



UNDA project

“Global Initiative towards the post COVID-19 resurgence of the MSME sector”

**"Guidelines and Best Practices for MSMEs
to assure resiliency and progress towards a circular economy in
sustainable resource management and critical raw material supply chain solutions in Serbia"**

**Regional workshop on guidelines and best practices for MSMEs
in sustainable resource management and critical raw material supply.**





- ❖ 6 March 2020 - the first case of COVID-19 was reported
- ❖ 15 March 2020 - the state of emergency was declared in Serbia
- ❖ 19 March 2020 - the pandemic of the Coronavirus disease was announced
- ❖ 20 March 2020 - the first fatality from the disease was reported

- ❖ The Ministry of Health of the Republic of Serbia set up a website, where all data related to the Coronavirus pandemic on the territory of Serbia is updated daily at 15:00

- ❖ Pfizer-BioNTech
- ❖ Sputnik V
- ❖ Sinopharm
- ❖ Oxford/AstraZeneca
- ❖ Moderna

- ❖ Foreign citizens were also allowed to get immunised in Serbia with and without residence.



CORONAVIRUS COVID-19

1,070,705 cases of COVID-19 in the Republic of Serbia

LATEST INFORMATION ABOUT COVID-19 IN THE REPUBLIC OF SERBIA updated on 20.10.2021. at 15:00

1,070,705	9,272	0.87%
CONFIRMED CASES	DEATHS	MORTALITY RATIO
6,070,752	24,984	7,745
TOTAL NUMBER OF TESTED PEOPLE	PEOPLE TESTED IN LAST 24 HOURS	CASES CONFIRMED IN LAST 24 HOURS
		58
		DEATHS IN LAST 24 HOURS
	6,708	273
	HOSPITALIZED	PATIENTS ON VENTILATORS

Source: Institute for Public Health "Dr. Milan Jovanovic Bator"

VRATIMO ZAGRLJAJ

POČETNA VAKCINACIJA PROTIV COVID-19 DOSTUPNE VAKCINE U SRBIJI KAKO VAKCINE FUNKCIONIŠU PREUZMI MATERIJALE FIRMIČIČKA

Broj doza: 6.721.216 – prva doza 3.071.523, druga doza 2.941.696, treća doza 707.997

Državljeni RS – prva doza 2.900.535, druga doza 2.788.799, treća doza 703.672

Strani državljani sa boravkom u RS – prva doza 10.509, druga doza 9.571, treća doza 1.359

Strani državljani bez boravka u RS – prva doza 160.479, druga doza 143.326, treća doza 2.956

aktualizirano 19.10.2021



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COVID-19 and the impact on micro-, small and medium enterprises (MSMEs) in Serbia

COVID-19 and the impact on micro-, small and medium enterprises (MSMEs) in Serbia

Current status of MSMEs in critical raw material (CRM) value-chain in Serbia

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Opportunities for CRM supply MSMEs in economic recovery in Serbia

Opportunities for CRM supply MSMEs in economic recovery in Serbia



Legal entities and entrepreneurs
in the Republic of Serbia
(According to the Law on Accounting)

MICRO

Micro legal entities include those legal entities and entrepreneurs that do not exceed the limit values of two of the following three criteria at the balance sheet date:

- 1) an average number of employees is ten;
- 2) operating income of EUR 700,000 in dinar equivalent;
- 3) the value of total assets at the balance sheet date is EUR 350,000 in dinar eq.

SMALL

Small legal entities are those legal entities and entrepreneurs that at the balance sheet date exceed the limit values of the two criteria for micro legal entities but do not exceed the limit values of two of the following three criteria:

- 1) an average number of employees is 50;
- 2) operating income of EUR 8,000,000 in dinar eq.;
- 3) the value of total assets at the balance sheet date is EUR 4,000,000 in dinar eq.

MEDIUM

Medium-sized legal entities are those legal entities and entrepreneurs that at the balance sheet date exceed the limit values of two criteria for small legal entities but do not exceed the limit values of two of the following three criteria:

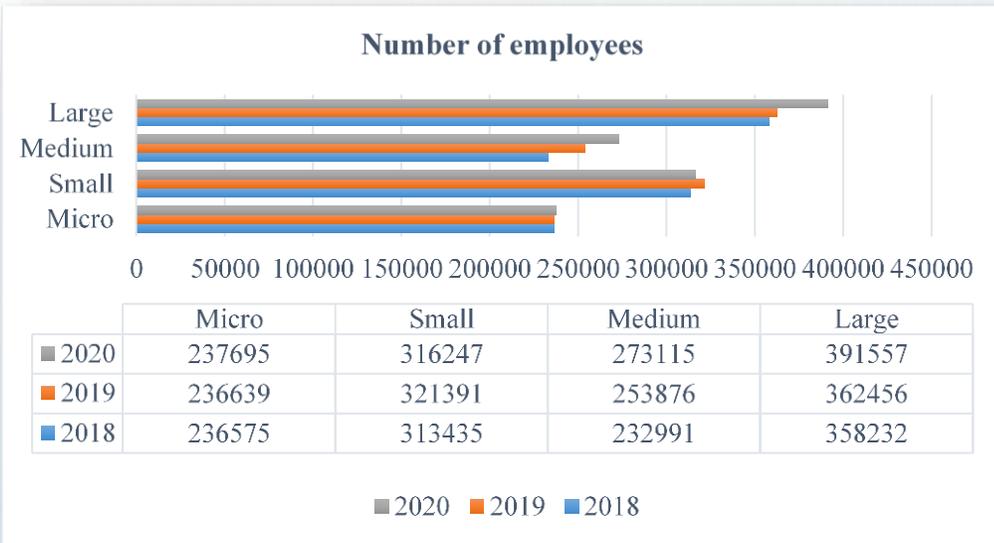
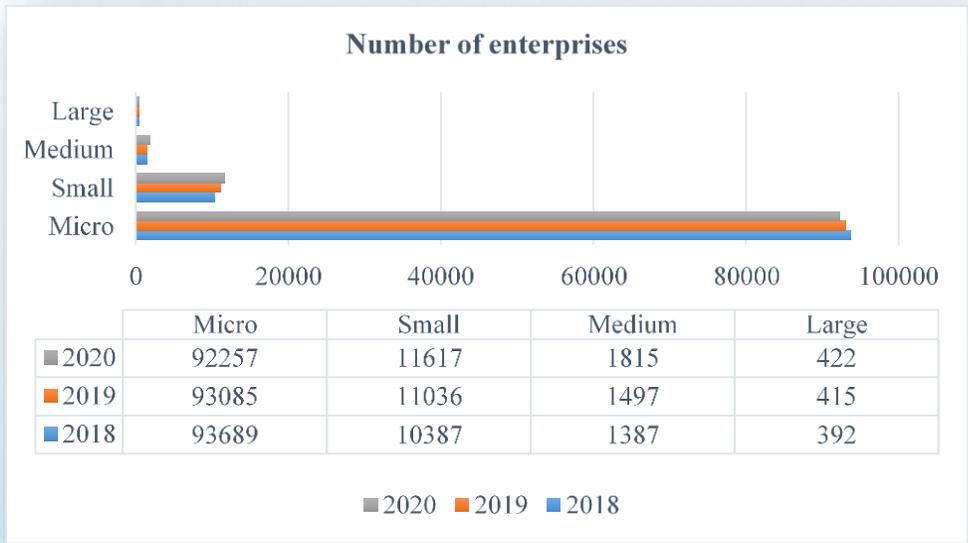
- 1) an average number of employees is 250;
- 2) operating income of EUR 40,000,000 in dinar eq.;
- 3) the value of total assets at the balance sheet date is EUR 20,000,000 in dinar eq.

LARGE

Large legal entities include legal entities and entrepreneurs who exceed the limit values of the two criteria for medium-sized legal entities at the balance sheet date



❖ MSMEs represent over 99% of active companies. These companies generate over 30% of GDP, contributing 40% to total exports and providing employment opportunities in the country, with over 67%.



