



USAID
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USAID'S BUSINESS ENABLING PROJECT

QUARTERLY REPORT: SECOND QUARTER 2012

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QUARTERLY REPORT: SECOND QUARTER 2012

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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 three 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.

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 Second Year Work Plan was approved by USAID on March 27, 2012.

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 sixth quarter of BEP's operation – April 1 to June 30, 2012. Noteworthy activities during the period were:

- **BEP released the Assessment of Impact of Quasi-Fiscal Charges on Businesses in Serbia**, which was completed under BEP's grant to NALED. The Assessment was presented at a press conference followed by an interactive panel discussion and questions and answers from the 70 participants from the private sector, donors and academic community. The Study provides, for the first time, a detailed overview of non-tax burdens payable by businesses in the Republic of Serbia. The Study identifies a total of 370 non-tax charges payable by businesses, among them at least 179 para-fiscal charges that create a financial and/or administrative burden to businesses, while not conferring any or adequate rights or services in return. Only 77 para-fiscal charges pass through the Treasury system, and the total amount collected in 2011 under those charges was in excess of €730 million. The event generated substantial media coverage, with more than 50 media reports in broadcast and print media, and over 27 media representatives. The event and study had substantial impact, as several policy makers have pledged to reduce the burden on businesses of these charges, and at least one charge has already been reduced.

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- **BEP organized an Inspections Leadership Group to develop a Strategy for Inspection Reform and a Draft Law on Inspections** during the election campaign period and while the new Government is being formed. The Inspections Reform Leadership Group is comprised of 19 high level representatives of the inspectorates and the key national business associations, plus the two major trade union confederations which were recently added. Leadership Group participants agreed to work together toward joint goals to reduce the burden of regulatory compliance on businesses and increase the effectiveness of inspection oversight. The Leadership Group agreed to use the Draft Concept of the Inspections Reform Strategy, prepared by BEP, as a basis for the Leadership Group's work. BEP also prepared an outline of a law on inspections that will serve as a basis for the new Government's efforts in the field of inspection reform. BEP is also preparing a pilot e-Inspections system for the three inspections controlling application of the Law on Chemicals and Biocides. BEP also co-organized a press conference on inspections reform with five major national business associations and the Government Office for Regulatory Reform and Regulatory Impact Assessment. The participants advocated for a focused effort by the Government of Serbia to restructure the inspections system
 - **BEP provided substantial assistance to the MoF to develop program budgeting.** BEP delivered five full-day seminars on program budgeting to staff of the Serbian MoF Budget Department and representatives of GoS institutions. The interactive training was conducted by the Head of the Budget Department of the Croatian Ministry of Finance and Deputy Head of the Budget Department of the Slovenian Ministry of Finance. BEP also organized a Study Tour to the Croatian Ministry of Finance (MoF) and Ministry of Maritime Affairs, Transport and Infrastructure (MMATI) for the Budget Department of the Serbian Ministry of Finance. The Serbian Budget Department's staff learned about program budgeting preparation, execution, and reporting processes, procedures, responsibilities, and accountabilities. This training series is the first step in building the capacity of budget users to adopt program budgeting. BEP is helping reignite program budgeting reform (implemented in five pilot ministries in 2005) by assisting the Budget Department to develop best-practice methodology and roll it out to all line ministries along with adequate staff training.
 - **BEP provided assistance to the Securities Commission to implement the new capital markets legislation**, including support for a Conference entitled "Capital Market – Institutions, Investments, Shareholder Protection." The conference introduced the set of new capital markets laws - the Law on Capital Market, the Law on Companies, and the Law on Takeover. It was opened by the Prime Minister Mirko Cvetković and the U.S. Embassy's Chargé d'Affaires Lee Litzenberger. The conference provided an opportunity for broad public discussion of important issues to define the direction and procedures necessary to create a more efficient, deeper, and more liquid market, as well as on new opportunities to attract Serbian and foreign investors. The conference attracted over 200 stakeholders from the public and private sectors, and resulted in over 50 media reports. BEP provided the Serbian Securities Commission with training from the US Securities and Exchange Commission (SEC), held at the SEC's Annual International Institute for Securities Market Development in Washington, D.C. The study tour for six Commission members and staff was jointly organized and financed by BEP and the Securities Commission. BEP also worked with the Securities Commission to specify technical requirements for the development of the Commission's information system, including specifications for hardware and software that need to be procured. BEP developed a Joint Action Plan for implementation of the Securities Commission information system.

3. REVIEW OF PROJECT PROGRESS

BEP is accomplishing all aspects of its Work Plan. PMP indicators are being met, and the project is accomplishing all of activities. Although the Serbian election campaign and elections took place during the second quarter of 2012, BEP managed to move forward on all of its Task areas.

BEP is in an excellent position to make dramatic progress in each of the Tasks it is engaged in. In each Task area we have momentum from accomplishing parts of the major reforms (e.g. improving

accessibility to construction planning documents and beginning the process to implement program budgeting), developing detailed diagnostics and plans, and building coalitions of stakeholders who are advocating for the reforms.

In fact, BEP's analysis and recommendations were often mentioned during the election campaign – in some cases with attribution to the project. For example, representatives of various parties argued for elimination of para-fiscal charges on businesses and the BEP survey of para-fiscal charges was often cited. Parties' representatives also regularly promised to deal with the grey economy, including by reorganization of inspections controls as advocated by BEP. The Fiscal Council's recommendations, prepared with BEP's assistance, also greatly influenced discussions during the elections.

The new Serbian Government that should be in place soon has an opportunity to make major business environment and economic policy reforms, particularly in its first year. Thus, BEP will present each of its GoS partners with a detailed overview of the areas we are working in and the reforms needed. Our presentations to ministers and state secretaries will include a summary and detailed analysis of the problems, our suggested solutions, and the assistance that BEP can provide. At the same time, we will provide them with the studies and diagnostics that we have prepared in each area (e.g. the Access to Finance White Paper, Construction Permits Study, and Para-Fiscal Charges Study). We will then work with the Ministries to finalize action plans that we have already worked on with their assistant ministers, department heads, and other civil servants.

In each of the areas we are working in we have developed a coalition of public and private sector stakeholders that will maintain pressure on the GoS leadership to implement the necessary reforms. For example, BEP has led an Inspections Reform Leadership Group made up of heads of inspectorates, other GoS representatives, business associations, and trade unions. This Leadership Group is working with us to develop a strategy for inspections reform and an outline of a new Law on Inspections that we will present to the new government. In addition, we have trained media representatives on our reform areas and have developed excellent relations with them. This has led to the media covering our issues in detail, informing policymakers, stakeholders, and the public of what needs to be done, and putting more pressure on the GoS leadership to implement the reforms.

BEP will need the support of USAID and the U.S. Embassy to obtain commitments from top levels of the GoS to engage in the reforms. Strong and vocal leadership from top levels of the GoS will maximize the chances of the reforms being accomplished. The reforms that BEP and its partners are working on are critical to achieving sustainable economic growth, narrowing the fiscal deficit, and moving forward with European Union accession.

Administrative and General Activities

BEP developed improvements to its grants procedures and administrative processes during a short-term visit from its Home Office Contracts Manager Arthur Crowder.

BEP's intern program is providing excellent assistance for the project and is training four students. The students have conducted very substantial projects such as a study of European and Serbian collective bargaining practices and recommendations for changes in Serbia's approach, an analysis of challenges and solutions in access to finance for female-owned businesses, and recommendations for indicators that GoS ministries could use in program budgeting and performance management. They have received training in law making processes, program budgeting, defining problem causes and consequences, writing, consulting skills, advanced Excel, USAID Serbia economic growth programs, and career development.

The Project continued outreach to the business community, including regular meetings with business representatives in Belgrade and throughout Serbia to discuss various project activities. BEP organized and is facilitating business association working groups in labor law and inspections reforms. BEP worked with business associations on several other activities, including roundtables on access to finance, construction permits, and para-fiscal charges. BEP continued its practice of quarterly meetings with individual business associations to discuss their priorities and BEP's performance. This outreach ensures that all activities will have significant impact on business

competitiveness and businesses and their representatives know of and understand project activities.

BEP continued successful media outreach activities. This included journalist training on economic and business environment reforms that was conducted under a BEP grant to the Center for Liberal Democratic Studies. Twenty-one journalists from print, broadcast and news agency outlets across Serbia attended the training. BEP also was the focal point or instigator of 202 media reports, all with a positive or neutral tone. BEP's outreach activities reached more than 6.1 million people.

BEP provided training to improve Public Administration and implementation of legislation. In cooperation with the GoS Human Resources Management Service (SUK), BEP organized its second two-day training event for nine civil servants from seven GoS ministries and regulatory bodies. BEP's COP Joe Lowther and DCOP Dragana Stanojevic gave presentations and facilitated discussions and exercises on managing implementation of legislation, with case studies, workshops and discussions. The training included the drafting process, consultations with stakeholders, adoption procedure, monitoring and evaluation of legislation. The participants evaluated the training with excellent marks. The next training session is scheduled for October 2012.

Component 1

Under **Objective 1, Task 1, "Improve Inspections Operations and Organization"**, BEP organized an Inspections Leadership Group, developed a draft Inspections Reform Strategy, and began a pilot project to coordinate three inspections. The GoS Working Group for Inspections Reform established by the GoS in November 2011, as a result of BEP's initiatives with the business community, business associations and development organizations, only had one meeting and did not adopt a strategy. BEP organized an Inspections Leadership Group to develop a Strategy for Inspection Reform and a Draft Law on Inspections during the election campaign period and while the new Government is being formed. These documents will be presented to the new GoS.

The Inspections Reform Leadership Group is comprised of 19 high level representatives of the inspectorates and the key national business associations, with the two major trade union confederations recently added. There have been two meetings of the Leadership Group. During the first meeting, participants agreed to work together toward joint goals to reduce the burden of regulatory compliance on businesses and increase the effectiveness of inspection oversight. Participants at the June meeting of the Group praised the Draft Concept of the Inspections Reform Strategy, prepared by USAID BEP, and decided to use it as a basis for the Leadership Group's work. The next task was to develop a framework for the new Law on Inspections. BEP prepared an outline of a law on inspections based on best international practices and standards for regulating inspections. The outline also incorporates comments made at the first Leadership Group meeting, and written contributions that members of the group provided subsequently. The outline for the inspection law integrates risk-based controls, defines the informal economy and the manner of and responsibility for fighting it, mandates coordination of inspection bodies, and provides for a preventive role of inspection oversight and prudence in defining sanctions. This outline, along with the inspections strategy that BEP and the Leadership Group prepared, will serve as a basis for the new Government's efforts in the field of inspection reform.

The existing inspections system, encompassing 32 inspections in 12 different ministries, imposes costs on businesses in excess of €13 million per year. Better coordination of inspections bodies should lower those costs by around 30%. The USAID BEP Business Survey 2011 showed that 78% of respondents believe that inspections control has a very negative or negative impact on their business operations. A reformed inspections system should ensure better coordination between different inspections, a risk-based approach to inspections, more resources to deal with the shadow economy, increased transparency, and a compliance-based rather than penalty-based system.

