

# Aid Matters

Newsletter on Development Assistance in Serbia



Issue no. 5 September 2012

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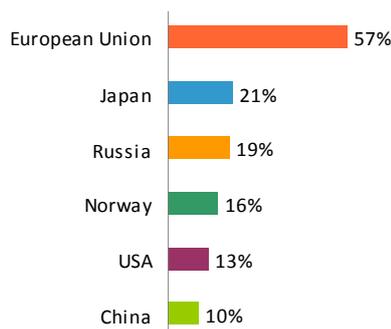
New Country Director of Swiss Agency for Development and Cooperation (SDC) is Ms Isabel Perich.

## European Orientation of Serbian Citizens Survey

If a referendum were called with the question: "Do you support Serbia's EU membership?", 49% of citizens would say "yes", 25% would say "no", 19% would not vote, while 8% would not know how to answer, according to the latest results of survey "European orientation of Serbian citizens – trends" conducted by Serbian European Integration Office.

The results show that 68 percent of the respondents believes that, for our own good, the reforms that our country has to implement in order to join the EU should be continued, even if these were not the part of the membership re-

quirement, in order to create a better Serbia. However, the drop in the unconditional support to the reforms is evident.



Which countries do you consider biggest donors since 2000?

The level of awareness of citizens on the EU funds has increased, and 57 percent of respondents believes that the EU is the biggest donor to Serbia, which corresponds to the real state of affairs - the EU and its member states are the biggest development partners, followed by the USA, Norway, Switzerland and Japan.

The complete public poll results for June 2012 and previous polls are available at [www.seio.gov.rs](http://www.seio.gov.rs)

## Support to Establishment of Central Institute for Conservation

Source: Italian Development Cooperation

The Italian Embassy Development Cooperation has supported Serbia in the protection of its cultural heritage through various grant projects. In 2007, Italy financed the elaboration of a feasibility study that provided an in-depth analysis and assessment of conditions in the Serbian cultural heritage protection sector, identifying the need to establish a sectoral strategy.

Since 2009, more than 970,000 € has been allocated as a grant to support the Ministry of Culture through the enhancement of the Central Institute for Conservation (CIK). Nine specialized courses in conservation and restoration were attended by 116 participants from various

local and regional institutions. Almost 85 artworks belonging to various Serbian cultural entities were treated in the course of the trainings based on the learning-by-doing approach, held in six specialized conservation laboratories set up ad hoc.

This team, whose skills are now fully upgraded for the protection of cultural heritage, is operating in the conservation and restoration sector. As a result of the trainings, the CIK national counterpart has already

conducted autonomously over 70 new interventions. Today, the CIK has a growing number of contracts for conservation treatments.

For further information, please visit <http://culturakulturaserbia.org>



## Agriculture Sector

*Author: Miloš Milovanović, Assistant Minister, Ministry of Agriculture, Forestry and Water Management*

The Republic of Serbia owns a huge potential for agricultural entrepreneurship, thanks to its favorable climate conditions, good natural characteristics of the soil and its available water resources. More than 5 million hectares of agricultural land represents a huge potential for organizing agricultural production. The largest areas of agricultural land are used for crop production, more accurately cereal crop production. Cereals make some of 60% of the whole seeded land. The most widespread crop that takes more than 1.2 million ha per year is corn. Wheat is being produced on half a million ha. The large cereal production makes the substantial basis for milling industry, which makes the annual production of about 675.000 tons.

One of the priorities is the cultivation of the new forests, and in the past seven years, there are 15,000 ha of the new forests. According to the UN data, Serbia is on the 47th place in the world by its fresh and healthy water reserves.

There is a number of reasons why agro-business sector is constantly attracting the attention of foreign companies, especially in the area of food and beverage production. Food processing sector also has very specific comparative advantages for investment, such as: quality of natural resources, high quality and vast range of products, stable position on national and regional market and development potential.

Through IPA Component I, from 2007-2010, projects in the area of institutional capacity building, harmonization of national legislation with the EU legislation, plant protection, veterinary, viticulture zoning, food chain, farm accountancy data network, water management, etc. have been financed.