❖ In the Republic of Serbia, according to the report of the Business Registers Agency (BRA), in 2020, 106,111 of all registered companies employed a total of 1,217,954 workers, which is 3.7% more than in 2019. Of that number, 105,689 companies belong to MSMEs and employ 826,397 workers. The number of 289,355 independent entrepreneurs (registered business entities) should be added here. In 2020, the number of companies without employees was reduced by 3.1% (according to the BRA), but these companies (31,465) account for 29.7% of the total number of companies in Serbia.

❖ Since the Republic of Serbia does not have a legal document to define critical mineral raw materials from a specific aspect (potential, economic significance, supply risk or level and type of industrial development) there is no statistical data, particularly on companies related to essential mineral raw materials and the supply chain.



- ❖ Annual reports on the MSMEs' state of affairs do not provide data on women's entrepreneurship, so no data on how companies operate concerning the owners' gender. There is no publicly available progress report on implementing the MSME Strategy related to women's entrepreneurship.
- ❖ The 2021-2030 National Strategy for Gender Equality - no systematic gender statistics on women's entrepreneurship.
- ❖ The Gender Responsive Budgeting process in the Statistical Office of the RS, with the introduction of new gender indicators in business statistics
- ❖ Public Procurement Office (PPO) in 2020 has started monitoring the participation of women-owned
- ❖ At the moment, the most reliable assessment of women's participation in business, that of 31.7%, is presented in the survey on the position of women in the business sector in Serbia (Babovic, 2014), which distinguishes women's participation in companies (24%) and among registered entrepreneurs - sole proprietors (32%).
- ❖ The Government of the Republic of Serbia officially introduced Gender Responsive Budgeting in 2015, with the adoption of the Budget System Law, when the promotion of gender equality was recognized as one of the budget goals.
- ❖ The Republic Geodetic Authority (RGA) has improved the gender statistics of its real estate records
- ❖ The participation of women in the ownership structure of corporate entities registered in 2020
 - 33% of sole proprietors are women, among single-member companies,
 - 16.3% of owners are women, 25.2% of multi-member companies' owners are women
 - 22.6% women hold the position of legal representatives or directors.



❖ After declaring the epidemic in the Republic of Serbia, the Government and the National Bank of Serbia (NBS) reacted quickly. They adopted a package of economic measures to reduce the adverse effects caused by the COVID-19 pandemic and provide support to the Serbian economy, which included nine steps, with an estimated impact of 5.1 billion euros.

- ✓ [Tax policy measures](#)
- ✓ [Direct assistance to the private sector](#)
- ✓ [Measures to preserve liquidity](#)
- ✓ [Other measures](#)

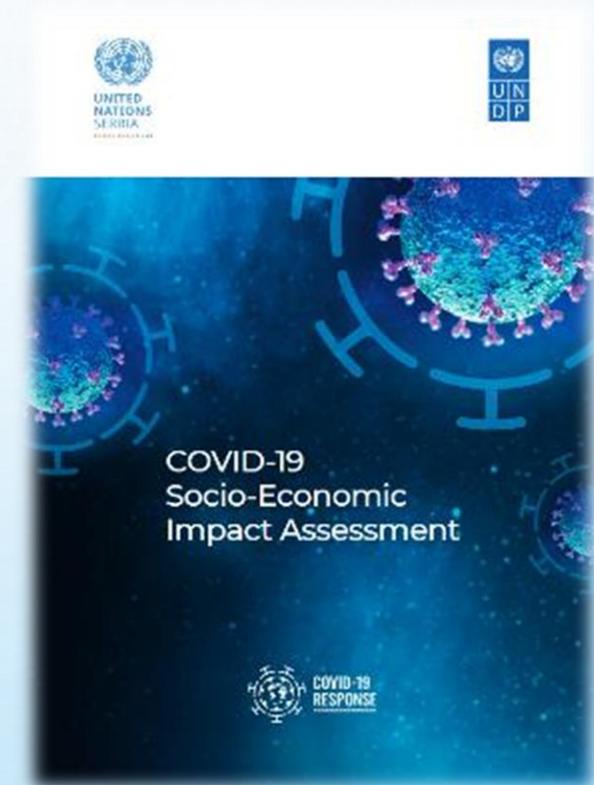


<https://nbs.rs/en/indeks/index.html>

- ❖ The measures of the Government of RS and NBS that preceded this package included an increase in salaries in the health sector, for the medical workers, by 10% from April 1, 2020, then one-time assistance for pensioners for 4,000 dinars, a moratorium on loan repayment and reduction of reference interest rates by 0.5%, to the level of 1.75%.
- ❖ In July and August, included the payment of aid in the amount of 60% of the minimum wage to entrepreneurs, micro, small and medium enterprises, deferral of taxes and contributions for one month and direct support to the tourism and hotel sector – 350 € per bed, 150 € per room.
- ❖ Total measures in 2020 amounted to about 13% of GDP in Serbia, and an additional package of steps in the amount of 4.3% in 2021 is envisaged, which includes four financial support programs by the Ministry of Economy to small and medium enterprises for which it has been allocated two billion dinars. This program is for the procurement of equipment, encouraging entrepreneurship through development projects, support programs for starting businesses and a program for young and women entrepreneurs.



- ❖ The Program for Encouraging the Development of Entrepreneurship through Financial Support for Women Entrepreneurs and Youth in 2021
- ❖ The Center for Digital Transformation of the Serbian Chamber of Commerce invited companies to participate in the new "Digital Transformation Support Program for Micro, Small and Medium Enterprises 2021".
- ❖ The COVID-19 Socio-Economic Impact Assessment report the UN
 - ✓ health system,
 - ✓ social protection,
 - ✓ jobs,
 - ✓ economy (including green economy) and
 - ✓ overall resilience.
- ❖ Serbia has the opportunity for better further progress, which includes integrating elements of green recovery, increasing the resilience of the economy and society to future potential shocks improving welfare and equality among citizens.
- ❖ Serbia's GDP
 - ✓ 2018 – grow by 4.4%
 - ✓ 2019 – grow by 4.2%
 - ✓ 2020 – decline of 0.9%





- ❖ The current intensive geological exploration that is taking place in the country, as well as the opening of new mines, provide an excellent opportunity for the development of MSMEs and inclusion in the entire production and supply chain.
- ❖ The copper and gold mine Čukaru Peki – opened, October 2021
 - ✓ It is one of the largest deposits of copper and gold in Europe and the world, where more than 2 billion ore reserves are expected, which amounts to about 16 million tons of cathode copper and about 500 tons of gold.
- ❖ Project Jadar
 - ✓ Lithium and boron ore in the Jadar deposit near Loznica is the primary source of highly sought-after critical mineral raw materials on the EU CRM list from 2020
- ❖ The role and importance of MSMEs is visible in future activities related to secondary sources of CRM (mining, industrial, construction waste, etc.), in terms of providing an adequate supply chain for these raw materials, not only for Serbia but also for broader requirements and needs





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Progress towards sustainable resource management and the circular economy

Application of UNFC and UNRMS in Serbia

Brief overview of opportunities for MSMEs in critical raw material supply in Serbia

