies, investment criteria, readiness modalities, project and concept development, and climate finance programming in service of implementation and development of key policy documents on climate. The activity will execute the Capacity Building Programme through at least 10 training sessions and three Thematic Training Workshops (e.g., on country climate impacts and priorities, advancing climate strategies, and access to climate finance). These workshops will feature peer learning exchanges and customized coaching tailored to address specific institutional needs and policy implementation gaps. Additionally, the activity will produce tailored Training Materials and Guidelines that will primarily assist the NDA, Coordination Mechanism, and other stakeholders in identifying and prioritizing climate-related investments that drive the country's strategic targets. Ultimately, this capacity building will ensure a measurable increase in the proportion of the NDA, Coordination Mechanism, and other climate stakeholders reporting an enhanced capacity to fulfill their roles and effectively implement the country's NDCs, NAPs, and LTSs. . Deliverable (D1): Status report on capacity building of NDA and climate stakeholders in Serbia to develop, advance and implement NDCs, NAPs and LTS. Milestones: D1.1 Capacity Building Programme prepared; D1.2 At least 10 training sessions conducted (involving 20 representatives at each session of at least 5 institutions - NDA, Ministry of Mining and Energy, Ministry of Agriculture, Forestry and Water Management, Ministry of Finance and Ministry of Interior) on climate investment planning and implementation of key strategic priorities; D1.3 At least three thematic workshops with the involvement of non-governmental stakeholders conducted; D1.4 At least two guidelines for identification and prioritization of investments prepared - 1 for mitigation and 1 for adaptation to support identification and prioritization of climate related investments aligned with country's strategic targets;

- ✓ 1.1.2. An inclusive Coordination Mechanism has enhanced capacity to fulfill its mandate to develop, advance and implement NDCs, NAPs and LTSs.

Activities

1-1-2.a. As part of the newly designed Country Platform establish an inclusive Coordination Mechanism Under Activity 1.1.2a, the setup and formalization stage of the GCF Country Platform will proactively mandate the inclusion of all key climate stakeholders to establish a truly representative and effective governance structure. Specifically, this foundational process will formally integrate climate financiers (including domestic commercial banks and active IFIs) to ensure early alignment on bankability and co-financing. To embed equity into the platform's core operational guidelines, the setup will mandate the active participation of national Gender and Climate Focal Points and leading women's organizations. Furthermore, in strict adherence to the GCF's Environmental and Social Safeguards (ESS) and overarching policies, the formalization stage will ensure the engagement and representation of Indigenous Peoples (where applicable within the national context) and vulnerable local communities, guaranteeing that the Platform's coordination mechanism prioritizes social inclusion and protects marginalized groups from its inception. As part of the newly designed Country Platform, establish an inclusive Coordination Mechanism. The Activity will assist the NDA to assess and identify most relevant institutions and stakeholders that will be formally nominated as members of the coordination mechanism. Within this activity will rules of operation for the Coordination Mechanism will be drafted defining the roles, procedures and accountability frameworks for regular engagement, joint planning and information sharing between stakeholders. The activity will organize at least quarterly sessions of the coordination mechanism, prepare the agenda and discussion materials for each session, reports. The activity will also support at least three thematic sessions of the Coordination Mechanism to discuss policy priorities and investment pipelines and investment opportunities on the basis of key national strategic frameworks such as the NDC, LCDS, National Energy and Climate Plan and the NAP. This will ensure that climate priorities are jointly identified and acted upon by key national and sub-national stakeholders, and will formalize and enhance the existing coordination mechanisms within the structure of Serbia's Country Platform for climate finance. It will bring together government ministries and specialized agencies (at minimum those in charge of environment, climate, energy, agriculture, water management, forestry, construction, spatial planning, transport, nature protection, DRR), development partners, the private sector, civil society organizations and academia to promote the participation of all sectors of society in climate planning, investment programming and policy alignment. GCF conceives country platforms as country-driven coordination bodies that align financing flows with strategic climate priorities, reduce fragmentation across sectors, and strengthen stakeholder collaboration to mobilize climate finance at scale. By establishing this mechanism, Serbia will strengthen the governance and decision-making structures that support the design, prioritization and sequencing of climate investments, in line with national climate strategies and GCF readiness goals. This inclusive approach ensures that the voices of local authorities, civil society, and private sector actors inform country programming, leading to more equitable and effective climate solutions. Ultimately, this coordination mechanism (a Country Platform) will enhance institutional capacity to develop project pipelines, attract climate finance and monitor progress towards Serbia's adaptation and mitigation objectives under the GCF Readiness Framework. Deliverable (D2): Status report on country mechanisms, country platform for enhances climate finance access to develop, advance and implement NDCs, NAPs and LTS in Serbia Deliverable (D2.1): Decision on the establishment of the coordination mechanism with rules of procedures Deliverable (D2.2): Decision of the Country Platform Milestones: D2.1 Stakeholder NDA-led stakeholder dialogue conducted to identify all relevant institutions and other stakeholders to form Coordination Mechanism aligned with Country Platform approach; D2.2 Rules and procedures (defining the roles, procedures and accountability frameworks) of the Coordination Mechanism/Country Platform prepared; D2.3 Country Platform Digital Infrastructure Developed and Launched; D2.4 At least four sessions of the Coordination Mechanism/Country Platform

Activities

organized; D2.5 At least three thematic sessions of the Coordination Mechanism/Country Platform organized to discuss policy and investment priorities (e.g. NDC, LCDS, NECP, NAP).

1-1-2.b. Activity 1.1.2.b Outdated Country Programme is replaced with a Country Platform aligned with national climate needs and priorities This activity will support the replacing outdated Serbia's GCF Country Programme, with a Country Platform ensuring that it reflects the current country's climate priorities, investment needs and strategic objectives for mitigation and adaptation and guided by GCF USP-2 programming. GCF Country Platform is envisaged to integrate several key strategic elements: the GCF former Country Programme, Climate Investment Plan and Country Coordination mechanism. The platform will contain: 1. Programmatic component – integrating the elements of the former Country Programme; 2. Operational component inclusive of rules and procedures, coordination mechanism; 3. Investment component – to support the climate investment planning, mapping of financing needs, potential financing sources, including private sector financing mobilization. The project will prepare a Country Platform document to better describe the Platform's integrative structure and purpose, using the elements of the Country Programme document and combining it with the Climate Investment Plan (developed under 1.2.1.b) and rules and procedures of the Country Coordination Mechanism (developed under 1.1.2.a). The Platform will be aligned with national climate policies, including the revised NDC, long-term climate strategy (Low-carbon Development Strategy); NECP and National Adaptation Programme. It will also respond to GCF investment criteria and programming guidance. The Platform approach encompasses the involvement of wider stakeholders such as the private sector - industry, SMEs and financial institutions/commercial banks. Through a participatory process priority sectors and transformative interventions and financing gaps will be identified. The Platform will strengthen the articulation of country-driven priorities, including cross-cutting themes such as social inclusion, gender equality, and just transition considerations. An assessment of past engagement with the Green Climate Fund will also be included to capture lessons learned and improve the effectiveness of future programming. The Platform will define a clear pipeline of priority project ideas and readiness needs, enhancing coherence and predictability in GCF engagement. The project will leverage the Country Platform to expand opportunities for submitting concept notes and funding proposals to other climate funds/entities, in addition to the GCF. Guided by this unified framework, the project will employ a structured, evidence-based approach to pipeline maturation under Activities 1.1.2a and 2.1.2a. Deliverable (D8): Country Platform Document Serbia Milestones: D8.1 Assessment review report prepared of Serbia's engagement with the GCF, including the evaluation of the impact of the existing Country Programme; D8.2 At least ten stakeholder consultations conducted on the priorities for GCF financing; D8.3 Country Platform document updated with country's needs and climate priorities, guided by GCF USP-2 programming targets and following GCF country platform approach.

- ✓ 1.2. Developing countries design and implement strategic frameworks (including NDC/NAP/LTS), policies and instruments, including climate investment plans, to create enabling environments for integrated climate investments.
- ✓ 1.2.1. Inclusive strategic frameworks (NDCs, NAPs, and LTSs) and policy instruments are created, updated and/or strengthened.

Activities

1-2-1.a. Improve the policy and regulatory frameworks to create an enabling environment for climate investments This activity will support the comprehensive review and update of a package of Serbia's key climate-related policies and regulatory frameworks to create a more conducive environment for public and private climate investments. This reflects the synergistic approach to the reviews and updates of key climate policies that inform and guide the climate related planning of the investments in Serbia. Also, this synergistic approach is of high relevance to Serbia's process of compliance with the EU regulatory framework (e.g. in accordance with the EU Governance Regulation). Also, it supports Serbia's compliance with the UNFCCC and Paris Agreement implementation and reporting requirements. At the core of this initiative, the review of progress in implementation and recommendations for updates of key national policy documents, namely the Nationally Determined Contribution (NDC 3), the National Climate Change Adaptation Programme and the Low Carbon Development Strategy (LCDS), will be delivered as a single, unified umbrella package of policy updates. This integrated package will jointly create a harmonized basis for all future climate planning and green investments in Serbia, ensuring that long-term adaptation and mitigation pathways and immediate international pledges are structurally aligned. Under this strategic umbrella, the activity will support the development of at least three regulatory acts related to climate mitigation, adaptation, and climate finance (e.g., carbon pricing and GHG emissions trading-related) to translate policy goals into actionable rules. This will ensure that Serbia's core policy and regulatory architecture is aligned with evolving domestic priorities, international commitments, and emerging climate finance opportunities. To ensure equitable outcomes, the activity will prepare recommendations to integrate social inclusion and gender equality considerations into these planning documents, embedding gender-responsive and socially inclusive criteria directly into the climate policy objectives, monitoring frameworks, and investment guidelines of the umbrella package. To drive practical implementation, the activity will conduct at least two stakeholder consultation dialogues (at both national and local levels) to identify policy and regulatory bottlenecks impeding climate finance flows, preparing recommendations to streamline permitting, incentives, risk-mitigation instruments, and fiscal measures. Additionally, at least two capacity-building events will be arranged for civil society and the business community to ensure diverse perspectives are represented, enhancing the legitimacy and ownership of the reformed governance architecture. Ultimately, these reforms will significantly de-risk climate investments, improve the overall effectiveness of Serbia's climate governance, and support a transition to a low-emission, climate-resilient development pathway. As part of this enabling framework, the activity will explore all potential revenue streams for sustainable climate finance, including carbon taxation, alongside potential disbursement and subsidy schemes (including, but not limited to, CBAM-affected industries and targeted climate resilience programs). Deliverable (D3): Status report on the national adaptation plan (NAP) Milestones: D3.1 Comprehensive assessment review of Serbia's NAP and related regulatory framework, with recommendations for improvements, prepared; D3.2 At least one regulatory act prepared to support investment planning and implementation in the domain of climate resilience and disaster risk reduction; D3.3 At least two stakeholder consultations dialogue conducted to identify current policy and regulatory instruments that impede climate adaptation finance flows; Deliverable (D4): Status report on nationally determined contributions (NDC) Milestones: D4.1 Comprehensive assessment review of Serbia's NDC implementation status; D4.2 Serbia's revised NDC prepared; D4.3 At least one regulatory act prepared to support investment planning and implementation based on the NDC priority measures, with mitigation focus; Deliverable (D5): Status report on the long-term climate strategies (LTS) Milestones: D5.1 Comprehensive assessment review of Serbia's Low Carbon Development Strategy (LCDS) implementation, with recommendations for improvements, prepared; D5.2 At least two stakeholder consultations dialogue conducted to identify current

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policy, regulatory and financing instruments that impede LCDS implementation; D5.3 Recommendations for the revision of the LCDS prepared; D5.4 Recommendations for integration of social inclusion and gender equality considerations into existing climate-related planning documents prepared; D5.5 Recommendations prepared for climate finance reforms that will streamline permitting, incentives, risk mitigation instruments and fiscal measures.