Leadership Group representatives from both inspectorates and business associations also underlined the need for introduction of an e-Inspections system that would improve coordination between inspectorates and reduce burdens on compliant businesses by enabling the risk based inspections. This could be based on a pilot e-Inspections system that BEP plans to introduce to the three inspections controlling application of the Law on Chemicals and Biocides. BEP's inspections pilot project will set up a coordination body and an IT system to coordinate three chemicals and biocides inspections –

environmental, market and sanitary – within three different ministries. BEP’s consultant Goran Vranić, held three workshops with business inspections, as well as a series of meetings with the relevant stakeholders to develop the scope of work for this system. BEP will tender a grant for hardware and software. BEP has received preliminary approval from the three ministries involved in the pilot e-Inspections system, but we are currently working on obtaining official approval and a memorandum of understanding. BEP’s pilot e-inspections project can be a first step for overall introduction of e-inspections in Serbia.

New laws governing chemicals and biocides prescribe mandatory coordination of the three inspections: environmental, market inspection and sanitary inspection, institutionalized within three different ministries: the Ministry of Environment, Mining and Spatial Planning; the Ministry of Agriculture, Trade, Forestry and Water Management; and the Ministry of Health. These laws also mandate the formation of a coordinating body that should coordinate the work of inspections for the chemicals and biocides industry.

BEP engaged in other means to keep the momentum going in inspections reform, including co-organizing a press conference on inspections reform with representatives of the American Chamber of Commerce in Serbia, the Serbian Chamber of Commerce and Industry, the Serbian Association of Managers, the Employers’ Association, the National Alliance for Local Economic Development, and the Government Office for Regulatory Reform and Regulatory Impact Assessment. The participants advocated for a focused effort by the Government of Serbia to restructure the inspections system. The business association representatives advised the assembled journalists of the burdens on business that are caused by the existing inspection system and urged the Government of Serbia to engage more vigorously in inspections reform. National broadcast and print media extensively quoted speakers at the press conference including their calls for the GoS to adopt a comprehensive inspections reform program, and to pass the long-awaited law governing inspections. The press conference gathered 12 media outlets and resulted in more than 20 media reports. Among the reports were RTS news at 7.30 p.m. and Pink news:

<http://www.youtube.com/watch?v=suZIOE0a3vc&feature=youtu.be>

<http://www.youtube.com/watch?v=w5THpo8G3t8&feature=relmfu>

BEP released a major study under **Objective 1, Task 2, “Remove or Reduce Quasi Fiscal Burdens to Businesses.”** The Assessment of Impact of Quasi-Fiscal Charges on Businesses in Serbia was completed under BEP’s grant to NALED. The findings of the Study on Quasi-Fiscal Charges, were presented at a press conference followed by an interactive panel discussion and questions and answers from the 70 participants from the private sector, donors and academic community. The Study provides, for the first time, a detailed overview of non-tax burdens payable by businesses in the Republic of Serbia. The Study included an initial assessment of the effects of these burdens and a number of recommendations for reforms. The Study identifies a total of 370 non-tax charges payable by businesses, among them at least 179 para-fiscal charges that create a financial and/or administrative burden to businesses, while not conferring any, or any adequate rights or services in return. The remaining 191 charges are a combination of various dues, ranging from those appearing to be absolutely legitimate, such as charges for using public land, to numerous questionable registration fees and where even the reasons for the establishment of a particular registry are unclear. It is important to note that only 77 para-fiscal charges pass through the Treasury system, and the total amount collected in 2011 under those charges was in excess of €730 million. It was concluded that para-fiscal burdens imposed by the government (at all levels) limit the entry of businesses into the market, and that linking dues to company turnover or investment assets is one of the most contentious practices in imposing para-fiscal charges. It was also concluded that some of the charges are justified and should certainly remain in force, but many should either be cancelled or made part of the overall tax system. Placing charges under the control of the Ministry of Finance would prevent the



establishment of new para-fiscal charges that are now established without any control, or any reasonable assessments of their need and their impact to Serbian economy. The event generated substantial media coverage, with more than 50 media reports in broadcast and print media, and over 27 media representatives. The event and study had substantial impact, as several policy makers have pledged to reduce the burden on businesses of these charges, and at least one charge has already been reduced. During the election campaign, several political leaders discussed these charges and the study and said that the charges need to be reduced. The Fiscal Council and other experts also continuously discuss in the media the need to reduce and limit para-fiscal charges. In addition, the study and the attention it received are having more tangible impact, as one charge that was discussed at the press conference releasing the study has been reduced. The GoS adopted a decree on May 24 reducing charges for mining of non-metallic ore (charge 49 in the BEP/NALED registry of fees and charges). The decree will reduce this burden by about RSD 50 million.

Under **Objective 1, Task 3, “Assist Implementation of the Law on Enforcement,”** assistance from BEP and previous USAID projects enabled the first Professional Enforcement Officers to be sworn and to commence work. The Officers were sworn in at a ceremony in May, and they began work immediately thereafter. In May, the MoJ also held the Founding Assembly of the Chamber of Enforcement Officers (“the Chamber”). The Founding Assembly adopted the Articles of Association of the Chamber, elected its bodies, and adopted the by-laws governing the Chamber.

BEP also provided training to the new Officers and helped finish the bylaws necessary for the Law on Enforcement to be implemented. On May 16-18, 2012, the first training for appointed Enforcement Officers was provided by international and local enforcement experts, including USAID BEP’s experts and GIZ consultants.

BEP provided assistance to the Ministry of Justice to draft the final bylaws needed to implement the law. The Minister of Justice enacted three regulations governing Enforcement Officers: 1) the Rulebook on Case Records of Enforcement Officer, 2) the Rulebook on Disciplinary Proceeding Against Enforcement Officers, and 3) the Regulation on the Fee Award and Reimbursement of Enforcement Officers. The first Rulebook governs record-keeping and access to records. The second Rulebook plays an important role in establishing the legal framework for the supervision of the new legal profession, that of Enforcement Officer. Disciplinary proceedings are to be carried out by the Disciplinary Commission, made up of five members – two enforcement officers, one enforcement judge, and two officials of the MoJ.

Under **Objective 1, Task 4, “Streamline Construction Permitting,”** BEP is working with 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. The RGA contributed to and approved the scope of work for the RFA to create 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’s grantee MP & Associates completed a comprehensive Assessment on Constraints to Construction Permits in Serbia (the Assessment), with recommendations for legal, regulatory, procedural, process management, and IT solutions that will streamline and expedite the construction permits process. The draft of the study was presented on May 30, 2012, to stakeholders and experts for their review and comments. The presentation gathered sixty representatives of the public and private sector. The Assessment provides a thorough and detailed analysis of the Law on Planning and Construction, sectoral laws governing construction permitting, spatial and urban planning, and property ownership and permitting procedures. The Assessment highlights public enterprises and State bodies negative impact on the duration and outcome of the issuance of construction permits by

requiring numerous conditions and approvals, beyond those prescribed by the Law on Planning and Construction. Furthermore, the Assessment presents recommendations on resolving the many complex issues that cause Serbian property developers to suffer from extremely slow and expensive permitting procedures. A lively discussion followed the presentation, including questions and answers from the audience, opinions and conclusions. The two Assistant Ministers from the Ministry for Environment, Mining and Special Planning, other panelists and speakers at the roundtable praised the Assessment and expressed their strong support for the reforms in this area. Based on the feedback of participants in the expert roundtable, the findings and recommendations are being fine-tuned before the full public release, planned for September. USAID also presented the Assessment to other donors to increase their interest in the recommended reforms. BEP expects this Analysis to serve as a means to stimulate the Government of Serbia to engage in activities that will make construction permitting more investor-friendly and more efficient, while also making it less costly for both investors and public sector.

BEP is engaged in outreach activities on streamlining construction permits, aimed to raise awareness of the general public, government and other stakeholders, in order to create public support and demand for legislative and other regulatory changes. BEP is preparing a concise set of recommendations for the new Government of Serbia while continuing a project to automate planning processes.

Under **Objective 1, Task 5, “Reduce the Employing Workers Burden,”** BEP organized an alliance of business associations that will engage in joint advocacy for labor law and regulatory reforms. The group includes representatives of the Chamber of Commerce of Serbia, Foreign Investors Council, Serbian Association of Managers, National Alliance for Local Economic Development, Employers’ Union and American Chamber of Commerce in Serbia. The group seeks to improve key obstacles to business growth and the creation of new jobs: rigid laws, massive red tape, and huge taxes and contributions relating to employing workers. The associations developed a list of priority reforms, including halting the expanded application of sector collective agreements to non-signatory parties; extending term employment contracts from one to three years; elimination of the provisions on severance for total years of service; removal of unnecessary procedures and documentation in employment regulation; decrease of the fiscal burden on wages; and fighting employment in the grey economy by improving labor inspections. BEP will help to implement the joint communications strategy through a grant to Represent Communications to provide outreach and communications support.

BEP has also published policy notes on www.policycafe.rs that deal with labor policy reform, and BEP COP Joe Lowther engaged in an online debate with a trade union official on employment policies on the Policy Café site (see http://www.policycafe.rs/english/debate-of-the-month_en.php). Labor policy is a key element in the business environment, and reforms are needed in Serbia to increase employment, attract increased investment, increase business efficiency and productivity, and improve labor relations. With the employment rate in Serbia at 45% (versus 68.6% in the EU), it is imperative for Serbia to liberalize its labor market and lower the financial and administrative burdens of employing workers.

Objective 2, Task 1, “Improve Public Private Dialogue” activities included events on inspections, access to finance, public private partnerships, construction permits, and para-fiscal charges that are detailed elsewhere in this report. In addition, BEP has an active role in the Business Environment Enabling Working Group (“the Working Group”), established by the Committee for Local Economic Development within the Standing Conference of Towns and Municipalities (SCTM). The Working Group includes representatives of the Ministry of Economy and Regional Development, Office for Regulatory Reform and Regulatory Impact Analysis, USAID Sustainable Local Development Project (SLDP), Serbian Chamber of Commerce and Industry, National Alliance for Local Economic Development (NALED), representatives of local self-government units (towns and municipalities), and USAID’s BEP. The Working Group should ensure better exchange of information and greater synergy in efforts to create a business-friendly environment in Serbia.