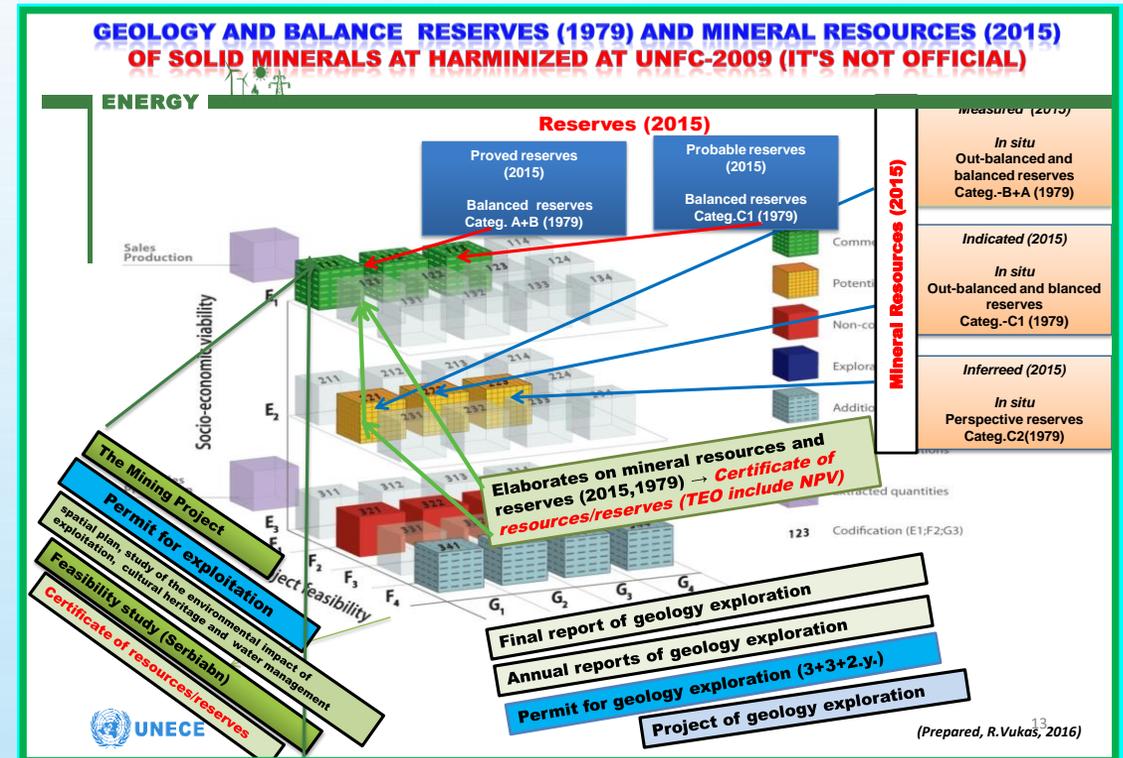


- ❖ The Republic of Serbia currently classifies the legally defined terms mineral resources and reserves of mineral raw materials according to the Rulebook on classification and categorization reserves of solid mineral raw materials and keeping records on them from 1979
- ❖ Amendments to the Law on Mining and Geological Exploration (2021) - the PERC.

The categories A, B, C₁, C₂, D₁ and D₂ in framework classification UNFC - 2009

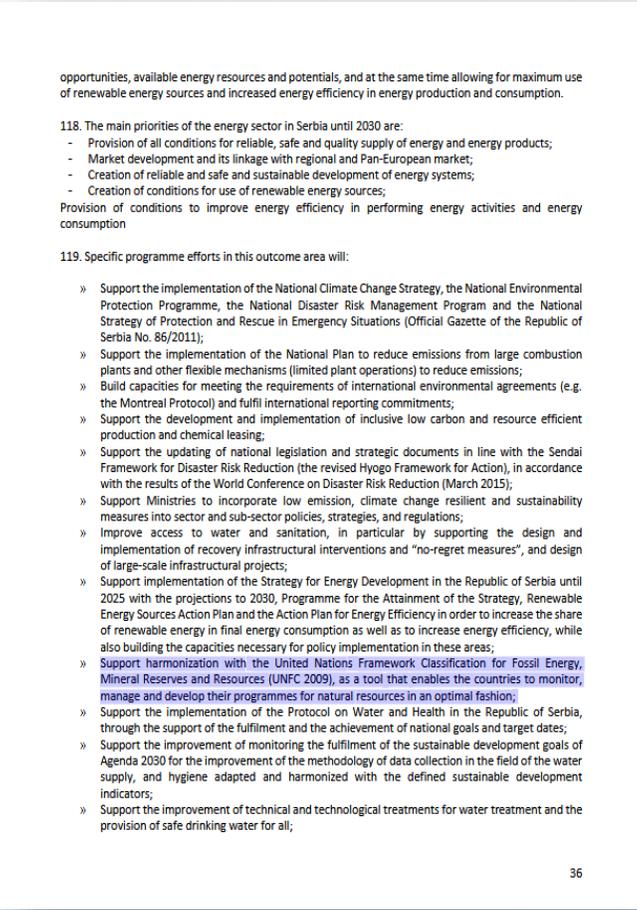
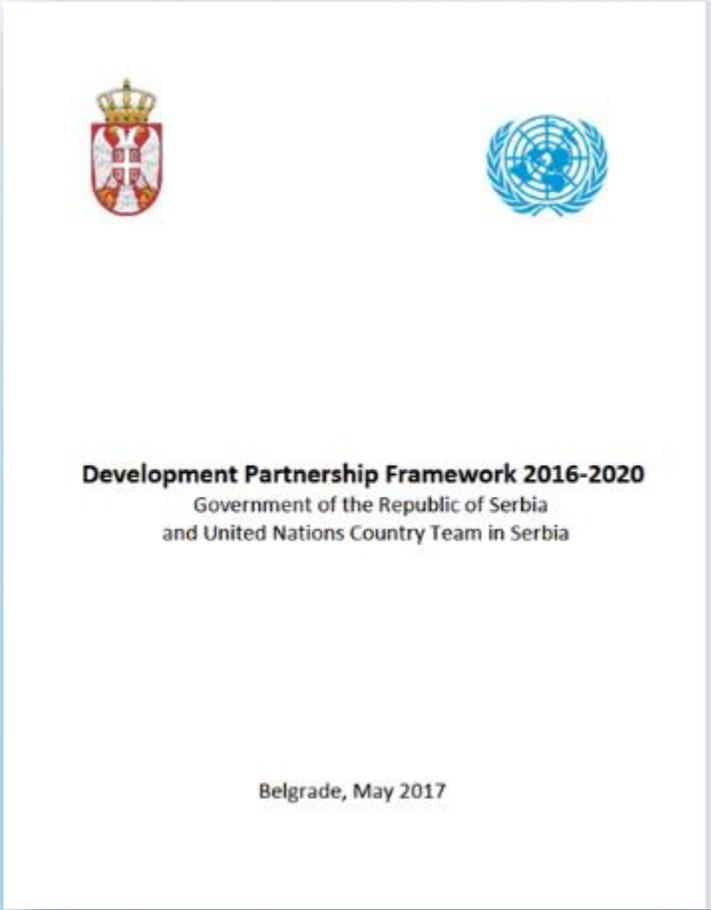
Proposed map of conversion

Proposed New Book of Regulations for Solid Mineral Raw Materials	Results of Geological Exploration	Mineral Resources			Mineral Reserves	
		Inferred	Indicated	Measured	Probable	Proved
Official Book of Regulations for Solid Mineral Raw Materials (1979)	Potential	Potential	Established (in situ – Geological: Out-of-Balance and Balance)		Exploitation (inclusive of dilutions and losses during mining)	
	D ₂ , D ₁	C ₂	C ₁	B,A	C ₁	B,A
UNFC (2009)			Mineral Resources		Mineral Reserves	
	334	223	222	221	112	111





❖ Development Partnership Framework between the Government of the Republic of Serbia and the United Nations Team for the period from 2016 to 2020 (UN-Serbia Development Partnership Framework for 2016-2020), where Pillar 4, expressed assistance to Serbia from by the UN, for the implementation of the UNFC system.