Bilateral projects have financed plant genetic resources, wood-based energy, EU water frame directive, vitalization of domestic fertilizer production, revitalization of rural areas, dairy sector, tourism in rural areas, fruits and berries sector. Projects have been supported by USAID, Dutch government, UNDP, GEF, Japan, Romania, Norway, Spain, Denmark, and other donors.

### USAID Brings Former Competitors Together to Create Jobs

*Source: USAID*

Serbian shoe and textile manufacturers are negotiating nearly \$2.2 million worth of orders following their debuts at German and Russian trade shows, appearances made possible through assistance from the U.S. Agency for International Development (USAID).

For small and medium-sized firms from two of Serbia's poorest regions, South Serbia and Sandzak, these and other similarly sized orders are helping them expand and create new jobs. By doing so, these manufacturers are restoring South Serbia and Sandzak's reputations as regional shoe and textile manufacturing hubs, industries that were decimated during the break-up of Yugoslavia.

USAID initially worked with individual South Serbian and Sandzak companies that demonstrated the potential to expand and create jobs. However, it became clear that these companies could better compete with larger regional and worldwide firms if they worked together rather than as competitors. In response, USAID helped establish the ASSTEX cluster of 135 small Sandzak textile manufacturers in 2008 and the Kostana cluster of 12 small South Serbian shoe manufacturers in 2011.

USAID is now helping to form a third cluster of traditional food producers from Sandzak, particularly those making halal-certified products. In addition to the Serbian diaspora, the cluster's premium foods will be marketed to Muslim consumers throughout the world.

### Training for Media Representatives

Serbian European Integration Office, and Independent Journalists' Association of Serbia, supported by Swedish International Development Cooperation Agency organised a seminar „Project Cycle Management” on 17 and 18 September 2012. The seminar aimed at strengthening participants' capacities related to project preparation, applying to calls for proposals, emphasising the EU.



Lecturers from SEIO (Sector for Planning, Programming, Monitoring and Reporting on EU Funds and Development Assistance) and the EU Delegation to Serbia provided an overview of the EU and bilateral funds available to media, project cycle and logframe, conditions, procedures and ways to apply for grants to 19 media representatives from all over Serbia.

## World Bank in Serbia

The World Bank presence in the Western Balkans dates back to monetary and financial conference in Breton Woods, attended by ex Yugoslavia as one of the founding members. This funding source has become one of the most important for the development of the country, since between 1945 and 1991 around 90 loans were approved - totaling over 6 billion \$, thus significantly contributing to infrastructural and social progress.

The membership was renewed by the FR of Yugoslavia in May 2001, and continued by the Republic of Serbia as the legal successor. The World Bank has, since, invested in various publicly well known development undertakings. Financing has been provided both for budgetary support, as well as for projects (39 to date) in various sectors - totaling almost 2 billion \$ in IDA Credits, grants and IBRD Loans.

Financial instruments provided by the Bank can be either in the form of Grants to the public or private entities, or in the form of "soft" Loans. The World Bank offers loans adjusted

to current needs of the beneficiary, usually tied to implementation of previously defined development project and representing crucial points in economic and social aspect.

Although "soft" loans have the basic financial mechanics as regular loans (repayment period, interest rate, grace period), they are considered Official Development Assistance (ODA) because all of the elements are very favorable for the beneficiary country and cannot be found on the free market.

Construction of Corridor 10 (vital for Serbia and the entire region), improvement of local road infrastructure in various municipalities, improvement of local delivery of health, education and social services (tackling everyday needs of the citizens), revitalization of Bor depressed region (thus contributing to decrease of regional disparities), improvement of overall health service system, enhancing competitiveness of Serbian agriculture, improving energy efficiency and rebuilding

irrigation and drainage system are some examples of the successful cooperation.

As each form of development assistance offered by the Bank is adjusted to the needs of the country, in the light of recent economic crises, negotiations are under way regarding 400 million loan designated for budgetary support for urgent needs of the Republic of Serbia.

## Improvement of Legislative Process in Serbia

Source:  **giz** Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

The Study on the Improvement of Legislative Process in the Republic of Serbia will be presented to the public at the 4th European Legal and Policy Forum, organized by Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Legal Reform Project in Serbia and the RS Official Gazette, on September 25th, 2012 at 10:00 in the National Assembly of Serbia.

