



USAID
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USAID'S BUSINESS ENABLING PROJECT

QUARTERLY REPORT: FOURTH QUARTER 2011

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1. PROJECT OVERVIEW

USAID's Business Enabling Project, implemented by Cardno Emerging Markets USA, is a five-year initiative launched in January 2011. The purpose of the Project is to help the Government of Serbia (GoS) improve the competitiveness of the Serbian economy and its private sector businesses. The Project provides technical assistance, training, and other support to improve the business enabling environment, maintain macroeconomic stability, and further develop financial markets. The Project is demand driven: all activities are based on the priorities of the private sector and GoS.

The Business Enabling Project consists of four major components:

Component 1, Business Regulation and Economic Governance, will streamline laws, regulations, and institutions; improve regulators' capacity to implement laws; and improve analysis and public-private dialogue.

Component 2, Macroeconomic Policy and Public Financial Management, will help the Government implement new budget and fiscal responsibility laws, improve budgeting, increase public disclosure and transparency, strengthen public debt management, and improve economic analysis and forecasting.

Component 3, Financial Market Development, will improve regulatory frameworks for non-bank institutions, develop capacity to strengthen and expand capital markets, and improve conditions for debt market development.

Component 4, Business-Education Partnerships, will support improvements in business management education in Serbia. Pursuant to USAID's instructions, this Component is currently on hold pending further instructions from USAID and as discussed below Cardno has proposed to eliminate this activity and use available resources to add new Tasks to Components 1, 2, and 3, and add a new cross-cutting activity (Public Sector Capacity Building).

The project's approach to achieving reforms is to help the GoS work closely with the private sector and outside experts to make reforms that improve business competitiveness. The reforms will reduce the time and money spent by Serbian businesses to comply with laws and regulations and will help the GoS to be more efficient. The reforms will also enable businesses to attract necessary investment at an appropriate cost. As result, Serbian businesses will have a better chance to be competitive in the global economy, leading to export-led economic growth and increased employment.

The Project's First Year Work Plan and Performance Monitoring Plan were approved by USAID on May 10, 2011. The Project's Grants Manual was approved by USAID on April 6, 2011. In May, 2011, the Project entered into Joint Work Plans with its eight GoS counterparts and its overall Work Plan was approved by the GoS.

GoS Partners

BEP entered into Joint Work Plans with the following GoS institutions:

General Secretariat of the Government
Ministry of Agriculture, Trade, Forestry
and Water Management
Ministry of Environment, Mining and
Spatial Planning
Ministry of Finance
Ministry of Justice
Office for Regulatory Reform and
Regulatory Impact Assessment
Securities Commission
Fiscal Council (independent body)

2. HIGHLIGHTS DURING THE REPORTING PERIOD

This report covers the fourth quarter of BEP's operation ó October 1 to December 31, 2011. Noteworthy activities during the period were:

BEP completed and publicized the Standard Cost Model Study and Survey of Businesses. The Standard Cost Modeling Study prepared by USAID BEP consultants showed that Government-mandated administrative requirements cost Serbian businesses \$1.35 billion, which is 4.2 percent of Serbia's Gross Domestic Product (GDP). The Business Survey of 913 businesses is the first large-scale business survey in Serbia to focus on business environment

issues and it will be repeated annually. BEP presented the results to all major Serbian business associations and to GoS representatives prior to public release of the results, and both the business associations and GoS agreed to use the results to develop short-term and medium-term priorities for reforms. On November 17, USAID BEP presented the findings of the Standard Cost Model study and Business Survey to over 120 attendees and 15 media outlets at an event in Belgrade. The event was opened by Deputy Prime Minister Verica Kalanovic and Deputy Chief of Mission in Serbia Lee Litzenberger. The event also included a film of business persons speaking about major constraints for doing business in Serbia, presentations by USAID BEP Chief of Party Joe Lowther and Expert Branko Radulovic, and a panel of economists Vladimir Gligorov, Jurij Bajec, Danica Popovic and Aleksandar Vlahovic. The event generated more than 70 media reports.



BEP implemented mechanisms to distribute current project information to stakeholders and spur dialogue on policy issues. BEP launched www.policycafe.rs, an interactive website to disseminate research, data, and analysis on policy issues and provide a forum for online dialogue between stakeholders and experts on the issues. The BEP Project Website (www.bep.rs) is constantly updated with news about the project, grant opportunities, and other information. It has seen increasing traffic, with 167,924 hits during the quarter, up from 105,224 hits in the third quarter. BEP also has a monthly newsletter that is sent by email to over 500 addresses. The newsletter has spurred interest in the project and we have received many contacts from partners and from other donors who are interested in specific activities mentioned in the newsletter.

BEP organized Access to Finance Roundtables in Novi Pazar, Nis, Subotica, and Sabac. The main goal of the series of roundtables is to understand the problems that SMEs are facing in obtaining finance, and to provide businesses with more information on less-used financing products that are available at the market. The roundtables also provide valuable inputs from the businesses on the commonly used collateral, other sources of financing, technical capacity in financial planning, financial risk, and transaction costs. Businesses cited several obstacles including: high collateral requirements; short loan repayment periods; required bank guarantees; long loan approval periods; banks' poor understanding of business specifics; and liquidity problems.

BEP helped the Securities Commission develop and enact bylaws for implementation of the Capital Markets Law. The bylaws address Investment Firms, Prospectus, Transparency and Disclosure, Market Abuse, and Investor Protection Fund, among other important issues. The Securities Commission and BEP developed the bylaws in compliance with the deadlines set forth in the Law on Capital Markets, and they were discussed with interested stakeholders. BEP helped the Securities Commission in its consultation with the Ministry of Finance, and the Ministry approved the bylaws. The Ministry of Finance issued the opinion that there are no objections regarding the constitutionality and legality of those bylaws, and they entered into force on December 3, 2011.

BEP provided the Fiscal Council with technical assistance to meet its obligations to ensure fiscal discipline. The support is developing the human and institutional capacity of the Fiscal Council to facilitate good fiscal planning, accountability, and credibility of public finances in Serbia. The head of the Fiscal Council, Professor Pavle Petrovic, presented the Fiscal Council's opinion on the Budget Rebalance by relying on USAID Business Enabling Project (BEP) analyses. BEP also assisted the Fiscal Council in econometric review and assessment of the new Fiscal Strategy that was prepared and submitted by the Ministry of Finance. This expert assistance

included on-the-job training for the Fiscal Council staff to increase the capacity of the Fiscal Council to analyze important fiscal issues and communicate the analysis to the National Assembly and the general public.

BEP conducted a Review of the Public Debt Authority's (PDA) Debt Management System (TRASSET) and Submitted the Report to the Treasury and the PDA. BEP prepared the recommendations on functionality, calculations, and efficiency of TRASSET use, as well as on organizational and process strengthening opportunities. The PDA intends to implement the recommendations outlined in the report with BEP's advisory assistance, which will ensure that the PDA will have more accurate and readily available reporting and would use the debt management system more efficiently.

BEP followed up the regional roundtables and national roundtables on inspections by helping the GoS establish a Working Group for Inspections Reform. BEP helped to draft the Government Decision establishing the Working Group, which includes Deputy Prime Minister Kalanovic as Chairperson, Ministers Petrovic, Dulic, Ciric, and Ljajic, and State Secretary in the Ministry of Finance Nikezic. USAID BEP is providing technical assistance to the Working Group to develop the Inspections Reform Strategy. The draft of the strategy will be presented to the Government by March 31, 2012.

BEP helped the GoS Office for Regulatory Reform and Regulatory Impact Assessment (RRO) develop a new Strategy for Regulatory Reform and Action Plan for 2012 to 2015. The strategy was sent to all ministries and competent bodies of the Government of the Republic of Serbia, for comments, and it was posted on web-pages of the relevant institutions and organizations for public consultations. Furthermore, as a part of the public discussion process, BEP and RRO co-organized a roundtable on the Strategy. Deputy Prime Minister Verica Kalanovic opened the roundtable, and over 70 business representatives and experts discussed the draft.

3. REVIEW OF PROJECT PROGRESS

BEP is accomplishing all aspects of its Work Plan. PMP indicators applicable to Year 1 have been met, and the project is accomplishing all of activities, with the exception of activities relating to competition policy (uninterested counterpart) and microfinance (no interest by GoS leading to a move to SME finance). In addition, Component 4 of the Project has been eliminated pursuant to BEP's recommendations and USAID's agreement, and new tasks and activities have been added under the three components of the project.

Previous additions to the Work Plan and rationale include:

New activities under Component 1, Objective 1, Task 4 (Streamline Construction Permitting) to take advantage of opportunities to improve dissemination of urban and spatial plans.

A new Task under Component 2, Objective 2, Assistance to improve debt management systems, analysis, and capacity. Activities under this task would include TRASSET Review and MIS Strengthening and Assistance to Strengthen Organization and Skills Capacity of the PDA.

In December 2011, BEP proposed further additions to the work plan, with Component 4 to be deleted. The additions and rationale are as follows:

A new Task under Component 1, Objective 1: Reduce the Burden of Employing Workers. This will help reduce the costs and risks that employers face when employing staff and will help increase flexibility in the labor market. BEP's Survey of Businesses, the Foreign Investors Council's White Book, and other studies demonstrate that wage taxes and contributions and labor policies are among the major obstacles to private sector competitiveness.

A new Objective: Create Enabling Environment for Public Private Partnerships. A new Law on Public Private Partnerships (PPPs) and Concessions was passed in late 2011, and BEP has been asked to help the Government, local governments, and other stakeholders to implement the new law. The law has the potential to mobilize capital and other resources to solve some of the most important economic and social issues that Serbia faces.

A new Activity under Component 1 Objective 2, Task 1: Assist Development of New SME Strategy. The Ministry of Economy and Regional Development has requested USAID BEP's help in developing a new strategy, and we believe that our assistance can greatly improve the strategy. SMEs and Entrepreneurs make up 99.8% of employees and drive economic growth. But they face more difficulties in dealing with regulations and accessing finance and do not receive proper attention from the GoS.

A new Task under Component 2, Objective 2: Assistance to Improve Debt Management Systems, Analysis and Capacity. The Public Debt Authority (PDA) is under increasing pressure to accelerate reforms because of the growing risks that are associated with GoS financing and the potential adverse impact poor debt management can have on the economy in terms of increased cost of capital, conflicts with monetary policy, and crowding out private sector financing. USAID BEP has received repeated requests to provide assistance in a number of critical areas, including improving capacity, analysis, debt management skills, and IT systems. In its initial Work Plan, USAID BEP included limited assistance to improve conditions for public listing of government debt under Objective 2, Task 1, but proposes to add a new Task 2 to improve debt management systems analysis and capacity.

A new Objective under Component 3: Increasing Access to Finance for SMEs. Although the Contract Scope of Work and Project Work Plan included only minor assistance to increase access to finance for Small and Medium Enterprises (SMEs), BEP's dialogue with SMEs and its Survey of Businesses demonstrate that the lack of finance for SMEs is a major barrier to firm competitiveness and to economic growth in Serbia. USAID BEP has engaged in a study of barriers to access to finance and is preparing a white paper with recommendations across most of the supply and demand side policies, regulations, procedures and factors that impact access to finance. To implement these recommendations BEP proposes to add this new Task.

A new Cross-Cutting Activity: Public Sector Capacity Building. This Activity will support human resource and operations improvements in Component's counterparts. A lack of capacity in our GoS partner institutions is a major barrier to proper implementation of the laws, regulations, and procedures that BEP works on. Management of organizations, implementation projects, and staff is substandard in most partners, and staff is ill-equipped to deal with development and implementation of strategies, legislation and procedures. Thus, USAID BEP proposes to focus on public sector capacity building through this new cross-cutting activity.

Deletions to the Work Plan and rationale include:

We previously requested that USAID consider revising the project's work plan and scope of work to delete or scale back work in competition policy. USAID has agreed to eliminate this work.

Component 4, Business-Education Partnerships. Pursuant to USAID's instructions, this Component was not started and will be eliminated.

We present the following summary of activities, including administrative activities, activities of general benefit to the project, activities under each component, as well as activities conducted under outreach and grants. Detailed tables that review our progress versus the Work Plan and PMP can be found in Attachments 3 and 4 below.

Administrative and General Activities

BEP's intern program was approved by USAID and launched. BEP has two interns assisting the project: one working on strategic communications and administration, and the other assisting the three components with research tasks.

The Project continued outreach to the business community, including meetings with business representatives in Belgrade and throughout Serbia to discuss various project activities, including roundtables on access to finance, Public Private Partnerships (PPPs), and inspections. This outreach ensures that all activities will have significant impact on business competitiveness and businesses and their representatives know of and understand project activities. During these meetings the project and our business association partners confirmed mutual willingness to cooperate in efforts to implement reforms aimed to improve economic policy and the business environment.

BEP began work to improve Public Administration through trainings and other capacity building. The BEP team provided input to SUK, the Government of Serbia Human Resource Management Service, on training programs that would benefit our GoS partners as well as other GoS staff and officials. BEP suggested training programs will be included in SUK's annual training program for 2012.

Component 1

Under **Objective 1, Task 1, "Improve and Streamline Business Regulation"**, BEP followed up the regional roundtables and national roundtables on inspections by helping Deputy Prime Minister Kalanovic establish a GoS Working Group for Inspections Reform. During the national roundtable on September 26, Ms. Kalanovic announced that an inter-ministerial working group on inspections reform would be established by the Government. BEP helped to draft the Government Decision establishing the Working Group, which includes Ms. Kalanovic as Chairperson, Ministers Petrovic, Dulic, Ciric, and Ljajic, and State Secretary in the Ministry of Finance Nikezic. USAID BEP is providing technical assistance to the Working Group to develop the Inspections Reform Strategy. The draft of the strategy will be presented to the Government by March 31, 2012. BEP's Inspections Expert Donald Macrae, one of the leading European regulatory reform and inspections improvement experts, is helping the Working Group develop the Strategy. Among Mr. Macrae's initial recommendations are that coordination of inspections is critical and a completely new approach to inspections is needed, including risk-based inspections and an emphasis on helping smaller firms with compliance. Ms. Kalanovic has reiterated her commitment to championing inspections reform and requested BEP to continue providing assistance with inspections reform through its technical activities, mobilization of stakeholders and raising public awareness and assisting the inter-ministerial Working group.

BEP continued dialogue on inspections with the business community, including a December 9 meeting with representatives of the Regulatory Reform Office, the Serbian Chamber of Commerce, the Foreign Investors Council, the National Alliance for Local Economic Development (NALED) and AmCham. The business representatives discussed their expectations for the inspections reform project, based on a presentation made by Mr Donald Macrae, BEP Technical Advisor. Mr. Macrae presented international experiences and reform models. The topics discussed included anti-corruption considerations of inspections reforms, vertical organization of inspections, sequencing of reform steps and realistic timing for expected results as well as the role of business associations in the process.

Under **Objective 1, Task 2, "Remove or Reduce Quasi Fiscal Burdens to Businesses,"** under BEP's grant to NALED to conduct an Assessment of Impact of Quasi-Fiscal Charges on Businesses in Serbia, NALED has collected information on app. 256 quasi-fiscal charges levied by various national, provincial and local government authorities. This information will be in a registry that will enable monitoring of the level of hidden taxation and will help policy makers and the business community identify quasi-fiscal charges that should be eliminated or streamlined. The registry will be published on the NALED and BEP websites and businesses will be invited to provide feedback so that we can ensure that the registry is comprehensive and that all significant quasi-fiscal burdens are identified. Next, BEP and NALED will prepare and publish an analysis of the impact of quasi-fiscal charges on businesses. Using the registry and analysis of the quasi-fiscal charges, BEP will work with the Ministry of Finance, Government Office for Regulatory Reform and Regulatory Impact Assessment, and business associations to develop legal and procedural solutions that will minimize harm to the economy done by quasi-fiscal charges and make sure no new charges are introduced without being properly discussed with the business community. In addition, BEP has recently prepared Draft Amendments to Government's Rules of Procedure that will protect business from introduction of any new arbitrary taxes or charges requested by various regulatory agencies. "Quasi-fiscal charges" includes fees, charges, reimbursements, compensations, defrayals and other expenses imposed by public authorities on businesses that create unjustified financial and administrative burdens on businesses without substantial services or rights provided by public authorities in return. BEP's activities will help decrease these unnecessary burdens on businesses and increase the

predictability of taxes, fees and charges in Serbia.