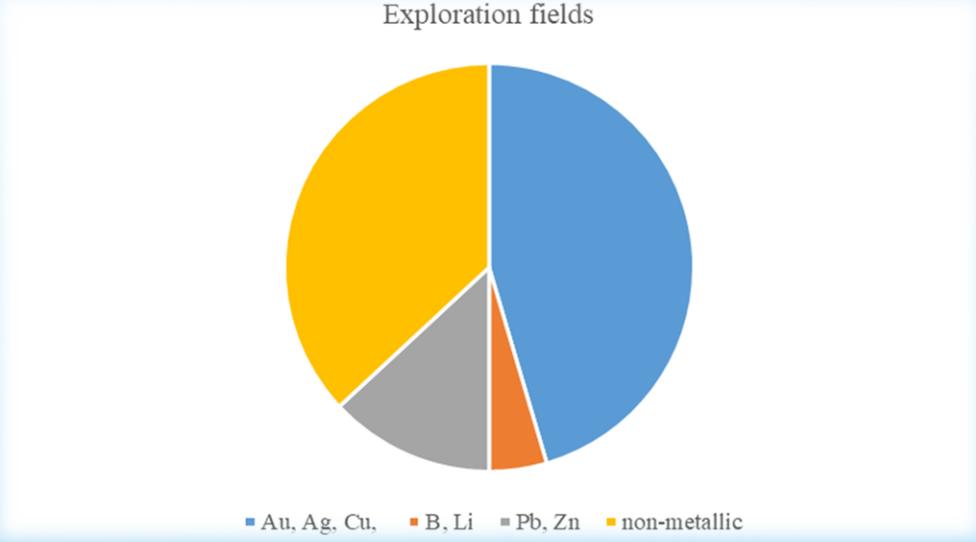
❖ The Republic of Serbia does not have a legal document to process critical mineral raw materials from a specific aspect (potential, economic significance, supply risk or level and type of industrial development).

❖ The Law on Mining and Geological Exploration (2021) defines mineral raw materials of strategic importance for the Republic of Serbia:

- ✓ oil and natural gas,
- ✓ coal,
- ✓ copper and gold ores,
- ✓ lead and zinc ores,
- ✓ boron and lithium ores,
- ✓ oil shale
- ✓ other mineral raw materials determined by a particular act of the Government

➤ In addition, it was emphasized that the applied geological research and exploitation of uranium, nickel and cobalt can be performed only with the prior consent of the Government of the Republic of Serbia

Antimony	Cobalt	HREEs	Natural Rubber	Silicon Metal
Baryte	Coking Coal	Indium	Niobium	Tantalum
Bauxite	Fluorspar	Lithium	PGMs	Titanium
Beryllium	Gallium	LREEs	Phosphate rock	Vanadium
Bismuth	Germanium	Magnesium	Phosphorus	Tungsten
Borates	Hafnium	Natural Graphite	Scandium	Strontium





No.	CRM	Exploration	Extraction	Balance reserves Mt	Potential reserves Mt	Evaluation of the impact of pandemic Covid 19 for supply chain: low or high
1.	Antimony	Active	No-Active	1.061	3.137	Low
2.	Baryte	No-Active	Active	1.2	1.7	High
3.	Bauxite	Active	No-Active	1.19	-	Low
4.	Bismuth	No-Active	Active - a by-product of Pb-Zn ore extraction	-	-	Low
5.	Borates	Active	Active - small production	0.14	48.5	High
6.	Gallium	No-Active	Active - a by-product of Pb-Zn ore extraction; and as coal ash	-	-	High
7.	Germanium	No-Active	Active - a by-product of Pb-Zn ore extraction;	-	-	High
8.	Indium	No-Active	Active - a by-product of Pb-Zn and Fe ore extraction	-	-	High
9.	Lithium	Active	Exploitation jadarite ore planned for 2023.	158		Low
10.	Magnesium	No-Active	Dormant, last 2 years active, small production	28.54	4.75	High
11.	Siliciti	No-Active	Active, a by-product of quartz stone extraction	-	-	Low
12.	Tungsten	No-Active	Active - a by-product of Pb-Zn ore extraction	-	0.33	High
13.	HREEs	No-Active	Active - a by-product of Pb-Zn ore extraction;	-	-	High
14.	LREEs	No-Active	Active - a by-product of Cu ore extraction;	-	-	High

CRM of Serbia from list CRM of EU (2020), supply chain



No.	Tailing dumps	Surface (ha)	Quantity of material (Mt)	Content (highlighted CRM)
Cu deposits				
Flotation tailings dump "Bor"				
1.	Active flotation tailings Bor	86	50-60 Mt of tailings	Cu approx. 0,20%
2.	Old flotation tailings dump in "Bor"	57.60	30 Mt of tailings	Cu approx. 0,25% Au approx. 0,4 g/t Ag approx. 1,7 g/t
3.	Active flotation tailings dump "Veliki Krivelj"	483.36	190 Mt of tailings	Cu approx. 0,10%
Slag "Bor"				
1.	Depo 1	1.3	11.19 Mt certified balance reserves of technogenic mineral raw materials, 2005	Cu approx 0.715%, Au 0.282 g/t , Ag 4.5 g/t, Mo 0.0413% Fe ₂ O ₃ 38.60 %
2.	Depo 2		1,9 Mt of slag	Cu 0,65%
3.	Depo 3		0.7 Mt	Cu 0,70%
4.	Depo 4		1-1,5 Mt of slag	Cu 0,60%
Pb-Zn deposits				
1	Flotation tailings "Grot"		550 Mt of tailings	Pb, Zn, Ag, Cd
2.	Flotation tailings "Rudnik"	Projected up to 40	8.7 Mt of tailings	Cu 0.1055%, Zn 0.31%, Pb 0.10%, Ag 11.6 g / t, Fe 6.735%, Bi 45 g / t, Cd 20.8 g/t , Ca 5.84%.
3.	Flotation tailings "Lece"		2.7 Mt of tailings	Au 1,33 g/t, Ag 3,64 g/t In 17 g/t

Secondary sources of CRM in Serbia

26C00D51A 20N1C62 01 CRM IN 261D19



- ❖ Considering the CRM supply possibility in the post-pandemic period, according to the data presented so far, it is clear that the situation in Serbia is favourable in that regard and that the prospects for recovery are excellent. In this regard, the recently opened copper and gold mine in eastern Serbia is the primary source of CRM (In, Ge, Ga ...), with many MSMEs participating in its supply chain. MSME's role, in this case, was viewed in the context of numerous subcontractors being hired in the process of further exploration, extraction and technological processing of copper and gold ore.
- ❖ The role of MSMEs is reflected in the high number of hired subcontractors with up to 400 unique business entities in the stage of geological exploration undertaken so far and initial mining activities.
- ❖ According to the latest data provided by the Ministry, the geological CRM exploration on the territory of Serbia carried out before the COVID-19 pandemic resumed to the same extent as before, with a tendency to further increase.
- ❖ At this point in time, there are flotation tailings of the "Bor" copper mine, serving as secondary sources of CRM where geological exploration of technogenic raw materials, copper and accompanying rare elements is carried out. In addition to this site, another 41 sites have been registered on the territory of Serbia as secondary sources of technogenic raw materials (CRM), which involve mining waste generated in the framework of the past mining operations.
- ❖ The sites in question (secondary sources of CRM) are mainly privately owned. Mining waste has not been identified as of priority interest, and there is no obligation to extract valuable mineral raw materials from the waste. This fact forms an obstacle to uniform mineral raw materials management (UNRMS). Furthermore, in conditions of application of the circular economy model, this fact creates an essential barrier to achieving the goals of the 2030 Agenda.
- ❖ A solution to this problem is subject to legislative changes and incentive measures for MSMEs in the CRM supply chain.
- ❖ The CRM supply chain, which covers geological exploration, exploitation and processing, at this point in time and in the future, may be affected by negative campaigns by citizens' groups, individual institutions and environmental organisations, both locally and regionally, which mainly target international mining companies conducting geological exploration in Serbia. They express their concern, point out possible negative environmental impacts resulting from geological exploration activities related to CRM, and demand that those activities be stopped