Almost a year of intensive work on the Study was done by the

Project Group for the Improvement of the Legislative Process in the Republic of Serbia, which is composed of representatives of all state institutions with legislative power, and coordinated by GIZ Legal Reform Project in Serbia.

The Study represents a comprehensive analysis of the legislative system in the Republic of Serbia, with concrete recommendations for improvement of the legislative system as it approaches the legal heritage of the EU – to which the country, now officially an EU candidate, has committed itself.

To learn more, please visit [www.legalreform.rs](http://www.legalreform.rs)

## IPA Adriatic CBC Call for Proposals

The first Call for Strategic Project Proposals within the EU IPA Adriatic Cross-Border Cooperation Programme is open until 2nd November 2012. The Programme is co-financed by the participating countries (Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Montenegro, Serbia and Slovenia). Total EU funding available under this Call is 90,860,776 €. The Call has three programme priorities: Economic, Social and Institutional Cooperation; Natural and Cultural Resources and Risk Prevention; and Accessibility and Networks.

Serbia has been granted a phasing out participation in the

Programme, allowing applicants to participate in projects that involve institutional cooperation initiatives until the end of 2015. Details on eight topics of strategic importance within these priorities and additional information can be found on: [www.adriaticpacbc.org](http://www.adriaticpacbc.org).

### In Brief

Milan Pajević, Director of Serbian EU Integration Office, was appointed National IPA Coordinator (NIPAC).

## Sector Wide Approach Training

Serbian European Integration Office continues to support, promote and integrate the SWAp into the Governmental international assistance planning and programming processes. SWAp is a comprehensive process in which all significant funding for the sector (external or internal) supports a single policy and expenditure programme under the Government leadership, with common approaches across the defined sector. The training aimed at introducing the SWAp principles and elements to national policies and strategies planning process was held for representatives of relevant national institutions and organizations, donor community and NGOs, active in the environment sector.

The training was held in four training modules: Sector analysis, Strategic planning, Financial planning and Monitoring and Evaluation - two during July, and two on 4th and 5th September 2012.

## Events

- 25 September Conference "The Danube Strategy - Support to the Development of the Lower Danube Region", Negotin
- 26 September Third Bi-annual National Conference 2012, Cross-Border Cooperation, Belgrade
- 28 September Twinning project "Preparation of Serbian Labour Market Institutions for European Employment Strategy" launching Conference, Belgrade
- 4 October Project "Strengthening Capacities of Serbian Administration for EU Accession" Regional Conference, Gornji Milanovac
- 8-11 October 10th European Week of Regions and Cities – OPEN DAYS, Brussels

Check out the upcoming events at ISDACON—News and events section, [www.evropa.gov.rs](http://www.evropa.gov.rs)

## New Playground in Pirot

One of the largest playgrounds in Serbia has been constructed in Pirot, in Tanasko Rajic community. The playground comprises basketball court, football field and a playground for children. The construction was completely financed by the EU Cross-Border Cooperation funds, in the amount of 120,000 €. It is a part of the project implemented by Pirot municipality in cooperation with the municipality of Montana, Bulgaria, within IPA Cross-Border Cooperation Bulgaria-Serbia worth 424,000 €.



In order to revive sports life in the region and promote a

healthy way of life, project partners in Pirot and Montana plan to construct a total of four sports grounds and two playgrounds for children.

The main goals of this project include the improvement of sports infrastructure in cross-border region, enabling conditions for an active and healthier life of children, establishing a long-term partnership between cross-border sports clubs, as well as overcoming legal impediments and development of guidelines for organising

cross-border and international sports events.

## About Aid Matters Newsletter



Aid Matters Newsletter on development assistance to Serbia is developed within the project Support to the Sector for Planning, Programming, Monitoring and Reporting on EU Funds and Development Assistance of the Office for the EU Integrations of the Republic of Serbia for effective partnerships for improved aid effectiveness, funded by Sida.

The newsletter aims at improving communication between stakeholders and exchange of information relevant to development assistance activities in the Republic of Serbia.

If you would like to contribute, please send your text to [majamilenkovic@seio.gov.rs](mailto:majamilenkovic@seio.gov.rs). An ideal word count is around 150 words.

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