Under **Objective 1, Task 3, “Assist Implementation of the Law on Enforcement,”** BEP continued to help the Ministry of Justice (MoJ) prepare for proper implementation of the law. BEP helped the MoJ Working Group draft several important bylaws and documents:

Bylaw for the Rulebook on Examination for Enforcement Officers. The Rulebook on Examination for Enforcement Officer provides for how the Examination Committee will function, scheduling of and application for the examination, structure and course of the examination, examination results and success, and the program of the examination and related procedural issues. The Rulebook became effective on October 13, 2011, enabling the first Professional Enforcement Officer exam to be conducted in December 2011.

Bylaw for Rulebook on Central Registry of Legal Subjects Enrolled in Book of Enforcement Debtors. This bylaw regulates maintaining of the Central Registry as a publicly-available electronic database of debtors in enforcement proceedings, kept by the Ministry of Justice. This regulation contains an Annex ó Application Form for Enrollment into Registry of Enforcement Debtors ó as its integral part. The Bylaw became effective on October 24, 2011.

Rulebook for Mandatory Insurance of Enforcement Officers. BEP’s in-house experts developed the draft Rulebook and helped the MoJ vet it with stakeholders, including 21 insurance companies. This included dialogue with representatives of the Serbian Association of Insurers (SAI). SAI prepared detailed comments on the Draft Rulebook based on input from the insurance companies that was collected and processed by SAI

Bylaws on the Enforcement Officers` Stamp and the Enforcement Officers` Identification Card that define the content and design of stamps and IDs, as well as issuance procedures for both.

Bylaw on the Content of Enforcement Officers` Annual Report and the Reporting Procedure, including the standardized report form, which prescribes mandatory reporting of enforcement officers to the Ministry of Justice and the Enforcement Officers` Chamber. BEP’s in house experts actively participated in drafting, while BEP also engaged a former member of the law drafting group as a consultant to provide expert comments to the Working group.

Bylaw on the Recordkeeping of Enforcement Officers, including standardized recordkeeping forms. This bylaw defines enforcement officers` obligations in administering and keeping the files and the procedures in case of dismissal, files transfers etc. It also defines that the recordkeeping will be primarily done electronically, which opens the space for future automation of case management and related software developments, as planned by the MoJ.

Bylaw for Professional Enforcement Officer Tariff. BEP helped the drafting of this bylaw by bringing Katalin Popov, a Bulgarian Private Enforcement Officer, to Belgrade, and by participation in the Working Group. Mr. Popov presented different models of PEOs reimbursement and fee schedules and helped draft the bylaw.

Bylaw for Supervision and Disciplinary Procedure. BEP’s in-house experts drafted the first version of this bylaw, based on Bulgarian procedures and on disciplinary procedures related to other professionals that already exist in Serbia, like bankruptcy administrators and lawyers. The Working group is currently reviewing this preliminary text. BEP also engaged a local consultant, the former member of the law drafting group to provide expert comments to the Working group.

The Ministry of Justice unfortunately failed to adopt timely all but the first two bylaws. The deadline for adoption expired on November 17 and although this delay still does not impede the implementation of the law, it is relatively unclear why the MoJ take a rather passive position in managing the implementation of the Enforcement law. The MoJ claims a significant lack of resources and capacity to deal with too many different tasks accurately. However, they also stated that they plan to revise and adopt the draft bylaws by end of January 2012.

In addition to support the drafting process, BEP has engaged the local expert, Mr. Milosevic the member of the former law drafting group, and the author of Professional Enforcement Officers` Manual first edition to update the Manual and make it consistent with the adopted text of the law, since the first edition, published September 2010, was based on the draft law. The Manual has been

updated in December 2012 and will be submitted to MoJ and available on its website in January 2012. The final updates of the Manual will follow after all of the ancillary bylaws are finalized and adopted in May 2012. It will be used both to prepare for the examination and as a useful guide in daily implementation of the new law and bylaws.

BEP also helped the MoJ to publicize calls for candidates to take the examination for Enforcement Officer. <http://www.mpravde.gov.rs/lt/news/vesti/oglas-za-prijavljivanje-kandidata-za-polaganje-ispita-za-izvrstitelja.html>. Successful candidates will be appointed as Enforcement Officers by the Minister of Justice, and will begin to work in May 2012, pursuant to the Law on Enforcement and Security governing status and operations of the Enforcement Officers and by-laws adopted under these provisions. BEP helped the MoJ in outreach for Professional Enforcement Officers candidates by scheduling media interviews and crafting messages for the MoJ's officials – Minister, State Secretary and Assistants to the Minister – to use in promoting the public announcement of the enforcement officers examination. BEP DCOP Dragana Stanojevic also appeared on Pink Television to discuss the Law and the call for PEO candidates. This outreach campaign will correspondingly help build public confidence in the new enforcement system and new Professional Enforcement Officers. Serbia needs 300 professional enforcement officers and the first body of appointed professionals should number at least 100.

The Enforcement Law has created conditions for long awaited improvements in contract enforcement and reduction of costs of collecting money owed under judgments. The Bylaws are crucial to ensure that the Law is properly implemented. Proper implementation of the new law will help improve enforcement of judgments, which take an abysmal 635 days (according to World Bank Doing Business), and will thus encourage more lending and engaging in contracts.

Under **Objective 1, Task 4, "Streamline Construction Permitting,"** BEP completed the first phase of establishing a web-based inventory of spatial and urban plans. BEP obtained agreement from the Republic Geodetic Authority and the Ministry of Environment, Mining and Spatial Planning to establish a mechanism for monitoring the adoption of spatial and urban plans and for making those plans available to potential investors and the general public. BEP engaged an IT expert to develop an RFA to create the system. BEP intends to support establishment of a web-based system that will allow electronic submission and approval of plans and provide graphic representation of municipalities' progress with adoption and publishing of these documents (with indication of the stage of development of the plans). This system will also allow users to download integral versions of planning documents of all levels of government, including, but not limited to the Spatial Plan of the Republic of Serbia, regional spatial plans, plans of special purpose areas, spatial plans of local government units, general urban plans, plans of general regulation, and plans of detailed regulation. Construction permitting – and the construction industry – are significantly impeded by a lack of spatial and urban plans and the slow pace of their adoption.

BEP also began a comprehensive study that will provide recommendations for legal, regulatory, procedural, process management, and IT solutions that will streamline and expedite the construction permits process. Under a grant to MP & Associates, the study will identify bottlenecks in urban and regulatory plans, property registration, conversion of land usage rights, restitution of immovable property, issuance of building permits, obtaining utilities services, inspections of construction projects, regulations impacting construction projects' financing, the availability and transparency of information in relation with obtaining construction permits, and the effects of the new Law on Construction and Spatial Planning, including its amendments (2011). When the final draft report is finished in early 2012, BEP will present the draft report to relevant Government of Serbia and local government institutions, media and business representatives and engage in a dialogue on solutions.

BEP participated in the City of Belgrade Consultations with stakeholders on Ordinance on Charge for Conversion of Usage to Ownership Rights. This is strongest indication yet that City of Belgrade will act upon the amendments to the Law on Planning and Construction and the new Conversion Charge Decree. The latter was developed with USAID BEP assistance in soliciting and processing stakeholders' input. During the consultations on October 4th City of Belgrade representatives

promised to business representatives that they will be consulted in all phases of the decision making process, starting with decision whether that Ordinance should be adopted or not. Expediting the conversion process would unlock a number of prime locations for development.

BEP facilitated discussion of new legislation on Public Private Partnerships (PPPs). The Second Annual Conference on "Public Private Partnerships in Serbia: From Theory to Practice" was jointly organized by USAID BEP, the National Alliance for Local Economic Development (NALED), and Law Office Karanovic & Nikolic. It was held during the International Real Estate Congress BelRe on November 2, 2011 and there were over 100 attendees, including representatives of local and foreign companies, banks, business associations, local governments, national and international institutions, embassies and foreign donors, as well as experts. Minister of Economy and Regional Development Nebojsa Ciric, and Minister of Environment, Mining and Spatial Planning Oliver Dulic presented the new laws on Public Private Partnerships and Concessions and the Law on Communal Utility Activities. Presentations were also made by Mr. Vladimir Cupic, Chairman of the Board of NALED and Joe Lowther, BEP Chief of Party. The conference was widely reported on by number of national electronic and printed media including five TV stations. The laws were subsequently adopted by the Government within the next week.

Objective 2, Task 1, "Improve Public Private Dialogue" activities included analysis and publication of the results of the Standard Cost Model Study and Survey of Businesses. The Standard Cost Model Study prepared by USAID BEP consultants showed that Government-mandated administrative requirements cost Serbian businesses \$1.35 billion, which is 4.2 percent of Serbia's Gross Domestic Product (GDP). The Standard Cost Model is used throughout the EU to measure how much regulations cost businesses. The Business Survey of 913 businesses is the first large-scale business survey in Serbia to focus on business environment issues and it will be repeated annually. BEP held two private presentations before publicizing the results of the study. BEP presented the results to all major Serbian business associations and they agreed to work together to identify and advocate a limited number of short and medium term reforms in particular those singled out as most important in the presented research. BEP also presented the results to representatives of the Office of Deputy Prime Minister for Economy and Regional Development, Office of Deputy Prime Minister for European Integration, Office for Regulatory Reform and Regulatory Impact Assessment, and Ministry of Economy and Regional Development. After the presentation, BEP gained the commitment of the Government officials to work with BEP on addressing priority areas identified in the studies. On November 17, USAID BEP presented the findings of the Standard Cost Model study and Business Survey to over 120 attendees and 15 media outlets at an event in Belgrade. The event was opened by Deputy Prime Minister, Verica Kalanovic and Deputy Chief of Mission in Serbia, Lee Litzenberger. The event also included a film of business persons speaking about major constraints for doing business in Serbia, presentations by USAID BEP Chief of Party Joe Lowther and Expert Branko Radulovic, and a panel of economists Vladimir Gligorov, Jurij Bajec, Danica Popovic and Aleksandar Vlahovic, moderated by Ms. Ljubica Gojgic of B92 television. The event generated more than 70 media reports.

BEP worked with national business associations and the Governmental Office for Regulatory Reform and Regulatory Impact Assessment (RRO) to develop two new initiatives to increase the quantity and effectiveness of public private dialogue. BEP's Survey of Businesses and Standard Cost Model Study provided the impetus for the most important national business associations – the Serbian Chamber of Commerce and Industry, the American Chamber of Commerce in Serbia, the Foreign Investors Council, the Serbian Union of Employers and the Serbian Association of Managers – to develop an agreed list of priority reforms. BEP facilitated discussions between these associations and helped the RRO to establish the Business Advisory Group. The Business Advisory Group, which consists of representatives of these associations, had a preparatory meeting on December 1, 2011 in RRO's premises. This Advisory Group will serve as a permanent channel for businesses to provide the Government with inputs on regulatory issues, meeting monthly to discuss new initiatives and monitor the progress of previous ones. The initiatives will be processed by the RRO and directed towards the GoS for adoption and distribution to responsible ministries and other regulatory bodies. As its first step, the Advisory Group agreed on a list of short-term priorities and longer-term initiatives to

decrease regulatory and administrative burdens on businesses. Priorities are alleviation of quasi-fiscal burdens (particularly, forestry fee and waters fee), inspections reform, and the rule-making process.

BEP also held a Roundtable with Members of the Privrednik Business Club, among the most prominent businesspersons in Serbia. BEP presented the Project and had a discussion with the members, as well as Vesna Arsic, State Secretary in the Ministry of Economy, about regulatory issues that are impacting Serbia's competitiveness. The Privrednik members were very interested in BEP activities and agreed with our findings and priorities. They suggested some other areas of priority, including legalization of property and reducing restrictions on exports and moving capital between Serbia and other countries. They also made suggestions for cooperation with USAID BEP, including giving their opinion on the major constraints to businesses and potential solutions.

Other activities under this task included the roundtables on access to finance, public sector financial management, regulatory reform, inspections, and construction permits, mentioned elsewhere in this report.

Under **Objective 3, Task 1, "Improve Quality and Quantity of Legislative and Regulatory Reforms,"** BEP finished and published the results of the Standard Cost Model study and Survey of Businesses, which are described elsewhere in this document. The Study and Survey will help determine priority reforms, and will enable monitoring of the success and impact of reforms and their implementation.

BEP helped the GoS Office for Regulatory Reform and Regulatory Impact Assessment (RRO) develop a new Strategy for Regulatory Reform and Action Plan for 2012 to 2015. In accordance with the provisions of the Government's Rules of Procedure and principles of good regulatory practice, the Strategy was dispatched to the relevant regulatory bodies – all ministries and competent bodies of the Government of the Republic of Serbia, for comments, and it was posted on web-pages of the relevant institutions and organizations for public consultations. Furthermore, as a part of the public discussion process, BEP and RRO co-organized a roundtable on the Strategy. Deputy Prime Minister Verica Kalanovic opened the roundtable by stating the achievements of the first wave of the regulatory guillotine and emphasizing the need for a second wave to remove remaining administrative obstacles for doing business in Serbia. Joe Lowther, BEP CoP, expressed the expectation that the Strategy, developed with BEP's technical assistance, will ensure that business associations play an appropriate role in contributing to shaping business-related reforms. Head of the Government of Serbia Regulatory Reform and RIA Office (RRO) Mira Prokopijevic stressed the importance of the Strategy in institutionalizing best practices and the drafting and adoption of legislation that affects the business environment. Substantive comments from participants, which included representatives of a number of central government ministries and agencies, business associations and donor organizations as well as experts from academia and SCOs, called for a stronger RRO role in reviewing regulatory impact assessments prepared by individual ministries and for ensuring appropriate time periods for reviewing and commenting on draft laws and regulations. The new strategy contains key activities and milestones for regulatory reform and regulatory quality improvement. The Strategy for Regulatory Reform should provide a stimulus and a blueprint for second phase of the regulatory guillotine efforts that should resolve issues that remained from the first phase. It will also provide for means to eliminate impediments for doing business in Serbia identified



in the meantime (including impediments identified in USAID BEP's Survey of Businesses and Standard Cost Model Study). The Strategy is expected to improve the inclusiveness of legal reforms, increase the level of legal certainty, including establishment of a safety network preventing future enactment of quasi fiscal charges, institutionalize best international legislative practices and serve as a catalyst for the regulatory reform process.

BEP also helped draft and advocate for amendments to Government's Rules of Procedure that require more consultation and analysis in developing and enacting laws and regulations. The new Rules will provide for more rigorous regulatory impact assessment, will require public consultations, and will limit imposition of direct financial obligations on the citizens and businesses. The amendments will create a more efficient and transparent rule-making process, and will start early effectuation of the tasks of the new Regulatory Reform Strategy 2012-2014. Adoption of the amendments is expected in February 2012.

Activities under **Objective 4, Task 1, "Develop basis for improvements in competition policy and oversight"** have been canceled due to the Commission for the Protection of Competition's (CPC) lack of interest in the type of assistance that BEP is set up to provide. After five months of BEP's requests for interest from the CPC, the CPC finally sent a letter requesting assistance: hardware and software and study tours. Based on BEP's recommendation, USAID has agreed that BEP should cancel activities under Objective 4 and redeploy the resources elsewhere.

Activities under **Objective 4, Task 2, "Develop Institutional Framework for Proper Implementation of Competition Policy,"** have also been canceled with USAID's approval due to a lack of interest by the Commission for Protection of Competition (CPC) in substantial BEP assistance.

Under **Objective 5, Task 1, "Support implementation of the new Company Law (adoption expected by June),"** BEP has issued the RFA for training of Commercial Court Judges on implementation of the Company Law and is currently negotiating the grant with the Balkan Regulatory Reform Center. This training of key importance having in mind that the newly adopted Company Law introduces major changes in areas of regulating stock companies and businesses opening and closure, providing compliance with the applicable EU Directives. The commercial Courts have little experience with the new concepts set by this law and will benefit from timely training on implementation and EU practice. The proper and consistent implementation of the law will provide the business community with legal certainty and predictability that are conditions for business investment and growth. BEP also received a grant proposal under the Annual Program Statement from the Serbian Chamber of Commerce to develop a new Codex of Corporate Governance, and negotiations for the grant are proceeding.