Activities

1-2-1.b. Develop a climate investment plan for the implementation of key policy documents This activity will support the development of an integrated climate investment plan, as integral part of the Country Platform, translating Serbia's Nationally Determined Contribution (NDC), Integrated National Energy and Climate Plan (INECP), National Adaptation Plan (NAP) and Long-Term Strategy (LTS) into prioritized, costed and investment-ready actions. This plan will highlight viable mitigation and adaptation opportunities across key sectors, including the development of a dedicated resilience investment plan aimed at encouraging private sector involvement in climate-resilient infrastructure and services. To ensure full alignment with the new GCF Readiness approach and to eliminate any risk of overlap or duplication between the formulation of the Climate Investment Plan (Activity 1.2.1b) and the broader Country Platform framework (Activity 1.1.2b). The Climate Investment Plan will not be developed as a separate, standalone report; rather, it will be designed as an integral, operational component embedded directly within the GCF Country Platform. By merging these efforts, the Country Platform will rely on one cohesive strategic master document to guide its inclusive coordination mechanism, govern the specialized software tool for pipeline prioritization, and direct the structuring of blended climate finance, thereby ensuring maximum efficiency and strategic focus. Within this activity a particular emphasis will be placed on identifying financing structures, risk-sharing mechanisms and incentives that can mobilise private capital and support public-private partnerships (PPPs). Investor roundtables and climate finance dialogues will be convened to present priority investment opportunities, gather market feedback, and strengthen engagement between public institutions, financiers, and private sector actors. These dialogues will help to align investment plans with investor expectations, all the while maintaining social, environmental and gender-responsive safeguards. To ensure that the climate investment plan is developed in full compliance with social and environmental standards, a dedicated consultant will be engaged to conduct and oversee a Strategic Environmental and Social Assessment (SESA) of the investment plan, identifying potential social and environmental risks and opportunities at the strategic level and ensuring that mitigation measures and safeguard provisions are systematically integrated into the plan's design, financing structures, and implementation arrangements. By strengthening the link between national climate strategies and investment pipelines, this activity will improve Serbia's capacity to mobilize blended finance and increase the scale of climate action implementation. Deliverable (D6.1) Climate Investment Plan prepared, as integral part of the Country Platform Milestones: D6.1.1 Analyses of the existing relevant policies with action plans conducted D6.1.2 Stakeholder consultations to solicit sectorial inputs organized D6.1.3 Climate investment plan, as integral part of the Country Platform, with priority investment measures prepared D6.1.4 Recommendations prepared for climate financing structures which promote engagement of the private capital D6.1.5 At least two investor roundtables and climate finance dialogues organized Activity 1.2.1.b Develop a climate investment plan for the implementation of key policy documents This activity will support the development of an integrated climate investment plan, as integral part of the Country Platform, translating Serbia's Nationally Determined Contribution (NDC), Integrated National Energy and Climate Plan (INECP), National Adaptation Plan (NAP) and Long-Term Strategy (LTS) into prioritized, costed and investment-ready actions. This plan will highlight viable mitigation and adaptation opportunities across key sectors, including the development of a dedicated resilience investment plan aimed at encouraging private sector involvement in climate-resilient infrastructure and services. To ensure full alignment with the new GCF Readiness approach and to eliminate any risk of overlap or duplication between the formulation of the Climate Investment Plan (Activity 1.2.1b) and the broader Country Platform framework (Activity 1.1.2b). The Climate Investment Plan will not be developed as a separate, standalone report; rather, it will be designed as an integral, operational component embedded directly within the GCF Country Platform. By merging these efforts, the Country Platform will rely

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on one cohesive strategic master document to guide its inclusive coordination mechanism, govern the specialized software tool for pipeline prioritization, and direct the structuring of blended climate finance, thereby ensuring maximum efficiency and strategic focus. Within this activity a particular emphasis will be placed on identifying financing structures, risk-sharing mechanisms and incentives that can mobilise private capital and support public–private partnerships (PPPs). Investor roundtables and climate finance dialogues will be convened to present priority investment opportunities, gather market feedback, and strengthen engagement between public institutions, financiers, and private sector actors. These dialogues will help to align investment plans with investor expectations, all the while maintaining social, environmental and gender-responsive safeguards. To ensure that the climate investment plan is developed in full compliance with social and environmental standards, a dedicated consultant will be engaged to conduct and oversee a Strategic Environmental and Social Assessment (SESA) of the investment plan, identifying potential social and environmental risks and opportunities at the strategic level and ensuring that mitigation measures and safeguard provisions are systematically integrated into the plan's design, financing structures, and implementation arrangements. By strengthening the link between national climate strategies and investment pipelines, this activity will improve Serbia's capacity to mobilize blended finance and increase the scale of climate action implementation. Deliverable (D6.1) Climate Investment Plan prepared, as integral part of the Country Platform Milestones: D6.1.1 Analyses of the existing relevant policies with action plans conducted D6.1.2 Stakeholder consultations to solicit sectorial inputs organized D6.1.3 Climate investment plan, as integral part of the Country Platform, with priority investment measures prepared D6.1.4 Recommendations prepared for climate financing structures which promote engagement of the private capital D6.1.5 At least two investor roundtables and climate finance dialogues organized

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1-2-1.c. Develop and pilot green taxonomies This activity will develop and introduce a national green taxonomy for Serbia, classifying economic activities according to their environmental sustainability and aligning them with the European Union's taxonomy framework. By providing clear definitions and criteria for what constitutes 'green' activities, the taxonomy will enable investors, policymakers and financial institutions to identify and scale up sustainable investments. Aligning the taxonomy with the EU's will help ensure compatibility with regional standards, facilitate cross-border capital flows and support integration with EU climate and sustainability reporting expectations. The process will involve technical analysis, multi-stakeholder consultations and capacity building to adapt EU criteria to national priorities, economic structures and sectors, such as energy, transport, agriculture and industry. Social and gender considerations will also be incorporated where relevant to ensure that the taxonomy supports investments that promote equitable outcomes and do not exacerbate social inequalities. The development of the taxonomy will strengthen the regulatory environment by enhancing transparency, reducing the risk of greenwashing, and improving market confidence in climate investments. Awareness-raising and training activities will be carried out for key stakeholders, including banks, insurers, pension funds, and government agencies, to encourage the mainstream use of the taxonomy in investment decision-making and policy planning. In addition, a specific policy promoting local level climate action will be designed, supporting the transposition of national level climate targets to cities and municipalities. Deliverable (D6.2): Green taxonomy developed and policy promoting local climate action Milestones: • Technical analysis completed of the EU green taxonomy criteria and national priorities, economic structures and sectors, such as energy, transport, agriculture and industry; D6.2.1 At least two multi-stakeholder consultations conducted on green taxonomy; D6.2.2 Green Taxonomy for Serbia produced in line with the EU Green Taxonomy; D6.2.3 At least one training session conducted on mainstreaming green taxonomy for key stakeholders, including banks, insurers, pension funds and government agencies; D6.2.4 Regulatory acts prepared to promote local climate action based on international best practice adapted to Serbian circumstances.

- ✓ 1.3. Direct access applicants and accredited entities (DAEs) have met and maintained the accreditation standards of the GCF and strengthened their programming capacities, as evidenced by the development of GCF-funded activities.
- ✓ 1.3.1. Institutional gaps of direct access applicants and accredited entities (DAEs) are addressed to obtain and/or maintain accreditation.

