

norway

# Norwegian support to the Western Balkans

Collaboration in implementing reforms – a donor's perspective

Olav Reinertsen, Senior Advisor, Ministry of Foreign Affairs



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NORWEGIAN MINISTRY  
OF FOREIGN AFFAIRS

## Norway's involvement in the Western Balkans

Since 1991 - more than €1,25 bn. (11 bn. NOK ) to the region

**Focus gradually changed as the situation has changed**

- Emergency aid and humanitarian assistance (1991-95)
- Reconstruction and reconciliation (1996-99)
- Euro Atlantic integration - focus on (among others):
  - institutional reform,
  - rule of law,
  - education, research and development
  - economic and business development
  - energy

## Plans for 2009-2010

Total assistanse € 65 mill (575 mill. NOK) - 2009

Target areas are among others:

- Economic, political and social reform
- Education and R&D sector development,
- Development of private sector and business, job creation
- Development of environment-related energy projects, clean energy, including capacity building and transfer of know-how and expertise

## Geographic focus

	2009	2008	2007	2006
<b>BiH</b>	110	110	100	120
<b>Kosovo</b>	135	140	100	100
<b>Macedonia</b>	50	36	55	80
<b>Serbia</b>	135	135	142	167
<b>Regional projects</b>	95	111	110	128
<b>Albania</b>	10	18	32	35
<b>Croatia</b>	20	24	42	100
<b>Montenegro</b>	20	24	24	25
<b>Total</b>	575	600	600	750

## Business development – tools

- **Norwegian assistance: Flexible. Ability to adapt quickly to local needs. Prepare the ground for bigger investments – such as IPA/EU**
  1. Business incubators and innovation centres – ex.: Croatia, BiH, Serbia, Macedonia, Kosovo
  2. SME-financing and funding: microcredits, seed capital etc.
  3. Capacity building and transfer of know-how – future investment climate in the WB; increased predictability
  4. Education and R&D – linking Norwegian institutions with counterparts in the WB – long term
  5. Cooperation with IFIs – IFC, EBRD etc. – and other international partners – medium and long term

## Business development – trends and challenges

- Trends:

1. Norwegian assistance decreasing; EU/IPA increasing
2. Long term commitments, difficult to adapt to new demands
3. Future EU membership means new financial instruments – EEA.

- **For Norway: How to secure visibility and “to make a difference”?**

1. Fewer, but bigger projects
2. Sector focus and concentration: clean energy, ICT, maritime
3. More co-financing with other donors
4. Co-ordination and seeking synergies with EU/IPA and IFIs
5. Integrated approach to innovation, education and SME development