Under **Objective 3, Task 1, “Improve Quality and Quantity of Legislative and Regulatory**

Reforms,” BEP is supporting the “Ask When” campaign **under** a grant to the National Alliance for Local Economic Development (NALED). “Ask When” is an innovative media campaign to motivate businesses and citizens to demand reforms to the business environment. On June 13, NALED and the Serbian National Broadcasting Service (RTS) signed a Collaboration Agreement whereby RTS will broadcast the “Ask When” promotional video clips during prime time for six months. The first “Ask When” video clip can be viewed at <http://www.youtube.com/watch?v=sH0tq9Ozdjo&feature=youtu.be>. This clip points out the absurdity of bureaucratic procedures that businesses and women face when applying for pregnancy and maternity leave benefits. The “Ask When” campaign quickly intrigued the public, and in just a few days after it was launched on the Internet over 2,000 people watched the video clip via Internet. The campaign will also include other standard and innovative PR approaches to raise the awareness of government, businesses, and the public on the necessity to improve the business environment. Future video clips and other outreach will cover issues such as reduction of para-fiscal burden, reduction of the informal economy, making labor regulations more flexible, improvement of enforcement of contracts and judgments, and reform of public enterprises.

BEP, in Coordination with the Human Resource Management Service of the Government of Serbia (SUK), held trainings in Regulatory Impact Analysis (RIA) and Managing Implementation of Laws and Regulations. The objective of RIA is an improvement in the quality of policy decisions and a reduction in unnecessary regulation that should result in a lower cost burden to businesses and the public. While the Rules of Procedure of the Government of Serbia set out the requirement that all draft legislation has to be accompanied by a comprehensive RIA, in practice the quality of RIA analysis prepared by the line ministries varies greatly. This is mostly due to a lack of capacity at ministries, which makes RIA training an important step toward strengthening capacity and improving the quality of regulation. The three-day training was attended by 26 public officers from different ministries and regulatory bodies. The USAID Business Enabling Environment Project plans to support further RIA training events during 2012, aiming to make them sustainable by 2013.

In cooperation with the Human Resources Management Service of the Government of Serbia (GoS), USAID’s BEP organized a two-day training session for nine civil servants from seven GoS ministries and agencies. USAID’s BEP’s COP and DCOP conducted the training on how to manage presentations on managing the implementation of legislation, accompanied by case studies, workshops and discussions. The training included the drafting process, consultations with stakeholders, adoption procedure, administrative improvements, and monitoring and evaluation of legislation. The participants evaluated the training with excellent marks. The next training session will be organized in the Fall.

Under Objective 4, Task 1, “Build Interest and Capacities of Public and Private Partners to Engage in PPPs,” BEP is assisting the Commission for Public-Private Partnership. The Commission, comprising nine members appointed by the Government of Serbia, is tasked with providing expert support for realizing PPP arrangements. In order to create an environment conducive to Public-Private Partnerships (PPP) in Serbia and build the interest of private and public partners to engage in PPPs, BEP is developing a set of supporting instruments. The first of these is the Value-for-Money Methodology, which includes economic, financial and non-financial guidelines for the preparation and implementation of PPP projects. BEP will also support the creation of the Commission’s website to increase the transparency of the Commission. Implementation of these activities throughout the summer and fall will help build the capacity of the Commission and promote its work.

Under Objective 5, Task 1, “Support implementation of the new Company Law,” BEP is training Commercial Court Judges on implementation of the Company Law through a grant to the Balkan Regulatory Reform Center (BCRR). BCRR delivered a two-day training to the judges of first-instance commercial courts covering the Belgrade area. Ten judges and judges’ assistants dealing with company law and corporate governance cases were trained. BCRR delivered the second two-day training in Nis, and ten judges and judges’ assistants from the commercial courts of Niš and Zaječar participated. The training covered the new Company Law, enacted and amended in 2012, the new corporate governance framework, as well as case studies and interpretations of the new law and procedures. The implementation of the new Company Law should improve corporate governance,

increase investments and foster market efficiency.

BEP supported the development of a new Codex on Corporate Governance via a grant to the Serbian Chamber of Commerce and Industry. The Working Group that drafted the new Codex is made up of representatives of businesses, corporate governance experts, a KPMG representative, law professors, and BEP advisors. The draft was released to the public in May and in June the Chamber organized a public discussion on the draft Codex. More than 50 business representatives attended the public discussion. The public discussion and comments received from members of the Chamber of Commerce (all members received the draft) provided valuable feedback on envisaged solutions, as well as the inputs for further improvement of the text of the Draft Codex. The Codex will be mandatory only for the joint stock companies, but will provide significant standards and rules for all businesses, including the limited liability companies, family enterprises and public corporations. USAID BEP's assistance to implement the new corporate governance framework will build capacities and readiness of Serbian companies to apply good governance principles.

Component 2

BEP's activities under Objective 1, Task 1, "Capacity building assistance to the Fiscal Council and Improvements to fiscal responsibility," allowed the Fiscal Council to publish their Proposed Measures for Fiscal Consolidation 2012-2016. BEP provided technical assistance to help the Fiscal Council prepare this document, which outlines short- and medium-term measures to stop the rising fiscal deficit and public debt and alleviate probable crisis. BEP has supported the Fiscal Council during its first year of work helping it get established as a credible and trustworthy institution; this year's assistance led to the preparation of the fiscal consolidation measures before the new government is formed. The Proposed Measures for Fiscal Consolidation was released at a press conference that was attended by about 40 journalists, World Bank representatives, a representative from Prime Minister's Cabinet, economists, and BEP. The press conference and report received substantial attention from the media and politicians and the report has greatly influenced the debate on how to deal with Serbian growing fiscal deficit. The support is part of BEP'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.

IMF Gives Serbian Fiscal Council, Supported by USAID Business Enabling Project (BEP), the Best Ranking out of Ten South-Eastern European Countries

In its working paper on "The Role of Budget Institutions" in South-Eastern Europe (published in May 2012), the IMF evaluated independence of fiscal agencies giving the Serbian Fiscal Council an overall rating of B. The second best rated fiscal agencies were those of Croatia and Romania with an overall rating of C, while failing grade was given to fiscal agencies of six other countries, including Bulgaria. The IMF found that Serbian Fiscal Council is the only independent fiscal agency in the region fully evaluating ex post fiscal performance besides fully evaluating ex ante fiscal policy. This is important because it ensures that fiscal consolidation strategies are not only based on credible forecasts and objectives ex ante but that the government's adherence to those strategies are evaluated ex post. USAID BEP has provided crucial technical assistance to the Serbian Fiscal Council during its first year of work in 2011 helping it get established as a credible and trustworthy institution – as confirmed by the IMF finding.

Pursuant to **Objective 1, Task 2 "Assistance to the GoS General Secretariat to improving budget coordination and performance management,"** BEP contributed to a Joint Donor Policy Briefing for the incoming Government. During a meeting hosted by the World Bank, USAID BEP, the Swiss Development Agency, IMF, GIZ, and UNDP, discussed a unified and consistent donor policy stand on two or three reform imperatives for the new Government of Serbia that may become conditional for further aid by some donors. The donors agreed to prepare a Joint Policy Briefing document to present to the new Government. The donors supported USAID BEP's idea to organize a high-level workshop with the new Government to present the Policy Briefing and build political will for defining national strategy. USAID BEP made a strong case for the need to make the budgetary process closely linked to the national strategy to ensure efficient and effective allocation of scarce resources. Unfortunately, the World Bank has not yet prepared the draft of the Policy Briefing document. If nothing is received from the Bank by the time the new Government is formed, BEP will prepare its own document.

Pursuant to **Objective 1, Task 3, “Improvements to Fiscal Analysis and Strategy by the MoF,”** BEP organized training for the entire staff of the Macro-Fiscal Department, including Ms Ljubica Matic, the head of the department. The training was performed by BEP short term consultant Slaven Mičković, Head of the Budget Department of the Slovenian Ministry of Finance and member of the EU’s Economic Commission. Dr Mičković conducted training on the development of modelling capacity to better analyze the fiscal position in the medium term (develop an adjustment path to MTO) and provide recommendations for sound policy decisions. In addition, Mr. Mičković helped the MFD to better understand the EC fiscal surveillance framework and started building the necessary analytical capacity to meet the rigorous requirements of the SCP. The Macro-Fiscal Department expressed great satisfaction with the training delivered.

Later, Dr. Mičković delivered a one-day seminar on the surveillance mechanism used to prevent and correct macroeconomic imbalances within the EU. This newly-introduced alert system uses a scoreboard of indicators related to external and internal imbalances (including external positions, competitiveness developments, private sector indebtedness, and asset markets) to identify countries with potential risks. These countries are then required to conduct in-depth reviews of macroeconomic developments and identify policy options. This early warning mechanism is used by the European Commission to monitor the macroeconomic stability of member and candidate countries, and is utilized by potential investors to determine risk levels. Dr. Mičković also delivered a one-day seminar aiming to improve the MFD’s ability to perform comprehensive analyses of the long-term sustainability of public finances. The training focused on conducting projections of public pension, health care, and debt related expenditures. Performing such analyses is crucial for improving fiscal management, planning, and meeting key EU accession requirements related to fiscal stability.

Under **Objective 1, Task 4, “Assist the MoF Budget Department to Develop Capacity for Improved Transparency and Program Budgeting,”** BEP provided substantial assistance to the MoF to develop program budgeting. In April, BEP consultant Ivana Jakir-Bajo, Head of the Budget Department (BD) of the Croatian Ministry of Finance (MoF), delivered two full-day seminars on program budgeting to the representatives of the line ministries and other budgetary users (a total of 65 participants), sharing the experience of Croatia in reforming the budget process. Ruzica Stojiljkovic, Serbian MoF BD Head, delivered the introductory training module. In May, BEP delivered a full-day seminar on program budgeting to the representatives of the line ministries and other budgetary users (total of 34 participants), sharing the international experience in reforming budget process. Ms. Stojiljkovic, BD Head of the Serbian MoF, delivered the introductory training module. Later in May, BEP consultant Ms. Katja Lautar, Deputy Head of the Budget Department of the Slovenian Ministry of Finance (SMoF) delivered a two full-day seminar on program budgeting to staff of the Serbian MoF Budget Department and representatives of budgetary users (a total of 60 participants), sharing the experience of Slovenia in reforming the budget process. These well-attended, interactive seminars were organized in cooperation with the Serbian Government’s Human Resource Management Service. This training series is the first step in building the capacity of budget users to adopt program budgeting. BEP is helping reignite program budgeting reform (implemented in five pilot ministries in 2005) by assisting the BD to develop best-practice methodology and roll it out to all line ministries along with adequate staff training.

In June, BEP organized Study Tour to Croatian Ministry of Finance (MoF) and Ministry of Maritime Affairs, Transport and Infrastructure (MMATI) for the Budget Department of the Serbian Ministry of Finance. At the instigation of USAID’s BEP, the Croatian ministries invited the Serbian delegation, headed by Ruzica Stojiljkovic, Assistant Minister for the Budget Department, for a two-day intensive course on program budgeting issues. The Serbian delegation received presentations by the Croatian MoF’s Director of Budget Execution Department, Ivana Jakir-Bajo, and the Croatian Treasury Director, Niko Raic. The Serbian Budget Department’s staff learned about program budgeting preparation, execution and reporting processes, procedures, responsibilities, and accountabilities from both central (BED of CMoF) and budgetary user (CMMATI) perspectives. Workshops on budget classification in the budget preparation process informed the Serbian delegation on how effective use of the information system can be in creating budget classification limits and controls. This training will help the Budget Department to create the program budgeting model for Serbia and tailor the

existing budget planning system for effective implementation on the central and local level. The Study Tour also provided an insight on how to take a more strategic approach to budgeting and track performance and spending of each institution of the GoS. USAID's BEP will continue to provide technical assistance and support capacity building for the MoF 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.