Component 2

In late October, BEP met with Vuk Djokovic, State Secretary of the Ministry of Finance (MoF), who underlined that BEP assistance to the Public Debt Administration (PDA) is the most pressing need and that BEP assistance in fixing outstanding issues in the Debt Management System (TRASSET) is of utmost importance. Mr. Djokovic also agreed with BEP activities in the area of budget reforms, including work with the Human Resources Management Service of Republic of Serbia to hold Program Budget trainings, and BEP's "Effective Use of Performance Indicators in Public Sector Budgeting and Planning" study. Mr. Djokovic also praised the initiative that BEP has undertaken in donor coordination activities with the aim to devise high-level recommendations for a more efficient, more policy-oriented budgeting process.

BEP's activities under **Objective 1, Task 1, "Capacity building assistance to the Fiscal Council and Improvements to fiscal responsibility,"** included providing the Fiscal Council with technical assistance to meet its obligations to ensure fiscal discipline. The support is part of Business Enabling Project's technical assistance package, aiming to develop human and institutional capacity of the Fiscal Council to facilitate good fiscal planning, accountability, and credibility of public finances in

Serbia.

The head of the Fiscal Council, Professor Pavle Petrovic, presented the Fiscal Council's opinion on the Budget Rebalance by relying on BEP's analyses. The analyses confirmed that the Budget Rebalance is in line with the fiscal rules set forth in the Budget System Law and with the IMF's requirements related to the Stand-by-Agreement. This ensures that the Government of Serbia is strictly adhering to the sustainable fiscal policies, which in turn promotes stability and favorable business conditions in Serbia.

BEP continually helped building the Fiscal Council's capacity by assisting the Fiscal Council in econometric review and assessment of the new Fiscal Strategy that was prepared and submitted by the Ministry of Finance. This expert assistance includes on-the-job training for the Fiscal Council staff to increase the capacity of the Fiscal Council to analyze important fiscal issues and communicate the analysis to the National Assembly and the general public.

BEP's team and the Fiscal Council members assessed the first nine months of assistance and cooperation and discussed the role of the Fiscal Council along with the identification of further assistance needed in year 2012. The Fiscal Council emphasized the need for assistance in preparation of the Medium Term Objectives (MTO) paper that, among other things, should outline necessary reforms for the government in the medium term. Further discussions will follow during the process of preparation of BEP's Year 2 Work Plan.

Pursuant to **Objective 1, Task 2 "Assistance to the GoS General Secretariat to improving budget coordination and performance management"** and **Task 4, "Assist the MoF Budget Department to develop capacity for improved transparency and program budgeting,"** BEP, at the request of the Ministry of Finance Budget Department, is developing a study on Performance-Based Budgeting. BD's plans to implement performance based budgeting in 2012. The immediate plan is to upgrade the Budget Planning Management Information System (BPMIS) to make it able to prepare line and performance-based budgeting for each budgetary user. Ms. Mirkovic, Deputy Chief of Budget Department, underlined the lack of vision and agreement on budgeting process at the top level of the Government, and the insufficient coordination within and among line ministries related to performance-based budgeting. Ms.

Ms. Mirkovic has agreed that BEP's Performance Measurement study could be used by the Ministry of Finance Budget Department and the General Secretariat to improve the existing program performance indicators, as well as to provide a vision on how to approach the implementation from the highest to the lowest government level. This should also initiate a high-level discussion about the importance of changing the current approach to budgeting. The general purpose is to make the budgetary process more policy-oriented by presenting information on (intended and achieved) policy objectives, policy measures and their costs, all of which would improve the control over public financial management.



In line with the MoF stated needs and policies, BEP organized a workshop on "Strategic Improvements to Budgeting and Planning" on November 30th at the Serbian National Assembly. The Roundtable, was part of the annual "National Budget Forum 2011" that BEP co-organized with the Balkan Investigative Regional Network (BIRN). Panelists at the opening session of the Forum were Nebojsa Ciric, Minister of Economy and Regional Development, Vladimir Vuckovic, Fiscal Council Member, Dusan Vujovic, USAID BEP Advisor, and Dimitrije Boarov, Journalist and the Panel's Moderator. The Forum had about 100 attendees and the Roundtable had 26 participants including a

number of prominent Serbian economists, Members of Parliament, Fiscal Council members, and donor experts. The mediators were Mr. Dusan Vujovic, a well-known international expert, and Anthony Sinclair, BEP's Financial Advisor. One of the roundtable's objectives was to raise awareness on how the process of planning and budgeting is working, or falling short, between the executive and legislative levels of government. The discussion made a significant step in that direction and the Roundtable's conclusions offered a path toward reaching the other two objectives for the Roundtable: to strengthen the design of necessary planning and budget process reforms and restart those strategic reforms on the high-level to better align public spending to economic goals. Media coverage was considerable and included 19 media reports, both printed and electronic media.

Following the success of the Roundtable, BEP also organized a Journalist Brunch with Mr. Dusan Vujovic on Public Finance Management. During a meeting with eleven journalists at BEP's office, Mr. Vujovic shared the conclusions from the "Strategic Planning and Budgeting Reforms" roundtable. The ensuing discussion focused on quasi fiscal charges, the Government's adherence to the budget calendar stated in the law, effectiveness of state aid, reforms of the pension system, and other topics. Journalists also shared the most frequently encountered problems in reporting on public finance issues, such as the lack of data and insufficient availability of interlocutors from the government. BEP offered further continuing assistance in media coverage of economic topics, which journalists accepted, praising the idea of specific financial and economic education. Although BEP envisions the media brunch as internal gatherings with journalists rather than media events, there were at least four printed reports from this particular event.

Pursuant to **Objective 1, Task 3, "Improvements to Fiscal Analysis and Strategy by the MoF,"** BEP delivered the two trainings for the Macro-Fiscal Department (MFD) of the Ministry of Finance (MoF). Via a grant to Foundation for Development of Economic Science (FREN), BEP trained the MFD staff on the following topics: characteristics of business cycles, trends, and seasonality; time-series fluctuations; database overview and issues with the data; and GDP trend determination. The session included a practical component during which the MFD staff generated GDP trend and isolated cyclical component of GDP using a statistical application (EViews). As a result of this training the MFD will be able to prepare structural deficit projections for the Annual Economic and Fiscal Program report for the European Commission. The MFD will also be able to make better projections of the budget's revenues, expenditures, and deficit, which is essential for efficient management of the public finances.

In addition, through the same grant, BEP delivered "Evaluation of Budget Elasticity" training to MFD staff. Primary focus of the training was on the effects that changes to various tax rates could have on budget revenues and deficit. As a result of this training, the MFD will be able to provide policy makers with the analyses necessary for making informed public finance management decisions.

Under **Objective 1, Task 5, "Improvements to Fiscal Policy, Strategy and Analysis,"** BEP provided a grant for two studies and articles to FREN for the Quarterly Monitor Issue 25/26. The first study was on "Competitiveness of Serbia" beyond the overall ranking identifying the reasons for Serbia's poor performance in the Global Competitiveness report, distinguishing the impact of structural deficiencies in Serbian economic system ("hard data indicators") from the impact of potential biasedness of the survey data ("soft data indicators"). The study also took into account the preliminary results of BEP's Business Survey. The second article was on "Fiscal consolidation by tackling labour taxes evasion in Serbia." The funding was based on BEP's model of support for the Quarterly Monitor and other FREN services: purchase of research, analysis, and technical assistance that are complementary with, and relevant to the goals of BEP.

Pursuant to **Objective 2, Task 1, "Improving conditions for public listing of government debt,"** BEP conducted a Review of the Public Debt Authority's (PDA) Debt Management System (TRASSET) and Submitted the Report to the Treasury and the PDA. BEP prepared the recommendations on functionality, calculations, and efficiency of TRASSET use, as well as on organizational and process strengthening opportunities. If the recommendations outlined in the report would be fully implemented with BEP's advisory assistance, the PDA would have more accurate and readily available reporting and would use the debt management system more efficiently. Next the

PDA needs to implement new debt management system processes (like risk management). BEP also submitted a proposal for capacity building to the Public Debt Authority (PDA) and Treasury Authority (TA). BEP's proposal to the PDA included three main types of activities: 1) training; 2) organizational diagnostic and design; and 3) reporting on debt management and risk management report and the EU Eurostat content for reporting on General, Central and Local Government levels. The proposed training will enable the PDA to implement new risk management processes and to conduct reorganization of the departments in line with best practices. This assistance will lead to higher quality of work, cost reductions and increased efficiency in the PDA. The PDA agreed to the proposed activities.

The PDA also asked for BEP's assistance with: organization of a series of debt management trainings; help to resolve all outstanding issues in the debt management system (TRASSET); project management assistance with the implementation of new software modules related to risk management; aid with the institutional framework (i.e. guidelines, working groups, etc.); assistance with the PDA's Web site, monthly publication, and public relations; and other possible assistance with hardware, software, training materials such as books, etc. All of those activities are aimed at PDA's capacity building to ensure its sustainability as an institution and making sure that debt management functions are conducted efficiently.

Pursuant to the PDA's request, BEP held an Introductory Public Debt Risk Management Training for the Public Debt Administration (PDA) and Treasury. The training, held from December 1 to 3, should improve the capacity of the PDA and Treasury to assess and consider risks associated with the debt management functions (e.g. issuing government securities and monitoring public debt level and composition). The course had both theoretical and applied components to ensure that the transferred knowledge is retained and used by the participants. Participants included the PDA's staff and representatives of Macro-Fiscal Department of the Ministry of Finance and the Fiscal Council. USAID BEP's advisor, Slaven Mickovic, Head of Budget Department of the MoF in Slovenia and member of the EU Economic Commission, delivered this training. Mr. Mickovic provided an extensive overview of best EU and regional practice. The feedback from participants was positive and more training is planned for 2012.

BEP assisted the Public Debt Authority (PDA) of the Ministry of Finance (MoF) in resolving Issues Related to Reporting on Serbia's Public Debt. BEP created and adjusted a model of report for Serbia's debt stock that will be created in the PDA's Debt Management IT System (TRASSET). This will enable the PDA to efficiently and accurately report on Serbia's debt level, which is currently not possible.

BEP also continued to coordinate activities with the World Bank and the EU Project on support to the Ministry of Finance and Treasury Administration. Since there is potential for overlap on assistance in GoS debt management, the project met with the World Bank and EU projects to agree on coordination of capacity building trainings and other assistance to the Public Debt Authority.

Objective 3 Macroeconomic Policy and Strategy

During the late Fall, BEP agreed on new study topics with Economic Think-Tanks. BEP met with FREN to discuss the content, format and publication of Quarterly Monitor Issues 25 and 26, as well as future issues. FREN subsequently published and promoted the *QM* 25/26 double issue. The promotional event presented the analysis and papers in the QM and attracted media, experts, and students. *QM*'s Spotlight on papers funded by USAID BEP provided important insights on how to increase Serbia's ranking in the Global Competitiveness Index and how to combat labor tax evasion. Serbia should be perceived as, and objectively is, a more favorable foreign investment destination than the index shows. The reduction of tax evasion would lead to a lower Government budget deficit and better management of public finances.

BEP also met with the Center for Liberal Democratic Studies (CLDS) to discuss a possible study on Fiscal Councils. With Center for Advanced Economic Studies (CEVES) a range of public finance management topics were discussed, and with the Economic Institute we discussed possible articles for the next MAT issues. These activities with economic think-tanks are aimed at funding

macroeconomic and public finance studies that will provide recommendations for new economic measures and policies, with the goal of improving business competitiveness in Serbia.

BEP participated in an Excise Tax Roundtable, organized by CLDS. The roundtable was chaired by Milica Bisic, former Deputy Minister of Finance of Republic of Serbia. Vuk Djokovic, State Secretary of the Ministry of Finance, and Nikola Altiparmakov, a Fiscal Council member, were among many experts who took part in the discussion on the best structure, type, and levels of excise taxes on alcohol, tobacco, energy products (gas, petrol, electricity), and coffee. Currently, 25% of government revenues come from excise taxes, and discussions were focused on costs, benefits, advantages and disadvantages of EU excise tax convergence requirements.

Component 3

Under **Objective 1, Task 1, Assistance for the Implementation of the new Capital Market Law**, BEP continued to help the Securities Commission develop 32 bylaws for implementation of the Law, including bylaws addressing Investment Firms, Prospectus, Transparency and Disclosure, Market Abuse, and Investor Protection Fund. BEP also helped the Securities Commission to engage in a public discussion of the bylaws. The bylaws were finalized and sent to the Ministry of Finance. The Securities Commission and BEP developed the bylaws in compliance with the deadlines set forth in the Law on Capital Markets. BEP helped the Securities Commission in its consultation with the Ministry of Finance, and the Ministry approved the bylaws. The Ministry of Finance issued the opinion that there are no objections regarding the constitutionality and legality of those bylaws, which enabled the timely adoption of those regulations, necessary for the full implementation of the new Capital Market Law. The bylaws were published in "Official Gazette" and entered into force on December 3, 2011.

BEP also helped the Securities Commission prepare bylaws for the public issuance of municipal bonds. In anticipation of the amendments on the Public Finance Law, adopted October 18, BEP and the Securities Commission drafted the regulations needed to fully enable the public placement of municipal bonds. The next step, after the bylaws are adopted, will be preparation of an additional regulation for public issuance of municipal bonds.

BEP assisted the Belgrade Stock Exchange (BSE) 10th International Conference. The conference was organized by the BSE in cooperation with BEP. The conference gathered representatives of stock exchanges and other financial institutions from Serbia and abroad, the Government, Securities Commission, companies, professional investors, journalists and other participants in the capital market. USAID BEP's Component 3 Expert, Sandra Rodic, gave a presentation at the opening panel discussion "The Beginning of the New Capital Market Law Implementation." She emphasized the key elements of the new Law on Capital Markets that lead to increasing the integrity of the capital market, as well as challenges in incorporating EU Directives in related bylaws. Together with Mr. Radosavljevic, State Secretary at the Ministry of Finance, Mr. Stimac, Commissioner of the Securities Exchange, Mr. Jorgic, Director of Jorgic Broker, and Ms. Milovic, Head of Investor Relations, Naftna Industrija Srbije. Ms. Rodic actively participated in a discussion regarding future development of the capital market.

The Securities Commission invited BEP to the official regional gathering organized on November 29, to mark the success of signing the Declaration of Cooperation between the capital market regulatory authorities from the region - Slovenia, Croatia, Macedonia, Bosnia and Herzegovina, Republic of Srpska, Brcko District, Montenegro and Serbia. This reinforces important goals that BEP supports: ensuring fairness of the capital market, enhancing integrity and transparency of the market, and strengthening investors' protection. The regional regulatory authorities intend to closely cooperate in order to align the regional business environments and further advance their capital markets in the area of regional integration. To that end, several working groups will be established to deal with relevant issues, such as: IT, legal issues, corporate governance and other. The Standing Conference of National Regulatory Authorities from the Region will be established in Belgrade to coordinate future work.

Under **Objective 1, Task 2, "Assistance for the Development of a Legal Framework and Strengthened Enabling Environment for a Commodity Exchange,"** the Project helped develop the new Law on Commodities Exchanges. This law will enable farmers and financiers to manage risk. At the end of 2011, the MoTA made decisions on the key issues regarding the structure of the law and the main implementing institutions. Thus, it is now evident that the Securities Commission (SC) will be the supervisory body, while the Central Register and Clearing (CRC) will also become part of commodity exchange institutional structure. In line with those decisions, MoTA, SEC and BEP agreed on full cooperation, including sharing among themselves and other stakeholders the first draft of the law made by the MoTA, based on suggestions and comments made by BEP advisors. The Novi Sad Commodity Exchange (PB) is in the meantime preparing estimates of all resources they will need for transformation of current trading as envisaged in the draft law, including identification of the main obstacles they are currently experiencing in daily trading. As part of outreach on the economic importance of commodity exchanges, BEP will also co-host a joint roundtable with the Belgrade Chamber of Commerce on January 31, 2012 to discuss concepts and ideas that will be incorporated in the draft law.