Activities

1-3-1.a. Support the accreditation of at least one national DAE The aim of this activity is to provide targeted technical and institutional support to enable at least one Serbian national institution to achieve accreditation as a Direct Access Entity (DAE) with the Green Climate Fund. This support will include a comprehensive assessment of the gaps against the GCF's accreditation requirements. This assessment will cover fiduciary standards, environmental and social safeguards, gender policies, and project management capacities. Customized capacity-building measures will then be delivered based on the assessment, including policy development, procedural upgrades, staff training and hands-on coaching throughout the accreditation process. The activity will also support the preparation and submission of the accreditation application, including the necessary documentation, and facilitate engagement with the GCF Secretariat. Strengthening national capacity for direct access will enhance country ownership of climate finance, reduce reliance on international intermediaries and enable Serbia to develop, manage and implement GCF-funded projects directly. Ultimately, the accreditation of a national DAE will improve the sustainability, responsiveness and long-term impact of climate investments in Serbia. The identification of the Ministry of Finance (MoF) as the candidate Direct Access Entity (DAE) is not ad hoc, but rather a strategic decision that flows directly from the investment priorities and systemic gaps identified by the GCF Country Platform. Serbia's national climate finance priorities—as outlined in the NDC and NECP and the anticipated Climate Investment Plan—demand a shift away from isolated, small-scale projects toward systemic, macro-level interventions, such as large-scale green infrastructure, national energy transition programs, and comprehensive climate-smart agricultural financing. To execute these priorities, the Country Platform requires a DAE capable of managing complex financial instruments, orchestrating blended finance models, and integrating climate finance directly into the national budget. The Ministry of Finance is uniquely suited to fulfill this mandate. As the central authority for public financial management, state guarantees, and macro-economic policy, the MoF possesses the requisite institutional scale to aggregate smaller municipal projects into bankable, large-scale GCF proposals, mobilize domestic co-financing, and leverage private capital. By securing DAE status, the MoF will ensure that the Country Platform's strategic priorities are seamlessly translated into the national budgetary framework and executed with robust fiduciary oversight, thereby maximizing the leverage ratio of GCF resources in Serbia's green transition. Furthermore, the systematic capacity building and pipeline maturation driven by the Country Platform approach are designed to lay the groundwork for identifying and supporting additional, specialized national institutions—such as domestic commercial banks or sector-specific funds (e.g., the Environmental Protection Fund)—to eventually pursue DAE accreditation, thereby diversifying Serbia's access to direct climate finance. To ensure a structured and accountable accreditation process, the project's first critical deliverable under the DAE capacity-building component will be the development and formal adoption of a comprehensive Internal Guidance and Workplan by the Ministry of Finance (MoF). This foundational document will outline the specific roadmap for GCF accreditation, including a detailed calendar of time-bound milestones, responsible departments, and resource allocations. Crucially, this MoF-endorsed workplan will be shared with the GCF Secretariat to enable transparent tracking and monitoring of the implementation progress throughout the Readiness programme. Furthermore, recognizing that accreditation requires more than just policy adoption, the capacity-building support will strongly emphasize the practical operationalization of these frameworks. The MoF must demonstrate the necessary experience, institutional structures, and dedicated resources to effectively implement GCF-aligned policies, particularly regarding Environmental and Social Safeguards (ESS), Gender integration, and the Grievance Redress Mechanism (GRM). To achieve this, the Readiness support will include 'learning-by-doing' exercises, whereby the MoF will actively apply the newly upgraded GCF-aligned procedures to existing or simulated pilot projects within its current portfolio. This practical

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application will generate the required track record and evidentiary basis to prove to the GCF Accreditation Panel that the MoF possesses not only the policy frameworks but the proven institutional capacity and operational experience required of a Direct Access Entity. The successful implementation of these recommendations will be strictly measured against time-bound milestones within the action plan, utilizing clear indicators such as the number of institutional policies formally adopted, the percentage of internal control framework gaps closed, and the number of MoF personnel certified through specialized fiduciary and ESS training. This progress will be systematically reported to the National Designated Authority (NDA) and the GCF through standard Bi-annual Progress Reports (BPRs), utilizing a customized tracking matrix embedded within the Country Platform's monitoring tools. The ultimate, measurable culmination of this implementation process will be the verified submission of the MoF's complete accreditation application through the GCF Online Accreditation System (OAS) prior to project closure.

Deliverable (D7): Status report on the level to which the Ministry of Finance is prepared for accreditation and meet GCF accreditation requirements Milestones: D7.1 Comprehensive gap assessment of the Ministry of Finance against the GCF's accreditation requirements prepared and accepted by the MF; D7.2 Roadmap for GCF accreditation, including a detailed calendar of time-bound milestones, responsible departments, relevant documentation and resource allocations, developed and accepted by the MF; D7.3 Customized capacity building programme for the Ministry of Finance prepared, accepted by MF, conducted and MF capacities increased; D7.4 At least eight training sessions on GCF accreditation and access to financial procedures conducted with acceptance and involvement of MF; D7.5 Recommendations accepted by the MF to improve policies and procedures to enable compliance with accreditation requirements; D7.6 MF capacitated and documentation prepared and accepted by the MF for accreditation as the GCF DAE;

Objective 2. Paradigm-shifting GCF pipeline development and implementation for adaptation and mitigation, based on country needs and guided by USP-2 programming targets.

- ✓ 2.2. Developing countries have developed high-quality concept notes linked to approved GCF proposals for adaptation and mitigation that are aligned with the USP-2 results, including through DAEs, that build on readiness support and country programmes.
- ✓ 2.2.1. NDA, DAEs and other climate stakeholders, have enhanced their capacity on Concept Note and/or Funding Proposal development for an inclusive integrated climate programming.

Activities

2-2-1.a. Develop studies and other actions to support the development of investment-grade Concept Notes This activity will support the preparation of studies and technical contributions necessary for developing high-quality, investment-grade GCF Concept Notes that align with Serbia's climate priorities, to be integrated within the Country Platform. This preparation will include assessment studies and analyses that include feasibility studies, pre-feasibility assessments, climate risk and vulnerability analyses, economic and financial analyses, and environmental, social, and gender impact assessments. These studies will provide robust evidence of the climate rationale, cost-effectiveness, and paradigm-shift potential of the proposed interventions. The activity will also support developing preliminary implementation arrangements and financial structures, including options for blended finance and private-sector participation. By strengthening the technical basis of project proposals, this activity will greatly enhance the feasibility and readiness for approval of Serbia's climate investment pipeline. Also, the SES-related assessment will be conducted as part of the Activity (Investment-grade Concept Notes development). The assessments will be integral part of the related budget line envisaged for the development of concept notes. Deliverable (D9): Concept Note and studies, assessment, reports, etc. to support the development of investment-grade Concept Notes Milestones: D9.1 Three assessment studies or analyses prepared to support the development of climate investment-level Concept Notes, including financial assessments and blended finance approach; D9.2 At least eleven stakeholder consultation meetings conducted on preparing Concept Notes; D9.3 Three Concept Notes prepared.

- ☑ 2.2.2. Investment-grade Concept Notes and/or Funding Proposals that are fully aligned with the Country Programme and passed the GCF screening process.

Activities

2-2-2.a. Development of Concept Notes and Funding Proposals This activity will strengthen the engagement of the NDA and DAE with relevant stakeholders to develop high-quality GCF concept notes and funding proposals aligned with the country's climate priorities and the Green Climate Fund's investment criteria. In scope of this activity the project will provide technical assistance and guidance to stakeholders to facilitate project design, climate rationale, financial structuring, results frameworks, and risk management. Here, the experience from accredited national entities from other developing countries such as Georgia, Armenia, Tajikistan, Kazakhstan, etc. will be considered. Funding proposals development will be conducted through interactive workshops focused on GCF templates, appraisal requirements, and approval processes. Through a mentorship approach, national institutions and prospective Direct Access Entities will be paired with experienced international experts to receive tailored guidance throughout the proposal development cycle. Additionally, the activity will support the integration of cross-cutting issues, such as gender equality, social inclusion, and environmental and social safeguards, into project design. Strengthening technical and institutional readiness will improve the quality and bankability of Serbia's climate project pipeline, increasing the likelihood of successful GCF funding approvals. Building upon the assessment studies and concept notes developed under 2.2.1.a, and leveraging foundational work from previous national initiatives—such as mature project ideas generated under the GCF National Adaptation Plan (NAP) project and other GCF concept notes (e.g. on nearly zero energy buildings, strengthening the resilience of fruit and vegetable production), the project will formulate at least three well-developed funding proposals. Crucially, Country Platform stakeholders will be actively engaged across every stage of development, including in particular the DAE. The inclusive coordination mechanism, including both the NDA and DAE, will participate in scoping assessments, formulating Concept Notes, and driving a transparent pipeline prioritization process. Stakeholders, led by the NDA and the DAE, will work on advancing the concept notes into three complete Funding Proposals (FPs). This process will include systematic evaluation and screening of the concept notes against established criteria (including gender responsiveness and alignment with the NDC/NAP and other relevant sectorial strategies). The potential concept notes and funding proposals may include following (in line with the Table 2: Indicative Climate Investment Pipeline and Priority Sectors): blended finance in the area of integrated water and drought risks management (including strengthening early warning systems and disaster risk reduction), reduction of biodegradable waste and methane emission through bioenergy generation (e.g. biomethane production), expansion of electricity grids for avoiding congestions and enabling the optimal penetration of RES, improving renewable energy mix (e.g. by promoting larger-scale geothermal energy use) emission reduction in transport sector by expanded use of biofuels and strengthening electric vehicle charging infrastructure, studies for deployment of green hydrogen, energy efficiency improvement in buildings, etc. To establish a clear, actionable pathway for advancing these Concept Notes into mature Funding Proposals (FPs), the Ministry of Finance (the candidate Direct Access Entity - DAE) will be embedded within the process from the onset and will be directly responsible for taking them forward. To guarantee a seamless, country-driven progression from Readiness-supported concept enhancement to actual funding, the candidate DAE will advance the selected proposals through the following structured pathway, in consultations with the GCF: 1. Assumption of Project Ownership: As a core component of its accreditation capacity-building, the candidate DAE will formally take ownership of the selected concept notes and funding proposals, integrating them directly into its institutional project pipeline. 2. Participatory process: through the Coordination Mechanism, the NDA and DAE will ensure participation of the relevant ministries, state agencies and other stakeholders throughout the development process for the concept notes and funding proposals. Both, NDA and DAE will arrange regular meetings and consultations, as well as formal reviews of the proposals against the

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set criteria. This will ensure compliance with key sectorial priorities and facilitate resource mobilization and implementation. 3. Financial Structuring and Resource Mobilization: The project will support clear rules and procedures for the DAE and NDA to translate these concepts into bankable investments/funding proposals. The NDA and DAE will establish rules and procedures with set of criteria to monitor the process of translating the concept notes into funding proposals (including the completeness of technical documentation, permits, financing structure/budgets etc.). The DAE will lead the financial structuring by actively identifying co-financing structures, including necessary national budget appropriations, corporate investments, and IFI or commercial loans. The NDA and DAE will particularly engage with the representatives of financing institutions (e.g. WB, EIB, EBRD, CEB, etc.) and development partners (bilateral donors such as EU, Switzerland, Sweden, Germany-KfW, France – AfD, WBIF etc.) – through bilateral meetings and discussions, the NDA and DAE will negotiate potential blended financing for the funding proposals and determine the conditions of financing, including negotiations for the potential loans. 4. GCF Compliance and Safeguards Integration: The DAE will collaborate with technical stakeholders to upgrade the Concept Notes into full funding proposals (FPs), ensuring that the Climate Rationale, Environmental and Social Safeguards (ESS), and Gender Action Plans are fully aligned with rigorous GCF investment criteria and the DAE's own operational frameworks. 5. Joint Advocacy and Implementation Readiness: Once the FPs are finalized, the NDA and DAE will jointly submit and actively advocate for the proposals to secure the financing needed for the implementation phase. Furthermore, the pathway establishes preparatory mechanisms to ensure the DAE is closely integrated into the monitoring and evaluation (M&E) of activities once the projects are formally launched. The DAE (Ministry of Finance, as well as potential new DAEs), in coordination with NDA, will lead the advancement of the concept notes and funding proposals in coordination with the GCF Secretariat. This will additionally ensure quality at entry to GCF's pipeline. Deliverable (D10): Funding Proposal, Serbia and studies, assessment, reports, etc. to support the development of investment-grade Funding Proposals Milestones: D10.1 At least three workshops organized to solicit stakeholder inputs and collect climate investment project ideas; D10.2 Review of climate investment project ideas against the national priorities and financing criteria; D10.3 At least three training sessions conducted on GCF procedures, templates and drafting Funding Proposals; D10.4 Develop and submit three GCF-standard Funding Proposals, including all applicable mandatory annexes.