Under **Objective 2, Task 2, "Assistance to improve debt management systems, analysis and capacity,"** BEP assisted the Public Debt Administration (PDA) to strengthen its Internal Operations and Organizational Structure. BEP expert Fernando Archondo helped the PDA to conduct organizational diagnostics and has provided recommendations for re-structuring the PDA's departments and processes. The objective is for the PDA to become able to carry out a wider range of debt management functions, streamline processes, and introduce new internal controls.

BEP submitted the final version of the specification document outlining corrections and improvements needed to Serbia's Public Debt Stock Report to the Public Debt Authority (PDA). As a result of direct technical assistance from USAID BEP, the PDA now has a good understanding of the scope of improvements needed to ensure more automated and accurate reporting capabilities from its Debt Management System (TRASSET). This is important because it will enable the PDA to conduct debt management functions more effectively and efficiently, without the need to rely on extensive use of Excel spreadsheets for reporting purposes.

BEP provided the PDA with public debt risk management training. The fourteen-module training that built the capacity of PDA to undertake risk management analysis of the public debt portfolio in line with best international practice. In addition to PDA staff, employees of the Treasury Authority and the Fiscal Council also attended. Topics included international practices and guidelines of risk management as well as two case studies, theory and analysis of risk assessment and analysis followed by practical exercises conducted by the participants, risk modelling techniques, basic econometrics for modelling of risk variables and introduction of value-at-risk (VaR) and cost-at-risk (CaR) methodologies, and an overview of the IMF's Debt Sustainability Analysis (DSA) Model. The results of the final exam show varying levels of knowledge attained among the staff, which may impact possible reassignments on various debt management functions.

Under **Objective 2, Task 3, Improve Macroeconomic Policy and Strategy,** BEP supported the "Government as Manager" Forum Organized by Serbian Association of Managers (SAM). The Forum was moderated by Boris Begovic, President of economic think-tank CLDS. Panelists were Kori Udovicki, former Governor of the NBS and current President of economic think-tank CEVES, Rajko Mandić, General Manager, PKB, Dragan Karanović, Partner, Karanović & Nikolić, and Dragica Pilipovic-Chaffey, CEO of the SBB, a cable TV provider and telecommunication company. The forum participants concluded that the government should limit public enterprises, and establish institutions to even the playing field, rather than enabling unfair competition by public enterprises against private businesses. The Forum was attended by over 100 SAM members and a considerable number of media representatives. Media coverage included at least five published reports. SAM has published the conclusions of the Forum and will submit them to the new Government.

BEP supported a panel on "First Ten Concrete Measures For The New Government – Serbia's Strategy To Increase Business Growth" at the Vivaldi Forum at Mokra Gora. The panel was sponsored by USAID's BEP through a grant to the Economics Institute. The panelists were Bozidar Djelic, former Deputy Prime Minister, Dr Vladimir Vuckovic, Fiscal Council Member, Dr Natalija Bogdanov, Professor at the Faculty of Agriculture, Vidosava Dzagic, Vice-President of the Serbian Chamber of Commerce, and Jelena Petkovic, Executive Director for Corporate Management at Tigar Corporation. Among the attendees were CFOs of major Serbian companies, experts and journalists



covering economic policy, finance and marketing, and representatives of business associations. Dr Kori Udovicki, a well-known international expert engaged by BEP, gave an introductory speech emphasizing the need to maintain focus on long-term priorities by establishing a Government policy-making coordination mechanism and administrative procedures to enable proper policy prioritization, implementation of measures, and monitoring. The panel's primary objective was to raise awareness about specific short- and long-term priority measures to promoting the business enabling environment in Serbia. Dr Udovicki outlined the panel's conclusions regarding the main measures to achieve the ten priorities agreed on. The measures include cooperation with the IMF, increasing financial discipline, reducing the extent of the shadow economy, revising the Labor Law, continuing the "guillotine of regulations", streamlining state aid programs, emphasizing agriculture as a strategic sector, and improving access to finance for businesses. Media coverage included over ten reports in both printed and broadcast media, including RTS prime-time news.

Component 3

Under **Objective 1, Task 1, "Assistance for the Implementation of the new Capital Market Law,"** BEP assistance to the Securities Commission included support for a Conference entitled "Capital Market – Institutions, Investments, Shareholder Protection." The conference introduced the set of new capital markets laws - the Law on Capital Market, the Law on Companies, and the Law on Takeover. It was opened by the Prime Minister Mirko Cvetković and the U.S. Embassy's Chargé d'Affaires Lee Litzenberger. Mr. Litzenberger highlighted the new protections the Capital Market Law and its bylaws will provide for investors. "The U.S. Government, through USAID, has provided significant assistance to the Government of Serbia to develop the Capital Market Law and relevant bylaws," said Litzenberger. "The result is that all market participants are now working within a clear regulatory framework."

Prime Minister Cvetkovic emphasized that international standards and European Union directives had a major influence on the new regulations, which will improve the market's operation. Ministry of Finance State Secretary Goran Radosavljević highlighted the effort made by the Ministry of Finance to support further improvement of capital market by developing secondary trading in government bonds. The new Securities Commission guidelines for the issuance of securities are



now more detailed than in the past, dictating who may issue securities and under what conditions, and whether a prospectus is required. Increased regulation and more detailed prospectus contents will contribute to improved safety for investors. The conference provided an opportunity for broad public discussion of important issues to define the direction and procedures necessary to create a more efficient, deeper, and more liquid market, as well as on new opportunities to attract Serbian and foreign investors. The conference attracted over 200 stakeholders from the public and private sectors, and resulted in over 50 media reports.

BEP provided the Serbian Securities Commission with training from the US Securities and Exchange Commission (SEC). The training, held at the SEC's Annual International Institute for Securities Market Development, took place at the US Securities and Exchange Commission's headquarters in Washington, D.C. The study tour for six Commission members and staff was jointly organized and financed by BEP and the SC. The main purpose of this training was to help the Securities Commission to re-examine the purpose and efficacy of regulation, the methods chosen to accomplish its goals to understand the importance of risk-based supervision. The Institute's faculty included senior US SEC

officials (mainly of the Office of International Affairs and Division of Enforcement), as well as representatives of other governmental agencies (e.g. U.S. Department of Justice, Financial Industry Regulatory Authority) and other key securities industry participants (e.g. Goldman Sachs, Bank of America). Presentation topics included the financial crisis, hedge funds, insider trading, pyramid schemes, market manipulation, conducting examinations of broker dealers and investment advisers, oversight of exchanges, optimal remedies for violations, and investigatory techniques. The Securities Commission (SC) had an opportunity to discuss the core principles of securities regulation and to participate in workshops that focus on the development, operation and regulation of securities markets. This year, around 180 senior securities officials from over 70 emerging market countries attended the Institute. The Securities Commission made invaluable professional and personal contacts with regulatory and law enforcement partners and obtained key tips, referrals and inputs for producing documents for their own investigations. Securities Commission staff who took part in this study tour will deliver training for their colleagues based on the knowledge acquired throughout the study tour.

BEP worked with the Securities Commission to specify technical requirements for the development of the Commission's information system, including specifications for hardware and software that need to be procured pursuant to statutory obligations arising from the new Capital Market Law. BEP also developed a Joint Action Plan for implementation of the Securities Commission information system. BEP intends to provide a grant for software development, and the Commission agreed to procure hardware and manage all aspects of the IT system. USAID's BEP will also help the Commission to improve its organizational structure and its processes and procedures.

Under **Objective 1, Task 2, "Assistance for the Development of a Legal Framework and Strengthened Enabling Environment for a Commodity Exchange,"** the Project helped the Ministry of Agriculture and Trade finalize the draft of the new Commodities Exchanges Law.

Under **Objective 4, "Strengthen Public-Private Dialogue on the Financial Sector and its Role in Economic Development,"** BEP participated at the 4th Conference on Women's Entrepreneurship in Serbia. The Conference was organized by the Novi Sad Chamber of Commerce with BEP's assistance. Ana Jolovic, USAID BEP's Financial Markets Development Team Leader, gave a presentation on the constraints to access to finance for women to over 170 representatives of women businesses. One of the key conclusions of the Conference is that the women in business do get financial support for start-ups, but lack further adequate support for their companies, often resulting in the closure of women-led businesses within three years. More efforts are needed to develop adequate sources of funding for women businesses, as well as to modify the current financing programs.

BEP and the Employers Association of Serbia co-organized a Roundtable on Women's Access to Finance. At the roundtable, held on June 5, more than 40 women had the opportunity to express their views on issues hindering women's access to finance and voice their opinions on how to deal with those issues. The attendees actively engaged in a discussion on impediments they face on a daily basis. They highlighted the problems of high interest rates and collateral requirements, unstable foreign exchange rate, payment of VAT in advance, collection of receivables, and high taxes and contributions. They also pointed out the limited access to information on available financing options, and the negative change in business management that happened in the last two decades, moving business to an informal, male-dominated environment. The event received over twenty media reports, which launched an avalanche of comments of business women from all over the country. It triggered a surge in support not only from women interested in starting and expanding their businesses, but also from organizations willing to address this issue and organize similar events in order to continue raising awareness of the constraints that women face in their business activities. One of the goals of this proactive approach is to launch adequate and feasible reforms with the new Government. The reforms will be detailed in USAID BEP's White Paper, which will be finished in early July and released in September.



BEP provided recommendations for increasing access to finance for Small and Medium Enterprises (SME) during a panel “New Financial Serbian Architecture for Stimulating the Real Sector” at the Vivaldi Forum at Mokra Gora. The panel was part of the Summer Vivaldi CFO Forum organized by Mokra Gora School of Management and Economics Institute. The panelists were Milos Bugarin, President of the Serbian Chamber of Commerce and Industry, Darko Popovic, Member of the Executive Board and Head of the Corporate Banking Division at Banca Intesa, and Anthony Sinclair, USAID BEP Advisor. Anthony Sinclair gave an overview of sectoral and regional trends of product ranges and their suitability to finance operations of the small and medium enterprises, revealing a number of constraints: high regulatory costs, weak credit enforcement, poor bank product suitability, lack of alternative sources, systemic liquidity shortages, distorted credit culture and risk aversion. Mr. Sinclair highlighted specific recommendations within each of the following several groups of responses necessary to form a comprehensive, targeted approach: strengthen credit enforcement, reduce transaction costs and burdens, tailor financial and tax regulations for SMEs, deepen the financial system and incentivize product segmentation, re-formulate government’s role, improve advocacy from business associations on SME needs, and reform the rules and certifications for appraisers. Media coverage included an interview of Mr. Sinclair by Radio Novi Sad.