BEP supported the Agricultural Forum "Food for Europe – Agro-Economy of Serbia in Pre-accession Period" organized by Economics Institute. BEP supported the portion of the Forum that covered access to finance issues. The main topic of the Forum was the current situation, along with future challenges, risks and perspectives of agriculture in Serbia. Mr. Dusan Petrovic, the Minister of Agriculture opened the forum, attended by more than 70 professionals coming from the public and private sectors and the donor community. Speakers included Loup Brefort, World Bank Country Manager, Adriano Martins, Deputy Head of Delegation of the EU to Serbia and high level Governmental officers. BEP, through its grant program, supported the organization of this Forum, in particular the access to finance discussion and the Roundtable "The Key Economic and Legal Preconditions for Successful Functioning of Commodity Exchange – towards the Commodity Exchange", with Ms. Ana Jolovic, Component 3 Team Leader, as a key speaker. Ms. Jolovic underlined the necessity to regulate the commodity exchange in Serbia, emphasizing the benefits of a modern commodity exchange in Serbia.

Under Objective 1, Task 3, "Assistance for the Development of an Enabling Regulatory Framework for MFIs", BEP has shifted its efforts to increasing small business access to finance. Access to finance is identified as one of the top three problems in doing business in Serbia according to World Economic Forum, but little is known about the issues that are limiting finance in Serbia. Thus BEP conducted a preliminary study on the current supply of and demand for credit to micro, small and medium sized businesses (MSMEs) and on the anticipated supply and demand if certain structural (legal, regulatory, institutional) changes are made. BEP also conducted a series of roundtables throughout Serbia to get information from MSMEs about the challenges they face in obtaining credit.

BEP is preparing a white paper on MSME Access to Finance. This study will be based on comparisons with other countries in the region, interviews with financial institutions, economic projections, the BEP Survey of Businesses, and the roundtables with businesses throughout Serbia. The white paper will clearly identify problems and offer adequate remedies. It will provide general background information on access to finance for SMEs, analysis of regulatory and institutional framework, analysis of donor credit lines and banking products, state support programs for SMEs, a detailed survey on access to finance conducted with more than 100 businesspeople, and analysis of financial positions of SMEs using official data from the Business Registries Agency. The White Paper will have the dual role of presenting possible solutions, while at the same time calling for further discussion on best approaches. The main goal is to assist the Government of Serbia in improving access to finance for SMEs, based on a clear understanding of facts and policy options. The White Paper will be completed in the first quarter of year 2012.

BEP organized Access to Finance Roundtables in Novi Pazar, Nis, Subotica, and Sabac. The main goal of the series of roundtables throughout Serbia, is to understand the problems that SMEs are facing in obtaining finance, and to provide businesses with more information on less-used financing products that are available at the market. The roundtables also provide valuable inputs from the

businesses on the commonly used collateral, other sources of financing, technical capacity in financial planning, financial risk, and transaction costs.

The roundtable in Novi Pazar, which was co-organized with the USAID Economic Security Project, gathered more than 30 businesses from Novi Pazar and the region. The roundtable resulted in valuable inputs from business people on the current state of access to finance. In parallel, the roundtable provided the business representatives with a regional and international overview of access to finance innovations. During a four hour discussion, the businesses cited the main obstacles for SME access to finance, such are: the high level of required collateral; short loan repayment period; required bank guarantees for Development Funds loans; long loan approval periods; lack of understanding of business specifics from the banks' side; problem with cash flow created by VAT, social contributions, and problems in collecting accounts receivables.

In the Roundtable in Nis, more than 40 business representatives took an active role in discussing financing challenges. The main objective of this roundtable was to share experiences and lessons learned in SMEs' access to finance. The participants pointed out that besides their challenges with illiquidity, they are facing several problems related to banks' supply of credit. These problems include banks' delays in approval of the loans, due to centralized decision-making process and poor understanding of business specifics, such as seasonal trends of production and accounts receivable collection. It appears that SMEs are using a high level of informal sources of finance and in many cases are taking personal, rather than business loans.

During the roundtable in Subotica, over 40 SMEs discussed issues relating to the supply of and demand for credit. The Roundtable was organized in partnership with the Regional Chamber of Commerce Subotica. More than 40 businesses took active participation in discussion about challenges in financing business in Serbia. They pointed out the main challenges they are facing today: the lack of banks' understanding for specifics of small and medium businesses due to a very centralistic banking system, and high risk assessment of Serbia resulting in harsh loan conditions, illiquidity, and debt enforcement problems.



During the roundtable in Sabac more than 35 owners and financial managers of small and medium-sized firms discussed major access to finance challenges. Businesses representatives underlined that the required level of collateral, types of loans and loan costs are inadequate to current SME situation. They also pointed out that there was a continuing lack of information about donor credit lines, or other additional source of finance. At the same time, some regulations negatively affect SME cash flows, which strip them of liquidity, force them to borrow more, and, eventually, drive them into insolvency. Roundtables in Vranje and Jagodina will follow in January.

Outreach

During the quarter BEP generated 157 media reports, all with a positive or neutral tone. BEP's outreach activities reached almost 8.3 million people.

Based on its survey of journalists on their training needs, BEP awarded a grant for Journalist Education on Economic and Business Environment Reforms. The grant was awarded to CLDS after a competitive process under a Request for Applications (RFA). Training activities will begin in February 2012.

The new interactive website, www.policycave.rs, was launched in December 2011. The website provides a means for dissemination of research and analysis on issues related to BEP's three components, and allows users to provide input and feedback.

The BEP website, www.bep.rs, continued to have a large number of visitors, as shown by the charts below.

BEP's monthly newsletter was distributed each month to over 500 individuals and organizations.

Summary by Month										
Month	Daily Avg				Monthly Totals					
	Hits	Files	Pages	Visits	Sites	KBytes	Visits	Pages	Files	Hits
Jan 2012	802	594	50	18	366	137126	182	501	5949	8020
Dec 2011	1503	1085	66	31	1642	786823	990	2050	33647	46605
Nov 2011	2037	1495	72	34	1517	909154	1040	2176	44879	61118
Oct 2011	2056	1596	97	36	1139	1039733	1145	3019	49476	63755
Sep 2011	1401	808	75	25	700	614157	752	2278	24245	42051
Aug 2011	1593	1035	69	33	951	616726	1030	2157	32107	49391
Jul 2011	1640	1164	70	39	840	715199	1224	2199	36113	50846
Jun 2011	1684	1126	36	17	620	677477	533	1090	33805	50533
May 2011	251	121	14	7	84	63175	236	422	3642	7549
Apr 2011	7	1	5	3	47	105	96	155	38	214
Mar 2011	6	2	2	1	1	6	1	2	2	6
Totals						5559681	7229	16049	263903	380088

BEP held a Media Brunch on December 1st 2011 on Public Finance Management issues. Eleven economic journalists from the largest Serbian newspapers, economic magazines, and news agencies participated in the informal meeting organized by the BEP at the BEP office. The program included sharing the conclusions from the "Strategic Planning and Budgeting Reforms" roundtable. The journalists actively participated in discussions on budgeting process and Government's adherence to the budget calendar stated in the law, quasi fiscal charges, effectiveness of the state aid, pension system reforms, lack of data, insufficient availability of interlocutors from the government, and other issues. The event received extensive media coverage - more than ten media reports.

Grants

BEP's first **Annual Program Statement (APS-2011-01)** has generated substantial interest. BEP has received 26 Expressions of Interest (EoI) as a response to APS-2011-01. The Grants Selection Committee (GSC) considered all EoIs and decided as follows:

11 EoIs were positively reviewed and applicants were invited to submit full grant applications (second stage of selection). Out of these, 8 proposals were approved, while 3 are still pending / under negotiations. 15 EoIs were rejected / postponed or withdrawn.

In addition to EoIs that were submitted under APS, BEP has received two **unsolicited proposals**, of which one was approved. This was the proposal from the Foundation for the Advancement of Economics (FREN) for the project "Quarterly Monitor Issue 24". This is the only proposal that BEP has accepted as unsolicited.

BEP has published 7 **Requests for Applications (RFA)**, one of which was re-issued (published twice). These were as follows:

RFA #	Date of Issue	Topic
RFA-2011-01	15-Jun-11	Business Survey in Serbia
RFA-2011-02	15-Jul-11	Impact of Quasi Fiscal Charges on Businesses in Serbia
RFA-2011-03	25-Jul-11	Econometric Assistance to the Ministry of Finance
RFA-2011-04	20-Sep-11	Assessment of Constraints to Construction Permits
RFA-2011-05	30-Sep-11	Journalist Education on Economic and Business Environment Reforms
RFA-2011-06	5-Oct-11	Study on Private Domestic Savings*
RFA-2011-07	12-Dec-11	Training of Commercial Court Judges on the New Company Law
RFA-2011-06-R	27-Dec-11	Study on Private Domestic Savings* (Re-issued)

As a response to RFAs, BEP has received 15 proposals, as follows:

For RFA-2011-01- Business Survey - three proposals were received, and the grant was awarded to Center for Free Elections and Democracy (CeSID).

For RFA-2011-02 ó Impact of Quasi Fiscal Charges on Businesses in Serbia ó BEP has received two proposals and the grant was awarded to the National Alliance for Local Economic Development (NALED).

For RFA-2011-03 ó Econometric Assistance to the Ministry of Finance of the Republic of Serbia ó only one application was received and the grant was awarded to the Foundation for the Advancement of Economics (FREN).

For RFA-2011-04 - Assessment of Constraints to Construction Permits in Serbia ó BEP has received four applications and the grant was awarded to MP and Associates.

For RFA-2011-05 - Journalist Education on Economic and Business Environment Reforms ó three applications were received and the grant was awarded to the Center for Liberal-Democratic Studies (CLDS).

The CLDS also applied for RFA-2011-06 ó for a Study on Private Domestic Savings, but since the proposal was withdrawn in the negotiations phase, BEP has re-issued the RFA-2011-06.

Finally, for RFA-2011-07 for Training of Commercial Court Judges on Implementation of the New Company Law ó BEP has received only one proposal from the Balkan Center for Regulatory Reform, and this proposal was approved.

Overall, **BEP has considered 43 proposals**, either in a form of EoIs or full grant proposals. So far, 15 proposals were approved for support, while 3 are still pending. 25 proposals were rejected.

The Grant Schedule and Status is attached as Attachment 5.

Financial Review

The following chart shows the billing to date through the end of December, 2011. This includes a projection for December 2011 based on the actual costs we have received from the field for the month of December.

	BILLING TO DATE	TOTAL BUDGET	REMAINING BUDGET	PERCENTAGE COMPLETE
Salaries and Wages	\$ 667,731.69	\$ 3,775,847.61	\$ 3,108,115.92	17.68%
Fringe Benefits	\$ 58,769.85	\$ 257,266.33	\$ 198,496.48	22.84%
Overhead	\$ 398,859.37	\$ 2,179,488.59	\$ 1,780,629.22	18.30%
Travel, Transportation, and Per Diem	\$ 51,157.87	\$ 677,806.94	\$ 626,649.07	7.55%
Allowances	\$ 166,433.98	\$ 767,728.31	\$ 601,294.34	21.68%
Other Direct Costs	\$ 345,986.73	\$ 2,378,118.90	\$ 2,032,132.17	14.55%
Equipment and Supplies	\$ 58,030.18	\$ 203,257.20	\$ 145,227.02	28.55%
Participant Training	\$ 3,298.12	\$ 65,000.00	\$ 61,701.88	5.07%
Subcontracts	\$ 245,525.82	\$ 1,678,842.00	\$ 1,433,316.18	14.62%
Grants Under Contract	\$ 85,476.36	\$ 2,200,000.00	\$ 2,114,523.64	3.89%
G&A	\$ 229,316.69	\$ 1,697,747.70	\$ 1,468,431.01	13.51%
TOTAL ESTIMATED COST	\$2,320,407.89	\$15,881,103.59	\$13,560,695.70	14.61%
Fixed Fee	\$ 120,709.69	\$ 815,860.42	\$ 695,150.73	14.80%
TOTAL ESTIMATED COST PLUS FIXED FEE	\$2,441,117.58	\$16,696,964.00	\$14,255,846.42	14.62%

Progress versus Workplan

BEP's progress versus the Work Plan is set forth in Attachment 3.

Progress versus PMP

BEP's progress versus the PMP is set forth in Attachment 4.

Challenges Encountered and Actions taken to Resolve them

No significant unexpected challenges were encountered during the quarter.

Observations Regarding Implementation

The Project has excellent cooperation with its business association partners, experts, and most government partners. All partners greatly appreciate BEP's approach to identify priority reforms and

specific solutions through diligent research and public private dialogue, as well as BEP's ability to tailor solutions to the needs and circumstances of each particular government partner. BEP's emphasis on outreach and transparency also is having a great impact; for example, inspections reform which was moribund for 10 years, has become a GoS priority after BEP's major outreach campaign and roundtables throughout Serbia.

Some of our GoS partners continue to be dogged by management issues, and are unable to timely complete tasks. For example, the Ministry of Justice is constantly behind schedule on developing bylaws and undertaking other tasks necessary to implement the Law on Enforcement on schedule. BEP's new cross-cutting activity "Capacity Building for GoS Partners" aims to improve this situation.

4. ACTIVITIES PLANNED FOR NEXT QUARTER

Noteworthy activities for the fifth quarter of the project, covering January 1 to March 31, 2012, will include:

Administrative and General Activities

Launch Project Activities Database (PAD) to record, analyze and report project data.

Publicize www.policycafe.rs policy portal and develop content and spur dialogue on economic policy and business environment issues.

Component 1

Organize focus groups on inspection reforms

Draft the inspections reform strategy and action plan

Outreach on the results of the quasi fiscal charges

Implement the web application for tracking adoption of planning documents

Outreach on the results of the study on construction permitting impediments

Finalize bylaws needed for implementation of the new Law on Enforcement and Execution and training for Professional Enforcement Officers candidates

Design and delivery of training for commercial courts judges on implementation of the Companies Law

Component 2

Continuation of the capacity building assistance to the MFD through FREN grants implementation (finishing the third and last phase).

Assistance to the PDA:

- New risk management capacity building training for PDA
- Organizational diagnostic to recommend separation of responsibilities among the PDA departments
- Continuation of the consulting assistance to the PDA in implementing BEP's recommendations related to the better functioning of the debt management system.

Budget process improvement efforts:

- Complete the study on "Effective Use of Performance Indicators in Public Sector Budgeting and Planning" and conduct the training to the Budget Department and General Secretariat on how to use performance indicators
- Organize a workshop/roundtable around the study's findings for high-level government officials and experts
- Conduct trainings on Program/Strategic Budgeting via GoS's Human Resources Management Services to the Budget Department and line ministries

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- Donor coordination activities aimed at reaching a unified, consentient donor position on placing performance-based budgeting on the top of the Government's agenda.

Commence work on Savings Study.

