



# Aid Matters

Newsletter on Development Assistance in Serbia

Issue no. 12 October 2013

## Inside the issue:

Slovak Assistance to Serbia	2
Evaluation of the EU Programmes	2
The 8th Meeting of the IPA JMC	3
Competitiveness Sector	3
USAID Directly Funds Serbian Groups	4
Conferral of Management Powers to the Republic of Serbia	4

## Did you know?

The EU is helping the Western Balkans countries to take action – starting with joint investigations. The project: 'Fight against organised crime and corruption: Strengthening the Prosecutors' Network' helps foster cooperation among prosecutors in the Western Balkans.

## Serbia 2013 Progress Report

The EC adopted the Progress Report for Serbia on 16 October. It follows the structure as in previous years and describes relations between Serbia and the EU; analyses the situation in Serbia (political and economic criteria for membership) and reviews Serbia's capacity to take on the obligations of membership, i.e. the EU acquis.

This report reflects the progress measured on the basis of decisions taken, legislation adopted and implemented. The report is based on information gathered and analysed by the EC, including contributions from the government of Serbia, the EU Member States, European Parliament reports and information from various international and nongovernmental organisations.

The EC concluded that Serbia fulfils the political criteria and has to sustain the reforms over time in the key areas of the rule of law, particularly judicial reform and anti-corruption, independence of key institutions, media freedom, anti-discrimination policy and protection of minorities.

EC confirmed that Serbia needs to make efforts in restructuring its economy and continue improving the business environment, to develop a competitive private sector and fight against the

informal economy.

The EC stressed that Serbia needs to focus on aligning with the EU acquis with attention to effective implementation of adopted legislation.

The EC confirmed within Chapter 22 that Serbia is in the process of acquiring experience in the EU funds management as it is in the final stage for the conferral of management for two IPA components. EC stressed that adequate implementation capacity needs to be ensured under the DM system while the programming needs to be improved, especially in preparing investment project pipeline based on relevant strategies. EC concluded that preparations in this area are advanced.

⇒ Progress Report for Serbia in 2013 can be found at: [http://www.seio.gov.rs/upload/documents/eu\\_dokumenta/godisnji\\_izvestaji\\_ek\\_o\\_napretku/sr\\_rapport\\_2013.pdf](http://www.seio.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/sr_rapport_2013.pdf)

⇒ Enlargement Strategy and Main Challenges 2013-2014 can be found at: [http://www.seio.gov.rs/upload/documents/eu\\_dokumenta/strategija\\_zaprosirenje/strategy\\_paper\\_2013\\_en.pdf](http://www.seio.gov.rs/upload/documents/eu_dokumenta/strategija_zaprosirenje/strategy_paper_2013_en.pdf)

## CBC - Primary school students visit Austria

By: CBC

30 primary school students from Bogatić and Bijeljina, along with their teachers, went to a 5-day study tour visit to Austrian town of Gussing and the European Center for Renewable Energy Sources, which is a partner on the project "Bogatić and Bijeljina: Together on the way towards energy sustainability through increasing energy efficiency and promotion of renewable energy sources" funded under the scope of IPA CB



Programme Serbia - BiH.

The purpose of the trip was to become familiar with basic principles of energy sustainability through use of renewable energy sources, increase of energy efficiency,

as a good practice example of energy managing within local self-government. The town of Gussing is located in East Austria, and became known worldwide by achieving extraordinary level of energy independence and sustainable energy management.

## Slovak Assistance to Serbia

By: Embassy of the Slovak Republic in the Republic of Serbia



In accordance with its Medium-Term Strategy of Official Development Assistance for 2003-2008, the Slovak Republic has been engaged in bilateral development assistance programmes and projects carried out in developing countries. In addition, Slovakia has been providing the trilateral and multilateral assistance as well as humanitarian aid (Slovak Aid), since 2003. Since 2004, as an EU Member Country, Slovakia has been engaged in the funding of development activities carried out by the EC.

Slovakia's top ODA priorities for the 2009-2013 include the strengthening of stability and good governance in regions and countries within the concerned priority areas, which also include the region of Western Balkans.

In the last decade there were more than 400 projects in twenty countries around the world implemented under the logo of Slovak Aid. Serbia is the largest beneficiary of the Slovak development cooperation and according to the Mid-term Strategy it shall be continued in 2013. Since its establishment, Slovak Aid has implemented 108 development cooperation projects in Serbia in the amount of over 9 million EUR.

Cooperation has been focused on: Infrastructure, Transfer of Experience from Integration Processes, Support to the Creation of New Business Opportunities and Civic Society. Almost 70%

of financial resources were invested in the infrastructure renewal (especially in the construction of sewage network, water network and sewerage plants, heating infrastructure, bridge erection, buildings' reconstruction – basic school, grammar

school, renewable sources of energy – solar, wind, and one project focused on the establishment of a business and innovation centre for business development). Approximately 14% of financial resources were contracted in the framework of supporting the integration to the intergovernmental and multilateral bodies. Over 10% of resources were streamed towards the civil society and the rest to the creation of new business opportunities.