Under **Objective 6, Task 1, “Improving the Enabling Environment for SME Access to Finance,”** BEP and the NBS agreed to cooperate on improving methods of valuation and the profession of appraisers. USAID BEP agreed to work with the NBS to develop recommendations for licensing of real estate appraisers. This work might include regulatory options, licensing requirements, methodologies, qualifications, education, and oversight and disciplinary measures. Preliminary analysis will be reflected in BEP’s Access to Finance White Paper. Currently, there are no widely accepted professional standards in appraising. Excessive room is left for the appraiser’s subjective opinion, and appraisers’ professional liability does not exist. As a result, banks and clients doubt the accuracy of appraisals, which leads to additional costs that eventually have to be covered by the client. Overcollateralization additionally deteriorates the already difficult conditions for SME access to finance. USAID’s BEP agreed with the NBS to work together on the solution to this issue by introducing internationally-applied standards for the licensing of appraisers and raising the quality of related methodology. The NBS’s goal is for appraisal to be conducted in line with the best international practices, and the Bank is willing to cooperate with USAID’s BEP and allocate considerable resources for this purpose. During the summer, USAID’s BEP and the NBS will work on developing and implementing the strategy for improving appraisals, as one of the most relevant factors in access to finance.

BEP helped the Ministry of Finance (MoF) to draft a new Factoring Law. BEP advised and participated in an intergovernmental working group, comprising National Bank of Serbia, Chambers of Commerce, Ministry of Finance, Export Credit and Insurance Agency of the Republic of Serbia, Bankers Association, Ministry of Economy and Regional Development, and other professionals to coordinate efforts on the Factoring Law development. BEP provided expert assistance to the Ministry of Finance in preparing the first draft of the Factoring Law. The draft law is aimed at introducing regulation governing factoring in Serbia in order to increase liquidity of domestic firms. The first version of the draft law was posted on the web sites of the Ministry of Finance and the Policy Café, with the public invited to provide comments. In addition, BEP facilitated and participated in series of meetings and public discussions on the draft law on factoring, in close cooperation with the Ministry of Finance. USAID BEP’s advisors provided a comparative review of functioning factoring markets in the region and internationally and also delivered comments and suggestions to the draft law that were widely discussed and accepted by both the public and the working group. At a Roundtable held on May 9 in the Palace of Serbia, some 50 stakeholders, representatives of the industry, banking sector, IMF, other Serbian ministries and business associations analyzed the draft law and current factoring practices. Apart from USAID BEP’s advisors, the Roundtable was addressed by Goran Radosavljević, State Secretary at the Ministry of Finance and Vlado Rosić, President of the Factoring Department of the Belgrade Chamber of Commerce. A special guest of the roundtable was Mr. Papatheodorou, Executive Committee Member of Factors Chain International, commonly known as FCI, the largest and best-known international factoring network. Mr. Papatheodorou complimented the draft law as a well written piece of legislation providing the right course in developing a proper

legal framework to support the development of the factoring industry in Serbia. BEP helped the Ministry of Finance respond to all feedback received and to structure the final version of the draft law. The Factoring Law is slated for adoption in September 2012. The Factoring Law will support further development of the factoring industry and provide part of the solution for the liquidity problem in the Serbian economy, especially for SMEs. Factoring is considered to have one of the best values for money when the basic need of the client is to get financing. In the EU, about 80% of factoring users are small and medium enterprises (SMEs) and about 70% of turnover of factoring firms is realized with SMEs. The MoF plans to develop the first draft of the Factoring Law by June 2012.

Outreach

During the quarter BEP generated 202 media reports, all with a positive or neutral tone. BEP's outreach activities reached more than 6.1 million people.

In the period January 16- May 16 Center for Liberal-Democratic studies (CLDS) conducted grant for Journalist Education on Economic and Business Environment Reforms. Total of 22 journalists attended the trainings that were held on Saturdays in the above mentioned period. At the beginning, all selected participant of the program "Journalist Education on Economic and Business Environment Reforms" were tested for their preexisting knowledge. The testing has been done at the CLDS premises on 10th of March. The journalists were trained by renowned professors, journalists, editors in chief on variety of economic topics and journalism features, such as: Introduction into microeconomics: cost and supply; Conducting business activities: enterprises and bankruptcy; Market and competition: legal protection of competition; Journalism: Principles of reporting about business topics; Conducting business activities: general regulatory framework; Business environment: effects of the public administration management; Macroeconomic policies: goals and methods; Fiscal policy: revenues and expenditures, etc. At the end of the classroom activities a testing has been done by the formal 15 questions multiple choice test. The questions covered key macroeconomic concepts, key microeconomic and institutional concepts, as well as the relations between economic development and financial intermediation and correspond to the questions that are used in the initial test, enabling the measurement of the improvement of knowledge of each student. Final page of the test was given for the students for their comments and evaluation of the school. As a result of USAID BEP staff visits of the training, the conclusion is that the training modules were very interactive and that the journalists found those trainings very useful. As to the follow up of the project "Journalist Education on Economic and Business Reforms", several possibilities were identified during the last session of the school:

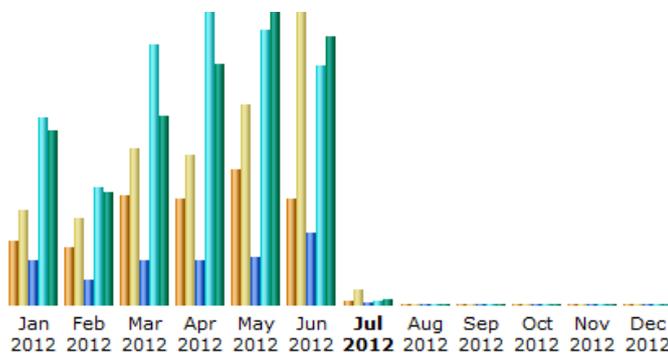
- An essay contest in which the prize will be a week with some of the reputable economic reporting media like Wall Street Journal;
- A follow-up training in the issues of public finances.
- A follow-up training in the issues of private/corporate finances.

On June 13th 2012, at the Gallery of RTS, the General Manager of Serbian Broadcasting Corporation (RTS), Aleksandar Tijanic, and the President of NALED Managing Board, Vladimir Cupic, signed a MoU which officially marked the beginning of the national media campaign for the improvement of business environment – Ask When. This campaign is supported by USAID Business Enabling Project since all TV ads will deal with Project's SOW. The campaign will be realized through broadcasting of videos on the national television RTS. The videos describe specific bureaucratic procedures and explain how much they cost financially, with goal to draw attention of the public and exert positive pressure to responsible institutions to promise not only what, but WHEN the bureaucratic problems will be solved. The campaign Ask When will last for six months and during that time the citizens and business people will be able to report all bureaucratic problems they encounter and ask questions about them, on NALED website. All the questions will be submitted as a petition to the new Prime Minister and responsible ministries, who will be asked to answer when these problems will be solved. NALED will monitor the effects in the implementation of identified and adopted solutions, and act as a corrective factor. First TV ad was published on YouTube and had more than 6500 views so far.



Screenshot from the first TV ad

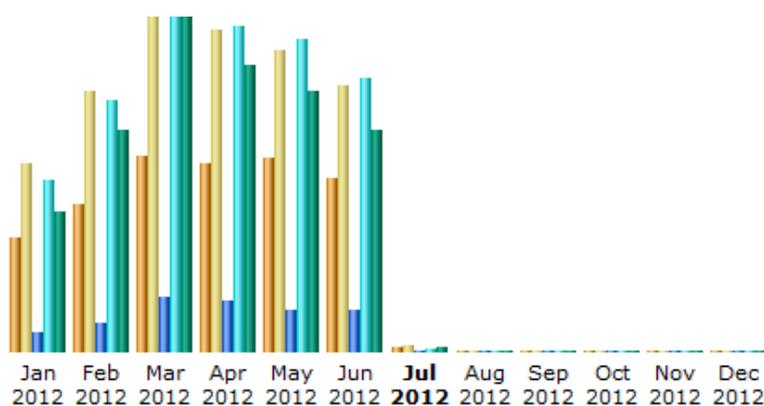
BEP's interactive website, www.policycave.rs, provides a means for dissemination of research and analysis on issues related to BEP's three components, and allows users to provide input and feedback. Based on our web analytics, visits to the website have rapidly increased (see chart to the right). Starting from March, the number of visitors almost doubled, reaching 800 unique monthly visitors. This trend is a direct result of the presence on social networks and usage of digital media as a tool for the promotion of BEP's activities and articles.



Month	Unique visitors	Number of visits	Pages	Hits	Bandwidth
Jan 2012	448	664	5,050	21,667	1.57 GB
Feb 2012	404	607	2,978	13,544	1.01 GB
Mar 2012	762	1,100	5,130	30,012	1.69 GB
Apr 2012	739	1,052	5,182	33,642	2.16 GB
May 2012	948	1,402	5,553	31,732	2.62 GB
Jun 2012	747	2,045	8,248	27,593	2.41 GB
Jul 2012	25	109	365	513	45.53 MB
Aug 2012	0	0	0	0	0
Sep 2012	0	0	0	0	0
Oct 2012	0	0	0	0	0
Nov 2012	0	0	0	0	0
Dec 2012	0	0	0	0	0
Total	4,073	6,979	32,506	158,703	11.50 GB

So far the policy café has more than one thousand different articles, publications, policy notes, useful links and information, with content updated on regular basis. There is solid ground for further expansion of its popularity. We are using YouTube (<http://www.youtube.com/user/BEPSerbia>) and Twitter (https://twitter.com/USAID_BEP) to promote project outputs and the policy café.

The BEP website, www.bep.rs, continued to have a large number of visitors, as shown by the chart below. The BEP website contains information about the project, grant solicitations, media appearances, and partners. The BEP website has consistently more than 1000 visitors per month.



Month	Unique visitors	Number of visits	Pages	Hits	Bandwidth
Jan 2012	671	1,110	3,535	32,082	650.01 MB
Feb 2012	867	1,530	5,316	46,588	1.00 GB
Mar 2012	1,153	1,967	10,222	62,115	1.51 GB
Apr 2012	1,113	1,895	9,363	60,420	1.30 GB
May 2012	1,143	1,774	7,851	58,027	1.18 GB
Jun 2012	1,017	1,564	7,692	50,964	1.00 GB
Jul 2012	31	35	76	657	17.27 MB
Aug 2012	0	0	0	0	0
Sep 2012	0	0	0	0	0
Oct 2012	0	0	0	0	0
Nov 2012	0	0	0	0	0
Dec 2012	0	0	0	0	0
Total	5,995	9,875	44,055	310,853	6.64 GB

BEP's monthly newsletter was distributed each month to over 600 individuals and organizations.