Component 3

Continue development of bylaws to implement the new Capital Market Law

Training for the Securities Commission on supervision

Access to Finance Roundtables in Jagodina and Vranje

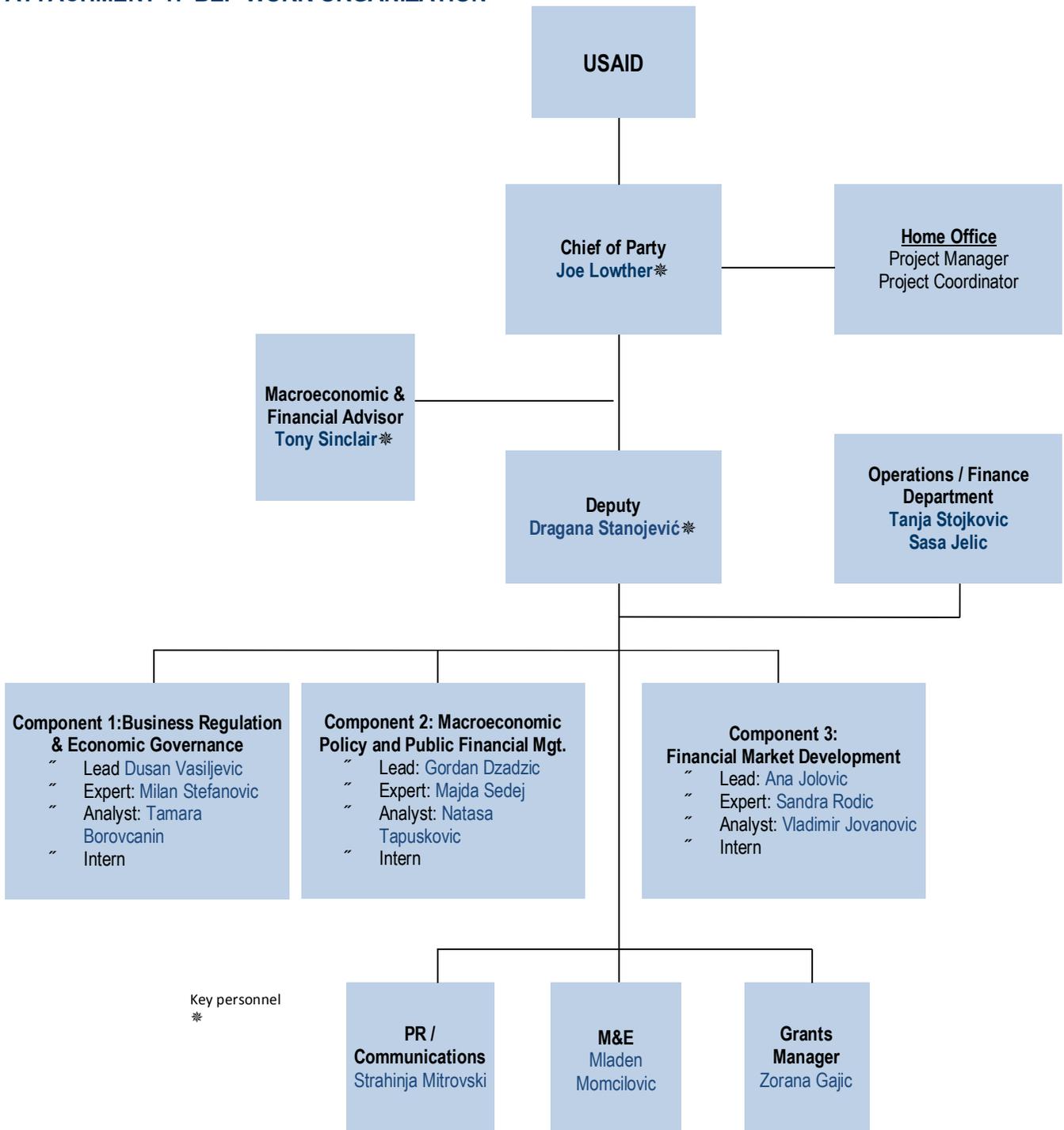
Research on commercial laws and regulations' impact on access to finance, and the functioning, efficiency, accessibility and costs of the supplementary services needed for access to finance

Prepare White Paper on SME Access to Finance

Participate in working group on Commodity Exchange Law and assist in developing a road map for commodity exchange development.

This concludes the narrative section of our Quarterly Report for the fourth quarter of 2011. Supporting detail is provided in the following attachment exhibits and tables.

ATTACHMENT 1: BEP WORK ORGANIZATION



ATTACHMENT 2: LIST OF MEDIA PUBLICATIONS

No.	Date	Publication/Outlet	Title and description	Reach
1	01. 10. 2011.	Ekonometar	Budget lost is billion euros due to a grey zone	
2	02. 10. 2011.	TV Pink, Jutanji program	Employers in Serbia have negative opinion about inspections	
3	04. 10. 2011.	www.radiostoplus.com	Access to finance of small and medium enterprises	
4	04. 10. 2011.	TV Jedinstvo-Novı Pazar, Dnevnik	Business problems in Serbia	
5	04. 10. 2011.	Narodne novine	Inspection reform relieves the economy	11250
6	04. 10. 2011.	RTV Novi Pazar, Vesti	USAID - Business enabling project	
7	04. 10. 2011.	RTV Novi Pazar, Vesti	USAID - Business enabling project	
8	04. 10. 2011.	Radio Sto plus-Novı Pazar, Dnevnik	More than 30 entrepreneurs from Sandzak attended "Access to finance of small and medium enterprises" roundtable	
9	06. 10. 2011.	Ekonom:east magazin	Billions in grey economy	6180
10	06. 10. 2011.	Ekonom:east magazin	Foreigners who (temporarily) work in Serbia	6180
11	06. 10. 2011.	Ekonom:east magazin	Food for Europe	6180
12	07. 10. 2011.	www.emg.rs	Billions in grey economy	
13	08. 10. 2011.	www.emg.rs	Foreigners who (temporarily) work in Serbia	
14	12. 10. 2011.	Sandžačke novine-Novı Pazar	Conquering of new markets	
15	15. 10. 2011.	Progressive magazin	Step by step	
16	20. 10. 2011.	Narodne novine	"Volcano" soon to get investor	11250
17	20. 10. 2011.	www.emg.rs	The Government has not established a coordinating body for inspection	
18	21. 10. 2011.	Pregled	Inspections still without supervision	
19	23. 10. 2011.	www.personalmag.rs	List of debtors in Serbia on internet	
20	23. 10. 2011.	Dnevnik	We must get out of the mouse hole	38134
21	24. 10. 2011.	Dnevnik	Grey economy pushed under the rug again	38134
22	27. 10. 2011.	Ekonom:east magazin	Preparation for a world game	6180
23	28. 10. 2011.	Poljoprivrednik-Novı Sad	Agriculture is the foundation of development of Serbia	
24	01. 11. 2011.	Pregled	800 million dollars from USA	
25	02. 11. 2011.	RTS 1, Dnevnik 3	Joe Lowther regarding the adoption of new	

			laws in Serbia	
26	02. 11. 2011.	www.bifonline.rs	Public private partnerships-from theory to practice	
27	02. 11. 2011.	NTV Niš, Telepres	Small and medium enterprises are the biggest potential for employment and economic growth in Serbia	
28	02. 11. 2011.	TV Zona, Info	Access to finance is one of the three biggest problems of business ion Serbia according to World economic forum research	
29	02. 11. 2011.	TV Belle Amie, Slike dana	Access to finance is one of the biggest problems of businesses in Serbia	
30	03. 11. 2011.	www.gradjevinarstvo.rs	BELRE 2011: Property and investment conference	
31	03. 11. 2011.	Blic (Dodatak)	Inspection of inspectors	918345
32	03. 11. 2011.	Narodne novine	How to get money easier	11250
33	04. 11. 2011.	Pregled	Hard to get money for projects	
34	14. 11. 2011.	Politika	Debts will soon be charged by private enforcement officers	154499
35	14. 11. 2011.	www.politika.rs	Debts will soon be charged by private enforcement officers	
36	16. 11. 2011.	www.mondo.rs	We "throw away" a billion euros on bureaucracy	
37	16. 11. 2011.	www.vestisrbija.info	We "throw away" a billion euros on bureaucracy	
38	16. 11. 2011.	RTS 1, Šta radite, bre?	Seven out of eight owners in Serbia have negative opinions about inspections	
39	17. 11. 2011.	www.dnevnik.rs	New strategy for better business of firms	
40	17. 11. 2011.	www.rts.rs	Thrifty budget answer to a crisis	
41	17. 11. 2011.	www.krstarica.com	Thrifty budget answer to a crisis	
42	17. 11. 2011.	www.vedidana.rs	Thrifty budget answer to a crisis	
43	17. 11. 2011.	www.b92.net	Administration "eats" 1.35 billion of euros	
44	17. 11. 2011.	www.danas.rs	Administrative duties take 4.2% of GDP	
45	17. 11. 2011.	www.emg.rs	Administrative duties of enterprises take 4.2% of GDP	
46	17. 11. 2011.	www.pressonline.rs	Administrative duties of enterprises take 4.2% of GDP	
47	17. 11. 2011.	www.danas.rs	Bajec suggests lower income taxes	
48	17. 11. 2011.	www.economy.rs	Bajec: Consider reducing taxes and contributions on salaries	

49	17. 11. 2011.	www.biznisnovine.com	Bajec: Consider reducing taxes and contributions on salaries	
50	17. 11. 2011.	www.edukaplus.com	Bajec: Consider reducing taxes and contributions on salaries	
51	17. 11. 2011.	www.emg.rs	Bajec: Consider reducing taxes and contributions on salaries	
52	17. 11. 2011.	www.blic.rs	Bajec: Consider reducing taxes and contributions on salaries	
53	17. 11. 2011.	www.smedia.rs	Bajec: Reduce income taxes	
54	17. 11. 2011.	Blic	Bureaucracy takes billions	918345
55	17. 11. 2011.	www.blic.rs	Bureaucracy takes billions	
56	17. 11. 2011.	RTV 1, Jedan na jedan	Guest-Borislav Grujic	
57	17. 11. 2011.	RTS 1, Jutarnji dnevnik	Guest-Joe Lowther	
58	17. 11. 2011.	RTS 1, Dnevnik 1	Joe Lowther statement	
59	17. 11. 2011.	RTS 1, Dnevnik 2	How do you work?	
60	17. 11. 2011.	www.vestisrbija.info	Kalanovic: 40% of economy operates in a grey area	
61	17. 11. 2011.	www.blic.rs	Kalanovic: 40% of economy operates in a grey area	
62	17. 11. 2011.	www.kraljevopress.com	Kalanovic: 40% of economy operates in a grey area	
63	17. 11. 2011.	TV Palma plus, I bi dan	Conference on administrative barriers	
64	17. 11. 2011.	Večernje novosti	Billion euros on administration	590537
65	17. 11. 2011.	www.poslovnojutro.com	We "throw away" a billion euros on bureaucracy	
66	17. 11. 2011.	www.vesti.aladin.info	We "throw away" a billion euros on bureaucracy	
67	17. 11. 2011.	TV Avala, Čist račun	The biggest obstacle to regulation guillotine is bureaucracy	
68	17. 11. 2011.	Alo!	NIN: We spend a billion euros on administration	467356
69	17. 11. 2011.	www.naslovi.net	New strategy for better business of firms	
70	17. 11. 2011.	www.kursnalista.rs	New strategy for better business of firms	
71	17. 11. 2011.	www.rts.rs	Export growth, a condition for EU	
72	17. 11. 2011.	www.krstarica.com	Export growth, a condition for EU	
73	17. 11. 2011.	www.infostar.rs	Export growth, a condition for EU	
74	17. 11. 2011.	Radio Beograd 1, Dnevnik	Economy in Serbia is burdened with bulky bureaucracy	

75	17. 11. 2011.	www.studiob.rs	Problems are income taxes and high contributions in Serbia	
76	17. 11. 2011.	NIN	Procedures that cost billion euros	53507
77	17. 11. 2011.	www.netdnevnik.com	Burden of taxes and regulations choking the economy	
78	17. 11. 2011.	www.srbijanet.rs	In 2012. 51% of firms in Serbia are expecting profit	
79	17. 11. 2011.	www.edukaplus.com	In the preparation is the strategy for improving business of firms	
80	17. 11. 2011.	www.vesti.rs	USAID: The biggest problems are income tax and high contributions	
81	17. 11. 2011.	www.kurir-info.rs	USAID: The biggest problems are income tax and high contributions	
82	17. 11. 2011.	www.media1.rs	USAID: The biggest problems are income tax and high contributions	
83	17. 11. 2011.	www.tanjug.rs	USAID: The biggest problems are income tax and high contributions	
84	17. 11. 2011.	www.krstarica.com	USAID: The biggest problems are income tax and high contributions	
85	17. 11. 2011.	www.bizlife.rs	USAID: The biggest problems are income tax and high contributions	
86	17. 11. 2011.	www.sumadijapress.com	USAID: Problems in law regulation	
87	17. 11. 2011.	www.economy.rs	High contributions and administration-the biggest problems in business	
88	18. 11. 2011.	www.economy.rs	51% of enterprises in Serbia expect higher profit?	
89	18. 11. 2011.	Danas	Bajec suggests lower income taxes	29643
90	18. 11. 2011.	Pregled	European taxes on Serbian salaries	
91	18. 11. 2011.	TV Palma plus, I bi dan	Verica Kalanovic statement	
92	18. 11. 2011.	Politika	Coping with indolent bureaucracy	154499
93	18. 11. 2011.	www.emg.rs	New strategy of regulatory reform for improving business conditions to be prepared	
94	18. 11. 2011.	www.pregled.rs	Various loads eat 4.2% of GDP	
95	18. 11. 2011.	Večernje novosti	Countless obstacles to businesses	590537
96	18. 11. 2011.	www.glas-javnosti.rs	USAID: The biggest problems are income tax and high contributions	
97	18. 11. 2011.	TV KCN, Jutro online	Big administrative procedures cost Serbia a lot of money	
98	20. 11. 2011.	www.novosti.rs	Headache because of the new termination	

99	21. 11. 2011.	www.b92.net	Will be better if the state does not hinder	
100	21. 11. 2011.	Večernje novosti	Headache because of the new termination	590537
101	21. 11. 2011.	www.backatopola.in.rs	Headache because of the new termination	
102	21. 11. 2011.	RTV 1, Vojvodjanski dnevnik	Access to finance of small and medium enterprises	
103	21. 11. 2011.	RTV City, Subotica	Access to finance of small and medium enterprises	
104	21. 11. 2011.	www.b92.net	Employment growth or not registering on the bureau?	
105	21. 11. 2011.	www.politika.rs	If only government would make it easier	
106	21. 11. 2011.	Politika	If only government would make it easier	154499
107	21. 11. 2011.	www.subotica.com	USAID encourages small and medium enterprises	
108	21. 11. 2011.	www.rtv.rs	USAID encourages small and medium enterprises	
109	21. 11. 2011.	www.naslovi.net	USAID encourages small and medium enterprises	
110	21. 11. 2011.	www.novimagazin.rs	New dismissals are threatening	
111	22. 11. 2011.	RTV 1, Jutarnji dnevnik	Access to finance of small and medium enterprises	
112	22. 11. 2011.	Pregled	Loans do not go for development	
113	22. 11. 2011.	Politika	Un-improvable optimists	154499
114	22. 11. 2011.	TV Pink, Nacionalni dnevnik	The economy annually spends 1.3 billion of dinars on administration imposed by the government	
115	23. 11. 2011.	Blic (Dodatak)	Business troubles in Serbia	918345
116	23. 11. 2011.	TV Pink, Jutarnji program	Guest-Borislav Grujic	
117	24. 11. 2011.	www.poslovnojutro.com	National budget forum 2011.	
118	25. 11. 2011.	Zrenjanin	Americans talk about the biggest problems in economy of Serbia	
119	26. 11. 2011.	Dnevnik	Lower incomes and loss of jobs are in sight	38134
120	26. 11. 2011.	TV Pink, Jutarnji program	The economy annually spends 1.3 billion of dinars on administration only	
121	28. 11. 2011.	Danas	Key issue is the application of law	29643
122	28. 11. 2011.	Danas	Great progress in the execution of judgments	29643
123	30. 11. 2011.	www.emg.rs	Ćirić: Incentives and subventions to stay in the budget	
124	30. 11. 2011.	RTS 1, Dnevnik 2	Whether to change euro into another	

			currency	
125	30. 11. 2011.	RTS 1, Dnevnik 2	Economy seeks government assistance in order to stimulate the production	
126	30. 11. 2011.	www.b92.net	Subsidies to be less for the third	
127	01. 12. 2011.	www.b92.net	All we are missing is strategy and leaders	
128	01. 12. 2011.	Ekonometar	In order to better business conditions	
129	01. 12. 2011.	www.rts.rs	Less money for the economy	
130	01. 12. 2011.	www.rts.rs	No reason to panic	
131	01. 12. 2011.	www.krstarica.com	No reason to panic	
132	01. 12. 2011.	www.srbijanet.rs	Vujovic: Serbia needs strategic budget planning	
133	02. 12. 2011.	Večernje novosti	Government is big and expensive	590537
134	02. 12. 2011.	www.novosti.rs	Vujovic: The government is big and expensive	
135	05. 12. 2011.	Večernje novosti	Problems	590537
136	06. 12. 2011.	www.b92.net	There is no money in Serbia	
137	07. 12. 2011.	www.tvsabac.co.rs	Opportunity for small and medium enterprises	
138	08. 12. 2011.	Novi magazin	The Government is "eating" the economy	
139	14. 12. 2011.	Politika	Small firms synced in debts	154499
140	14. 12. 2011.	www.politika.rs	Small firms synced in debts	
141	14. 12. 2011.	www.gdeinvestirati.com	Survival of small firms science fiction	
142	15. 12. 2011.	Magazin Biznis	Why do we make laws that cannot be conducted	
143	15. 12. 2011.	Magazin Biznis	New rules-more transparent stock exchange	
144	20. 12. 2011.	www.dnevnik.rs	Immediately reduce taxes on wages	
145	20. 12. 2011.	www.b92.net	Shift tax burden from income to spending	
146	20. 12. 2011.	www.vesti.aladin.info	Necessary to change the tax structure abstractions	
147	20. 12. 2011.	www.emg.rs	Necessary to change the tax structure abstractions	
148	20. 12. 2011.	www.rtv.rs	Shift tax burden from income to spending	
149	20. 12. 2011.	www.rtvpink.com	Tax system reform?	
150	21. 12. 2011.	TV Pink, Jutarnji program	Guests-Nikola Bodiroga and Dragana Stanojevic	
151	21. 12. 2011.	Pravda	Tax income to spending	53696
152	21. 12. 2011.	www.edukaplus.com	Necessary to change the tax structure	

			abstractions	
153	21. 12. 2011.	Pregled	From earnings to consumption	
154	22. 12. 2011.	RTS 1, Dnevnik 2	Enterprises in Serbia annually spend around 4% of GDP on administrative procedures	
155	23. 12. 2011.	www.vesti.rs	Gordian knot of regulations	
156	24. 12. 2011.	Blic (Dodatak)	Reduce taxes on employment, increase taxes for the rich	918345
157	25. 12. 2011.	Dnevnik	Tax reform can't be helped even by magic	38134
				8273054

