

# Aid Matters

Newsletter on Development Assistance in Serbia



Issue no. 15 May 2014

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## In Brief:

At the Government session held on 22<sup>nd</sup> of May, a Minister without portfolio responsible for European integration, Ms. Jadranka Joksimovic, was appointed for the National IPA Coordinator - NIPAC.

## Donor Coordination Meeting on Floods

Following the recent heavy floods in Serbia, the need arose for greater engagement of the international community overcoming the consequences of this disaster.

A donor coordination meeting was held on the initiative of the Government of the Republic of Serbia,

organized by the Minister without portfolio in charge of the European integration, Ms. Jadranka Joksimovic, and the European Integration Office, with presence and under the auspices of the Prime Minister of the Republic of Serbia, Mr. Aleksandar Vucic. Objectives of the meeting were to inform development partners on the extent of damage caused by floods, to consider the possibility of providing development assistance to the Republic of Serbia, as well as to discuss further steps in the recovery process, with the aim to ensure that the measures taken by the Serbian Government and development partners are coordinated, timely and effective. The meeting was held on May 22 at the Palace of Serbia, and was attended by the Prime Minister of the Republic of Serbia, Mr. Aleksandar Vucic, Head of EU Delegation to Serbia, Mr. Michael Davenport, Ministers in the Government of the Republic of Serbia, ambassadors and other representatives of international community in the Republic of Serbia.

The Prime Minister, Mr. Aleksandar Vucic, informed the participants about the situation on the ground, and concluded that the damage far exceeds the 0.64% of GDP, which is the threshold for receiving funds from the European Solidarity Fund. The Prime Minister stressed that the damage that flooding had caused will be evaluated on a sharp, responsible and transparent manner and that there will be no room for misuse of funds of any kind. Due to the effects of the floods, help of development partners will play a key role in the future recovery of Serbia.

In that sense, the Prime Minister expressed the special gratitude to all those who have shown good will and helped, and stressed that the

institutions of the Republic of Serbia and the international community provided the necessary assistance to the citizens of the Republic of Serbia at the right



time.

Minister without portfolio responsible for European Integration, Ms. Jadranka Joksimovic, informed the representatives of the donor community about a mechanism of coordination of development assistance to the Republic of Serbia, which will be further enhanced. The focus will be on centralization in terms of damage assessment, prioritization and drafting of a single recovery plan. Alongside with an assessment of the damage, the European Commission will work on the preparation of their own support mechanisms for reconstruction, so that funds could be approved promptly.

After the presentation of damage and needs for support in all sectors by ministries, the representatives of the donor community in Serbia expressed their deep condolences to the families of the victims and expressed their determination to help Serbia to overcome this difficult situation.

The international community will inform the Government of the Republic of Serbia about the available financial resources and instruments of support in the coming period. The Government will work intensively on the assessment of damage and development of a recovery plan. The first preliminary results and funding priorities will be made by May 30th. In order to achieve the maximum effects of all the efforts put in the recovery process, the Government of the Republic of Serbia will be the sole coordinator of the planning and programming processes.

## 60 Years of Japan's ODA and 25 Years of Assistance to Eastern Europe

By: Japan International Cooperation Agency (JICA)

In year 2014, the Government of Japan and the Japan International Cooperation Agency (JICA) celebrate 60 years of Japan's Official Development Assistance (ODA) and 25 years of assistance to Eastern Europe.

Japan's ODA began in 1954, when Japan participated in the Colombo Plan for Co-operative Economic and Social Development in Asia and the Pacific. In 1960's and 70's, ODA played a vital role in economic and social development in Asia where many countries recorded high and sustained economic growth. In second half of 1970's, Japan's economic boom was reflected in increase of ODA expenditure.

In 1989, Japan becomes the world's top donor of ODA. In the same year, Japan began to provide assistance to countries of Eastern Europe. Through technical cooperation, grant aid and ODA (Yen) Loans, it has contributed considerably to the countries access to EU.

The Government of Japan and JICA has been supporting Serbia providing the assistance in enhancement of education and healthcare, strengthening of private sector, as well as improvement of environmental protection, since democratic changes. Grant aid of 93 yellow buses, equipment for screening and early



detection of breast cancer to 39 health centers, 412 participants on training courses in Japan, or ODA Loan of 277 million euros for Fuel Gas Desulphurization Plant in TPP Nikola Tesla are just one part of widely appreciated means of support to Serbia's accession to EU.