Grants

USAID BEP's second **Annual Program Statement (APS-2012-01)** has generated substantial interest. BEP has received 12 Expressions of Interest (EoI) in response to APS-2012-01. The Grants Selection Committee (GSC) considered all EoIs and decided as follows:

Five EoIs were positively reviewed and applicants were invited to submit full grant applications (second stage of selection). All five were approved and contracted, while two are still pending/under consideration. Five EoIs were rejected.

During the quarter, BEP published four **Requests for Applications (RFA)**. These were as follows:

RFA #	Date of Issue	Topic
RFA-2012-02	28-Mar-12	Study and Recommendations on Policies to Increase Employment and Workforce Competitiveness
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach Campaign
RFA-2012-04	26-Apr-12	Strengthening Regulation, Management, and Effectiveness of State Aid in Economic Sphere
RFA-2012-05	11-May-12	Economic Policy Measures to Combat Shadow Economy and its Effects on Total Economic Growth in Serbia

In response to RFAs, BEP has received 16 proposals, as follows:

For RFA-2011-02- Study and Recommendations on Policies to Increase Employment and Workforce Competitiveness - four proposals were received, and the grant was awarded to Center for Liberal – Democratic Studies (CLDS).

For RFA-2011-03 - Project of Creating and Executing PR/Outreach Campaign – eight proposals were received. USAID BEP is currently negotiating with Represent Communications.

For RFA-2011-04 - Strengthening Regulation, Management, and Effectiveness of State Aid in Economic Sphere – two proposals were submitted, and the final decision has not been reached yet.

For RFA-2011-05 - Economic Policy Measures to Combat Shadow Economy and its Effects on Total Economic Growth in Serbia – two proposals were submitted. USAID BEP has invited Foundation for the Advancement of Economics (FREN) for negotiations on July 9, 2012.

Overall, BEP has considered 33 proposals, either in a form of EoIs or full grant proposals. During the reporting period five Grants Selection Committee meetings were held: on April 24, 18 May, 29 May, June 14 and June 29. At those meetings all EoIs and full proposals were deliberated. Six proposals were approved for support and contracted, while 22 proposals were rejected. Two EoIs will be reconsidered (submitted by the Economics Institute for “MAT for Better Business Conditions”, and Association of Leasing Companies in Serbia for “Accelerated development of the leasing industry in Serbia”. Three proposals are pending: a proposal submitted by Represent Communications in response to RFA-2012-03 is at the moment in the negotiations phase and the USAID approval will be sought the week of July 9, 2012; a proposal submitted by FREN in response to RFA-2012-05 has been approved by the Grant Selection Committee and the applicant has been invited for negotiations on July 9; and, a proposal submitted by BDO Business Advisory LLC in response to RFA-2012-4 is still under consideration.

The total amount of awards to date is \$501,802.

In addition, USAID BEP has sent a memorandum to USAID setting forth the rationale justifying the use of other than full and open competition, to approve a fixed fee contract to Center for Free Elections and Democracy (CeSID) to conduct an annual Business Survey to USAID. Following the approval, BEP will invite CeSID to submit a grant proposal.

USAID BEP will request USAID’s concurrence for the in-kind grant award to Republic Geodetic Authority (RGA) to provide software application (web-based inventory of planning documents, i.e. spatial and urban plans), and ICT equipment (system storage capacity). Under grants to governmental organizations, Business Enabling program will conduct all procurements on behalf of the grantee and transfer the equipment in-kind. The approximate grant amount is 70,000 USD.

Two more grants are in the pipeline. Namely, USAID BEP is finalizing the negotiations with Represent Communications within RFA-2012-03 for PR/Outreach campaign. BEP will seek USAID’s concurrence the week of July 9, for the amount of 7,700,000 RSD (ca 83,600 USD). And, FREN has been invited for negotiations for the project within RFA-2012-05 Economic Policy Measures to Combat Shadow Economy and its Effects on Total Economic Growth in Serbia.

The estimated amount of additional committed funds (currently under process) is \$259,600.

The Grant Status is attached as Attachment 5.

Grantees have been regularly fulfilling the contracted milestones, and therefore 18 payments of grant installments were initiated in the reporting period. As part of regular monitoring activities, BEP’s grants manager paid field visits to two grantees, as follows:

Chamber of Commerce and Industry of Serbia – Within the BEP grant for the project Adjusting the Codex of Corporate Governance with the New Company Law, the Chamber of Commerce organized the first working meeting on April 10. The purpose of this grant is to support the development of a new Codex of Corporate Governance that will be in line with the new Company Law of the Republic of Serbia. The Codex is a response to a need to help companies, primarily shareholding companies, but also to public enterprises and family businesses organized as shareholder companies, to develop a framework for corporate governance, apply good practice of corporate

governance and to make the relations among owners-management-executive bodies more transparent. This Codex now needs to be adjusted with the new Company Law that entered into force on February 1, 2012. Members of the Working group, led by the Chamber of Commerce and Industry discussed the first draft of the Corporate Codex - the concept, structure of the Introduction, unlisted companies, corporate governance in family businesses and structure of the chapter on public companies, on April 10. Members of the working group are Vidosava Dzagic, Vice President of Chamber of Commerce and Industry, Katarina Djulic (KPMG, Senior consultant), Mirjana Bogicevic (economist), Tanja Kuzman (Advisor to the President of Chamber of Commerce, Natasa Lekovic (Legal and corporate affairs expert) and Vuk Radovic (Professor at Belgrade Faculty of Law). The next meeting was scheduled for May 8 to discuss further the draft Codex. On June 1, the Chamber of Commerce organized a public discussion on the draft Codex on Corporate Governance, with the participation of 50 people. The Codex of Corporate Governance is expected to be finished by the end of August.

Balkan Center for Regulatory Reform (BCRR) - Within the BEP grant for the project Training of Commercial Court Judges on Implementation of the New Company Law, BCRR organized a two day training for 10 commercial court judges/assistants in Belgrade, on 29-30 May 2012. The purpose of the project is to increase knowledge of commercial court judges and their assistants from Commercial Courts in Belgrade, Novi Sad, Kragujevac and Nis, as well as Commercial Court of Appeal, in order to understand the new Company Law and enable its duly implementation, through a capacity building training program. Also, the project aim is to address some questions and/or perplexities that might arise during the implementation of the new Company Law, through numerous discussions with experts in the area of business regulations. Grant manager visited the group on the second day, when Luka Andric and Djordje Vukotic, attorneys at Law and members of the working group for drafting the Company law, held lectures on joint-stock companies: memorandum of association, registered capital, joint-stock, third party protection, corporate governance; legal form and status changes; and, mandatory liquidation. The last session was structured as interactive discussion when participants posed questions and voiced concerns on how to implement the new Law. At the end of the training, participants expressed satisfaction with all aspects of the training – materials, teachers and training concept.



Due to difficulties in organizing workshops in Kragujevac and Novi Sad (traditionally the time for last-year holiday), BCRR proposed corrective measure and the change of activities, resulting in modified milestones.

Grant Agreement Modification:

BEP prepared a no-cost modification to the grant agreement between USAID BEP and Balkan Center for Regulatory Reform (BCRR), RFA-2011-07, with the purpose to:

1. Change the grant ceiling amount (from 1,675,000 RSD to 1,674,000 RSD)
2. Change deliverables/grant milestones and payment schedule specified in the grant agreement
3. Revise the budget with the new budget.

The revision was based on the explanation provided by the grantee regarding the difficulties in organizing the training in Novi Sad and Kragujevac, and the decision to organize instead one workshop in Belgrade that would gather participants from 16 Commercial courts across Serbia. In this way, the objectives of the grant contract remained the same, and the same number of people will be trained as originally envisaged by the grant agreement (20-25). In line with changed milestones, workshops that were planned to be conducted in Kragujevac and Novi Sad will be substituted with a nation-wide training to be held in Belgrade in the beginning of July with the participation of judges/assistants across Serbia. For that reason, the grantee included a new budget line under the

heading Travel: Lodging & Meals for participants living outside Belgrade. All other terms and conditions of the agreement remained unchanged.

Financial Review

The following chart shows the billing to date through the end of June, 2012. This includes a projection for June 2012 based on the actual costs we have received from the field for the month of June.

	BILLING TO DATE	TOTAL BUDGET	REMAINING BUDGET	PERCENTAGE COMPLETE
Salaries and Wages	\$ 1,078,580.28	3,775,847.61	\$ 2,697,267.33	28.57%
Fringe Benefits	\$ 88,096.29	257,266.33	\$ 169,170.04	34.24%
Overhead	\$ 637,397.18	2,179,488.59	\$ 1,542,091.41	29.25%
Travel, Transportation, and Per Diem	\$ 72,919.84	677,806.94	\$ 604,887.10	10.76%
Allowances	\$ 209,390.52	767,728.31	\$ 558,337.79	27.27%
Other Direct Costs	\$ 606,476.30	2,378,118.90	\$ 1,771,642.60	25.50%
Equipment and Supplies	\$ 60,992.73	203,257.20	\$ 142,264.47	30.01%
Participant Training	\$ 21,186.59	65,000	\$ 43,813.41	32.59%
Subcontracts	\$ 474,846.40	1,678,842	\$ 1,203,995.60	28.28%
Grants Under Contract	\$ 261,586.27	2,463,340	2,201,280.11	10.69%
G&A	\$ 370,554.78	1,434,407.70	\$ 1,063,852.92	25.83%
TOTAL ESTIMATED COST	\$ 3,882,500.81	15,881,103.58	\$ 11,998,602.77	24.45%
Fixed Fee	\$ 198,760.37	815,860.42	\$ 617,100.05	24.36%
TOTAL ESTIMATED COST PLUS FIXED FEE	\$ 4,081,261.18	\$16,696,964	\$ 12,615,702.82	24.44%

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 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, with the issues we cover becoming the issues discussed by politicians, experts, business associations, trade unions, and the media. BEP has become known as the most reliable and trusted source for expertise, information, and analysis in the technical areas it is covering.

The project is using the media as a platform to communicate and advocate for reforms. The media is increasingly finding BEP to be a desired source for information and comment on a variety of reforms. COP Joe Lowther and Component 1 Lead Dusan Vasijlevic in particular are frequently asked by the media to make comments or provide interviews on a variety of issues.

As discussed above, BEP is very well-positioned to assist the new GoS in rapidly implementing reforms. BEP has analysis, recommendations, and plans for each Task area we cover.

The biggest potential obstacle to BEP's success is poor management in our GoS partner institutions. This poor management causes our partners to be unable to timely complete tasks. Most ministries are behind schedule on developing bylaws and undertaking other tasks necessary to implement laws. BEP is focusing on training and consulting to improve management in our GoS partners, and we intend to roll out a holistic leadership and management program in Fall 2012.