ATTACHMENT 3: PROGRESS VERSUS WORKPLAN

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
Objective 1: Improve and streamline business regulation				
1. Improve Inspections Operations and Organization	Conduct an overall baseline assessment of the inspections system in Serbia.	April-July 2011	Baseline Assessment on Inspections	Roundtables in five municipalities completed. National level conference held. Assessment completed.
	Provide technical assistance for implementation of 2010 recommendations for streamlining inspections that GoS has adopted, including: a) the appointment of the Coordination Body for inspections reform and b) development of the Inspections Reform Strategy and Action Plan	April-October 2011	Strategy and Action Plan	Inspections Reform Coordination Body established, its first meeting still pending. BEP will provide support for development of the Inspection Reform Strategy and Action Plan.
	Assist the implementation of the Inspections Reform Strategy, including increasing transparency, streamlining regulations, establishing coordination between inspections and decreasing the number of steps and procedures.	October 2011-April 2012	Pilot public web based portal for inspections; Report on reduction of number of procedures and steps	Activity expected to start in April 2012.
2. Remove or reduce quasi fiscal burdens to businesses	Develop an inventory and analysis of cost of charges and fees imposed on businesses by GoS entities	April-June 2011	Inventory of Charges and Fees	Inventory of imposts on businesses prepared, analysis to be completed by the end of February.
	Facilitate stakeholders' discussion on the cost and lack of predictability and certainty of charges and fees on local and national level and develop solutions	May-July 2011	Issue-Tracker; Report on proposed solutions	Activity to begin as soon as the inventory and analysis are completed.
	Advocate for changes in relevant legislation and practice	July-November 2011	Media and other communications; Roundtables and Conferences	Activity to begin as soon as the inventory and analysis are completed, extending to include period after formation of the new Government.
	Assist in preparation of legislative and procedural solutions, based on stakeholders	November	Legislation to	Activity expected to take place after

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
	dialogue	2011 – March 2012	remove or limit charges and fees	March 2012, and most likely to be at the height after formation of the new Government.
3. Assist implementation of the Law on Enforcement (adoption expected in April)	Finalize the bylaws needed for the implementation of the Enforcement Law	April-July 2011	Enforcement bylaws drafted and adopted	Ongoing. Project participates in the MoJ working group. Number of bylaws adopted several of them in different drafting stages. The activity is planned to last until the May 2012.
	Develop and conduct training program for future Private Enforcement Officers (PEOs) and procedure for appointment of PEOs	April 2011 – November 2011	Training program (app. 300 PEOs trained)	This activity is on hold at the moment per USAID instructions. However the MoJ expressed high level of interest for the implementation of the preparatory training and keeps asking for the technical assistance in this area.
	Develop system for appointment and supervision of PEOs, including establishment of MoJ unit to oversee PEOs (training and procedures), organize exam	April 2011 – April 2012	MoJ Enforcement Supervision Unit operational First PEOs exam	Ongoing, in the form of preparation of bylaws for the Enforcement Law. The establishment of the MoJ Regulatory Unit should take place before the end of March 2012.
4. Streamline Construction Permitting	Conduct research on Construction Permits Procedures Priority Constraints and facilitate stakeholders dialogue to develop priority list and action plan for improvements in legislation and practice	April 2011 – February 2012	Report on Construction Permits Procedures Priority Constraints; Issue-Tracker and Action Plan	Stakeholders dialogue ongoing, particularly on the conversion issue. Grant for research is awarded and research itself will be completed by the end of February 2012.
	Assist the Ministry of Environment and Spatial Planning (MESMP) in developing bylaws and Official Opinions for the proper implementation of the new Law on Planning and Construction	April 2011 – April 2012	Bylaws and Official Opinions drafted and adopted / issued	Ongoing – focus on conversion decree resulted in adoption of that bylaw with support from BEP in terms of facilitating public discussion and providing the technical assistance in developing the decree. MEMSP created

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
				special web-based mechanism for prompt issuance of opinions for implementation of the LPC.
	Conduct pilot RIA for selected MESMP bylaws	April 2011 – April 2012	Pilot RIA conducted	First RIA expected to be on PPPs in construction, but preparation of that bylaw is not certain given the fact that the Law on PPPs and Concessions was adopted in the meantime.
Objective 2: Business Effectively Partners with Government in developing and implementing regulatory reforms				
1. Improve Public Private Dialogue	Facilitate improved dialogue between the GoS and businesses on regulatory reforms (on-going activity)	April 2011 – April 2012	Quarterly Coordination Meetings, Workshops & Roundtables, Business reps appointed members of Drafting Work Groups in comm. law area	Ongoing – 5 regional roundtables and one national level conference on inspections reform, 2 roundtables on conversion decree, one national conference of SCM and business survey results, one national conference on PPPs, and one roundtable on Regulatory Reform Strategy already organized. Practice of consultative meetings between RRO and business associations established.
	Conduct an Annual Survey of Business Community on major regulatory constraints	April 2011 – July 2011	2011 Survey Results on Major Constraints to businesses	Completed, results presented at the national conference.
1. Improve Quality and Quantity of Legislative and Regulatory Reforms	Conduct an Overall Standard Cost Model Study on the costs of regulatory constraints for doing business in Serbia	April 2011 – July 2011	Overall Standard Cost Model Study on business constraints	Completed, results presented at the national conference.
	Assist the GoS Secretariat in developing transparent Annual Legislative Action Plan	May 2011 – April 2012	Annual Legislative Action Plan Developed and publically available	Changes to the GoS Rules of Procedures discussed with the GoS General Secretariat and changes to the Rules of Procedures are

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
				prepared accordingly and submitted to the General Secretariat.
	Assist the GoS Secretariat in streamlining drafting procedures and making them fully inclusive and transparent	May 2011 – April 2012	Amendments to the GoS Rules of Procedure New methodologies for inclusive and transparent drafting	Changes to the GoS Rules of Procedures discussed with the GoS General Secretariat and changes to the Rules of Procedures are prepared accordingly and submitted to the General Secretariat
	Assist in drafting and adoption of the National Strategy and Action Plan for 2011 – 2012	November 2011 – March 2012	Regulatory Reform Strategy and Action plan	Strategy Drafted and publically discussed with BEP support. Adoption expected in early 2012
	Support preparation of RIA for selected legislation (ongoing activity)	April 2011 – March 2012	Regulatory impact assessments	Ongoing - first RIA supported by BEP will be most likely on inspections reform strategy
Objective 4: Improve GoS competition policy and capacity to implement that policy				
1. Develop basis for improvements in competition policy and oversight	Apply Standard Cost Model to measure cost of anti-competitive practices	April 2011 – July 2011	Report on Cost of anti-competitive practices	Activities on this objective have been canceled.
	Dialogue on competition impeding factors and costs of anti-competitive practices: GoS, Competition Commission, business community and general public	July 2011 – Sept. 2011	Presentations, advocacy and PR activities	Activities on this objective have been canceled
	Outreach on the need to deal with competition constraints outside of the realm of monopolies	June 2011 – December 2011	Media outreach; Workshops, Roundtables	Activities on this objective have been canceled
2. Develop institutional framework for proper implementation of competition policy	Develop Curriculum and train Administrative Courts judges and the Supreme Court judges involved in second instance procedures related with competition regulations	Sept. 2011 – April 2012	Training for Judiciary of the first and appellate instances	Activities on this objective have been canceled
Objective 5: Improve Corporate Governance Policies, Standards and Regulations				
1. Support implementation of the new Company Law	Assist GoS in drafting bylaws needed for the implementation of the provisions on Corporate Governance in the new Company Law	October 2011 – January 2012	Bylaws	Grant provided for development of the new Code of Corporate Governance that needs to be

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
(adoption expected by June)				changed to facilitate implementation of the Company Law
	Develop Curriculum and train Commercial Court judges on implementation of the new Company Law	October 2011 – April 2012	Training for Judges	Grant awarded for design and implementation of the training that should be delivered in the first half of 2012
	Information dissemination on the company law to business community	Sept. 2011 – April 2012	Brochure, media outreach	This activity is scheduled for the period of implementation of the grant for training of Commercial Court judges
Communications and Outreach Activities				
Outreach to General Public on the findings of the SCM Study and the Annual Business Survey (Task 2 and 3)		Sept 2011-ongoing		Largely implemented, resulting in extensive media coverage
Organize outreach activities to promote need for implementation of inspection reforms (Task 1.1)		June 2011-ongoing		Ongoing – started with five inspections reform roundtables, national level conference and number of media interviews
Raise awareness of decision makers on implications of para-fiscal impositions on competitiveness of Serbian economy (Task 1.2)		Sept 2011-ongoing		This activity will take place in the period after January 2012.
Raise awareness on competition constraints and their cost (Task 4.1)		Oct 2011-ongoing		Activities on this objective have been canceled
Assist outreach campaign on the importance and benefits of the new enforcement system (Task 1.3)		May 2011-ongoing		The action plan that MoJ has agreed with, sets the outreach campaign for the Fall 2011 and some outreach activities took place.
Enable journalists to learn more about economic topics and economic reforms needed in Serbia (Task 2.1)		Ongoing		Ongoing – all inspections roundtables and particularly national level conferences included media information element.
Promote regulatory reform initiatives (maintaining regular contacts with media, designing the content and maintaining the BEP website, communicating regularly with USAID)		Ongoing		Ongoing.

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
	Information dissemination on corporate governance to business community (Task 5.1)	Ongoing		Ongoing.
Gender Integration Activities				
	Inclusion of gender analysis in RIA	Ongoing		Ongoing
	Analysis of gender impact of legislation and regulations supported by Project	Ongoing		Ongoing

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
Objective 1: Improve GoS budgeting, fiscal policy analysis, and financial management efficiency				
1. Capacity building assistance to the Fiscal Council and Improvements to fiscal responsibility	Assistance with the establishment of operational guidelines and policies	Ongoing all year	FC Operational Guidelines	Consultancy work completed and final STTA reports delivered. Delivered technical assistance helped build analytical and technical capacities of the fledging FC team and enabled them to deliver high-quality reports on the status of public finances and compliance with the fiscal rules. FC was empowered to position itself as a reputable, independent institution.
	Assistance with the development of a public communications/outreach operation and strategy	Jun – Dec 2011	Communications strategy	BEP provided research and analysis used in FC outreach. The FC hired a public communications advisor.
	Assistance with the development of a framework for enforcing fiscal rules and compliance with Budget Law	Jul – Dec 2011	Enforcement Regime Advisory Report	The FC was not granted enforcement powers, thus our support for this may not be requested.
2. Assistance to the GoS General	Assistance to the General Secretariat on developing performance indicators and options for improving the coordination of GoS budgeting, investment, and financing	Sept 2011	Advisory notes	BEP has undertaken a comprehensive review of all

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
Secretariat to improving budget coordination and performance management	activities.(See also support provided in Component 1)			available research papers and studies in the area of performance indicators and strategic planning and budgeting. Based on the review, BEP made a rough first draft of highest-level findings and recommendations that need to be categorized and, in the next step, shared with donors for a plausible joint position with the aim of engaging the PM's office in addressing strategic budgeting.
3. Improvements to Fiscal Analysis and Strategy by the MoF	Capacity building assistance to the Macro Fiscal Department on macroeconomic forecasting and analysis to support fiscal responsibility EU pre-accession requirements, and overall fiscal strategy development	Intermittent through year	Briefing papers and technical notes; Econometric Model	Ongoing. Two out of three capacity building phases completed. The Macro Fiscal Department (MFD) can now independently perform various forecasts crucial for fiscal sustainability analyses and development of fiscal strategy. These forecasts (various types of deficit projections and budget revenue/expense sensitivity analyses) are also fiscal responsibility requirements of the EU candidate countries. For the first time ever, the MoF via MFD has included cyclically adjusted deficit projections in the Economic and Fiscal Program Report to the EC, as the result of the delivered capacity building assistance. This means that MoF is now capable to predict the effects of economic crises on the budget revenues, expenses, and deficit with

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
				considerably more accuracy than before. The 3 rd phase of the assistance focusing on the debt sustainability analysis will be delivered in the first quarter of 2012.
	Study tour to 1-2 countries in the region to learn how to apply fiscal analysis to policymaking processes (e.g. Croatia, Slovenia, and/or Austria)	Oct-Nov 2011	Study Tour	BEP organized Study Tour to Italian MoF and Central Bank planned to take place January 22-25, 2012. An advisor was selected to assist with organizing topics and the visit to the Italian counterparts. The central objective is for the MFD staff to acquire knowledge about the processes and procedures related macro-fiscal analyses and projections, including those related to EU accession requirements.
	On-site training to Macro-Fiscal Department on fiscal policy analysis and impact modeling	Intermittent through year	Technical workshops and advisory sessions	Not started. The focus right now is on preparing structural deficit projections and related training. These activities are planned for year 2.
4. Assist the MoF Budget Department to develop capacity for improved transparency and program budgeting	Comparative practices study on the use/application of performance-based budgeting	May – June 2011	Advisory Report on Comparative Practices and Benchmarks	University Professor and former World Bank expert Dusan Vujovic was contracted by BEP to prepare “Effective Use of Performance Indicators in Public Sector Budgeting and Planning” study (due by February 2012). Mr. Vujovic visited Belgrade and discussed public sector budgeting issues relevant for the study with many counterparts including those on the highest level at the GoS. BEP

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
				organized roundtable on “Strategic Planning and Budgeting Reforms” at the Serbian National Assembly, which was part of the annual “National Budget Forum 2011”. Roundtable.
	Assistance with benchmarking and research on performance indicators for select government programs and subsidies and assist the Budget Department to develop indicators for measuring program performance	June-July 2011	Advisory Report on Performance Measurement	This is the same work described in the previous point above. Study has commenced and is expected to complete in February 2012.
	Inter-ministerial workshop on the results of the research and key policy prescriptions for integrating the results to develop a framework for program budgeting	September-October 2011	Workshop	Related to last task, will be done once the study is finished.
	Training on program budgeting to Budget Department staff (if a new unit is established as recommended by the IMF) and selected line ministries.	Intermittent during yr	Training and materials	New unit has not been established yet. Extensive work has been done with GoS Human Resources Department to provide training and BEP is waiting for the training to be scheduled.
5. Improvements to Fiscal Policy, Strategy and Analysis	Provide support to FREN for implementation of its new business plan	May– Dec 2011	Will depend on nature of support	FREN published and promoted the QM 25/26 double issue. The promotional event presented the analysis and papers in the QM and attracted media, experts, and students. QM’s Spotlight On papers funded by USAID BEP provided important insights on how to increase Serbia’s ranking in the Global Competitiveness Index and how to combat labor tax evasion. QM 27, planned for the end of Q1 2012, will have another research article ordered by BEP.
	Quarterly workshops for journalists in public finance (possible cooperation with BIRN	Intermittent	Workshops	A grantee for journalist trainings has