CETIR - the program for transfer of the integration and reforms experience has been implemented by the Ministry of Foreign Affairs of the Slovak Republic as a part of the ODA, since 2011. The program focuses on intensifying contacts of Slovak experts with representatives of state authorities in countries of the Western Balkans and the Eastern Partnership, as well as other transition countries. It represent a respond to particular needs of the partner country and transfer of experience gained during Slovakian integration to the EU and NATO.

Through the CETIR numerous study visits of civil servants from Serbia were realized to Bratislava during 2011 to this day.

Slovak Development Assistance will also continue in 2014, focused on supporting Serbian effort to become the EU member.

## Evaluation of the EU Programmes

From 2007 – 2013 Serbia has participated in 12 EU programmes. Serbia has signed the Memorandum of Understanding for the following EU programmes: the Framework Programme for research and technological development (FP7), PROGRESS, Culture, CIP, Fiscalis, Customs, Safer Internet, Lifelong Learning Programme and the Europe for Citizens. According to MoUs each beneficiary country has to pay a contribution for each of the programmes in the form of an annual fee to be paid to the budget of the Programme ('entry tickets'). IPA is being used to a certain extent to complement national funds in the form of co-financing the annual contributions ("entry tickets").

Serbia actively participates in the TEMPUS/Erasmus Mundus and Youth in Action EU Programs which are being carried out through Multi-beneficiary IPA and as such did not require signing of respective MoUs, nor payment of entry tickets in the current financial perspective.

According to evaluation report, financed by Sida and implemented by IMG for period 2007-2013, Serbian institutions participated as lead applicants or partners in 700 awarded projects in different EU Programmes. Total value is 84,5 million €. On the

other hand, Serbia paid from national budget total sum of entry tickets in the amount of 38,4 million €, and 2,4 million € for co-financing of awarded projects. Additionally, Serbia used possibility to request reimbursement of the part of entry ticket costs from IPA in the amount of 21,22 million € (16,2 million € has already been reimbursed by EC). The report pointed out the examples of good practice, as well as the difficulties in the implementation of the EU Programmes and recommendations for their elimination.

In order to improve Serbia participation in the EU Programmes for the programming period 2014-2020, SEIO with the assistance of PPF 5, published the document "Guidance for Participation of Serbia in EU Programmes 2014-2020". This document together with the evaluation report will serve SEIO to determinate list of measures that line ministries have to fulfil for the future EU Programmes participation. It is important that line ministries define Action plan for future participation in the new generation of the EU Programmes.

Evaluation report of the EU Programmes can be downloaded at: <http://www.evropa.gov.rs/Documents/Home/DACU/5/194/Final%20Evaluation%20Report.pdf>

## The 8th Meeting of the IPA JMC

The European Integration Office of the Republic of Serbia and the EU Delegation to Serbia organized the 8th meeting of the Joint Monitoring Committee Pre-Accession Instrument (IPA JMC) on 24th October 2013, to assess the programming of IPA 2013 and the preparation for IPA 2014.

Key participants included Ms Myriam Ferran, Head of Serbia Unit in DG ELARG, HE Ambassador Michael Davenport, Head of EU Delegation to Serbia, who chairs the JMC on behalf of the EU Delegation, and Mr Branko



Ruzic, Minister without Portfolio in charge of EU Integration.

The main topic of the meeting was the state of implementation of projects financed from IPA. Particular attention was devoted to discussing ways to eliminate the problems in implementation of projects in the fields of justice,

environment, transport, agriculture, public administration reform, and social development, that have already been discussed at regular bottleneck meetings.

### Appointments of the NIPAC, CAO and NAO

Government of the Republic of Serbia, on 14<sup>th</sup> October, appointed the key functions in the IPA management system:

1. **Branko Ružić**, Minister without portfolio responsible for European Integration, as the **National IPA Coordinator (NIPAC)**
2. **Lazar Krstić**, Minister of Finance, as the **Competent Accrediting Officer (CAO)**
3. **Nikola Ćorović**, State Secretary at the Ministry of Finance, as the **National Authorizing Officer (NAO)**.

Furthermore, the Government also designated the **Department for planning, programming, monitoring and reporting on EU funds and donor assistance** of SEIO, as the **Technical Secretariat of the National IPA Coordinator (NIPAC TS)**,

## Competitiveness Sector

In accordance with the document “National Priorities for International Assistance for 2014-2017 with the projections until 2020” (NAD 2014-2017/2020) which defines priorities, measures and activities for international assistance, the Competitiveness sector is one of nine priority sectors. It encompasses development of small and medium sized enterprises and industry; science, research and innovation; internal market, competition policy, intellectual property rights, company law, consumer protection and market surveillance.