4. ACTIVITIES PLANNED FOR NEXT QUARTER

Noteworthy activities for the seventh quarter of the project, covering July 1 to September 30, 2012, will include:

Administrative and General Activities

- Prepare and deliver briefing materials for ministers
- Prepare the 2012 BEP Business Survey
- Management training for GoS partners' leadership and staff

Component 1

- Finalize the Inspections Reform Strategy and Draft Outline of the Law on Inspections and present to GoS
- Development of the e-Inspections pilot software
- Public outreach on para-fiscal charges
- Public presentation of the Assessment of Constraints for Construction Permits in Serbia study
- Work on blueprint for construction permitting reform
- Development of the Inventory of Planning Documents
- Completion of the Study on Labor Policy Reforms and outreach on the recommendations
- Completion of the Value for Money methodology for Public Private Partnerships (PPPs)
- Study tour for the PPP Commission and Launch of the PPP Commission web site
- Support for adoption and implementation of the Regulatory Reform Strategy and changes to the

GoS Rules of Procedure Support training of line ministries on Regulatory Impact Analysis

- Adoption of the Codex of Corporate Governance and its dissemination.

Component 2

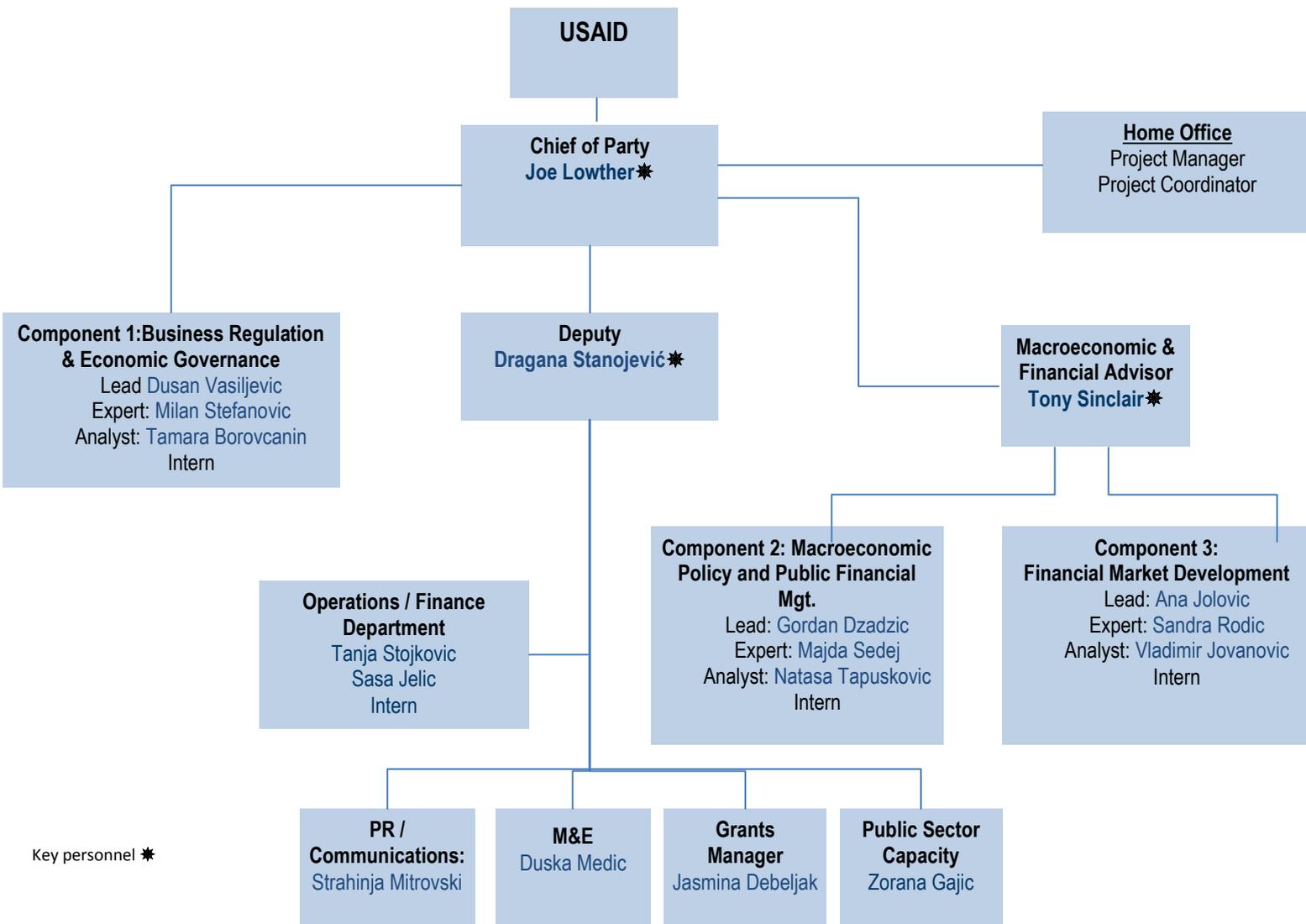
- Functional Performance Diagnostic and Technical Specifications Outline to determine and specify modeling needs of the Macro-Fiscal Department of the Ministry of Finance
- Workshops with the Budget Department (BD) on program budgeting classifications and performance indicators
- Finalize Organizational Diagnostic of Public Debt Administration
- Conduct Shadow Economy Study under a grant
- Train Parliament's Finance Committee on performance indicators
- Organize high level meetings on program budgeting (possibly including meeting between US Ambassador and the new Minister of Finance)

Component 3

- Publish White Paper on Access to Finance for SMEs
- Launch Outreach Campaign on Improving Access to Finance for SMEs to promote the White Paper on Access to Finance for SMEs and recommendations
- Finalize Draft Factoring Law
- Improve valuation of collateral via joint work with NBS
- Design the new Securities Commission IT system
- Organize roundtable on Bylaws on Capital Adequacy for Investment Firms and amend bylaws for adoption
- Assist the MoERD and the NBS to develop a framework for data collection and analysis on SME finance.
- Finalize the draft Commodity Law.

This concludes the narrative section of our Quarterly Report for the second quarter of 2012. Supporting detail is provided in the following attachment exhibits and tables.

ATTACHMENT 1: BEP WORK ORGANIZATION



ATTACHMENT 2: LIST OF MEDIA PUBLICATIONS

USAID Business Enabling Project - List of media reports – as of June 30 th				
No.	Date	Publication/Outlet	Title and description	Reach
1	01. 04. 2012	CorD	Resource Management	
2	02. 04. 2012	RTS 1	Small and medium enterprises	
3	02. 04. 2012	RTS 1	Small and medium enterprises	
4	04. 04. 2012	Pregled	Employers ask for reform	
5	04. 04. 2012	www.nadlanu.com	Entrepreneurs ask for inspection reform	
6	04. 04. 2012	www.mc.rs	Request to the Serbian government: reform the inspection	
7	04. 04. 2012	www.vesti.rs	Entrepreneurs ask for inspection reform	
8	04. 04. 2012	www.beta.rs	Entrepreneurs ask for inspection reform	
9	04. 04. 2012	www.rts.rs	Request for inspection reform	
10	04. 04. 2012	www.krstarica.com	Request for inspection reform	
11	04. 04. 2012	www.prelistavanje.com	Entrepreneurs ask for inspection reform	
12	04. 04. 2012	www.mondo.rs	Employers ask for inspection reform	
13	04. 04. 2012	http://vestisrbija.info	Request for inspection reform	
14	04. 04. 2012	TV Pink	Bad work of inspection services	
15	04. 04. 2012	TV Pink	Consequences of bad work of inspection services	
16	04. 04. 2012	www.blic.rs	Accountants announced a civil disobedience	
17	04. 04. 2012	www.ekapija.com	Accountants announced a civil disobedience	
18	05. 04. 2012	Pregled	The average sentence is 2,100 euros	
19	05. 04. 2012	www.bizlife.rs	Entrepreneurs ask for inspection reform	
20	05. 04. 2012	Pravda	Reform the inspections	53696
21	05. 04. 2012	Radio Dunav	USAID program for training youth	
22	05. 04. 2012	www.infostar.rs	Request for inspection reform	
23	05. 04. 2012	www.novimagazin.rs	Higher taxes for the economy after the elections	
24	05. 04. 2012	www.politika.rs	Business display fee falls after the elections	
25	06. 04. 2012	Politika	Business display fee falls after the elections	154499
26	08. 04. 2012	Dnevnik	First task is to eliminate para fiscal charges	30000
27	10. 04. 2012	Press	Belgrade studies - American diplomas	396579
28	10. 04. 2012	Press	Double jubilee	396579
29	10. 04. 2012	TV B92	Property tax reform	
30	11. 04. 2012	www.seebiz.eu/sr	Cvetkovic: The Capital Market Law to reduce the effects of global crisis	

31	11. 04. 2012	www.ekapija.com	Reducing fraud and greater security for investors - The Capital Market Conference brings together leading financial experts in Serbia	
32	11. 04. 2012	www.smedia.rs	Cvetkovic: The law will equalize domestic and foreign investors	
33	11. 04. 2012	www.pressonline.rs	Cvetkovic: The law will equalize domestic and foreign investors	
34	11. 04. 2012	www.economy.rs	New Capital Market Law - better protection of investors	
35	11. 04. 2012	www.tanjug.rs	The law will equalize domestic and foreign investors	
36	11. 04. 2012	www.srbija.gov.rs	New legal framework for the regulation of Capital Markets is established	
37	11. 04. 2012	www.sumadijapress.com	Domestic and foreign investors - equal	
38	11. 04. 2012	www.poslovnojutro.com	New legal framework for the regulation of Capital Markets is established	
39	11. 04. 2012	www.rtv.rs	Protection of competition is an important factor in a competitive economy	
40	11. 04. 2012	www.glassrbije.org	Higher protection of investors in Capital Market	
41	11. 04. 2012	www.b92.net	Cvetković: All investors are equal	
42	11. 04. 2012	TV B92 Info	Dušan Vasiljević regarding the tax rate in Serbia	
43	12. 04. 2012	Nin	State tribute on 250 ways	53507
44	12. 04. 2012	Pregled	The goal is more liquid Capital Market	
45	12. 04. 2012	Pravda	Licenses from 100 against suspicious money	53696
46	12. 04. 2012	www.live-e.tv	SAM working breakfast - Labor law	
47	14. 04. 2012	Radio Beograd 1	The problems of small and medium enterprises	
48	14. 04. 2012	Radio Beograd 1	Presentation of MATmagazine	
49	15. 04. 2012	AmCham Perspective	USAID BEP: Leading the way to reforms and growth	
50	15. 04. 2012	Magazin Biznis	Inspections reform	
51	15. 04. 2012	Magazin Biznis	Capital Market conference	
52	18. 04. 2012	www.tanjug.rs	Hidden taxes burden the economy	
53	19. 04. 2012	Pravda	370 state taxes	53696
54	19. 04. 2012	Novi magazin	Inspection system ready to be reformed	
55	19. 04. 2012	24 sata	Hidden taxes burden the economy	275950
56	19. 04. 2012	www.rtv.rs	Hidden taxes burden the economy	
57	19. 04. 2012	www.naslovi.net	Hidden taxes burden the economy	

