

# Aid Matters

Newsletter on Development Assistance in Serbia



Issue no. 3

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## In brief

The EU funded Project Preparation Facility (PPF3) prepared a pipeline of investment projects worth over EUR 400m and helped programme EUR 600m in IPA for future projects.

From Feb 2010 to May 2012, PPF3 provided technical assistance to SEIO, line ministries and other institutions. For more information visit <http://ppf3.net/>

## International Assistance to Serbia in 2011

The Report on International Assistance to the Republic of Serbia is prepared by SEIO annually, providing an overview of development assistance implemented in the previous year, and the process of planning and coordination of the EU pre-accession funds and other international assistance to Serbia. The report also provides an outline of future activities and challenges related to planning, coordination and monitoring of international assistance.

Development assistance encompasses the support of bilateral and multilateral partners and international financing institutions (private and NGO sector funds or donations are not included), in the form of grants and concessional loans, provided that the grant element in the total approved funds is at least 25%.

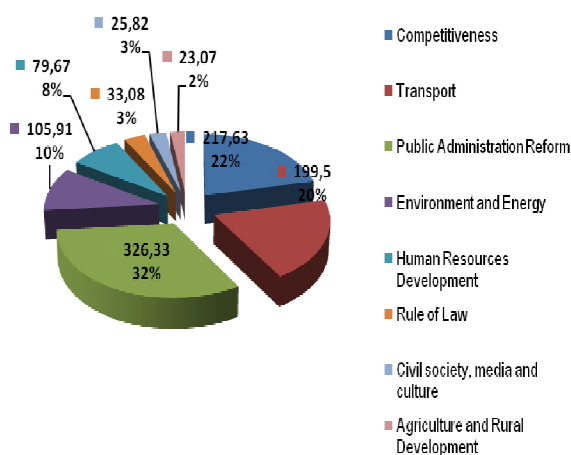
Development assistance can be provided in the form of money, goods, works and services. Therefore, the disbursement of development assistance in the sense of the Report represents estimated implementation of programmes/projects/activities which are subject of donation, and not financial disbursement.

The structure and level of development assistance disbursement are presented according to:

- Financial form (grants and concessional loans);
- Purpose (development and humanitarian assistance; by sectors of use);
- Sources of financing (by bilateral and multilateral development partners);
- Type (technical assistance and investments; budget support and project financing).

Estimated implementation of international assistance in 2011 is about 1.02 billion EUR. Out of that grants accounted for 35.37 % and soft loans for 64.63%.

Provided here is an illustration of development assistance implementation according to 8 sectors defined in the national planning document "Needs of the Republic of Serbia for the international assistance 2011-2012".



Estimated implementation in 2011, in million EUR

The Report on International Assistance to the Republic of Serbia in 2011 is available on ISDACON - section Documents, [www.evropa.gov.rs](http://www.evropa.gov.rs)

## Construction of Žeželj Bridge

The construction works on Žeželj Road-rail Bridge over the Danube in Novi Sad have started.

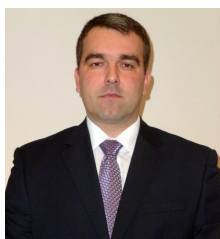
The project worth 45.3 million EUR is co-financed by the EU (IPA 2009), Vojvodina Executive Council and the City of Novi Sad,

with Serbian Railways as the investor on behalf of the Republic of Serbia.



Another 5 EUR million has been allocated from the IPA 2011 to finance the construction of connecting roads and the rehabilitation of rail tracks.

## Development Assistance in Energy Sector



Zoran Filipović,  
Assistant Minister, Ministry  
for Infrastructure and Energy

The energy sector is important for economic development of the Republic of Serbia, with direct impact on quality of life of every citizen through essential provision of power and heating, and minimising the damaging effects on ground, soil, water, air and public health. In the past decade, international development assistance in energy sector ranged from rehabilitation of electricity sector and district heating system, spare parts procurement, capital repair, electricity supply, to creation of new institutions (Energy Efficiency Agency), restructuring and building administrative capacity of existing ones in the field of electricity, gas industry, energy efficiency and renewable energy harmonization of legislation with the EU Acquis.

The EU (CARDS and IPA) represents the largest source of assistance with over €500 million. IPA is assisting Elektromreža Srbije, Srbijagas and Energy Agency to implement requirements of the Energy Community Treaty, strengthen their capacity, energy component of the National Strategy for Sustainable Development, and to reduce harmful emissions and waste water treatment from thermal power plants. It also supports building a new electricity substa-

tion in Vranje, extending Leskovac electricity substation capability.