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Guidelines and Best Practices for navigating challenges for MSMEs in the raw material supply business environment in Serbia

Business facilitation and business registration

Policy, legal and regulations

Access to data, information and knowledge

Entrepreneurship skill facilitations

Market access

Access to finance

Access to technology

Logistics and supply chains



COMPANIES

General Partnership

Limited Partnership

Limited Liability Company

Joint Stock Company

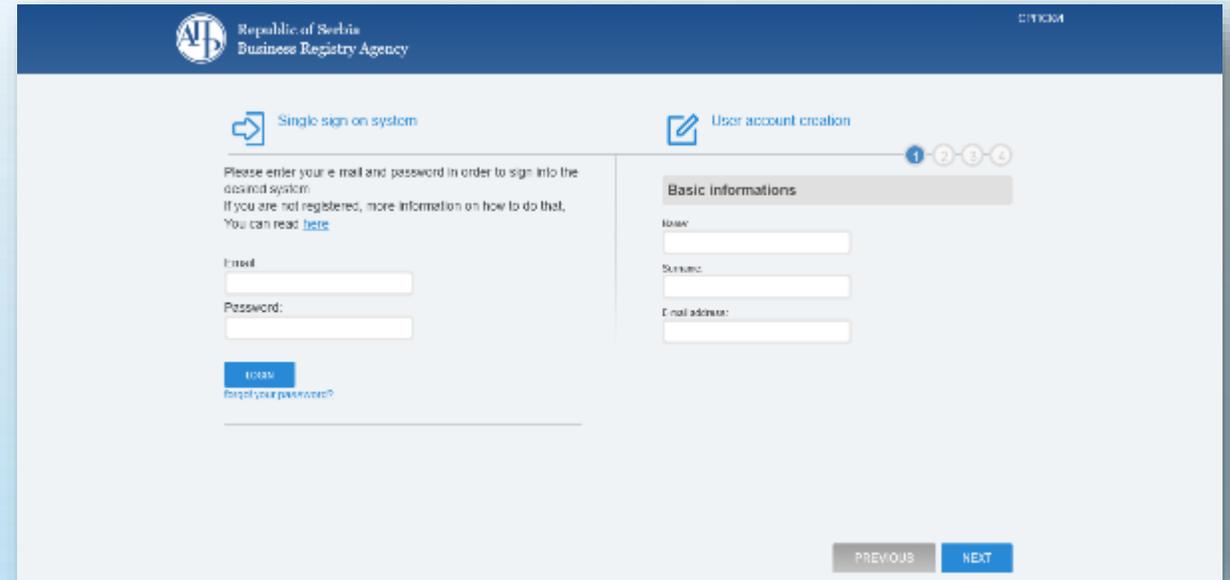
SOLE PROPRIETORS

A sole proprietor is a legally capable natural person who conducts an activity to gain profit and has been registered under the Registration Act

Cooperative, in practice is less common while it is possible to engage in agriculture without registering a firm



- ❖ 2005 - the Republic of Serbia started to practice reforms in business entities registration
- ❖ The Serbian Business Registers Agency (the Law on the Procedure of Registration in the Serbian Business Registers Agency)
 - ✓ Register of Companies,
 - ✓ Register of sole proprietors
 - ✓ Register of foreign representative offices (which includes MSMEs)
- ❖ Electronic registration
 - ✓ 01.01.2018 - sole proprietors
 - ✓ 17.10.2018 - single-member limited liability companies
 - ✓ 28.06.2019 - multi-member limited liability companies
 - ✓ 2022 - others
- ❖ BRA provides public access to data stored in its registers via an Internet browser (Google Chrome, Mozilla Firefox, etc.) or via a web service



The screenshot displays the user interface of the Serbian Business Registers Agency (BRA) website. At the top, there is a dark blue header with the BRA logo and the text "Republic of Serbia Business Registry Agency". Below the header, the page is divided into two main sections: "Single sign on system" and "User account creation".

The "Single sign on system" section includes a heading with a key icon, a sub-heading "Single sign on system", and a paragraph: "Please enter your e-mail and password in order to sign into the desired system. If you are not registered, more information on how to do that, You can read [here](#)". Below this text are input fields for "Email" and "Password", and a blue "LOGIN" button. A link "forget your password?" is located below the login button.

The "User account creation" section includes a heading with a document icon, a sub-heading "User account creation", and a progress indicator showing four steps, with the first step (1) highlighted. Below this is a "Basic informations" section with input fields for "Name", "Surname", and "Email address".

At the bottom right of the page, there are "PREVIOUS" and "NEXT" buttons.



Moreover, based on official summary data on the financial position and performance of the business, the Agency publishes macroeconomic analyses of business operations of legal persons and sole proprietors and economic entities in the Republic of Serbia.

Doing Business 2020 – 44
Starting a Business – 73



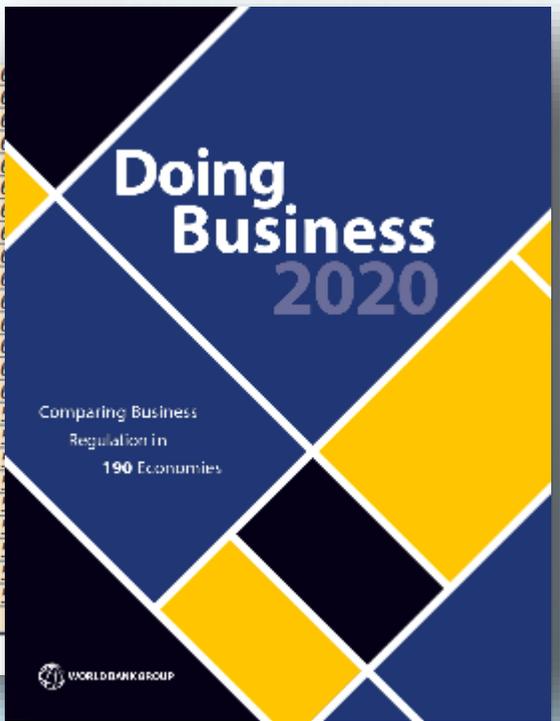
Programme for Improving the Position of the Republic of Serbia in the World Bank's Doing Business list for the period 2020-2023



The goal - the top ten countries in terms of business conditions

40	Poland	76.4	104	Namibia
41	Czech Republic	76.3	105	Trinidad and Tobago
42	Netherlands	76.1	106	Tajikistan
43	Bahrain	76.0	107	Vanuatu
44	Serbia	75.7	108	Pakistan
45	Slovak Republic	75.6	109	Malawi
46	Belgium	75.0	110	Côte d'Ivoire
47	Armenia	74.5	111	Dominica
48	Moldova	74.4	112	Djibouti
49	Belarus	74.3	113	Antigua and Barbuda
50	Montenegro	73.8	114	Egypt, Arab Rep.
51	Croatia	73.6	115	Dominican Republic
52	Hungary	73.4	116	Uganda
53	Morocco	73.4	117	West Bank and Gaza
54	Cyprus	73.4	118	Ghana
55	Romania	73.3	119	Bahamas, The
56	Kenya	73.2	120	Papua New Guinea
57	Kosovo	73.2	121	Eswatini
58	Italy	72.9	122	Lesotho
59	Chile	72.6	123	Senegal
60	Mexico	72.4	124	Brazil
61	Bulgaria	72.0	125	Paraguay
62	Saudi Arabia	71.6	126	Argentina
63	India	71.0	127	Iran, Islamic Rep.
64	Ukraine	70.2		

Source: Doing Business database.



All the above represents a favourable business environment, guidelines, guides and best practices to which MSMEs in Serbia are exposed or by which they are surrounded, especially those in the business environment of the supply chain of mineral raw materials, i.e. of all natural resources. In 2020, the mining sector comprised 361 enterprises with 15,825 employees, 292 of which were micro, 46 small, 15 medium-sized and 8 large-scale enterprises.



