



# ITALIAN DEVELOPMENT COOPERATION IN SERBIA

# Italian Development Cooperation in Serbia

- ✓ Serbia is considered a priority in the agenda of the Italian Development Cooperation
- ✓ According to the strategic programme for the period 2011-2013, the Italian Development Cooperation intends to continue supporting coherent initiatives for the social and economic development of the Country, taking into consideration its future integration into the EU

# Instruments of the Italian Development Cooperation

- ✓ The main financial instruments of the Italian Cooperation are the grants and the soft loans
- ✓ The financial support shall be requested by the Beneficiary Country
- ✓ The areas of activity are various and focused on poverty reduction and improvement of socio-economic conditions

# Management

Projects can be managed by:

- ✓ Public institutions of the Beneficiary Countries
- ✓ Private entities
- ✓ Non-profit organizations
- ✓ Non-governmental organizations
- ✓ Regions and local institutions
- ✓ International organizations

# Main areas of intervention of the Italian Development Cooperation in Serbia

- ✓ Economic development => implemented through soft loan to support small and medium enterprises and public utility companies
- ✓ Social policies => implemented by NGOs, international and regional organizations through grants, involving local and national authorities
- ✓ Cultural heritage => implemented by Italian public institutions through grants
- ✓ Decentralized cooperation => implemented by Italian regions through grants (Emilia Romagna and Toscana Regions)
- ✓ Rural development => implemented by NGOs in partnership with public institutions and small local producers
- ✓ Support to Serbian economy and Institutional Building => implemented through grants in partnership with the five Line Ministries under the umbrella of the Ministry of Finance

# Economic development

- ✓ First Credit Line amounting to 33 M € for the promotion and the development of SMEs was successfully implemented. The Revolving Fund is currently available.
- ✓ Second Credit Line amounting to 30 M € was approved to support balanced regional development through the improvement of infrastructures and services supplied by Local Public Utility Companies (LPUCs)

# Credit Line II

The loan shall be nominated in Euro.

The repayment period shall not go beyond 8 years, including a grace period of 2 years.

The effective interest rate shall not exceed 4.85% (all inclusive per annum).

Minimum 70% of the loan shall be used to finance the purchase of goods and services of Italian origin, such as:

- ✓ Equipment
- ✓ Technology
- ✓ Technical assistance
- ✓ Maintenance
- ✓ Industrial licence

Maximum 30% to cover local costs and/or working capital, in relation to the requirements of the investment projects such as:

- ✓ Used to cover local expenditures such as equipment, raw materials, spare parts and services/working capital in relation to the requirements of the investment projects.
- ✓ Allocated also through contracts established with local suppliers or construction company from Serbia.

# CREDIT LINE SECTORS

1. Agriculture
2. Constructions
3. Chemicals
4. Electricity
5. Energy
6. Healthcare
7. Manufacturing
8. Mechanical
9. Services
10. Telecommunications
11. Textile
12. Tourism
13. Transports



# Social policies

The Italian Cooperation has always paid special attention to the most vulnerable groups of society – elderly people, children, people with disabilities. The main projects are aimed at:

- ✓ Supporting a new approach for the management of children with disability (project implemented by UNICEF)
- ✓ Supporting the decentralization of social services and developing social policies in Serbia (project implemented by Region Emilia Romagna and Region Friuli Venezia Giulia)
- ✓ Promoting youth employment (project implemented by ILO)
- ✓ Strengthening the human capital and active participation of young people (project implemented by IOM)

# Cultural heritage

The Italian Development Cooperation has always considered the preservation of the cultural heritage as one of its priorities, due to the long-standing Italian experience in this field.

- ✓ 1 M € for the establishment of the Central Institute for Conservation in Serbia (CIK), with the support of the Italian Institute for Conservation and Restoration ([www.culturakulturaserbia.com](http://www.culturakulturaserbia.com))
- ✓ 350.000 € for the Modernization of the Restoration laboratory in Belgrade

## Decentralised cooperation

- ✓ Regional programme “SEENET II – South East Europe Network” (11.040.000 €).
- ✓ Decentralised cooperation partnership, involving Italian Regions, Western Balkan local authorities and Italian and South-Eastern European civil society actors.
- ✓ The three-year Programme aims at strengthening the local development and governance capacities of the Western Balkans Countries.