The most prominent bilateral development partners' assistance includes: strategic planning introduction of a new energy efficiency policy and establishment of energy planning on a local level (Norway); improving municipal planning in energy efficiency, support to rehabilitation and modernisation of district heating system, TA for energy efficiency policy implementation and monitoring (Germany); energy efficiency in heat production and public buildings (World Bank); study of energy management (Japan); modernisation of thermal power plant monitoring and control system (Switzerland); guidance on implementation of EU renewable energy (biomass and biofuels) directives (Netherlands); feasibility studies for district heating plants in Belgrade and Niš and a new biomass combined heat and power plant (US).

Investment needs in energy sector significantly exceed available development funding, amounting to estimated €9 billion in the next 5-7 years period.

In line with continuous efforts to enhance aid effectiveness and donor coordination, Ministry for Infrastructure and Energy and SEIO jointly initiated the establishment of a more formalized and streamlined Energy Aid Coordination Group (EACG). The founding meeting of EACG, presenting the Draft Law on Rational Use of Energy efficiency is set for May 30th.

## Multibeneficiary IPA Coordination

Multibeneficiary IPA Coordination meeting took place from 26-28th April 2012 in Brussels. An overview of the Regional Cooperation Council - RCC recent activities and results was presented, as well as the information on the programming status of Multibeneficiary IPA 2012 Programme, which is to be adopted in June 2012.

The dynamics of programming Multibeneficiary IPA 2013 Programme was also presented. After inter-sectoral consultations within the EC and the IPA Committee, the Programme is to be adopted by the end of 2012 or in early 2013. The representatives of Serbian NIPAC Technical Secretariat suggested two initiatives within the 2013 Programme related to the improvement of regional cooperation in order to modernise education, and the establishment of an adequate mechanism of regional cooperation related to management of illegal migrations.

IPA 2014-2020 will have a different structure than the current IPA

(it will not feature components, but priority areas), while monitoring, evaluation and reporting will be regulated in more details, in order to enable a more precise progress measuring. It was announced that sector approach will be applied to Multibeneficiary IPA programming. The adoption of IPA II Framework Regulation was announced for October this year, while the draft IPA II Implementing Regulations is to be finalised by the end of 2012.

The meeting included discussion on key topics: priority areas of intervention, i.e. challenges and needs with the regional dimension that should be adequately addressed through regional approach, improvement of the regional programmes' monitoring, and improvement of efficiency and effectiveness of support provided through Multibeneficiary IPA.

Documents from this meeting, as well as information on Multibeneficiary IPA can be found on ISDACON, [www.evropa.gov.rs](http://www.evropa.gov.rs)

## Back to the Future Project

Back to the Future project, worth 536,500 EUR and implemented through IPA CBC programme is devoted to new approaches in development of renewable energy sources, which are important for the quality of life of people in the border area of Serbia and Romania.



Installing geothermal system for heating and cooling at the primary school "Dr Jovan Cvijić" in Zrenjanin will ensure environmental protection through reduction of CO2 emission and protection of natural resources.

More information on CBC projects is available on ISDACON, [www.evropa.gov.rs](http://www.evropa.gov.rs)

## USA Development Cooperation with Serbia

The United States of America have supported reform processes in the Republic of Serbia, through strengthening democratic institutions and market economy, economic development in the high potential sectors and mitigating political instability risks as the main areas of development cooperation.

Between 2000 and 2011 the USA has granted Serbia 857 million USD. In 2011, three projects were initiated: Sustainable Local Development Program, Business Enabling Project and Judicial Reform and Government Accountability. The Strategy for the period 2011-2015 includes two areas of cooperation:

1. Creating a competitive market economy, which is aimed at supporting Serbia in terms of strengthening the competitiveness of four key components: strengthening the business environment, increasing the growth of private enterprises in selected sectors, strengthening and better integration of efforts of stakeholders at the local level in terms of regional development, and improvement of the macroeconomic environment.

2. Strengthening of democratic structures in the Republic of Ser-

bia refers to assist Serbia in the EU accession process, and consists of: improvement of the Government in terms of transparency in operation, increased efficiency and accountability to citizens, strengthening Government control and balancing through the reform of the judiciary and parliamentary reform; and increasing the participation of civil society in public life that involves building capacity and engaging civil society and the media as an effective representative of the public interest, as well as improving accountability and responsiveness of the Government to the problems of ordinary citizens.

Other factors of development, important for the progress of the Republic of Serbia will be integrated into the portfolio, and refer to: transparency and accountability, gender equality, youth development, regional inequality, inclusion of national minorities, development of public-private partnerships and regional / CBC cooperation.