❖ According to Article 87 of the Constitution of the Republic of Serbia [46], natural resources are owned by the State. They shall be used under conditions and in the manner provided by the Law. The Law regulating the area of geological exploration and exploitation of reserves of mineral raw materials is the Law on Mining and Geological Exploration





- ❖ The Law in force contains provisions for a more streamlined approach to the exploration of mineral raw materials and other geological resources, which results in speeding up administrative procedures which are conducted, following the provisions of the Law on General Administrative Procedure (2016) as the primary administrative act of the Republic of Serbia, by the Ministry of Mining and Energy (e-mining has been introduced, the Chamber of Mining and Geological Engineers of Serbia is established, etc.).

- ❖ **The Republic of Serbia Strategy for Mineral Resource Management and other geological resources**
 - ✓ In 2011 the Government formulated a proposal for the Strategy, but it was not adopted by the National Assembly of the Republic of Serbia

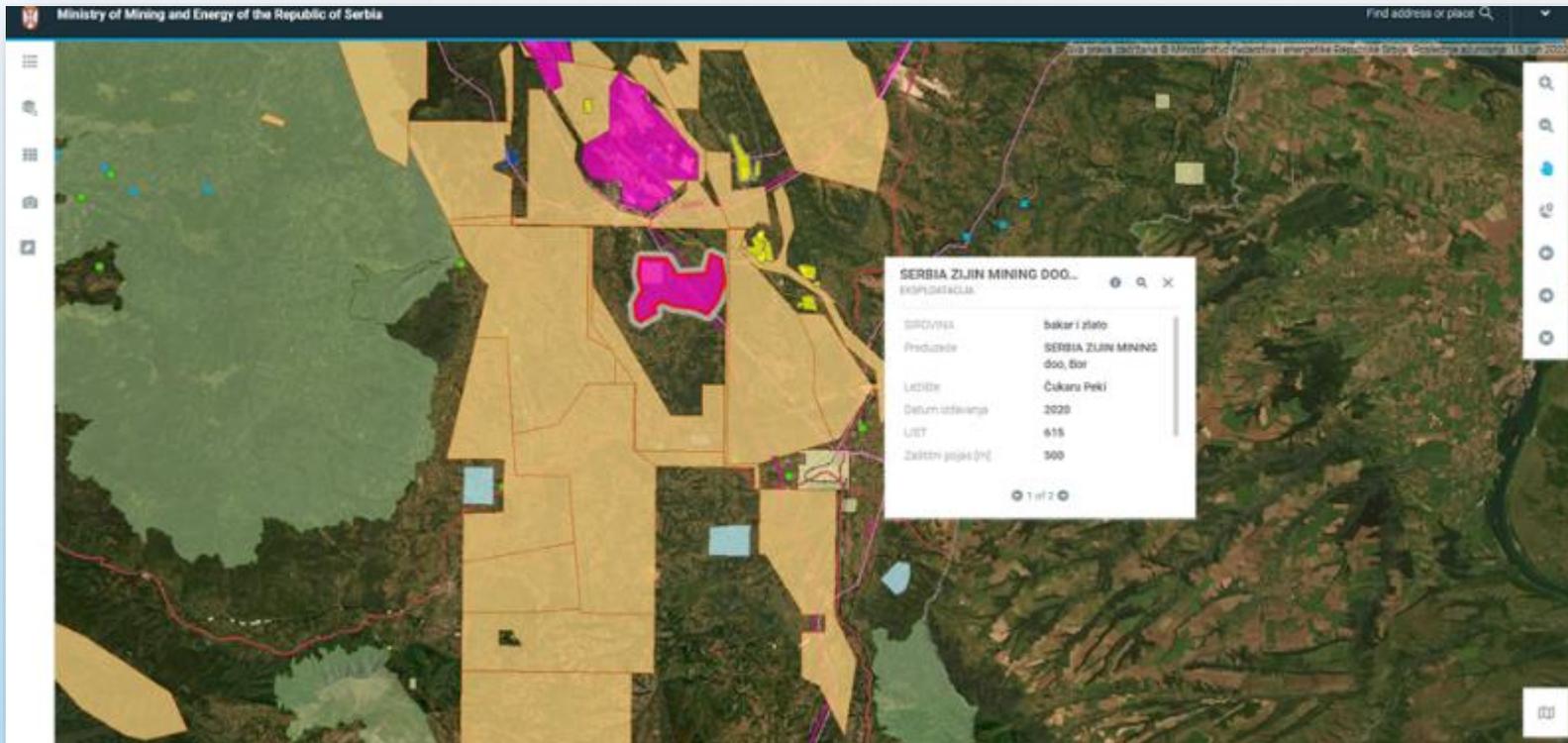
- ❖ 2012 - Serbia is implementing the National Strategy for Sustainable Use of Natural Resources governing the mineral-raw materials industry in Serbia in a cross-sectoral, complete and comprehensive way

To enable the functioning of MSMEs in the mineral raw materials sector within the mining industry, it is necessary to adopt a strategic document - the Strategy for Mineral Resource Management and other geological resources



- ❖ The Ministry of Mining and Energy has two information systems, CIS GIR and GeolISS, which were developed when parts of geology and mining were under the jurisdiction of two separate ministries (the Ministry of Mining and Energy and the Ministry of Environmental Protection).

- ❖ CIS GIR



<https://gis.mre.gov.rs/smartPortal/Srbija>





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Српски | English

Republic of Serbia, Ministry of Energy, Development and Environmental Protection of Republic of Serbia



About GeolISS Cartographic content Geoheritage and geodiversity Lexicons Catalogues Exploration-exploitation areas Gallery Contact

Quick links

- Basic geological map
- Documentation of the funds
- Open data
- Guidelines
- Links