# Projects of the Italian NGOs

- ✓ The Italian NGOs have been very active in Serbia during the transition process, particularly in social (special attention to the most vulnerable groups of society) and economic (support to zootechnical activities and microcredit) fields.
- ✓ The Italian NGOs are also active in the agriculture and rural development fields. The projects apply a participatory approach and foresee a co-financing contribution up to 30% of the total amount of the projects.
- ✓ The NGOs are selected by the Ministry of Foreign Affairs – Directorate General for Cooperation and Development. The list of eligible NGOs is published at:  
[www.cooperazioneallosviluppo.esteri.it/pdgcs/italiano/Partner/ONG/ONG.asp](http://www.cooperazioneallosviluppo.esteri.it/pdgcs/italiano/Partner/ONG/ONG.asp)

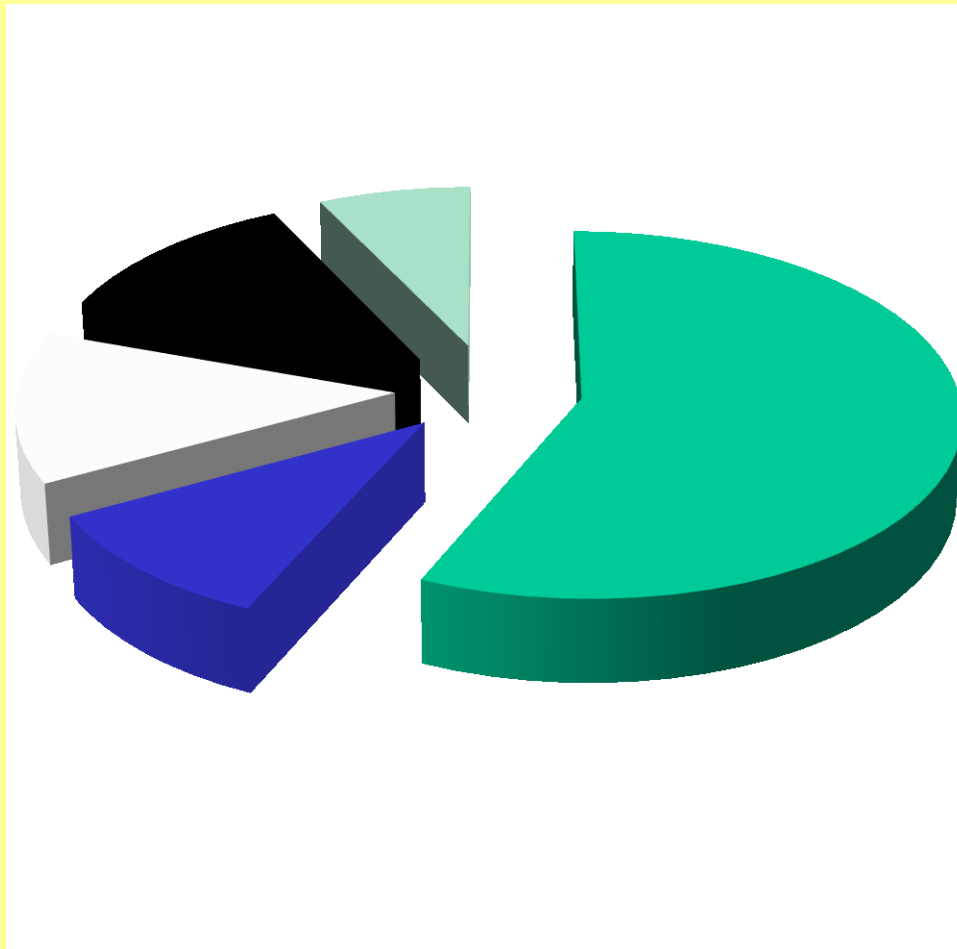
# Rural development and agriculture

- ✓ The Italian Cooperation actively supports the initiatives in the field of agriculture and rural development, through a production chain approach as well as specific actions.

# Support to the Serbian economy and Institutional Building

- ✓ The Italian Development Cooperation supports the purchase of goods for a total amount of 16 M € (*commodity aid*) according to European procurement procedures. The following Ministries benefit from the allocated funds: Ministry of Health, Ministry of Education, Ministry of Energy and Mining, Ministry of Environment and Spatial Planning, Ministry of Agriculture, Forestry and Water Management.
- ✓ Up to date, some 10,6 M € have been allocated. An new phase is being implemented and foresees additional 6.2 M €.
- ✓ A relevant transfer of know-how regarding EU procurement procedures has been carried out

# Distribution of resources to five Ministries beneficiaries of the Programme



- 55% Ministero della Sanità
- 10% Ministero dell'Agricoltura delle Foreste e della Gestione delle Acque
- 13% Ministero dell'Ambiente e della Pianificazione Territoriale
- 12% Ministero dell'Energia e delle Miniere
- 7% Ministero dell'Educazione

# The future of the Italian Development Cooperation in Serbia

The Programme “Italian Credit Line facility to support Small and Medium Enterprises through local banking system and sustain the local development through Local Public Utility Companies in Serbia” of a total amount of 30 M € is about to be launched.



## **Desk for the European Union (EU-Desk)**

The EU-Desk, established within the Local Technical Unit, has the objective to support the integration process of Serbia towards the EU, providing assistance to the process of harmonization with the *acquis communautaire*.

The website of the Project that organizes this workshop is the following:

*[www.euintegracijaintegrazione.com](http://www.euintegracijaintegrazione.com)*



Thank you!

For more information, please write to:  
[coop.utl.belgrado@esteri.it](mailto:coop.utl.belgrado@esteri.it)