- ✓ 2.3. NDAs and DAEs have enhanced processes and systems to effectively oversee the implementation, financial management, monitoring and reporting of climate programmes and projects.
- ✓ 2.3.1. NDA and DAEs have enhanced relevant capacity, processes and systems in place to oversee and implement climate programmes and projects.

Activities

2-3-1.a. Procurement and development of software for climate investment management The project will develop and introduce a project management software to facilitate the process of identification, selection and potential submission of project proposals that are suitable for potential GCF financing. The software will also enable monitor of project implementation progress. The software solution will also serve as an internal and country communication tool among institutions and stakeholders, who are members of the coordination mechanism. It will facilitate information exchange and learning and will contain various guidance documents, rules, procedures, thematic learning documents, regulations, etc. Stakeholders will use the software tool to submit project ideas for potential GCF financing consideration. It will also contain review sheets and screening criteria for proposals and internal discussions among coordination mechanism members. The software will be procured through a competitive bidding process, in accordance with UNDP procurement procedures and in collaboration with technology providers who have demonstrated experience in platform development. The software encompasses four core modules: 1) Project Development Module: This module aligns funding proposals with GCF templates and performs automated compliance checks. 2) Pipeline Management Module: This module uses visual dashboards to track projects from concept through approval stages, including milestones and deadlines. 3) Implementation Monitoring Module: This module tracks results frameworks, performs financial monitoring, and generates automated reports. 4) Knowledge Management Module: This module includes searchable libraries, best practice repositories, and lessons learned. User groups and permissions: Administrators (full system access), project developers (proposal development and editing), technical reviewers (comment and approval functions), implementing entities (implementation data entry), and read-only stakeholders (progress monitoring). Each group will receive a customized interface that matches their functional needs. System integration: The platform will integrate with national climate databases, the MRV system, and potentially GCF platforms through secure APIs. Security and hosting: A cloud-based server will provide encrypted communications with daily backups to prevent data loss. Role-based authentication will be implemented. The software will be hosted in a national data center. The hosting provider should guarantee that the system will be available and operational 99.5% of the time. To ensure the long-term sustainability and operational effectiveness of the specialized software tool developed under Activity 2.3.1a, the National Designated Authority (NDA) will serve as the formal institutional owner of the system. Following the completion of the Readiness programme, the NDA will assume full responsibility for the ongoing maintenance, technical support, and hosting of the software by integrating it into its existing IT infrastructure and regular operational budget. The intended end users of the platform will operate through a tiered access system. The NDA and the Ministry of Finance (as the candidate Direct Access Entity) will act as the primary administrative end users, utilizing the software to oversee pipeline prioritization, evaluate project viability, and manage GCF reporting. Additionally, the broader Country Platform stakeholders, including line ministries, local self-governments, private sector developers, and civil society organizations, will serve as active end users who will use the system to submit initial project ideas, monitor the status of their proposals, and participate transparently in the pipeline development process. Deliverable (D11.1): Status report on capacity building of NDA and DAEs in Serbia in project/program design, implementation and oversight Milestones: D11.1.1 Design of the software solution completed through a consultative process with wider stakeholder involvement; D11.1.2 Development and announcement of the ToR for the procurement of software development services, including market research, completed; D11.1.3 At least two stakeholder consultations conducted to validate the proposed software solution; D11.1.4 Fully functional software developed and operationally tested.

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2-3-1.b. Training for the use of software This activity will provide targeted training to relevant national institutions and stakeholders on effectively using the developed software. The training will focus on the practical application of software for application of project ideas, submission of project proposals, results-based monitoring, and reporting aligned with GCF requirements. Through workshops, guided exercises, and real-case simulations, participants will receive hands-on instruction for the use of software. User manuals and standard operating procedures will be developed to promote sustained use of the software beyond the training period. Follow-up coaching sessions will also be included to address technical challenges and adapt the software to institutional needs. Deliverable (D11.2): Status report on capacity building of NDA and DAEs in Serbia in project/program design, implementation and oversight Milestones: D11.2.1 User manuals and standard operating procedures, including Q&A, prepared; D11.2.2 Video instructions for the use of software prepared; D11.2.3 At least four training sessions on the use of software for the national institutions using the software conducted; D11.2.4 At least four workshops on the use of software for applicants conducted; D11.2.5 Adaptation of the software to address technical challenges implemented.

Objective 3. Knowledge-sharing and learning to enhance national and regional cooperation on climate programming and financing.

- ☑ 3.1. Developing countries, through NDAs or focal points, have made use of knowledge products to address policy gaps and integrated climate investment programming and implementation.
- ☑ 3.1.1. Climate knowledge products and resources is generated and disseminated to develop or advance policies, programming and/or implementation

Activities

3-1-1.a. Knowledge sharing to inform policy making and investment and planning processes This activity promotes systematic knowledge sharing and learning to strengthen evidence-based policymaking and improve climate-responsive investment and planning processes at the national and local levels. The activity will facilitate the collection, analysis, and dissemination of good practices, lessons learned, and innovative approaches related to climate governance, financing, and implementation, particularly focusing on subnational action. A key component of the activity is a study tour to a country with well-developed mechanisms for promoting climate action at the local level such as Luxembourg with its KlimaPakt or France with its Plan Climat-Air-Énergie Territorial framework, Slovenia. This will enable Serbian institutions to learn directly from practical experience in decentralized climate planning and financing. Through site visits, peer exchanges, and structured dialogues with counterpart institutions, the study visit will engage representatives from ministries, local authorities, and relevant agencies. The insights gained will be translated into policy proposal in scope of Activity 1.2.1.2 tailored to Serbia's institutional and regulatory context. In scope of this activity additional knowledge-sharing activities will include thematic workshops, learning events for broader public, and communities of practice that bring together policymakers, practitioners, and investors. Deliverable (D12): Knowledge Products / Compendium of Knowledge Products produced (Policies, Programme, NDC, NAP, LTS, L&D, TNA and others related) Milestones: D12.1 One policy brief on best international practice for promotion of municipal climate action prepared; D12.2 One guideline on access to finance developed, following the NDCP Guidelines for Building a National Landscape of Climate Finance, OECD guidelines, EU Growth Plan for Western Balkans, etc.; D12.3 One guideline on climate investment prioritization developed, in line with the OECD Finance and Investments for Climate Goals, EU Growth Plan for the Western Balkans, EU Green Agenda for the Western Balkans, etc. Deliverable (D13): Status report on the knowledge sharing events and knowledge sharing platform promoted by Serbia Milestones: D13.1 At least five knowledge sharing events organized, including thematic workshops, learning events, and communities of practice that bring together policymakers, practitioners, and investors.

- ☑ 3.2. Enhanced collaboration among developing countries on climate change issues, evidenced by transboundary and regional cooperations/South-South cooperation.
- ☑ 3.2.1. Regional or South-South partnerships, programmes, policies, MOUs and/or collaboration mechanisms established among developing countries, including through their DAEs.

Activities

3-2-1.a. Strengthening cooperation on climate change actions in the Western Balkan region and Turkey This activity aims to strengthen knowledge sharing and advance regional cooperation among Western Balkan countries and Turkey in order to address common climate change challenges and enhance their engagement with the Green Climate Fund (GCF). These countries face similar constraints, including limited institutional capacity, fragmented climate governance, high vulnerability to climate impacts, and difficulty developing projects that meet GCF requirements and are bankable. This activity will set up an open-end regional dialogue, enable organization of regional thematic workshops, peer learning events, and technical exchange meetings. These events will focus on lessons learned from GCF readiness support, Direct Access Entity accreditation, and climate investment pipeline development. The activity will promote the exchange of good practices for integrating climate priorities into national planning frameworks, mobilizing private-sector finance, and addressing cross-cutting issues, such as gender equality and social inclusion. Depending on the interest from the other countries, the option to develop a regional project Concept Note will be discussed. The preparation of this Concept Note could be supported within the activity 2.2.2.a. By fostering collaboration and trust among Western Balkan institutions, this activity will contribute to stronger, more coordinated regional engagement with the Green Climate Fund, as well as more effective implementation of climate action across the region. Deliverable (D14): Status report on the regional or South-South partnerships, programmes, policies, MOUs and/or collaboration mechanisms promoted by Serbia Milestones: D14.1 At least two regional dialogues organized, combined with thematic workshops; D14.2 At least three study visits conducted, one to a Western Balkans country and two to EU member states; D14.3 Recommendations of the rules and procedures for sub-regional coordination prepared; D14.4 Thematic proposals for sub-regional cooperation prepared through three participatory stakeholder consultation sessions; D14.5 A regional platform for technical exchange on GCF financing established; D14.6 At least one concept note for a regional GCF programme prepared.

4.4 Stakeholder Engagement Strategy

During the preparation stage, key stakeholders were consulted to identify gaps, challenges and barriers. The Ministry of Environmental Protection was primarily consulted to assess its capacity to implement the key policy documents: NDC, LTS and NAP. The Ministry has also recently taken over the NDA function, for which there is a great need for capacity building and the development of processes and systems in order to implement climate programmes and projects and benefit from GCF financing. The Ministry also chairs the National Climate Change Council, an advisory body that is used for coordination outside of its mandate. There is no inclusive coordination mechanism for climate action, including cooperation with the GCF. The Ministry of Finance was consulted regarding the possibility of becoming the first national DAE.

During implementation, the project will proactively engage with stakeholders. At the beginning of the project, a coordination mechanism will be established to obtain feedback from key stakeholders. In this context, the Ministry of Environmental Protection will involve representatives from the business sector, industries and local self-government (LSG), through their network organizations, the Chamber of Commerce and Industries (CoC) and the Standing Conference of

Towns and Municipalities (SCTM). Particular attention will be given to engaging with the Ministry of Finance on their path to becoming the first national DAE.