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
	NGO)	during year		been selected (CLDS). The last training under the grant is envisaged at the end of April 2012.
	Design and conduct 2-3 specialized policy-focused studies on relevant fiscal issues engaging local think tanks and economic institutes	TBD	Research advocating policy changes	Ongoing. We have re-issued an RFA for a study on national savings due to changes that were necessary in the scope of work. We are engaged in developing/designing the research outlines for other studies (shadow economy, impact of fiscal policies on SMEs, fiscal decentralization, revision of Post-Crisis Economic Growth Model, etc).
Objective 2: Improve public debt management and conditions for government financing				
1. Improving conditions for public listing of government debt (See also Component 3)	Development of procedures and processes supporting the public listing of GoS debt	Oct – Mar 2011	Action plan	Ongoing. We previously conducted a market assessment to identify the barriers to public issuance. However, no further work has been done because of leadership and priority changes at the PDA..
	Development of an action plan and strategy for development of a primary dealer market for government debt	Dec-Mar 2011	Action plan	Not started. The PDA Director has retired and we will assess priorities of the Acting Director or the new Director (still no appointment).
2. Assistance to improve debt management systems, analysis, and capacity	TRASSET Review and MIS Strengthening	Aug-Dec 2011	Reports, Training	BEP is helping to implement recommendations outlined in BEP's 39-page report/review of the PDA's debt management system.
	Assistance to Strengthen Organization and Skills Capacity of the PDA	Oct-Dec 2011	Training, Workshops	BEP organized an introductory public debt risk management training for the PDA and Treasury. The training improved capacity of

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
				the PDA to assess and consider risks associated with the debt management functions We are also considering new trainings in risk management and macroeconomics, as well as technical assistance with the organizational diagnostic to outline separation of responsibilities that will further increase efficiency of the PDA.
Objective 3: Improve macroeconomic policy and strategy				
1. Tactical Assistance to advance the GoS macroeconomic strategy	Design and development of a study of reform options for improving the national net savings rate – a key underpinning of the new growth model	Fall	Policy Reform Report	Research outline has been created and the grant RFA is published; work is expected to commence in the Q1 and to complete in the Q2 of 2012.
	Conduct analysis, facilitate dialogue and conduct outreach on reforms to reduce the shadow economy	Ongoing	Media publications	We are still waiting for the completion of study on the effects of the quasi-fiscal charges on businesses in order to incorporate it into RFA for shadow economy.
Communications and Outreach Activities				
Support to the Fiscal Council on outreach and communication strategy		When FC established		BEP has helped FC develop research and analysis for some of its outreach activities. The FC hired a public communications advisor.
Press and media events associated with the results of select studies		All year		BEP co-organized a round table on “Strategic Planning and Budgeting Reforms”, a journalist brunch on public finance management. BEP sponsored promotion of FREN's Quarterly Monitor 25/26 – double issue.

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
Objective 1: Increase capital available to businesses through creation of a regulatory framework for NBFIS				
1. Assistance for the implementation of the new Capital Markets Law	Support to MoF (Ministry of Finance) and Securities Commission (SC) to respond to enquiries and promote public acceptance of the new Capital Markets Laws (enactment expected March 11)	April-July 2011	Various – briefs and advisory notes	Ongoing. Currently assisting the SC to organize conference to promote the new regulations: the Capital Market Law and bylaws, the Company Law and the Takeover Law. The SC will hold the conference in the first quarter of 2012. Already completed – translation of the Capital Market Law, which is important for foreign investors (available on SC and BEP webpage and link on BSE web page).
	Assist with the development of selected bylaws and supporting regulatory directives and guidelines to guide implementation of the law	All year	Legal drafts Outlines of By-laws drafted	Ongoing. Currently assisting the SC legal department to finalize bylaws regarding transparency and disclosure, and bylaws regarding the Official Register of Information. Technical support for the remaining important bylaws, such as those related to the capital adequacy, is planned. Already completed – 17 capital markets bylaws related to the Prospectus, investment firms, Investors Protection Fund and market abuse. Bylaws were drafted, confirmed by the MoF and adopted by the SC on November

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
				15 (as it was required by the Law). The bylaws came into a force on December 3.
	Provide roundtables/workshops for industry practitioners and journalists on the new law	April – October	Training materials	Ongoing. Full-scale training is awaiting completion of all bylaws to be finished. However, we started the work by presenting the new Law to the industry, journalist and other participants through Belgrade Stock Exchange “Upgrade in Belgrade” conference (November).
2. Assistance for development and implementation of other capital market-related laws	Assistance with the implementation of law and development of by-laws for the new Investment Fund Law (enactment expected September 11)	Sept – Mar	Legal drafts Outlines of By-laws drafted	Completed. As a part of the effort to improve the Law, STTA completed work on transposition table (official table of Investment Fund Law compliance with EU Directives). Expert provided recommendations and comments to the MoF for the Law improvements, which are not expected until the end of next year. The SC and MoF requested us to focus on the Capital Market Law until the end of the year, since the new Investment Fund Law did not make changes in the implementation.
	Training to the SC and market participants on the new Investment Fund Law	Dec-Feb	Training materials	Activity scheduled for the first quarter of 2012. Two trainings for the SC are planned on supervision, including supervision on investment funds. We schedule the training for the market

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
				participants after all capital market related bylaws are adopted.
3. Assistance for the development of an enabling regulatory framework for MFIs	Participate in and facilitate continuation of the working group on MFI's	April-Nov	Ongoing process of drafting law. Assessment of draft law with identified areas for improvement.	<p>We have broadened our focus on overall access to finance and the challenges facing NBFIs, which includes but is not limited to MFI's.</p> <p>Conducted four of six planned regional roundtables in Novi Pazar, Nis, Subotica and Sabac. Additional two roundtables are scheduled until the mid February.</p> <p>Completed: in-house research on banking regulations and SMEs access to finance, annual business survey on access to finance conducted with more than 900 firms, in-house research on donors' credit lines and state funds, etc.</p>
	Provide advisory assistance to complete and finalize the law for parliamentary consideration and provide support for enactment	April – Dec	Recommendations and legal analysis	Postponed. The project continues to advocate for having a legal framework for NBFIs and it is intended that the outcome of the broader work will lead to specific reform measures that will include new legislation of which MFI's should benefit.
	Conduct a research "Lessons learned on MFIs in the region"	May- July	Case study research	Completed. Small-scale research is done in-house. Given the difficult environment for MFIs and increased focus to access to finance, we shifted resources to

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
				SME access to finance and will seek more active advocacy for NBFIs after the white paper is published and access to finance problems are clearly recognized.
	Assist the MoF to develop a supervisory framework for MFI's and train staff on consumer protection and market conduct regulation	April – into Yr. 2	Supervisory Framework Report Workshops	Postponed. Project undertook a review of the legislation and outlined areas for improvement, but the law has been shelved in favor of other priorities this year.
	Assist the MoF to develop a public education strategy to strengthen market discipline of MFI lending practices	Feb-Mar Year 2	Public Education Brochure	Postponed.
4. Assistance for the development of a legal framework and strengthened enabling environment for a commodity exchange	Provide a study tour in on commodity exchanges functioning, supervision and clearing	July	Study tour	Postponed. The Ministry of Agriculture, Trade, Forestry and Water Management (MoAT), responsible for the Law, requested study tour to be postponed until the Law is drafted.
	Participate and contribute to the working group on Commodity Exchange Law	Apr 2011 - Mar 2012	Commodity Exchange Law	Ongoing. Project actively participates in the MoAT working group and provides technical assistance in drafting the Law. Project made a case for the needs and benefits of the new Law, and provided advisory notes related to the key issues and decisions. .
	Outreach to educate stakeholders on development of commodity exchange	Sep-Nov 2011	Media materials; Produktna berza website content; written communications	Ongoing. Roundtable with the main stakeholders and businesses scheduled for the end of January in Belgrade. Completed: Supported and contributed to the round table "Key Economic and Legal Assumptions

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
				for Successful Commodity Exchange Functioning” (Conference “Food for Europe”) in Subotica, mid-October. Project set up a web page (www.policyscafe.rs) that includes commodity exchange discussion and materials, as a part of public outreach.
	Assist in developing a road map for the commodity exchange development and help the Produktna Berza Novi Sad address selected technical issues to support exchange development	April-July 2011	Feasibility study	Ongoing. STTA provided advisory notes on this issue. The work is subject to the progress of the working group on the Law. The Produktna Berza is included as a member of the working group for drafting the Law.
Objective 2: Strengthen integrity of the capital markets by ensuring equity issuers and brokers comply with securities laws				
1. Assistance to build capacity of the Securities Exchange Commission in brokerage and investment fund supervision	Training and train-the-trainer sessions for the SC on supervision of securities intermediaries and investment funds	May-Aug 2011	Training materials and course	Ongoing. Two trainings on supervision scheduled for the first quarter of 2012.
	Two training workshops for market participants (brokerages and investment funds) on compliance with the new Capital Markets Law	July – Oct 2011	Training materials and course	Postponed. Activity scheduled to start after adopting all relevant bylaws in 2012.
Objective 3: Improve GoS access to finance through development of a long-term, liquid public debt market				
1. Assistance to identify and develop the key regulatory criteria for developing a government debt	Technical assessment with Debt Mgt. Administration, Belgrade Stock Exchange, and Central Registry to identify constraints to public listing of government debt and re-opening operations.	June 2011	Technical brief and action plan	Ongoing. Working on in-house research on identifying constraints for public debt market development and research on primary dealers.

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
	Assistance to the SC to develop listing and disclosure criteria for municipal debt	Feb 2012	Draft listing and disclosure requirements	Completed. Since the Public Finance Law has been amended, the STTA helped the SC draft bylaws regarding disclosure and listing including municipal.
Objective 4: Strengthen public-private dialogue on the financial sector and its role in economic development				
1. Facilitation of increased debate and analysis of the financial sector	Public Roundtable or sponsored-session in Kopaonik meetings FY 2012: "Financial Sector Development and Its Role in Economic Growth and Poverty Alleviation in Serbia"	March 2012	Conference	Activity scheduled for March 2012.
	Outreach on financial sector development and its role in economic growth and poverty alleviation	Ongoing	Media materials; journalist training; roundtables	Ongoing. Currently preparing the conference with the SC.
Objective 5: Strengthen disclosure and transparency supporting new investment by assisting the GoS to implement required accounting, audit and disclosure standards				
1. Disclosure Standards	Strengthen disclosure standards for publicly-listed companies	November 2011	New regulations for the Securities Commission and advisory support	Assist in the development of new regulations covering disclosure and information reporting for listed companies and municipalities
Communications and Outreach Activities				
	Support for promotion and education on the new Capital Markets Law	April-October		Ongoing. Currently preparing the conference with the SC. Completed - support and participation at Belgrade Stock Exchange conference (November), translation of the Capital Market Law, policy café web page and media materials.
	Communications activities related to conference on financial sector development	March		Activity scheduled for March 2012.

Communication related to development of MFIs	July -March		<p>Ongoing. Given increased focus to access to finance, we shifted resources to that area. The research and drafting of the white paper is in progress to be published in spring.</p> <p>Completed – media coverage of access to finance roundtables and BEP annual business survey.</p>
Communication related to development of commodity exchanges	September - April		<p>Ongoing. Currently supporting and participating at on round table in Belgrade, end of January.</p> <p>Completed - support and participation at “Key Economic and Legal Assumptions for Successful Commodity Exchange Functioning” (Subotica, mid-October), media coverage and policy café web page.</p>

ATTACHMENT 4: PROGRESS VERSUS PERFORMANCE MONITORING PLAN

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status Q4
Mission Assistance Objective: Create A More Competitive Market Economy						
	Decrease in the "Burden of Government Regulations" addressing Government Inefficiency	WEF GCI Reports	Annual	2010: 2.33 ¹	Yr 1: 2.33 Yr 2: -2.33 Yr 3: 2.47 Yr 4: 2.60 Yr 5: 2.74	2.34 (From new WEF GCI 2011-2012 Report) (to become updated baseline & targets to be updated)
	Decrease in costs for businesses to comply with regulatory framework	Standard Cost Modeling (SCM)	Annual	Baseline to be conducted by 15. September of Yr1.	Yr 1: 5% decrease Yr 2: 5% decrease Yr 3: 5% decrease Yr 4: 5% decrease Yr 5: 25% total of decrease	2011 Total Administrative Burden: RSD 99,68 billion (3.33% of GDP) ² (to become updated baseline & targets to be updated)
	Increase in Foreign Direct Investment	National Bank of Serbia (NBS)	Annual	2010: 3.3% of GDP	Yr1: FDI at 3.3% of GDP Yr2: FDI at 3.3% of GDP Yr3: FDI at 4% of GDP Yr4: FDI at 5% of GDP Yr 5: FDI at 6% of GDP	None. NBS stats for 2011 due by the end of Q1 2012.
	Improvements in the Open Budget Index ("OBI") Score as reported by the International Budget Partnership	OBI Survey	Bi-Annual	2010: 54	Yr 1: - n/a Yr 2: -n/a Yr 3: OBI score 54 Yr 4: n/a	None. Next OBI Survey results scheduled for some time before the

¹ These as all other WEF GCI 2010-2011 values found in this PMP were used as PMP baselines in April 2011. Then these were the only ones available and were used as illustrative values. These were to be replaced with the WEF GCI 2011-2012 as these become available in autumn of 2011, as these are covering the period up to Spring 2011 and thus are more matching to the period of the BEP activities commencement at the beginning of 2011.

² Total Administrative Burden for 2011 as measured by the Standard Cost Model is RSD 99,68 billion (3.33% of GDP).

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status Q4
					Yr 5: OBI score 57	end of 2012.
	Improved Government Budget Balance as percentage of GDP	MoF (changed from "WEF GCI" due to the change of targets coming from the Law on Budget)	Annual	2010: -4.1% (projected)	Yr 1: - 4.4% Yr 2: - 4.0 % Yr 3: -3.9 % Yr 4: -3.7 % Yr 5: -3.6%	-4.4 % (actual fiscal deficit) (to become updated baseline & targets to be updated) Factual value for 2011 due by the end of Q1 2012.
	Improved score in WEF GCI "Financial Market Sophistication" Indicator (Now called "Financial Market Development")	WEF GCI reports	Annual	2010: 3.9	Yr1: 3.9 Yr2: 3.95 Yr3: 3.98 Yr4: 3.99 Yr 5: 4	3.74 (From new WEF GCI 2011-2012 Report) (to become updated baseline & targets to be updated)
	Credit to private sector as a percentage of GDP	National Bank of Serbia (NBS)	Annual	2010: 40%	Yr 5: 60%	None. NBS stats for 2011 due by the end of Q1 2012.
Component 1: Business Regulation and Economic Governance Improved						
1. Improve and streamline business regulation lowering the costs to businesses and government from business regulations	Number of commercial laws and regulations simplified and implemented in accordance with international standards as a result of USG assistance	Project Reports	Annual	2011: 3	2011: 3 2012: 10 2013: 10 2014: 10 1015: 10 2016: 3 ³	This is a new Indicator proposed by COTR.
	Reduction in inspections related costs to businesses	Standard Cost Modeling (SCM)	Annual	Baseline to be conducted by 15. September of Yr 1	TBD	Performed SCM calculation for this area was insufficient, hence a new indicator to be suggested with data coming from the Project Survey.

³ Project will end 3 months into the 2016 fiscal year

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status Q4
	Number of Professional Enforcement Officers trained, passed the exam, and ready to get appointed ⁴	MoJ Data	Annual	N/A	Yr 2: 300	None. Trainings yet to commence.
	Number of days to enforce a judgment	World Bank Doing Business Report	Annual	2010: 635 ⁴	Yr 3: 530 Yr 4: 475 Yr 5: 417	635 (From the new WB DB Report for 2011) (same as the projected baseline hence no need for any change)
	Number of days dealing with constructions permits	World Bank Doing Business Report	Annual	2010: 279	Yr 5: 220	279 (From the new WB DB Report for 2011) (same as the projected baseline hence no need for any change)
	Business perception of the burden of laws and regulations improves	Project Survey	Annual	Baseline to be conducted by the end of September of Year 1	TBD	17% of businesses agree that there was improvement (From the new USAID BEP Project Survey 2011) (to become updated baseline & targets to be updated)
2. Business effectively partners with Government in developing and implementing regulatory reforms	Increase in business sector participation on laws improving regulatory environment	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Year 1	Yr 5 : 50% increase in the engagement of the business sector in improving the regulatory environment	19% of businesses agree that there was improvement (From the new USAID BEP Project Survey 2011) (to become updated baseline & targets to be updated)

⁴ This as all other WB DB 2010 values found here were taken as PMP baselines back in April 2011, for illustrative purposes, only to be replaced with the WB DB 2011 values that cover the period up to spring 2011, that became available in autumn 2011, and thus are more matching to the period of the BEP's activities commencement at the beginning of 2011.