The Grant Assistance for Grassroots Human Security Projects (GGP) is a flexible and timely funding scheme which supports community level socio-

economic development projects initiated by civil society organizations addressing people's Basic Human Needs. Reflecting the Japanese Government's strong commitment to uphold the concept of "Human Security", GGP intends to contribute to improvements in various fields including health, education, and social welfare sectors.

From big infrastructural project to grass root assistance, Japan has been extending comprehensive assistance to Serbia. With 60 years of experience in ODA, the Government of Japan and JICA will continue fruitful cooperation with Serbia, as one of the key partners in Balkan region.

JICA's World "60 Years of Japanese ODA" (PDF 4.16 MB) available at:

<http://www.jica.go.jp/english/publications/j-world/c8h0vm00008mqace-att/1401.pdf>

## Seminars for Preparation of the Negotiation Groups 11, 4 and 1 on the upcoming screening process with the EU

By:



With the bilateral screening of Chapter 11 coming up in May 2014, the German financed GIZ Project **"Support to the EU Integration Process in Serbia"** finishes a series of workshops for preparing the Ministry of Agriculture and Rural Development and its Negotiation Group 11 for the screening. The extensive support reached from analytical support in terms of data and statistics preparations (preparation of „Green Report on Agriculture and Rural Development in Serbia“) to organisational issues in setting up the Negotiation Group and an „EU Secretariat“ in the Ministry. On 16-17 April, the preparations culminated in a Simulation of Bilateral Screening, with experts



from Hungary, Slovenia and Croatia acting as „EU Commission“, and thus, supporting the staff of the Ministry to enhance their presentations for the Bilateral Screening. This Simulation was conducted in cooperation with the French Embassy and with the support of SEIO and the Chief

Negotiator, Tanja Mišćević.

Having recognized the need to render specific support to the preparation of other chapters for the upcoming screening, various GIZ projects in cooperation with SEIO, the Ministry of Finance, National Bank and the Ministry of Economy will organize seminars in May for **Chapter 4 - Free movement of Capital** and **Chapter 1 - Free Movement of Goods. Chapters 9, 16 and 22** will follow in the second half of 2014.

By: CBC

The First National Workshop, organised by the "Jaroslav Černi" Institute for Development of Water Resources was held, as a part of the DRINKADRIA Project capitalization activities, on 9 April 2014



in Belgrade, with the participation of 59 stakeholders, representatives from expert organisations, state institutions, Municipal Infrastructure Support Programme etc. DRINKADRIA project is funded by the European Union (through the IPA Adriatic Cross Border Cooperation 2007-2013 programme), and its focus are the common water supply related problems within the Adriatic Basin. Expectations are that the implementation of the

DRINKADRIA Project will contribute to the development of a regional platform for connecting professionals in the field of water supply, as well as for improving the quality of water and life in the entire region of the Adriatic Basin. The goals of the First Nation-

al Workshop were the exchange of experiences and advancement of knowledge in the field of water supply systems efficiency advance in Serbia, as well as the presentation of the Projects and its activities, which are being implemented in the selected pilot area of the town of Nikšić's waterworks, where the "Jaroslav Černi" Institute is a consultant. The discussion highlighted the need for a gradual, permanent increase of efficiency of water supply systems management in a sustainable manner.

## Ministry of Labor, Employment and Social Policy

By: Ministry of Labor, Employment and Social Policy

The Government of the Republic of Serbia adopted the core document for programming of future projects and programs: National priorities for international assistance (NAD) 2014-2017 with projections until 2020. In the area of human resources and social development the document sets the following priorities:

1. Strengthening the establishment of an efficient, stable and sustainable growth trend in employment;
2. Building a knowledge-based society through enhancement of formal and non-formal education;
3. Increasing the effectiveness and equity of social welfare;
4. Improving the health status of the population by strengthening the accessibility, availability, affordability and efficiency of healthcare services.

In line with these priorities, members of the sector working group for social development prepared the first drafts of IPA action documents for 2014. The action documents contain activities and support in order to increase youth employment, support to active inclusion of vulnerable groups, further improvement of

the integrated health information system, support to occupational safety and health at work in line with EU acquis, further support to Roma inclusion and development of integrated national qualification system.