More information on the projects initiated in 2011 and assistance agreements can be found on ISDACon - section Documents, [www.evropa.gov.rs](http://www.evropa.gov.rs)

### Female Entrepreneurs Create Jobs in South Serbia

Source: UN/UNDP Serbia

To spur economic development in two of south Serbia's most under-developed municipalities, some 27 women from Vlasotince and Crna Trava formed the *Vlasina Lake Housewives Association* to turn their family fruit-picking and baking activities into a collective business.

Supported by the United Nations Peace Building and Inclusive Local Development (PBILD) programme, in co-operation with Crna Trava and Vlasotince municipalities, which each cost-shared USD 3,500 and a generous USD 50,000 grant from Norway, the women entrepreneurs opened a small



bespoke production facility in Gradska village to prepare and package healthy food from natural forest products, with which Vlasina Lake is abundantly blessed.

The grant has helped the women realize their dreams. Their delicious traditional products made from their grandmothers' recipes won the Gold Medal at the prestigious Second Annual Regional Ethno Food Fair at the end of 2011, and now

new markets are being explored to develop the brand, grow the business and create further jobs in the Vlasina lake region.

For more information, visit <http://rs.one.un.org/pbild/>

## EU Programmes

SEIO organised the meeting of National Contact Points (NCP) for EU Programmes on 10th May 2012. The Republic of Serbia participates in the following EU Programmes: Seventh Framework Programme for Research, Technological Development and Demonstration Activities FP 7, Progress – EU Programme for Employment and Solidarity, Culture, Programme for Entrepreneurship and Innovation, Fiscalis, Customs, Information and Communication Technologies Policy Support Programme, Safer Internet Programme, and Life Long Learning Programme.

The NCPs exchanged experiences and lessons learned on each programme, and discussed the role of NCPs and benefits attained through the participation in each of the programmes. Participa-

tion in the EU Programmes within the new financial perspective 2014-2020 was also discussed.

With the aim of establishing a better coordination mechanism of EU Programmes, it was agreed to organise NCP meetings twice a year, in order to exchange new experiences and information.

Information on the EU Programmes is available on ISDACon, within section EU Funds, [www.evropa.gov.rs](http://www.evropa.gov.rs).

### New Contact Entry

The new JICA Balkan Office Resident Representative is Mr Ken Yamada.

## Waste Water Treatment in Leskovac

Two agreements for the development of waste water treatment facility in Leskovac were signed on 3rd April 2012. The Netherlands will provide 7.9 million EUR through the infrastructure development facility – ORIO. This grant is currently the largest project in the overall Dutch assistance portfolio.

The overall project budget is worth 24 million EUR, with 10.4 million EUR of the IPA 2010 EU support through the MISP programme, and the rest of the financing provided by the Serbian Government (Environmental Protection Fund) and the municipality.

The project, expected to be finalised by mid 2014 will directly enhance water quality and sanitation for 23 communities with over 80,000 citizens.

## Working in Development



what my parents think i do



what my friends think i do



what the govt. thinks i do



what other people think i do



what i think i do



what it's really like

### Did you know?

Within 2011-2012 Indian Economic and Technical Cooperation (ITEC) programme, 20 candidates from Serbian public administration attended various training courses in India on: finance, management, IT, WTO, climate change, energy efficiency, web design, social entrepreneurship, business incubators, mobile communication technologies, railway. The next cycle, from 1st April 2012 will feature 25 candidates.

## Events

- |                 |   |
|-----------------|---|
| 4 June 2012     | Donor Coordination Meeting - Presentation of Report on Int'l Assistance to Serbia in 2011 |
| 7-8 June 2012   | Institution Building Days for Twinning, TALEX and Sigma National Contact Points           |
| 10 June 2012    | Cycle through Belgrade (UNDP Serbia and the City of Belgrade Secretariat for Transport)   |
| 14-15 June 2012 | Steering Committee Meeting of VVIF in Vienna  |
| 22 June 2012    | Raspberry Days Event in Arilje  |

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

## Trainings for Media and SECOs

SEIO, supported by SIDA and IMG organised a seminar on development assistance in Serbia for representatives of media, on 24th April 2012.

The aim of the seminar, attended by 35 representatives of different media across Serbia, was to provide relevant information on development partners in Serbia, main areas of their support, the principles of effective use of development assistance, as well as on means to access information and data on development assistance to Serbia.

The 4th training on "EU funds available to the Republic of Serbia – programming and implementation" aimed for representatives of civil society organizations gathered around SECOs was held on 14th April in Kragujevac.

## 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 100 words.

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