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status Q4
	Quality of regulatory environment introduced and sustained	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Year 1	Yr 5 : Perception of the quality of the regulatory environment improves 25%	No result reported. Proposed deletion of the indicator as too broad.
	Number of public private dialogue mechanisms/ events created by the project	Project Reports	Annual	N/A	Yr1: 3 Yr2: 5 Yr3: 5 Yr4: 5 Yr5: 2	So far 12 round tables took place.
3. Improve and support the regulatory review process and RIA process	Number of (change : add 'substantial' as there are many RIAs without much of importance) RIAs conducted by GoS	Project Reports/ Office of Regulatory Reform Reports	Quarterly	2010: 82	Old targets: Yr 1: 90 Yr 2: 100 Yr 3: 140 Yr 4: 160 Yr 5: 180 The targets are changed due to newly established knowledge regarding the RIA process; hence the new following targets are established: New targets: Yr 1: 10 Yr 2: 15 Yr 3: 20 Yr 4: 25 Yr 5: 30	17 RIAs conducted so far.
	Business perception of transparency and predictability increases	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Year 1	TBD	23% of businesses agree that transparency and predictability increased (From the new USAID BEP Project Survey 2011) (to become updated baseline & targets to be updated)
4. Improve the Government's	Number of members of the Commission for the	Project Reports	Quarterly	N/A	Y1: 25	This activity has been

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status Q4
competition policy and capacity to implement the policy	Protection of Competition, Administrative and Supreme Courts judges trained in implementation of the Competition Law				Y2: 25 Y3: 35	canceled.
	Improvement in WEF GCI "Anti-Monopoly Policy" addressing Competition	WEF GCI reports	Annual	2010: 2.76	Yr 5: 3.6	This activity has been canceled.
5. Improve corporate governance standards, policies and regulations	Number of Corporate Governance OECD Principles complied with in Serbian legislation	Project Survey/ OECD Reports	Annual	Baseline to be conducted by the end of November Yr1.	Target TBD by the end of September Yr1.	This indicator has been canceled. Replacement proposed.
	Number of Commercial Court judges trained in implementation of the Company Law	Project Reports	Quarterly	N/A	Yr 1: 20 Yr 2: 30 Yr 3: 40 Yr 4: 50 Yr 5: 60	None. Trainings to commence in the early 2012.
2. Macroeconomic Policy and Public Financial Management Enhanced						
1. Improve GoS budgeting, fiscal policy analysis, and financial management efficiency	Improvement in the quality of Medium Term Budgeting and Prioritization	Project Reports	Annual	No effective budgeting framework is in place	Budgets among ministries are better reflected of their strategic priorities. Reporting is much more credible. Yr 1: Fiscal Strategy Report contains estimates of potential GDP Yr2: FSR contains estimates of structural deficit Yr3: FSR contains estimates on tax expenditures	Fiscal Strategy Report (FSR) was produced in Oct 2011, before the BEP training took place. The FSR was later updated for the estimates of potential GDP. The GoS is yet to adopt this amended version as well as the Economic and Fiscal Program Report to be sent in Dec 2011 to the EC that contains this projection. Hence, the Y1 target has been met.
	PEFA Multi- Year Score perspective in fiscal planning , expenditure policy and budgeting	PEFA Assessment	Annual/ Results published	2010: Scored C	Yr 5: Score B	The 2013 PEFA Assessment scheduled for November 2013.

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status Q4
			every 3 years			
	PEFA Assessment Score on predictability in the availability of funds for government expenditures	PEFA Assessment	Annual/ Results published every 3 years	2010: Scored C+	Yr 5: Score B	None. The 2013 PEFA Assessment scheduled for November 2013.
	Number of articles published in the area of fiscal policy... (added clarification: ...containing research and analysis provided through BEP assistance that support changes in fiscal policy)	Project Report	Monthly	N/A	Yr5: 5	4
	Quality of public dialogue and debate on macroeconomic and fiscal issues	Project Report (Telephone survey by C2)	Annual	Baseline to be conducted by the end of Yr1. by reaching out to the set sample of the C2 GoS partners with a question: "Do you think that there is functioning public dialogue and debate on macroeconomic and fiscal issues improved this year ? If yes how would you grade it from 1 to 5 (where 5 is the best) "	Yr 5: 50% improvement from baseline assessment	1 (National Budget Forum) Indicator change proposed.
2. Improve public debt management and conditions for Government financing	Value of dinar denominated debt	Statistics Office	Annual	2010: Value of dinar debt is 14% of total borrowing	Yr 5: Proportion of borrowing increases to 20%	None. Statistics Office stats for 2011 due before the End of Q1. 2012.
	<i>Government initiates a public issue of debt</i>	Statistics Office /Project Report	Annual	<i>No Public Issuance has been done yet</i>	Yr 5: Public Issuance occurred	None. Public Debt Office to release data for 2011 before the end of Q1. 2012.
3. Improve macroeconomic policy and strategy	Improvements in WEF GCI on "Macroeconomic Environment" addressing Nation's Savings Rate	WEF GCI reports	Annual	2010: 7.2	Yr 5: 15	14.8 (New WEF GCI 2011-2012) (to become updated baseline and to change target accordingly)

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status Q4
	Number of published studies and articles containing research and analysis provided through BEP assistance that support changes in macroeconomic policy	Project Report	Annual	N/A	Yr1: 2 Yr2: 5 Yr3: 8 Yr4: 8 Yr5: 6	3
	Quality of public dialogue and awareness of macroeconomic reform and policy making	Project Report (Telephone survey by C2)	Annual	Baseline to be conducted by the end of Yr1. by reaching out to the set sample of the C2 GoS partners with a question: "Do you think that there is functioning public dialogue and awareness of macroeconomic reform and policy making? If yes, how would you grade it from 1 to 5 (where 5 is the best) "	Yr 5: 50% improvement from baseline assessment	20% of businesses agree that they have some awareness and understanding Indicator slightly changed and the source changed to USAID BEP Business Survey 2011 (to become updated indicator name, baseline & target)
	Number of person hours of training of GoS staff on macroeconomic policy and public financial management topics	Project Reports	Annual	N/A	Yr1: 500 Yr2: 1000 Yr3: 1000 Yr4: 750 Yr5: 300	633
Component 3: Increased Financial Market Development						
1. Increase capital available to business through the creation of a regulatory framework for NBFIs	Number of person hours of training of journalists from publications that cover business (Source: Project Reports)	Project Report	Annual	N/A	Yr 1: 400 Yr.2: 800 Yr 3: 800 Yr 4: 800 Yr 5: 400	163
	Improved access to finance	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Yr1.	TBD	25% of businesses agree that access to finance has improved (New USAID BEP Project Survey 2011) (to become updated baseline & targets to be determined)
	Status of the legal and market framework for a commodities exchange	Project Report/MoF Report	Annual	Regulatory framework currently not in place	Yr 2: Commodities exchange law and	None. Promulgation of the new legislation

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status Q4
					regulatory framework established Yr 3 : Establishment of the commodities exchange	expected in Yr2.
2.Strengthen integrity of the capital markets by helping the GoS to build capacity to ensure equity issuers and brokers comply with securities laws	Number of intermediaries trained and advised about upcoming securities laws	SEC and Project Report	Annual	Majority of intermediaries trained and advised	Annual levels: Will depend on the speed of implementation of new law and agreement w/ Securities Commission and MoF By end of project: Yr5: 75% of intermediaries trained and advised on changes and benefits brought by new securities laws	205 persons advised about securities law.
	Number of financial regulators trained in non-bank regulatory matters	Project Report	Annual	N/A	Annual levels: Will depend on training schedules agreed w/ counterparts and topics. By end of project: At least 75% of all staff from the Securities Commission, MoF, and NBS who carry out a regulatory function in the non-banking sphere.	No results. Pending due to MoF's lack of capacity to commence activities.
3. Improve the GoS to access finance through the development of long term, liquid debt public market	Value of dinar denominated debt	Statistics Office	Annual	2010: Value of dinar debt is 14% of total borrowing	Yr 5: Proportion of borrowing increases to 20%	15.3% (on 31 November 2011)
	Issuance of public debt through a primary dealer network or other distribution mechanisms	MoF or Project Report	Annual	Currently no public debt issuance through primary	Yr 3: Occurrence of issuance of public debt	None.

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status Q4
				dealer network or other distribution mechanisms	through a primary dealer network or other distribution mechanisms	
4. Strengthened public-private dialogue on the financial sector and its role in economic development	Increased awareness of the role of the financial sector in economic development	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Yr1.	Yr 5: 50% increase in awareness	Around 25% of businesses expressed agreement that there is awareness (New USAID BEP Project Survey 2011) (to become updated baseline & target to be updated)
5. Strengthen the disclosure and transparency supporting new investment by assisting the GoS to implement required accounting, audit and disclosure standards	Compliance with IOSCO standards in areas of securities intermediaries and equity issuance improves	Project and IOSCO Reports	Annual	Since compliance with IOSCO was not calculated previously BEP Component 3 Team has prepared in depth report on IOSCO compliance as of February Yr1. Compliance is currently evaluated to be around to 50%	Yr 5: Compliance improves to 60% or better	In progress. Due by the end of Q 1 2012
4. Business-Education Partnerships Developed (PENDING APPROVAL)						
1. Identify business education needs related to enterprise, financial sector and government management	Selection of coursework priorities, staffing and educational partnerships	Project Reports	Annual	N/A	Yr 2 - Educational priorities and partnerships with the business community established	N/A
	Number of universities selected to participate	Project selection criteria	Annual	N/A	Year 2 - 2 undergraduate programs selected Year 5 - 1 Masters program selected	N/A
2. Develop a framework for business education partnership	Framework for international partnership for curriculum and program development established	Project Reports	Annual	N/A	Yr 5 - International joint education partnerships	N/A

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status Q4
activities					established on the undergraduate and graduate levels	
	Number of Serbian educators trained	Project Reports	Annual	N/A	Yr 5 - 50-75 educators trained	N/A
3. Create sustainable business education partnerships	Status of the joint advisory board	Project Reports	Annual	N/A	Yr 5 - Joint Advisory Board and Curriculum Resource Center established	N/A

ATTACHMENT 5: BEP GRANTS UPDATE

BEP GRANTS UPDATE

12-Jan-12

Solicitation	Date of Issue	Project	Grantee	Amount USD	Amount RSD	Status
unsolicited proposal		Quarterly Monitor 24	FREN - Foundation for the Advancement of Economics	28,417	2,099,993	paid
unsolicited proposal		Business Leaders' Summit	SAM - Serbian Association of Managers	-	-	rejected
TOTAL				28,417	2,099,993	
RFA		Project	Grantee	Amount USD	Amount RSD	Status
RFA-2011-01	15-Jun-11	Business Survey	CeSID - Center for Free Elections and Democracy	18,502	1,401,600	paid
RFA-2011-01		Business Survey	GfK Belgrade	-	-	rejected
RFA-2011-01		Business Survey	Cromer Group	-	-	rejected
RFA-2011-02	15-Jul-11	Quasi Fiscal Charges	NALED - National Alliance for Local Economic Development	18,000	1,400,000	contracted
RFA-2011-02		Quasi Fiscal Charges	BDO Business Advisory	-	-	rejected
RFA-2011-03	25-Jul-11	Econometric Assistance	FREN - Foundation for the Advancement of Economics	36,300	2,828,300	contracted
RFA-2011-04	20-Sep-11	Construction Permits	MP and Associates	20,700	1,614,000	contracted
RFA-2011-04		Construction Permits	ACES - Association of	-	-	rejected

			Consulting Engineers of Serbia			
RFA-2011-04		Construction Permits	City of Novi Sad	-	-	rejected
RFA-2011-04		Construction Permits	EC Harris d.o.o	-	-	rejected
RFA-2011-05	30-Sep-11	Journalist Education	CLDS - Center for Liberal Democratic Studies	15,000	1,175,000	approved
RFA-2011-05		Journalist Education	BIG - Business Info Group d.o.o.	-	-	rejected
RFA-2011-05		Journalist Education	BIRN - Balkan Investigative Network in Serbia	-	-	rejected
RFA-2011-06	5-Oct-11	Private Domestic Savings	CLDS - Center for Liberal Democratic Studies	-	-	withdrawn
RFA-2011-07	12-Dec-11	Training of Judges on Company Law	Balkan Center for Regulatory Reform (BCRR)	21,000	1,675,000	approved
RFA-2011-06	27-Dec-11	Private Domestic Savings*		23,000	1,850,000	OPEN
				152,502	11,943,900	

Total Unsolicited and RFA	Estimated amount	180,919	14,043,893
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EXPRESSION OF INTEREST TITLE	APPLICANT	Amount RSD	Amount USD	Status	GSC Meeting
Economic Growth Model	Center for Liberal-Democratic Studies (CLDS)	0	0	rejected	
Commodity Exchange at Agricultural Forum - Food for Europe	Economics Institute	389,640	5,000	PAID	9/26/2011
Economics Training for Students of Journalism	Association CIVILNET	0	0	rejected	9/26/2011
Guide for preparation of the Plan of Reorganization (PR) in accordance with Bankruptcy Law	BDO Business Advisory	0	0	rejected	9/26/2011
Guide for the preparaion of the Prepackaged Plan of Reorganization (PPR) in accordance with Bankruptcy Law	BDO Business Advisory	0	0	rejected	9/26/2011
Development of Corporate Bonds Market in Serbia	Chamber of Commerce and Industry of Serbia	0	0	rejected	9/26/2011
Fiscal Rules as a Fiscal Responsibility Tool	Center for Liberal-Democratic Studies (CLDS)	0	0	withdrawn	9/26/2011
MAT for Better Business Conditions	Economics Institute	810,600	10,300	approved	11/4/2011
Belgrade Stock Exchange 10th International Conference	Belgrade Stock Exchange	300,000	3,800	PAID	11/4/2011
Public Administration Training to improve administrative capacity	Singidunum University - Faculty of Economics, Finance and Administration (FEFA)	975,000	12,400	pending	11/4/2011
Adjusting the Codex of Corporate Management of the SCCI with the new Company Law	Chamber of Commerce and Industry of Serbia	950,000	12,100	approved	11/4/2011
Annual Seminar - Economic Potentials and Business Development Prospects	Belgrade Fund for Political Excellence (BFPE)	1,000,000	12,700	approved	11/4/2011
Alumni Seminar - Improving Conditions for Doing Business in Serbia	Belgrade Fund for Political Excellence (BFPE)	1,100,000	14,000	approved	11/4/2011
Including Serbia into the World Competitvness Yearbook	Institute of Economic Sciences	0	0	rejected	11/4/2011
Quarterly Monitor: Macroeconomic and Business Climate Issues of Serbian Economy	Foundation for the Advancement of Economics	3,066,000	39,000	contracted	#####

	(FREN)				
Improving Competitiveness of Trade Companies	Serbian Association of Employers	0	0	rejected	#####
Managers' Hours	Serbian Association of Managers	1,297,280	16,300	approved	12/8/2011
Enforcement of the Law on Capital Markets	Center For Advanced Economic Studies	1,300,000	16,500	pending	12/8/2011
Export-Oriented Recovery	Center For Advanced Economic Studies	0	0	rejected	1/12/2012
Practice of Corporate Finance in Serbia	Chamber of Commerce and Industry of Serbia	0	0	postponed	12/8/2011
Reform of Financial System and Protection of Intellectual Property Rights in Serbia	ACADEMICA Group	0	0	rejected	1/12/2012
Supermarket	CEFE Serbia	1,950,000	25,000	pending	12/8/2011
Strengthening Communications Skills Training	Represent Communications	0	0	rejected	12/8/2011
Towards business-friendly environment for development of creative industries in Serbia	Serbian Financial and Business Consultants (SFBC)	0	0	rejected	1/12/2012
Policy Advocacy Activities	Association of Management Consultants of Serbia	0	0	rejected	12/8/2011
Grey Book of Doing Business in Pancevo	City of Pancevo Economic Development Agency	0	0	rejected	12/8/2011
Total:		13,138,520	167,100		