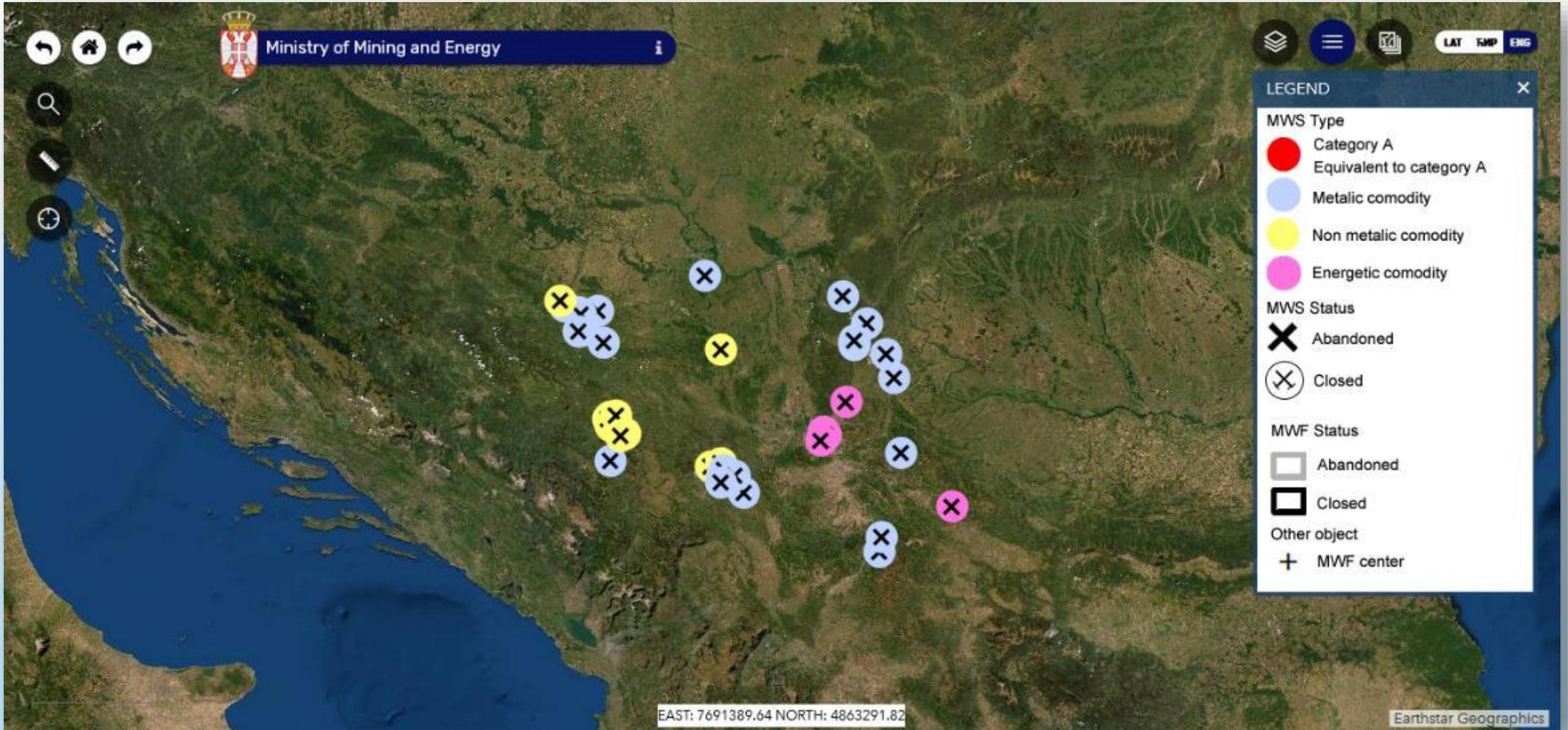


From the People of Japan





❖ The Cadastre of Mining Waste





❖ **The Geological Survey of Serbia** manages the Geological Documentation Fund that contains valuable results of geological explorations conducted in the last 50 or more years in the area of former Yugoslavia.

- ✓ over 6,000 documents (studies and reports on geological explorations)
- ✓ about 21,000 printed geological maps of a general and particular purpose, processed and arranged data by place and type of exploration.
- ✓ only the sheets of the 1:100 000 Basic Geological Map have been digitized, and only they can be obtained in vector form. Other documentation is only available in paper form.



❖ Digitization of data from the Fund of the competent Ministry of Mining and Energy, i.e., from the Geological Survey of Serbia, would contribute to a better understanding and analysis of geological data and better management of mineral raw materials in Serbia. It is a massive undertaking that requires time and considerable financial resources, but essential and necessary.

<https://www.gzs.gov.rs/index.php>

❖ **In general, a significant issue is the lack of cooperation and horizontal connection between institutions in terms of exchanging geological and accompanying data. There should be no grounds, especially since the technical conditions are met as most of these data are in GIS format.**



- ❖ In the last few years, entrepreneurship in Serbia has received much more excellent support from the state.
 - ✓ 2016 was declared the "Year of Entrepreneurship", which later evolved into the "**Decade of Entrepreneurship**".
 - ✓ Strategy for Supporting the Development of Small and Medium Enterprises, Entrepreneurship and Competitiveness 2015-2020
 - ✓ National Youth Strategy 2015-2025;
 - ✓ Strategy for Education Development by 2020;
 - ✓ Industrial Policy Strategy of the Republic of Serbia from 2021 to 2030
 - ✓ National Strategy for Gender Equality (2016-2020), and others

❖ The Ministry of Economy has launched the Entrepreneurship Portal

<https://preduzetnistvo.gov.rs/>

❖ The portal provides information on e-services for MSMEs, tax reliefs, and customs reliefs on equipment imports. There are also EU support programmes for entrepreneurs and information on possible access to financing. The implemented programmes are divided into three areas: support in starting a business, growth and development help, and support for innovation and digitalisation



❖ **EXAMPLE:** The Project "Development of SMEs by improving market access through entering supply chains, with special focus on women entrepreneurship" aimed at improving the status of micro, small and medium-sized enterprises (MSMEs) and sole proprietors on the market, encouraging the networking among large and small companies and the creation of a sustainable "ecosystem" in the national economy.



- ❖ The Development Agency of Serbia (DAS) in 2020
 - ✓ the Programme of Standardised Set of Services for Micro, Small and Medium-Sized Enterprises (MSMEs) and Sole Proprietors.
 - ✓ the Support Programme for Companies to Enter the Supply Chains of Multinational Companies
- ❖ In periods of slow economic activity, MSMEs have shown remarkable resilience. However, when entering the domestic or foreign market, MSMEs face various obstacles such as exports funding and insurance, lack of information concerning markets, problems in finding potential customers and adequate partners. Moreover, they face highly complex rules and procedures for foreign trade operations and challenges of harmonisation with foreign law and technical regulations governing exports and market conditions

- ❖ Free trade agreements enabling duty-free export to the markets of CEFTA, EFTA, Russia, the Eurasian Union and Turkey
- ❖ Preferential conditions for trading with EU, USA, Japan and Australia

- ❖ 2020/2019
 - ✓ Industrial production had increased by 0.4%
 - ✓ Mining sector growth 2.6%
 - ✓ The processing industry sector grew by 0.1%.



- ❖ It is a fact that many companies from Serbia operating in the mineral raw materials sector - mining sector have limited capacity, as well as the insufficiently developed level of cooperation within the international framework, so today, it is more challenging to respond to current requirements and standards. However, there has been particular progress in the said domain.
- ❖ Precisely, defined clusters represent a way to overcome individual limitations with combined capacities, raise the level of competitiveness, enable access to large markets and direct access to funds and more favourable loans.

- ❖ When it came to producing energy products in the Republic of Serbia in 2019, coal production was the most significant share, at 38.47%.
- ❖ In the same year, oil and oil derivatives had a level of imports of 53.27%, as the highest exports were also oil derivatives (43.83%), while electricity exports increased by 25.18% and 30.10%.



- ❖ Serbia remains exclusively reliant on commercial banks as a source of funding for the economy, with a share of about 92 %. According to the data of the European Commission, the percentage of banks in the financial sector in Europe is 70 %.
- ❖ The RS Government provides financial support to MSMEs both directly through individual ministries and indirectly through institutions. Essentially, the following are available on the market:

- ✓ Investment loans
- ✓ Permanent working capital loans
- ✓ Start-up loans
- ✓ Encouraging entrepreneurship through development projects
- ✓ Loans for business in underdeveloped areas
- ✓ Guarantees
- ✓ COVID-19 liquidity loans
- ✓ Loans for women entrepreneurs and youth

❖ Basically, MSMEs most frequently use internal financing sources, including monetary funds, funds from undistributed profits and/or funds from the sale of assets. There are also informal sources of funding (funds raised from family, friends or wealthy individuals (so-called business angels)).

❖ As an example of an alternative way of funding, Crowdfunding (through a platform that connects companies and investors) has been present on the Serbian market since last year

- ❖ The EU institutions that implement support programmes for MSMEs:
 - ✓ Horizon 2020 (direct application for grants and acquisition of assets is submitted),
 - ✓ Cosme (realized through partner banks or investment funds, and includes loans, guarantees and recapitalisation)
 - ✓ IPARD (in the form of grants and implemented by the Directorate for Agrarian Payments).

❖ Access to sources of funding for MSMEs owned by women is inadequate. This particularly applies to the financing for critical sectors such as the agriculture and processing industry and construction, where only one-third of these MSMEs used traditional funding sources. It is assumed that the situation is similar to the mining and CRM production sector, given that no specific data are available.