As part of Objective 1, the project will design a mechanism to encourage the engagement of local self-governments in climate action, seeking to engage with the most active local self-governments and the Association of Serbian Towns and Municipalities (Standing Conference of Towns and Municipalities). The project will engage with LSGs with two goals: to increase their capacity and awareness of potential financing opportunities for local climate action and the development of locally led climate investments, and to enable LSGs to put forward funding proposals that qualify for GCF and other financing.

As part of the work on Objective 2, the project will engage with the private sector to ensure their feedback is included in the preparation of a climate investment plan and options for greater investment of private capital in climate action. Furthermore, the private sector will be invited to contribute ideas for establishing a pipeline of climate investments. Engagement with SMEs and industry will be conducted through the Chamber of Commerce and Industry, an association with compulsory membership for all economic entities in Serbia. Engagement with the financing sector, specifically IFIs and commercial banks, will be organized through the Association of Serbian Banks. Here, the project will build on the positive experience and results of the Green Agenda in Serbia initiative (funded jointly by the EU, Switzerland and Sweden), particularly with regard to partnerships with the corporate and financing sectors. The aim is to further mobilize private-sector capital to accelerate green and climate-neutral investments that contribute to national climate targets as set out in national strategic documents such as the NDC, NAP and NECP. Engaging with the corporate and financing sectors will maximize the blended financing approach for projects that Serbia will put forward for potential GCF financing.

4.5 Risk Assessment and Mitigation measures

Operational	
Specific Risk(s)	Timely coordination among NDA, line ministries, and stakeholders reduces effectiveness of the GCF Country Platform.
Probability of Occurrence	Medium
Impact Level	Medium

Mitigation Action(s)	Establish a formal inter-ministerial coordination mechanism led by the NDA with clear roles and responsibilities. Schedule regular coordination meetings and progress reviews. Use standardized communication and reporting templates to track platform development milestones.
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Entity Responsible	UNDP
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Political

Specific Risk(s)	Changes in government structure impacting prioritization of climate finance.
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Probability of Occurrence	Medium
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Impact Level	Medium
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Mitigation Action(s)	Political / Policy Risk Changes in government structure impacting prioritization of climate finance. Medium Medium Medium Maintain continuous engagement with multiple levels of government and civil servants to ensure commitments. Regularly brief new decision-makers on the objectives and benefits of the GCF Country Platform.
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Entity Responsible	MEP, UNDP
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Operational

Specific Risk(s)	Limited capacity to develop GCF-aligned proposals.
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Probability of Occurrence	Medium
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Impact Level	Medium
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Mitigation Action(s)	Implement targeted capacity-building and training programs on GCF policies, proposal development, and accreditation
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requirements. Engage external experts or regional knowledge partners to support proposal preparation. Monitor progress through quality reviews of concept notes and proposals.

Entity Responsible	UNDP
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Financial

Specific Risk(s)	Delays in procurement.
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Probability of Occurrence	Medium
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Impact Level	Medium
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Mitigation Action(s)	Develop a realistic implementation timeline with clear procurement plans and responsibilities. Apply transparent procurement procedures early in the project cycle. Monitor implementation progress through periodic workplan and budget execution reviews.
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Entity Responsible	UNDP
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Other

Specific Risk(s)	Low responsiveness of private sector or CSOs.
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Probability of Occurrence	Low
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Impact Level	Medium
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Mitigation Action(s)	Conduct early and continuous stakeholder outreach, including awareness-raising workshops for private sector and CSOs. Clearly communicate incentives and opportunities for engagement with GCF financing. Monitor participation through stakeholder feedback and attendance records.
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Entity Responsible	UNDP, MEP
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Financial

Specific Risk(s)	Budget overruns or insufficient co-financing.
Probability of Occurrence	Low
Impact Level	Medium
Mitigation Action(s)	Prepare detailed budgets with built-in contingencies and clear co-financing commitments. Closely monitor expenditures against approved budgets on a quarterly basis. Explore diversified co-financing sources to reduce reliance on a single funding stream
Entity Responsible	UNDP

Other

Specific Risk(s)	Limited market readiness reduces bankability.
Probability of Occurrence	Medium
Impact Level	Medium
Mitigation Action(s)	Conduct market assessments to identify barriers to bankability and investment readiness. Provide technical assistance to structure projects in line with investor and GCF requirements. Monitor investment interest and pipeline development through regular portfolio reviews.
Entity Responsible	UNDP

Other

Specific Risk(s)	Insufficient application of accountability procedures.
Probability of Occurrence	Low
Impact Level	Medium
Mitigation Action(s)	Apply robust fiduciary standards in line with GCF and national requirements. Strengthen internal controls, transparency, and audit mechanisms. Monitor compliance through regular financial reporting and independent audits.
Entity Responsible	UNDP

Other

Specific Risk(s)	Money-laundering / terrorist financing
Probability of Occurrence	Low
Impact Level	High
Mitigation Action(s)	Apply strict Anti-Money Laundering and Counter-Terrorist Financing (AML/CFT) procedures in line with national legislation and GCF integrity standards. Conduct due diligence and integrity screening of all implementing partners, contractors, and beneficiaries, including sanctions and prohibited practices checks. Monitor compliance through regular financial controls, audits, and oversight by the NDA and accredited entities.
Entity Responsible	UNDP

Operational

Specific Risk(s)	Absence of a national DAE during multi-year accreditation
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Probability of Occurrence

Low

Impact Level

Medium

Mitigation Action(s)

The project will organize targeted capacity building and provide technical assistance to the DAE to bridge the potential lack of capacities. In this way, the project will support establishment of clear rules and procedures and prepare needed regulatory amendments to enable fully functioning DAE role.

Entity Responsible

MF, UNDP

Financial**Specific Risk(s)**

Volatility of exchange rate USD/RSD

Probability of Occurrence

Medium

Impact Level

Medium

Mitigation Action(s)

Regular budget monitoring and updating. Couple the supplier contracts to USD

Entity Responsible

UNDP

Section 5: Logical Framework (output)

Objective 1. Capacity-building for climate-finance coordination and setting up the enabling environment for integrated climate investment.

OUTCOME 1.1

Developing countries, through NDAs or focal points, have enhanced capacity to fulfil their roles, responsibilities and policy requirements, including coordination mechanisms to engage relevant stakeholders to develop, advance, and implement NDCs, NAPs and LTSs.

OUTPUT 1.1.1

NDA/focal point and other climate stakeholders have enhanced their capacity to fulfil their roles and responsibilities to develop, advance and implement NDCs, NAPs and LTSs.

Indicator 1.1.1.1

Proportion of NDA/focal point, Coordination Mechanism and other climate stakeholders reporting an enhanced capacity to fulfil their roles and responsibilities to develop, advance and implement NDCs, NAPs and LTSs (Individuals: X/total).

Please provide the number of participants per strategic framework

Unit: No. of Participants

Project Countries	Strategic Framework	Baseline	Final Target
Serbia	NDC	0	25
Serbia	NAP	0	25
Serbia	LTS	0	25

Please select the relevant stakeholders

Project Countries	Strategic Framework	Value
Serbia	NDC	Governments/Ministries
Serbia	NAP	Governments/Ministries, Academia, Civil society organizations (CSOs)
Serbia	LTS	Governments/Ministries, Private Sector, Civil society organizations (CSOs), Local Communities

OUTPUT 1.1.2

An inclusive Coordination Mechanism has enhanced capacity to fulfill its mandate to develop, advance and implement NDCs, NAPs and LTSs.

Indicator 1.1.2.1

An inclusive Coordination Mechanism or Country Platform* is supported.

Please provide the number of Coordination mechanisms per status

Unit: No. of Coordination Mechanisms

Project Countries	Effectiveness Status	Baseline	Final Target
Serbia	Establish	0	1

Please select the relevant stakeholder(s) for Coordination mechanisms

Project Countries	Effectiveness Status	Value
Serbia	Establish	Governments/Ministries, Local Communities

Please provide the number of Country Platform per status

Unit: No. of Country Platforms

Project Countries	Effectiveness Status	Baseline	Final Target
Serbia	Establish	0	1

Please select the relevant stakeholder(s) for Country Platform

Project Countries	Effectiveness Status	Value
Serbia	Establish	Governments/Ministries, Private Sector, Local Communities, Civil society organizations (CSOs), Climate Financiers, Others, Focal Points to UNFCCC

Indicator 1.1.2.2

Number of coordination meetings or dialogues undertaken with climate stakeholders, including climate funds, financiers and partners.

Please provide the number of coordination meetings or dialogues

Unit: No. of Meetings/Dialogues

Project Countries	Baseline	Final Target
Serbia	0	4

Please select the relevant stakeholder(s)

Project Countries	Value
Serbia	Governments/Ministries, Local Communities, Private Sector, Climate Financiers, Others

Expected Deliverables

Select the key deliverables that will be produced under this outcome

- ☒ Status report on capacity building of NDA and climate stakeholders in [Country] to develop, advance, and implement NDCs, NAPs and LTS.
- ☒ Status report on country coordination mechanism, country (or regional) platform for enhanced climate finance access to develop, advance, and implement NDCs, NAPs and LTS in the Country.

OUTCOME 1.2

Developing countries design and implement strategic frameworks (including NDC/NAP/LTS), policies and instruments, including climate investment plans, to create enabling environments for integrated climate investments.

OUTPUT 1.2.1

Inclusive strategic frameworks (NDCs, NAPs, and LTSs) and policy instruments are created, updated and/or strengthened.

Indicator 1.2.1.1

Number of inclusive NDCs, NAPs and LTSs developed or advanced.

Please provide the number of Strategic Frameworks developed or updated and select the status of the framework

Unit: No. of Strategic Frameworks

Project Countries	Lifecycle Status	Strategic Framework	Sub-Capacity Area	Baseline	Final Target
Serbia	Update/Revise	NDC	NDC	0	1
Serbia	Update/Revise	LTS	LTS	0	1

Project Countries	Lifecycle Status	Strategic Framework	Sub-Capacity Area	Baseline	Final Target
Serbia	Update/Revise	NAP	National NAP	0	1

Indicator 1.2.1.2

Number of inclusive policy instruments developed or enhanced to implement NDCs, NAPs, and/or LTSs.

Please select the policy instrument documents in relevance to the Strategic Framework(s)

Project Countries	Lifecycle Status	Policy Instrument Documents	Value
Serbia	New	Climate Investment Plan	NAP, NDC, LTS

Please provide the number of Strategic Frameworks developed or updated

Unit: No. of Policy Instruments

Project Countries	Lifecycle Status	Policy Instrument Documents	Baseline	Final Target
Serbia	New	Climate Investment Plan	0	1

Indicator 1.2.1.3

Number of inclusive policies, regulations and mechanisms developed or enhanced to incentivize private sector engagement and catalyze private funds.