Over the period 2007-2011, with 115 projects in total and estimated total disbursement amounting to €775 million, the Competitiveness Sector is among the largest recipients of international development assistance.

As an overall objective in this sector, the NAD 2014-2017/2020 identifies the increase of competitiveness and innovation of enterprises within a well functioning market economy. It shows readiness of the Government to support private sector development by increasing its ability to compete on international market; to innovate as well as by ensuring the integrity of the open market. The objective should be achieved through different set of activities and measures within three priorities:

1. Improve the quality of products and services and raise levels of productivity;

2. Improve innovation levels and enhance quality of public and private sector R&D;

3. Improve operating environment for doing business.

The first priority aims to improve the competitiveness of enterprises, by increasing the quality of products and services including its productivity. For this to happen, Serbian enterprises need better access to finance, sustainable business infrastructure and an updated manufacturing and production base including targeted supporting services.

The aim of the second priority is to contribute to the development of Serbia as knowledge based society and economy. This will be achieved by stimulating public sector understanding of the business sector needs for new technological solutions as well as creating opportunities to increase the level of applied research particularly in inter-disciplinary areas that have the potential for significant impact on the national economy.

Third priority seeks to ensure that proper transposition and enforcement of the EU acquis in the areas of internal market, competition (incl. state aid), consumer protection, financial services, and company law is used as a tool to create a well functioning market economy. Also, it strives to create business enabling environment through interventions in the current administrative and regulatory frameworks.

## USAID Directly Funds Serbian Groups



The U.S. Agency for International Development (USAID) has begun directly funding Serbian organizations to strengthen their capacity and use USAID assets more efficiently. Direct assistance recognizes the increased capabilities of these groups and places full responsibility for managing their programs in their hands. USAID expects to make additional grants in the future.

USAID recently awarded:

A 15-month, \$248,800 grant to Civic Initiatives to improve the status of youth and reduce their marginalization in southern and southwestern Serbia;

A two-year, \$260,000 grant to Junior Achievement Serbia to support entrepreneurial educational programs in elementary and secondary schools;

A 15-month, \$248,800 grant to the Media Coalition to support the democratization of Serbian society by promoting media literacy and independent, accountable journalism; and

An 18-month, \$235,000 grant to the Trag Foundation to im-

## Upcoming Events

- |                 |   |
|-----------------|---|
| 11-15 November  | Zagreb (Croatia): Joint Monitoring Committee meeting for IPA Cross-border programme Croatia -Serbia 2007-2013   |
| 14 November     | In Tirana the Annual WBIF-NIPAC workshop will be held   |
| 19-20 November  | IPA Multi-beneficiary Coordination Meeting will take place in Belgrade in Palace of Serbia                      |
| End of November | Academy of Arts Novi Sad: IPA CBP Croatia-Serbia project "The Pannonian Art Path"- Public lecture on "land art" |

prove civil society's delivery of key social services for vulnerable groups of people.

"USAID is pleased to be working more closely with our Serbian partners who have proven that they have the capacity to manage direct funding," said USAID/Serbia Mission Director Susan K. Fritz. "More importantly, we are putting the responsibility for development in Serbia directly in the hands of Ser-

## Conferral of Management Powers to the Republic of Serbia

The Government of the Republic of Serbia, on 21st October, adopted the following acts:

1. The Decree on the Management of Programs of EU Pre-Accession Assistance under Component I of the Instrument for Pre-Accession Assistance (IPA) – Transition Assistance and Institution Building for the Period 2007-2013,
2. The Decree on the Management of Programs of EU Pre-Accession Assistance under IPA Component IIb of the Instrument for IPA– Cross Border Cooperation with IPA Beneficiary Countries for 2007-2013. The documents represent the legal

basis for the implementation of the Annual IPA 2013 National Programme under IPA Component I, and the remaining Calls for Proposals on the Serbia - Montenegro and Serbia - Bosnia and Herzegovina CBC Programs upon the EC Decision on the Conferral of Management Powers to Serbia.

### In Brief

IPA Committee, comprising the Member States, adopted package of fiches for the National programme IPA 2013 in October. These projects are ready for the implementations phase.

## About Aid Matters Newsletter



Aid Matters Newsletter on development assistance to Serbia is developed by 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.

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

If you wish to contribute, subscribe or unsubscribe, please send an e-mail to Nataša Kalaba, [nkalaba@seio.gov.rs](mailto:nkalaba@seio.gov.rs)

Sector for Planning, Programming, Monitoring and Reporting on EU Funds and Development Assistance

Serbian European Integration Office

Nemanjina 34, Belgrade, Serbia

011/3061-100

<http://www.seio.gov.rs/>

<http://www.evropa.gov.rs/>