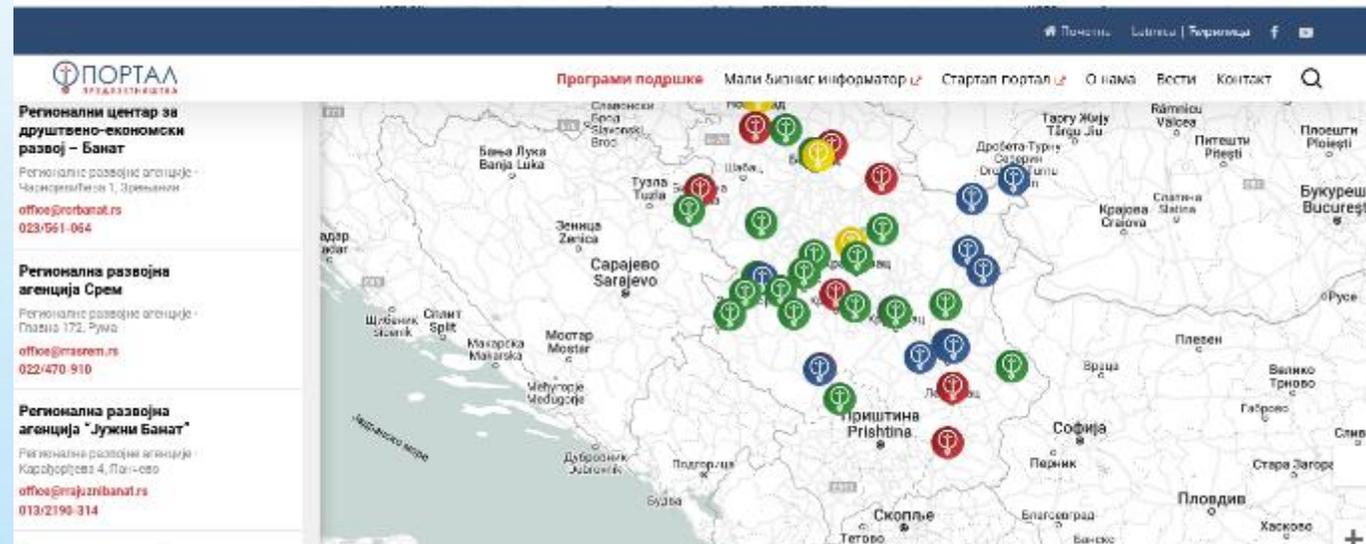
❖ The Republic of Serbia directly finances only the basic geological explorations entrusted to the Geological Survey of Serbia for its own needs. The type and scope of these explorations also now depend on budget-allocated funds.



- ❖ The Government of the Republic of Serbia has adopted the Industrial mentioned above Policy Strategy from 2021 to 2030. The implementation of the Strategy, in a technological sense, will allow for raising the level of the industry and the scope of its transformation towards digitalisation and automation. An increase in the scientific and technical contribution and innovative solutions and the total volume of investments in industry will be achieved while securing the necessary balance in the structure and the quality of assets..
- ❖ The Support Programme for Small and Medium-sized Enterprises for the Procurement of New Equipment in 2021 intended for micro, small and medium-sized companies, sole proprietors and cooperatives

❖ Technology Parks (Novi Sad, Nis, Belgrade, Cacak) bring together high-tech small and medium-sized enterprises and represent a place of connection between institutions, science and economy.

❖ Map of Business incubators in Serbia



❖ **EXAMPLE: Opening a new mine (CRM) - Opportunities for MSMEs**

- ❖ 2004 – approval for geological exploration
- ❖ 2006 - discovered a previously unknown mineral of boron and lithium – jadarite
- ❖ 2004-2020 – geological exploration
- ❖ 2020 - verified the balance ore reserves in the Jadar deposit in the amount of 158 Mt.

- ❖ The Study on the Economic Impact of the Jadar Project by Peterhof Consulting d.o.o. from Belgrade
 - ✓ investment - 2.4 billion dollars
 - ✓ directly employ 1,170 workers and indirectly another 3,959 through the engagement of small, medium and micro-sized enterprises (MSMEs)
 - ✓ the total annual contribution of the project to the economy is estimated at 2.9% of GDP
 - ✓ 200 million dollars a year are planned to be spent on suppliers, considering the significant needs for materials, equipment, services from the electrical, mechanical, metal processing, chemical, transport and construction sectors.

❖ 2022

- ❖ **Mass protests against lithium mines were held across the country in december and january organized by environmental organizations and concerned citizens.**
- ❖ **As a result of that The Government of Serbia annulled its decree on the spatial plan for Rio Tinto's lithium mine and processing plant**
- ❖ **JADAR PROJECT – NO ACTIVITY**



- ❖ Observing the Jadar project from this example, from the aspect of the application of the UNFC and UNRMS systems on the classification and management of resources in Serbia, and based on the overall available data, the following can be noted:

For the application of UNFC:

- G axis - From the aspect of confidence in the results of geological exploration of resources, by verifying the balance reserves of the Jadar deposit, it is noted that they are fully accomplished, but with the condition that the category of the highest degree of confidence (category A) is missing.
- F axis - Technical feasibility has been proven by developing mining technical documentation.
- E axis - Economic and ecological conditions have been confirmed in the economic part, while in the part of environmental protection, they have not yet been verified.

For the application of UNRMS:

- ❖ By introducing UNRMS in the system of resource management in Serbia, the Jadar project in question could be observed through the sustainable development and circular economy model for the needs of the state.



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Recommendations for MSMEs and policy recommendations applicable for Serbia



❖ **Access to information and education**

- ✓ education about green investments
- ✓ knowledge of special regulations laying down the supply chain according to international standards (ISO, customs regulations, insurance, loans...)

❖ **Digitalization in business**

- ✓ MSMEs should digitize their operations and thereby ensure in a rational manner their market competitiveness in response to new technological conditions

❖ **Linking the MSMEs within individual sectors**

- ✓ To increase competitiveness, productivity, liquidity, and maintain the supply chain stability in the critical mineral raw materials sector, it is essential to link MSMEs within individual sectors in associations, clusters, etc.
- ✓ Building links inside specific sectors increases the availability of staff and technical-technological equipment and improves information, and, from the supply chain security perspective, the associations concerned are much safer.

❖ **Introduce Circular Economy principles in their production processes to optimize operational costs**

- ✓ By introducing the principles and models of the circular economy of CRM production and supply chains, MSMEs will be able to optimize operating costs while increasing their value.



❖ **Policy of the development of strategic documents**

- ✓ The development of strategic documents includes the policy of an integrated method of classification and management of critical mineral raw materials (CRMs) through the development and adoption of the Republic of Serbia Strategy for Mineral Resource and other Geological Resources Management.

❖ **Implementation of UNFC and UNRMS**

- ✓ The need for implementation of UNFC has been demonstrated in the national strategic document "Development Partnership Framework for 2016-2020 between the Government of the Republic of Serbia and the United Nations Country Team", which was jointly signed in May 2017. The first step towards its implementation is training specialists in the mineral raw materials sector with support from UNECE-EGRM representatives. The training process may also include the neighbouring countries that use the same classification system of mineral raw materials reserves as Serbia.

❖ **Data digitization**

- ✓ Digitization of geological data obtained by earlier geological exploration should be conducted by the Geological Survey of Serbia to ensure an adequate classification and management of mineral raw materials and reserves.

❖ **Harmonisation of legal rules related to the supply chain (mineral raw materials)**

- ✓ All legal rules directly affecting the supply chain of critical mineral raw materials should be harmonised. This involves coordinating laws in geological and mining exploration, spatial planning, environmental protection, etc. There is now an overlap of competencies causing delays to administrative processes and burdening the supply chain.

❖ **Financial support for MSMEs**

- ✓ Micro, small and medium-sized enterprises need to be supported through loan financing to encourage the production, processing, and use of critical mineral raw materials (CRMs), stimulation, tax rate reduction, and improvement of customs reliefs and tariff systems for exports, e.g. finished products, concentrates, etc.



**COVID-19
RESPONSE**

Thank you for your attention!





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