Please provide the number of policies, regulations and mechanisms developed or updated to incentivize private sector engagement

Unit: No. of Items

Project Countries	Lifecycle Status	Instrument	Baseline	Final Target
Serbia	New	Policy	0	1
Serbia	Update/Revise	Policy	0	1



Expected Deliverables

Select the key deliverables that will be produced under this outcome

- ✓ Status report on the national adaptation plan (NAP).
- ✓ Status report on the nationally determined contribution (NDC).
- ✓ Status report on the long term climate strategies (LTS).
- ✓ Status report on policies, regulations and mechanisms developed or enhanced to incentivize private sector engagement in the Country.

OUTCOME 1.3

Direct access applicants and accredited entities (DAEs) have met and maintained the accreditation standards of the GCF and strengthened their programming capacities, as evidenced by the development of GCF-funded activities.

OUTPUT 1.3.1

Institutional gaps of direct access applicants and accredited entities (DAEs) are addressed to obtain and/or maintain accreditation.

Indicator 1.3.1.1

Number of direct access applicants and accredited entities (DAEs) with capacity, systems, policies and tools that are compliant with GCF accreditation requirements.

Please provide the number of entities benefitted from the country window or DAE window

Unit: No. of Entities

Project Countries	Accreditation Support	Window Type	Baseline	Final Target
Serbia	Pre-Accreditation Support	Country Window	0	1

Expected Deliverables

Select the key deliverables that will be produced under this outcome

- ✓ Status report on capacity building of direct access applicants and accredited entities to meet GCF accreditation requirements.

Objective 2. Paradigm-shifting GCF pipeline development and implementation for adaptation and mitigation, based on country needs and

guided by USP-2 programming targets.

OUTCOME 2.2

Developing countries have developed high-quality concept notes linked to approved GCF proposals for adaptation and mitigation that are aligned with the USP-2 results, including through DAEs, that build on readiness support and country programmes.

OUTPUT 2.2.1

NDA, DAEs and other climate stakeholders, have enhanced their capacity on Concept Note and/or Funding Proposal development for an inclusive integrated climate programming.

Indicator 2.2.1.1

Number of studies, assessments, and other actions undertaken to support the development of investment-grade Concept Notes and/or Funding Proposals.

Please provide the number of studies, assessments, and other actions to develop CN/FP

Unit: No. of Studies/assessments

Project Countries	Conducted to	Baseline	Final Target
Serbia	Conducted for both GCF and Others	0	3

OUTPUT 2.2.2

Investment-grade Concept Notes and/or Funding Proposals that are fully aligned with the Country Programme and passed the GCF screening process.

Indicator 2.2.2.1

Number of Concept Notes and/or Funding Proposals developed that are fully aligned with the Country Programme.

Please provide the CN/FP developed

Unit: No. of Projects

Project Countries	Project Submission Type	Project Submission Destination	Project Submission Status	Baseline	Final Target
Serbia	Funding Proposal	GCF	Submitted for Approval	0	3
Serbia	Concept Note	GCF	Submitted	0	3

Expected Deliverables

Select the key deliverables that will be produced under this outcome

- ☒ Concept Note and studies, assessment, reports, etc. to support the development of investment-grade Concept Notes.
- ☒ Funding Proposal and studies, assessment, reports, etc. to support the development of investment-grade Funding Proposals.

OUTCOME 2.3

NDA and DAEs have enhanced processes and systems to effectively oversee the implementation, financial management, monitoring and reporting of climate programmes and projects.

OUTPUT 2.3.1

NDA and DAEs have enhanced relevant capacity, processes and systems in place to oversee and implement climate programmes and projects.

Indicator 2.3.1.1

Number of NDA and DAEs reporting enhanced processes and systems, knowledge and skills that advance their programme/project implementation, financial management, monitoring and reporting, and compliance with GCF standards and policies.

Please provide the number of NDAs/DAEs advancing their programme/project of GCF Funded Activities

Unit: No. of Entities

Project Countries	Institution Roles	Baseline	Final Target
Serbia	NDA	0	1
Serbia	DAE	0	1

Expected Deliverables

Select the key deliverables that will be produced under this outcome

- ☒ Status report on capacity building of NDA and DAEs in the Country/Region in project/ program design, implementation and oversight.

Objective 3. Knowledge-sharing and learning to enhance national and regional cooperation on climate programming and financing.

OUTCOME 3.1

Developing countries, through NDAs or focal points, have made use of knowledge products to address policy gaps and integrated climate investment programming and implementation.

OUTPUT 3.1.1

Climate knowledge products and resources is generated and disseminated to develop or advance policies, programming and/or implementation

Indicator 3.1.1.1

Number of inclusive knowledge products and resources.

Please provide the number of knowledge products/resources

Unit: No. of Knowledge Products/Resources

Project Countries	Strategic Framework	Baseline	Final Target
Serbia	NDC	0	1
Serbia	NAP	0	1
Serbia	LTS	0	1

Indicator 3.1.1.2

Number of inclusive knowledge-sharing events and platforms.

Please provide the number of events/knowledge platforms per strategic framework

Unit: No. of knowledge-sharing events/platforms

Project Countries	Strategic Framework	Baseline	Final Target
Serbia	NDC	0	3
Serbia	NAP	0	1
Serbia	LTS	0	1



Expected Deliverables

Select the key deliverables that will be produced under this outcome

- ☒ Knowledge Products / Compendium of Knowledge Products produced (Policies, Programme, NDC, NAP, LTS, L&D, TNA and others related).
- ☒ Status report on the knowledge sharing events and knowledge sharing platform promoted by the Country.

OUTCOME 3.2

Enhanced collaboration among developing countries on climate change issues, evidenced by transboundary and regional cooperations/South-South cooperation.

OUTPUT 3.2.1

Regional or South-South partnerships, programmes, policies, MOUs and/or collaboration mechanisms established among developing countries, including through their DAEs.

Indicator 3.2.1.1

Number of regional or South-South partnerships, programmes, policies, MOUs and/or collaboration mechanisms established.

Please provide the number of regional, multi-regional, South-South partnerships established or strengthened

Unit: No. of Regional Partnerships

Project Countries	Effectiveness Status	Initiatives	Baseline	Final Target
Serbia	Establish	Regional, multi-regional or South-South partnerships or collaborations	0	1
Serbia	Establish	Regional programmes	0	1

Expected Deliverables

Select the key deliverables that will be produced under this outcome

- ☒ Status report on the regional or South-South partnerships, programmes, policies, MOUs and/or collaboration mechanisms promoted by the Country or Region.

Section 6: Implementation Arrangements

6.1.1 Partnering under the Direct Access

Not applicable

6.1.2 Framework Agreements

This proposal shall be governed by the terms and conditions set forth in the Second Amended and Restated Framework Readiness and Preparatory Support Grant Agreement agreed between GCF and UNDP dated 22 July 2020". UNDP will be responsible for the implementation of the readiness support and will carry out all fiduciary and financial management, procurement of goods and services, and monitoring and reporting activities under this proposal in accordance with UNDP’s policies and procedures and with the Framework Agreement dated 22 July 2020. It is also noted that a side letter to the Framework Agreement will be prepared and executed to align with the milestone-based disbursement required for grants approved under the Readiness Strategy 2024-2027.

 [readiness-framework-agreement-undp.pdf](#)

6.2 Organisation and Staffing

TBC	
Organisation	UNDP
Area of Expertise	Management of large scale donor funded project; Technical expertise in climate change mitigation and adaptation
Position Assigned	Project Manager
Task Assigned	Overall project management, coordination with beneficiaries, budget management

Base Country During Assignment	Serbia
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TBC

Organisation	UNDP
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Area of Expertise	Technical expertise in climate change mitigation and adaptation
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Position Assigned	Climate Change Coordination Associate / Specialist
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Task Assigned	Coordination with MEP, provision of technical input on climate change
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Base Country During Assignment	Serbia
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TBC

Organisation	UNDP
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Area of Expertise	Expertise in financing of climate investment
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Position Assigned	Lead Climate Change and Finance Specialist
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Task Assigned	Coordination with MF, technical input on financing of climate action
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Base Country During Assignment	Serbia
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TBC

Organisation	UNDP
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Area of Expertise	Expertise in climate change policy (NDC/ LCDS)
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Position Assigned	Local consultants for climate policy
Task Assigned	Improvement of the national policy framework for climate action, update of NDC and LCDS and other relevant policies
Base Country During Assignment	Serbia

TBC

Organisation	UNDP
Area of Expertise	Expertise in DAE accreditation
Position Assigned	International consultant
Task Assigned	Advisory support for MF for accreditation
Base Country During Assignment	Serbia

TBC

Organisation	UNDP
Area of Expertise	Expertise in stakeholder consultations
Position Assigned	Local consultants for stakeholder consultation
Task Assigned	Engagement with stakeholders to ensure inclusive and participatory approach
Base Country During Assignment	Serbia

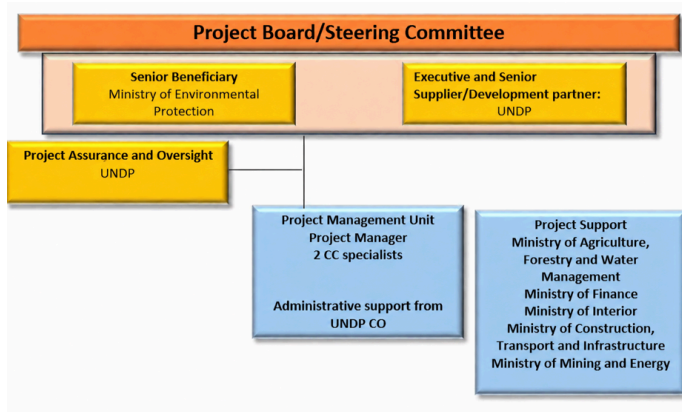
TBC

Organisation	UNDP
Area of Expertise	Expertise in fund management
Position Assigned	Local consultant for DAE capacity building
Task Assigned	Capacity building and advisory support for MF to operate as DAE
Base Country During Assignment	Serbia

