UNDP Call for Expressions of Interest

from commercial banks and leasing companies for cooperation within public calls for financing green investments

The United Nations Development Programme (UNDP) in Serbia, in partnership with the Ministry of Environmental Protection, invites commercial banks and leasing companies registered in the Republic of Serbia to **express their interest in cooperation within public calls for financing green investments implemented under the project "EU for the Green Agenda in Serbia."**

Introduction

UNDP published this call within the framework of the project "EU for the Green Agenda in Serbia" (hereinafter: the EUGA Project). The project is funded and technically supported by the European Union, and is implemented by UNDP in partnership with the Ministry of Environmental Protection of the Republic of Serbia, in cooperation with the Embassy of Sweden and the European Investment Bank, with additional co-financing provided by the governments of Sweden, Switzerland, and the Republic of Serbia.

Under UNDP Innovation challenge calls for green transition solutions, conducted between 2022 and 2026, over 550 green investment project ideas were applied for EUGA project support. Through the Green Accelerator, project and expert team provided technical support for further development of investment proposals to approximately 300 teams. Following the evaluation and project development process, 97 green investments were awarded financial support for implementation, with a total value of 54 million US dollars. For the implementation of these investments, the project provided nearly 7 million US dollars in grants, along with an additional 13 million US dollars in commercial loans approved by partner banks. Examples of successfully implemented projects can be found on the project's website – Green Transition.

To improve access to green investment financing, UNDP, in cooperation with the Ministry of Environmental Protection and the European Investment Bank (EIB) has developed a new and innovative blended finance model. This model introduces financial institutions as key partners in financing the green transition and enables companies to combine donor grant funds with favorable commercial financing. By combining grants, equity, and loans, the model mitigates investment risks, improves access to capital, and enables the implementation of complex and capital-intensive green investments. This model has proven particularly successful in supporting business entities and industrial plants, subject to the Law on Climate Change (so-called ETS operators), the European Union's Carbon Border Adjustment Mechanism (CBAM), and the Law on Industrial Pollution Prevention and Control (IPPC), in order to accelerate their alignment with European Union standards, including the application of Best Available Techniques (BAT).

Based on the experience of the EUGA project, companies have shown interest in utilizing loans for green investments, especially when financial instruments are combined with favorable financing conditions (e.g., lower interest rates and lower collateral or security requirements), technical support in investment preparation, and available grant funds for co-financing. This is also confirmed by the findings of a study prepared by UNDP in cooperation with the European Union, titled *Increasing the Share of Green Financing in the Private Sector in Serbia in the Post-Pandemic Period*, which identified high collateral requirements as one of the key obstacles limiting companies' access to commercial financing sources.

In this context, the model combining technical support, grants, and commercial financing has shown significant potential for mobilizing investments into sustainable green projects including investments that are traditionally less attractive to commercial financial institutions due to high upfront costs, longer payback periods, or technological complexity. These include low-carbon solutions in industrial and business processes, wastewater treatment, energy recovery, the use of geothermal energy, and other innovative solutions for improving energy and resource efficiency. At the same time, this approach contributes to the development of the domestic green finance market by strengthening cooperation between the economy and the financial sector, upgrading the capacities of financial institutions, and creating conditions for the development and application of new green financial products.

Objective of the Call

The objective of this call is to establish cooperation with commercial banks and leasing companies interested in participating in the financing of technically mature and financially viable green investments that will be developed and prepared under the public calls for green investment financing, in order to ensure a better connection between investment projects and potential sources of financing, improve project readiness for commercial financial instruments, and encourage the realization of investments contributing to the green transition of the economy.

Through this call, UNDP aims to connect prepared green investment projects with potential financial partners, creating conditions for easier access to commercial funding sources. UNDP does not select financial partners on behalf of companies for individual investments, nor does it participate in defining terms or making decisions on approving loans or other financial products. Financing decisions are made independently by financial institutions in accordance with their internal procedures, risk assessment criteria, and business policies.

One of the key objectives of this call is to mobilize additional private investments into the green transition by linking EUGA project grant support with commercial and international sources of financing. This contributes to reducing financial barriers for green investments, speeding up the decarbonization of the economy, improving the competitiveness of domestic enterprises, and further development of the green finance market in Serbia.

Expected Model of Cooperation

Financial institutions that express interest will be included in the EUGA project's database of financial partners and will have the opportunity to consider financing investment proposals developed through public calls for green investment financing, in accordance with their own business policies, financing approval procedures, and credit risk assessment criteria.

The aim of this cooperation is not to replace existing decision-making processes of financial institutions, but to create an additional channel connecting banks and leasing companies with companies preparing green investments that require access to appropriate financial instruments for their implementation.

Projects submitted through public calls for green investment financing will be developed with EUGA project support to reach a higher level of technical and financial readiness, making them more suitable for consideration by potential financial partners.

Participation in this call does not obligate a financial institution to approve financing for any individual investment, nor does it create any financial commitment between UNDP, the EUGA project, and the financial institutions that express interest.

Interested financial institutions are expected to:

- Designate a contact person(s) for communication with the EUGA project team;
- Share relevant information with their clients (whom they assess as potential candidates for participation in the program) or potential clients regarding support and green investment financing opportunities through the EUGA project;
- Participate in Green Accelerator activities, a support program designed for companies to prepare and improve their green investment proposals.

The Green Accelerator provides expert support in developing investment projects, including improving their technical and financial readiness, as well as evaluating and strengthening their green component and alignment with green transition goals. Participation by financial institutions in the Green Accelerator would enable early connection with potential financing beneficiaries, a better understanding of investment projects in preparation, the exchange of information on available financial instruments, and the provision of feedback that can contribute to greater project readiness for further financing consideration.

Who can submit an Expression of Interest

The following financial institutions are eligible to apply:

- Commercial banks registered to perform banking activities in the Republic of Serbia;
- Leasing companies registered to perform financial leasing activities in the Republic of Serbia.

Applicants may submit only individual applications, without consortia.

Method of Submitting the Expression of Interest

Interested financial institutions must submit the documentation/information listed below to prove relevant experience:

- Expression of Interest signed on the applicant's letterhead with a delegated contact person for cooperation with the project team and the successful execution of the stated tasks (Annex 1).
- Existing green investment programs/products, including those provided in cooperation with International Financial Institutions (IFIs) (Annex 2).

Relevant programs/products should be listed in the following table:

Program/Product	**Description**	**Duration (From-To)**	**Link**
1.			
2.			
3.			

UNDP must receive the Expression of Interest by email no later than **September 30, 2026**.

All legal entities that have expressed interest in this call, possess appropriate qualifications and relevant experience, will be offered technically mature, bankable green projects within the Green Accelerator for potential financing via Loan/Leasing Agreements, requiring blended financing from own funds and loans (combining grant co-financing within the EUGA project, including the company's own funds and commercial loans).

Submission Details

The Expression of Interest shall be sent to the following **Email address: zelena.agenda.rs@undp.org**

Subject line must state: EXPRESSION OF INTEREST

If UNDP receives an Expression of Interest after the specified deadline for any reason, it will not be considered.