All of the above actions are developed in close cooperation with relevant stakeholders, while taking into account lessons learned and implementation of ongoing assistance in this area.

At the same time we started to work on the development of sector planning document which sets interventions for the next three years period. The programming of international assistance is guided by the NAD and by a large number of national strategic documents which are part of the strategic framework in the area. In order to create more optimal strategic framework in this area, which will serve as a basis for negotiations with the European Commission on the relevant chapters and will guide the future programming process, the Government is currently in the process of drafting the Employment and Social Policy Programme (ESRP), which will act as an overarching strategy for the human resources and social development sector.

## USAID Launches Major New Civil Society Grant Opportunity

By:



On Wednesday, April 23, approximately 100 people from civil society organizations throughout Serbia attended USAID's post-solicitation conference for its newly announced Annual Program Statement, Serbian Civil Society Partners. Through this APS - which is essentially a standing, year-long call for proposals - USAID Serbia is soliciting applications from local NGOs to support democratic and economic development, with a funding range between \$200-500,000. The conference enabled potential

applicants to learn about this mechanism and ask questions about USAID's grant making process, expanding understanding of how USAID does business and improving the chances of receiving quality proposals. The Serbian Civil Society Partners APS is a key component of USAID Serbia's strategic shift to deliver all civil society assistance directly through local partners by the end of 2014. The APS is publicly available here: <http://www.grants.gov/web/grants/search-grants.html?keywords=APS-169-14-000001>

# Serbian-German Financial Cooperation: Successful performance-based approach in Water Supply Programs

By: KfW Office Belgrade

At the beginning of the German cooperation in Serbia, Germany - through its development bank KfW - financed repairs of the water supply networks of bigger cities in order to reach as many people as fast as possible. Nowadays, the main focus of German-Serbian cooperation in this sector is on supporting programs for water supply and sanitation in Serbian medium-sized cities: Kraljevo, Loznica, Pancevo, Sabac, Smederevo, Sombor and Vrsac (Water Supply Program in Medium-Sized Cities I) and Aleksinac, Jagodina, Leskovac, Pirot, Trstenik, Vranje (Program II). These programs are very successful in following a performance-based approach: in a first phase, they support institutional and financial reforms and the introduction of modern operation routines. The achievement of set targets is a pre-requisite for the participation in the investment phase. These targets comprise tariff adjustments, ambitious improvements in the customer data base and billing systems, fee collection ratios of at least 80 %, and audited cost recovery levels that ensure a proper maintenance and full debt servicing. When the programs took off, it was not likely that many candidate-cities would reach the targets. Technical and administrative losses varied between 30 to 60 %, fee collection efficiency was low, operation cost were not covered and the PuCs were dependant on subsidies. But to many experts' surprise, the chosen approach proved to be very successful, and eventually all candidate cities qualified for the investment phase. The recent progress control mission to all 13 participating cities has shown, for example, that the fee collection rate has improved to 87 % and O&M cost coverage ratios to impressive 108 % on average. A certain degree of competition, but also the joint learning process played an important role. The

## Upcoming events:

|          |   |
|----------|---|
| 5 June   | Szeged (Hungary) – 7 <sup>th</sup> Task Force meeting for programming of                          |
| IPA      | CBC Programme Hungary – Serbia 2014-2020  |
| 3-4 June | Bled (Slovenia) – South-East Europe programme's Communication Seminar                             |
| 6 June   | Signing of the Financing Agreement for the IPA 2013 National Programme - Decentralized Management |

program cities with their 1.3 million inhabitants (approx. 20 % of the Serbian population) now benefit from priority investments in reconstruction, optimization and extension of their water supply systems. The investment volume amounts to EUR 74 million, including EUR 3 million provided by the WBIF. Based on these experiences, another water supply program and a major program with a focus on wastewater investments are currently under preparation. It includes the construction of three wastewater treatment plants in the Morava basin (in the cities of Vranje, Uzice and Krusevac). These investments will be co-financed with IPA funds.

## Did you know?

The EU is promoting decent work and all 28 EU Member States have ratified the International Labour Organization's eight fundamental conventions on core labour standards.

## About Aid Matters Newsletter



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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.

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assistance activities in the Republic of Serbia.

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