TBC

Organisation	UNDP
Area of Expertise	Expertise in safeguards procedures and standards
Position Assigned	Local Consultant
Task Assigned	Integration of the SES considerations into the relevant systems that will be developed by the project (1.1.2.a; 1.2.1.b, 1.2.1.c; Activity 2.3.1.a); oversee the SESA for Climate investment plan (Activity 1.2.1.b); and screening Investment-grade Concept Notes (Activity 2.2.1.a) and oversee the relevant assessments conducted during their elaboration
Base Country During Assignment	Serbia

The project will be implemented following UNDP's Direct Implementation Modality (DIM). The management arrangements for this project are summarized in the chart below:



The **Project Management Unit**: A Project Management Unit (PMU) will be responsible for implementing the project in its entirety. The PMU will be based at the Ministry of Environmental Protection, and will be responsible to provide daily technical, administrative, and financial management of the project. It will establish and coordinate collaboration with technical departments involved in project implementation. It shall serve as the secretariat for the Project Board / Project Steering Committee (under the Project Board / Project Steering Committee strategic guidance, including the NDA as PB member) and the Project Support Group. The PMU will be comprised of a Project Manager (PM), and two climate change specialists. The PMU will be recruited in accordance with UNDP's regulations to manage actual implementation of the project. It will be based in Belgrade and run the project on a day-to-day basis. The PMU will:

- Oversee the day-to-day implementation of project activities.
- Provide interim report including the budget & expenditure reporting and procurement plan for the project.
- Identify relevant stakeholders to participate in project activities.
- Develop and approve the TORs (reviewed and formally endorsed by the NDA prior to issuance) for consultants to be hired to carry out technical assessments under the project.
- Conduct regular meetings with stakeholders and local consultants including coordination of all relevant meetings of (technical committees, working teams, stakeholders' consultations, etc.).
- Validate the project deliverables with the NDA and relevant stakeholders.
- Annual work plans and progress reports will be shared with and reviewed by the NDA prior to submission to the Project Board.

The Project Board (Project Steering Committee): A Project Board (Project Steering Committee) will be established to provide an oversight on the project's execution and its activities, including recommendations for the approval of project/budget plans and its revisions.

In order to ensure UNDP's ultimate accountability, the Project Board (Project Steering Committee) decisions should be made in accordance with standards that ensure development

results, best value for money, fairness, integrity, transparency and effective international competition. The Project Board (Project Steering Committee) will strive to reach decisions by consensus, with due consideration of the NDA's strategic guidance and national priorities. In the event where a consensus cannot be reached within the Board, the final decision shall rest with the UNDP. UNDP's tie-breaker vote is to ensure fiduciary compliance only when consensus agreement cannot be reached by the Board. This accountability only extends to the execution of approved activities and budget resources under the project (as approved by the NDA).

Specific responsibilities of the Project Board (Project Steering Committee) include:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints.
- Address project issues as raised by the project manager.
- Provide guidance on new project risks and agree on possible countermeasures and management actions to address specific risks.
- Agree on project manager's tolerances as required.
- Reviews the project progress and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Appraise the annual project implementation report, including the quality assessment rating report and prepare recommendations for the work-plan.
- Provide ad hoc direction and advice for exceptional situations when the project manager's tolerances are exceeded; and
- Assess and decide to proceed on project changes through appropriate revisions.

The Project Board (Project Steering Committee) will meet at least once a year. Representatives of local governments and independent third parties, such as international or national NGOs, can attend the Project Board (Project Steering Committee) meetings as observers. The Project Board (Project Steering Committee) will be balanced in terms of gender. The Ministry of Environmental Protection and UNDP will comprise the Project Board (Project Steering Committee).

The Ministry of Environmental Protection is the NDA for the Republic of Serbia and as beneficiary of the Readiness grant, it will facilitate and convene meetings of technical and administrative nature, support in gaining access to data and information, and keep all relevant stakeholders informed of the progress of the Readiness grant. The NDA is responsible for guiding the GCF priorities in the country and approving GCF projects. The NDA will support the implementation of all technical activities, provide inputs for the preparation of the workshop programs, propose lists of national participants, prepare technical inputs for the preparation of the workshops' minutes and provide technical feedback on the Terms of References for the hiring of consultants, both national and international, and provides feedback about technical documents elaborated by the consultants hired by UNDP. The NDA will also provide the

workstations for the national consultants and meeting rooms with the relevant stakeholders. No grant funds will be used to pay for existing staff or consultants of the government or any beneficiaries. The NDA shall provide strategic guidance and formal review of key technical outputs, workplans, and consultant deliverables to ensure alignment with national priorities and GCF requirements.

The Board contains four distinct roles, including:

- a. Project Executive: individual representing project ownership to chair the group
- b. Project Executive is an individual who represents ownership of the project who will chair the Project Board (Project Steering Committee). This role can be held by a representative from the Government Cooperating Agency or UNDP.
- c. Project Executive is ultimately responsible for the project, supported by the Beneficiary representative and development partner. Project Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The executive has to ensure that the project gives value for money, ensuring a cost-conscious approach to the project, balancing the demands of beneficiary and supplier.

Specific Responsibilities (as part of the above responsibilities for the Project Board/ Project Steering Committee)

- Ensure there is a coherent project organization structure and logical set of plans.
- Set tolerances in the AWP and other plans as required for the Project Manager.
- Monitor and control the progress of the project at a strategic level.
- Ensure that risks are being tracked and mitigated as effectively as possible.
- Brief relevant stakeholders about project progress.
- Organize and chair Project Board (Project Steering Committee) meetings.

b) Development Partner: represents the interests of the parties concerned which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing). The development partner's primary function within the Board is to guide the technical feasibility of the project. The development partner's role must have the authority to commit or acquire supplier resources required. If necessary, more than one person may be required for this role. The development partner is UNDP.

Specific Responsibilities (as part of the above responsibilities for the Project Board (Project Steering Committee):

- Ensure that progress towards the outputs remains consistent from the supplier perspective.
- Promote and maintain focus on the expected project output(s) from the point of view of supplier management.
- Ensure that the supplier resources required for the project are made available.
- Contribute supplier opinions on Project Board (Project Steering Committee) decisions on whether to implement recommendations on proposed changes.
- Arbitrate on, and ensure resolution of, any supplier priority or resource conflicts.

c) Beneficiary Representative: An individual or group of individuals representing the interests of those who will ultimately benefit from the project. The beneficiary representative's primary function within the Board is to ensure the realization of project results from the perspective of project beneficiaries.

The Beneficiary representative's role is held by a representative of the government or civil society. The Senior Beneficiary is the Ministry of Environmental Protection.

The Beneficiary representatives are responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. The Senior Beneficiary role monitors progress against targets and quality criteria. This role may require more than one person to cover all the beneficiary interests. For the sake of effectiveness, the role should not be split between too many people.

Specific Responsibilities of the Beneficiary representatives include:

- Prioritize and contribute beneficiaries' opinions on Project Board (Project Steering Committee) decisions on whether to implement recommendations on proposed changes.
- Specification of the Beneficiary's needs is accurate, complete and unambiguous.
- Implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are progressing towards that target.
- Impact of potential changes is evaluated from the beneficiary point of view.
- Risks to the beneficiaries are frequently monitored.

Project support from the Government will be provided by the Ministry of Environmental Protection, where required. This is considered as in-kind contribution to the project implementation to be provided by the Government. Additional agencies, such as Ministry of Finance, Ministry of Agriculture, Forestry and Water Management, Ministry of Mining and Energy, central and regional municipal authorities will contribute personnel/staff and expertise, when

required, and will participate in relevant expert, seminars, workshops, or management meetings and/or providing meeting venues. The project will also benefit from the wide experience of the UNDP, particularly in Eastern Europe, the Caucasus, and Central Asia countries, and from NAP-GSP with its pools of experts (such as Climate Information and Science Experts, Climate Change/Environment Economists, Public Finance Specialists, Private Sector Experts, Climate Policy Specialists, etc.) that will provide technical assistance when requested.

Project Management Unit (PMU)

Implementation will be done under the overall management of the Project Manager. The PMU will report to the Project Board (Project Steering Committee) and Programme Manager in accordance with UNDP rules and regulations. Services provided by the PMU include, inter alia, support to recruitment and contracting of project management and technical staff; procurement of goods and services for project inputs; developing Annual Work Plans; support for budget and financial management, among others.

Project Assurance: UNDP provides a three – tier oversight and quality assurance role involving UNDP staff in Country Offices and at regional and headquarters levels. For the CO level, the project assurance role will be played by the portfolio manager, with the RTA and the UNDP-GEF NY team at regional and NY levels respectively. The quality assurance role supports the Project Board (Project Steering Committee) by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. Project Assurance must be independent of the Project Management function; the Project Board (Project Steering Committee) cannot delegate any of its quality assurance responsibilities to the Project Manager. The project assurance role is covered by the delivery partner fee provided by the GCF. As an Accredited Entity to the GCF, UNDP is required to deliver GCF-specific oversight and quality assurance services including: (i) Day-to-day over-sight supervision, (ii) Oversight of project completion, (iii) Oversight of project reporting. Therefore, UNDP-NCE Unit will provide technical advisory services to country under the GCF projects; guide and review country activities focused on stocktaking of on-going and completed initiatives of relevance to informing and contributing to the national adaptation plans process; and provide timely quality information and technical advice on policies, priorities and activities for GCF funded projects.

Additional information on the NDA & DAE role:

While UNDP serves as the Delivery Partner responsible for the day-to-day administrative and financial management of this Readiness project, the overall strategic direction and ownership of the outcomes rest firmly with the Government of Serbia. To ensure strong country ownership and adherence to national climate priorities, the implementation arrangements establish a formalized framework for oversight and decision-making involving the National Designated Authority (NDA) and the Ministry of Finance (MoF).

1. NDA Oversight Functions and Formal Endorsement Points:

The NDA (Ministry of Environmental Protection) will exercise continuous, high-level oversight over project implementation. The NDA is responsible for ensuring that all activities align with Serbia's strategic climate frameworks (NDC, NAP, LTS) and the GCF Country Programme. To formalize this oversight, the NDA will co-chair the Project Steering Committee (PSC) alongside UNDP. Furthermore, specific critical decisions and deliverables will require formal NDA endorsement before they are considered final or submitted to the GCF. These mandatory sign-off points include:

- Strategic Deliverables: Formal endorsement of the unified Country Platform framework/Climate Investment Plan (Outputs 1.2.1b / 1.1.2b).
- Pipeline Prioritization: Final sign-off on the selection of the three Concept Notes and the final decision to advance the specific Funding Proposals (Outputs 2.2.1a / 2.2.2a).
- Platform Operations: Approval of the Terms of Reference (ToR) and operational guidelines for the inclusive coordination mechanism (Activity 1.1.2a).
- Reporting: Review and endorsement of all Bi-annual Progress Reports (BPRs) prior to their submission to the GCF Secretariat.

2. Responsibilities of the Accreditation Candidate (Ministry of Finance):

- Developing, formally adopting, and executing the internal GCF accreditation workplan and calendar of milestones (as the first project deliverable).
- Establishing a dedicated internal working group to drive the institutional gap analysis and implement the resulting recommendations.
- Co-drafting and securing internal approvals for necessary policy upgrades (e.g., ESS, Gender Policy, GRM).
- Actively demonstrating the application of these GCF-aligned policies through "learning-by-doing" exercises on existing or simulated projects to generate the necessary operational track record.
- Co-developing the selected Funding Proposals to ensure alignment with MoF fiduciary standards and blended finance models.

3. Government In-Kind Contributions:

To demonstrate national commitment and co-ownership, the Government of Serbia, through the NDA and the MoF, will provide substantial in-kind contributions to the project's implementation.

This includes:

- The assignment of dedicated focal points and technical staff time from relevant departments to participate in the PB/PSC, working groups, and capacity-building sessions.
- The provision of meeting facilities and logistical support for stakeholder consultations, coordination mechanism sessions, and training events hosted within government premises.
- Upon project completion, the NDA will assume full operational and financial responsibility for the hosting, maintenance, and technical support of the specialized pipeline software tool (Output 2.3.1a), integrating it into its regular IT infrastructure and operational budget.

6.3 Fund flow arrangements

The project will be implemented following UNDP's Direct Implementation Modality (DIM). With that regard, UNDP will not be channeling any funds or implementation responsibilities to the MoF. Funds will be deposited and managed in the Official UNDP Serbia bank account, nominated in USD. There will be no separate project bank account, in order to minimize transactional cost and exchange rate losses. There will be no NIM advances to local bank accounts denominated in local currency (RSD) and thus the risk of exchange rate losses is further minimized. All payments will be made from the Official UNDP Serbia bank account, whereby budget is maintained in USD, and all payment in local currency paid promptly using UNORE. All procurement actions and Purchase orders will be denominated in USD for the budget consistency and only moved in local currency using the latest UNORE when the payment is due as per contract/commitments. Period between receipt of goods and services and payment is to be kept at the minimum number of days in order to avoid generating exchange rate losses.

This proposal shall be governed by the terms and conditions set forth in the Second Amended and Restated Framework Readiness and Preparatory Support Grant Agreement agreed between GCF and UNDP dated 22 July 2020". UNDP will be responsible for the implementation of the readiness support and will carry out all fiduciary and financial management, procurement of goods and services, and monitoring and reporting activities under this proposal in accordance with UNDP's policies and procedures and with the Framework Agreement dated 22 July 2020.

Section 7: Monitoring, Evaluation and Reporting

7.1 Programme Monitoring and Reporting (Output-Level)

- ☒ By checking this box, I acknowledge awareness of reporting tasks, including frequency and content

7.2 Financial Audits

Please confirm which type of auditor will be selected and provide any details

Private Auditor

- ☒ By checking this box, I acknowledge awareness of financial audit responsibilities, including frequency

7.3 Mid-Term Review (if the programme is four years)

- ☒ By checking this box, I acknowledge awareness of reporting tasks, including frequency and content

7.4 Final Evaluation

If the country is considering two programmes, please confirm under which programme the final evaluation cost will be included in the budget:

The final evaluation cost is included in this programme.

- ☒ By checking this box, I acknowledge awareness of reporting tasks, including frequency and content

7.5 Sanctions and Restrictive Measures

No UNSC restrictive measures in force in the beneficiary country.

Sanction assurance letter

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7.6 Grievance Redress Mechanisms

UNDP in Serbia sets Stakeholder Response Mechanism (SRM) as the body which address grievances related to the social and environmental impacts of any project implemented by the UNDP in Serbia in a timely and efficient manner. Grievances related to other topics should be referred to the appropriate mechanisms. SRM does not replace existing national redress mechanisms or the mandate of the UNDP procedures on complaints review.

SRM scope of work: Receive and seek to resolve complaints about actual or potential environmental or social harm to the affected person(s) arising from the Project. In its accessibility to complainants and its responses to complaints, the SRM will be gender-responsive, culturally sensitive, non-discriminatory, and inclusive. Complaints related to sexual abuse and exploitation (SEA) will be treated in a survivor centered manner and ensure referrals for safe and survivor assistance.

SRM will ensure:

- (i) an accessible, predictable, and transparent procedure for receiving and responding to complaints;
- (ii) direct engagement and dialogue with complainants to clarify issues and interests and develop mutually acceptable responses;
- (iii) equitable and rights-compatible resolution of complaints, including contribution to remedy for environmental or social harm demonstrably caused or contributed to by the Project;
- (iv) opportunity for learning from complaints and their resolution in ways that contribute to improved management of environmental and social risks and ensure alignment with UNDP's Social and Environmental Standards as well as applicable laws, regulations, and policies.

Section 8: Budget

8.1 Budget (100 words)

Refer to the revised file and related budget notes.

☒ Country window: Insert amount requested out of the \$4,000,000

\$4,000,000

 [Copy of Readiness-financial-proposal-template-direct-access_Serbia September 26 final REV GCF.xlsx](#)

Section 9: Other Relevant Information

9.1 Exit and Sustainability Strategy (500 words)

The exit and sustainability strategy ensures that capacity-building investments result in lasting institutional strengthening and continued national ownership of climate finance actions beyond project completion. It focuses on institutionalizing the knowledge, tools, and practices within national systems and institutions, while supporting the key stakeholders to sustain and expand readiness outcomes.

1. Capacity Building and Institutionalization

The project will strengthen capacities of the National Designated Authority (NDA), relevant line ministries, public agencies, and key financial institutions through permanent organizational functions, standard operating procedures and coordination mechanisms. Acquired skills in climate finance planning, project development, and stakeholder engagement will be integrated into institutional mandates and workflows, ensuring sustainability after project closure. Practical tools and standardized templates, including project screening matrices, concept note templates, stakeholder consultation guidelines, climate risk assessment tools, and monitoring frameworks, will be developed and aligned with GCF requirements and national procedures, enabling beneficiaries to independently prepare, assess, and manage climate finance initiatives.

2. Targeted Training Programmes

The project supported tailored training programmes for the NDA and other relevant institutions and stakeholders. The trainings will cover GCF policies and procedures, project pipeline development, climate finance mobilization, private sector engagement, monitoring and reporting, and environmental and social safeguards, building upon previous GCF funded projects in Serbia. . The training programmes will be delivered in combined format, e.g. in person workshops, online modules, and hands-on mentoring. Specialized sessions for sector ministries, local governments, financial institutions, and accredited entities will strengthen cross-sectoral coordination and technical expertise.

3. Adaptation to Local Contexts and Ownership

The project will make sure that training programmes and capacity building actions, including related training materials, are aligned with existing regulatory, policy framework and institutional structures. Consultative workshops will engage national and local stakeholders in the design and testing of methodologies, ensuring relevance and fostering ownership. The project will seek active feedbacks in order to continuously refine approaches based on user experience.

4. Integration into National Systems

The project will advocate for integration of climate finance functions and recommendations into existing national strategies, including climate, energy, development, and public investment frameworks. Also, the project actions will be aligned with Serbia's Nationally Determined Contribution, National Adaptation Programme, National Energy and Climate Plan and Low carbon Development Strategy, providing recommendations for medium-term budgetary planning. This integration will enhance policy coherence and ensure that climate finance considerations become part of routine planning and decision-making.

5. Integration into National Systems

The project will provide recommendations for upgrading the mandates, internal guidelines, and inter-ministerial coordination arrangements, including standard operating procedures for GCF engagement, project endorsement, and stakeholder consultation, ensuring continuity of practices beyond the project period.

6. Sustainability Mechanisms

The project will create a network of administrative staff that participated in project related capacity building activities in order to create a pool of national "institutional experts/ trainers" within key institutions. This network of employees within key institutions will represent a valuable institutional resource for sustainable capacity building activities related to GCF and other climate investment planning and finance. Also, these employees will contribute actively to formal training programmes within the public administration system (e.g. National State Administration Academy) to ensure long-term capacity.

7. Knowledge-Sharing and Continuous Learning

The project will use the Country Platform to set up also a knowledge-sharing hub, including all project produced materials and facilitating access for stakeholders. Regular stakeholder dialogues through the project established Coordination Mechanism and National Climate Change Council will facilitate continuous learning and peer exchange. Communities of practice among government agencies, financial institutions, and project developers will be promoted, supporting experience sharing and adaptation to evolving GCF requirements.

Through institutionalization, system integration, and sustainable learning mechanisms, this exit and sustainability strategy will ensure that Serbia retains and expands its capacity to engage effectively with the Green Climate Fund and broader climate finance architecture beyond the project's completion.

9.2 Readiness Programme Closure

The project will ensure structured and transparent transition process to ensure the sustainability of its outcomes and continued national ownership. The closure approach focuses on the systematic transfer of all tangible and intangible assets to designated national institutions under the coordination of the National Designated Authority (NDA).

The project will draft the Asset Transfer Plan to guide the completion of grant activities and the handover of programme outputs. It will contain procedures, timelines, and responsibilities for transferring equipment, digital systems, intellectual property, and knowledge products. The project team will compile comprehensive inventory of assets, including IT equipment, software platform (Country Platform), databases, training materials, operational guidelines, and analytical tools. Upon verification of implementing and beneficiary institutions, the project team will transfer all to the NDA. The beneficiaries include the NDA institution, relevant line ministries, public agencies, financial institutions, and national training bodies. The transfer process includes physical and technical verification of assets, formal handover documentation, transfer agreements, and archiving of records in accordance with national regulations and GCF requirements.

The project will particularly pay attention to ensure sustainable transfer and institutionalization of intangible assets and institutional knowledge. This includes transfer of technical documentation, user manuals, administrative access to digital systems, and targeted training materials. The project will require each beneficiary institution to identify a focal point responsible to manage and sustain transferred assets.

All transfer procedures will be formally documented and jointly agreed upon by the NDA, implementing partners, and beneficiaries. The project will ensure, through this implementation of the Asset Transfer Plan and strengthened institutional capacities, that the project outputs remain fully integrated into national systems, supporting Serbia's continued engagement with the Green Climate Fund and long-term climate investment planning.

Section 10: Annexes

Annexes

 ToC Diagram avg 2026.jpg