58	19. 04. 2012	www.blic.rs	The economy pays 370 non-tax levies	
59	19. 04. 2012	www.najvesti.com	Hidden taxes burden the economy	
60	19. 04. 2012	www.economy.rs	Hidden taxes cost Serbian economy 730 million euros	
61	19. 04. 2012	www.euractiv.rs	Hidden taxes cost the economy 730 million euros	
62	19. 04. 2012	www.pressonline.rs	Hidden taxes cost Serbian economy 730 million euros	
63	19. 04. 2012	www.prelistavanje.com	The economy pays 370 non-tax levies	
64	19. 04. 2012	www.naslovi.net	Companies paid 730 million euros for hidden taxes	
65	19. 04. 2012	http://vesti.aladin.info	Companies paid 730 million euros for hidden taxes	
66	19. 04. 2012	www.vesti.rs	Hidden taxes cost the economy 730 million euros	
67	19. 04. 2012	Radio Beograd 1	State and local authorities collected about 730 million euros from the economy in Serbia last year	
68	19. 04. 2012	www.naslovi.net	The economy pays 370 non-tax levies	
69	19. 04. 2012	www.pravda.rs	The economy pays 370 non-tax levies	
70	19. 04. 2012	http://dnevnenovine.rs	Hidden taxes cost Serbia 640 million euros per year	
71	19. 04. 2012	www.capital.ba	Hidden taxes cost Serbia 640 million euros per year	
72	19. 04. 2012	Radio B92	Big burdens in Serbia	
73	19. 04. 2012	www.novosti.rs	Levy per employee 570 euros	
74	19. 04. 2012	www.webtv.rs	Study on para fiscal charges that burdens the economy	
75	19. 04. 2012	www.ekapija.com	Entrepreneurs in Serbia pay 370 non-tax levies	
76	19. 04. 2012	www.media1.rs	Hidden taxes cost Serbian economy 730 million euros	
77	19. 04. 2012	www.ravnica.info	Hidden taxes, burden to the economy	
78	19. 04. 2012	RTS 1	Problems with taxes	
79	19. 04. 2012	TV Pink	Hidden taxes in Serbia	
80	19. 04. 2012	www.economy.rs	Hidden taxes cost Serbian economy 730 million euros	
81	19. 04. 2012	www.energyobserver.com	Hidden taxes cost the economy 730 million euros	
82	19. 04. 2012	www.novimagazin.rs	Inspection system ready to be reformed	
83	19. 04. 2012	TV Pink	Hidden taxes cost Serbian economy 730 million euros per year	
84	19. 04. 2012	www.bloomberg.com	Serbian Businesses Spend 2% of GDP Each Year in Hidden Taxes	
85	19. 04. 2012	Prva Srpska Televizija	Business conditions in Serbia look great on paper	

86	20. 04. 2012	Blic	The economy pays 370 non-tax levies	296249
87	20. 04. 2012	Večernje novosti	Levy per employee 570 euros!	590537
88	20. 04. 2012	Press	75 billion for stupid taxes	396579
89	20. 04. 2012	Politika	Levy per employee 570 euros	154499
90	20. 04. 2012	Pravda	The economy pays 370 non-tax levies	53696
91	20. 04. 2012	Pregled	Hidden taxes cost 730 million €	
92	20. 04. 2012	www.politika.rs	Levy per employee 570 euros	
93	20. 04. 2012	TV KCN	Para-fiscal charges a heavy burden for businesses and the economy and the total cost over 2% of gross domestic product of Serbia	
94	20. 04. 2012	www.balkans.com	Hidden taxes cost Serbian economy 730 million euros	
95	20. 04. 2012	www.naslovi.net	Levy per employee 570 euros	
96	20. 04. 2012	www.gdeinvestirati.com	Non tax burdens cost the economy 2% of gross domestic Product	
97	20. 04. 2012	www.rts.rs	Hidden taxes	
98	20. 04. 2012	www.seebiz.eu/sr	Companies in Serbia paid 730 million euros of hidden taxes	
99	21. 04. 2012	Blic	Taxes to be transparent	296249
100	22. 04. 2012	TV Pink	Hidden taxes cost Serbian economy 730 million euros per year	
101	22. 04. 2012	Politika	USAID: Create a system of incentives to sanctions	154499
102	22. 04. 2012	http://bktvnews.com	The economy pays 370 levies	
103	26. 04. 2012	NTV Niš	U.S. Agency for International Development helps law enforcement on public private partnerships in Serbia with more than 35 million dollars	
104	29. 04. 2012	Happy TV	The efficiency of anti-hail protection in Serbia	
105	29. 04. 2012	www.danas.rs	By collecting 77 non-tax levies state cashed in about 730 million euros	
106	30. 04. 2012	Danas	By collecting 77 non-tax levies state cashed in about 730 million euros	29643
107	30. 04. 2012	www.totalportal.rs	By collecting 77 non-tax levies state cashed in about 730 million euros	
108	30. 04. 2012	InStore	Long expected reforms	
109	01. 05. 2012	Market network	Entrepreneurs ask for inspection reform	
110	01. 05. 2012	CorD	Shareholders to enjoy greater protection	
111	01. 05. 2012	Ekonometar	Hidden taxes burden the economy	
112	02. 05. 2012	Dnevnik	Hidden taxes cost us 730 million euros	30000

113	04. 05. 2012	Pregled	Infrastructure, the condition of all conditions	
114	05. 05. 2012	Happy TV	Grants awarded to women in agribusiness	
115	08. 05. 2012	www.energyobserver.com	How to succeed in the European market	
116	08. 05. 2012	www.euractiv.rs	How to succeed in the European market	
117	09. 05. 2012	www.economy.rs	Changes in Labor Law - immediately after the formation of new government	
118	09. 05. 2012	www.ekapija.com	Delaying changes in the Labor law conditioned higher business cost and decrease of employment in Serbia	
119	10. 05. 2012	Vreme	Eliminate unnecessary taxes	29150
120	10. 05. 2012	www.rtv.rs	Delević: The formation of the government is important for the reforms to be continued	
121	11. 05. 2012	Narodne novine	Formation of the new government is important for the reforms	
122	12. 05. 2012	www.novosti.rs	Economy gray, but wages black	
123	12. 05. 2012	www.novimagazin.rs	Illegal work - damage for the state and for the workers	
124	13. 05. 2012	Večernje novosti	Economy gray, but wages black	590537
125	13. 05. 2012	www.b92.net	Salary on hands but the state at loss	
126	13. 05. 2012	www.bizlife.rs	Economy gray, but wages black	
127	14. 05. 2012	Privredni Pregled	Reform of employment policy is a priority	
128	14. 05. 2012	www.kamatika.com	Economy gray, but wages black	
129	14. 05. 2012	TV Pink	Increased sales of illegal goods in Serbia	
130	15. 05. 2012	Radio Beograd 1	Serbia needs the Law on personal bankruptcy?	
131	15. 05. 2012	Magazin Biznis	Foreign exchange reserves are thinning along the dinar	
132	15. 05. 2012	Progressive magazin	Hidden taxes	
133	19. 05. 2012	Blic	Illegal trade most frequent through ads and markets	296249
134	28. 05. 2012	Večernje novosti	Firm name display costly	590537
135	28. 05. 2012	www.ekapija.com	Discussion on PPP on concessions	
136	28. 05. 2012	www.novosti.rs	Firm display fee is not surrendering	
137	29. 05. 2012	www.b92.net	State cashes 730 mil. € from 77 levies	
138	29. 05. 2012	www.kamatika.com	The economy is drowning in the mud of bureaucratic burdens	
139	29. 05. 2012	www.poslovnojutro.com	Firms burdened by taxes	
140	01. 06. 2012	www.personalmag.rs	Sixth conference of FEFA	

141	02. 06. 2012	TV Pink	Guests - Radojka Nikolić and Nikola Altipamarkov	
142	04. 06. 2012	www.b92.net	business women on access to finance	
143	04. 06. 2012	www.poslovnojutro.com	Draft Code of Corporate Governance PKS	
144	05. 06. 2012	www.economy.rs	The woman opens the company - when a single mother or the husband lost his job	
145	05. 06. 2012	www.beta.rs	Women entrepreneurs harder to fulfill the terms of creditors	
146	05. 06. 2012	http://teslio.com	The woman opens the company - when a single mother or the husband lost his job	
147	05. 06. 2012	www.pressonline.rs	Women entrepreneurs harder to fulfill the terms of creditors	
148	05. 06. 2012	www.nadlanu.com	Women entrepreneurs harder to fulfill the terms of creditors	
149	05. 06. 2012	www.naslovi.net	The woman opens the company - when a single mother or the husband lost his job	
150	05. 06. 2012	www.rts.rs	Problems of women entrepreneurs	
151	05. 06. 2012	RTS 1	Conditions of doing business in Serbia	
152	06. 06. 2012	Privredni Pregled	Debts heavier than loans	
153	06. 06. 2012	Politika	Women entrepreneurs harder to get startup credits	154499
154	06. 06. 2012	www.ekapija.com	Taking loans, a hard decision for women entrepreneurs - Access to finance for businesswomen	
155	06. 06. 2012	www.vojvodina.gov.rs	Conference on Public-Private Partnership	
156	06. 06. 2012	RTV YU Eco	Public-private partnerships - challenges on application of the new legal framework	
157	06. 06. 2012	www.kikinda.co.rs	Not to have a headache from public-private dialogue	
158	07. 06. 2012	Nin	Advertisement	53507
159	07. 06. 2012	TV KCN	Problems of women entrepreneurs in Serbia	
160	08. 06. 2012	Pečat	Collectors of fear and tribute	
161	10. 06. 2012	www.danas.rs	Only 8.5 percent of the women entrepreneurs take loans more than 50,000 euros	
162	11. 06. 2012	Danas	Only 8.5 percent of the women entrepreneurs take loans more than 50,000 euros	29643
163	13. 06. 2012	www.tanjug.rs	The new government to resort to crisis management	
164	13. 06. 2012	www.telegraf.rs	Jevrosimović: Crisis management and turning to local firms	

165	13. 06. 2012	www.bizlife.rs	Jevrosimović: The new government to resort to crisis management	
166	13. 06. 2012	www.blic.rs	Launched a campaign for solving bureaucratic problems	
167	13. 06. 2012	www.ekapija.com	NALED and RTS launched a campaign to improve the business environment in Serbia	
168	13. 06. 2012	Radio Beograd 1	The Serbian economy spends about 2 billion euros in administrative procedures and fees	
169	13. 06. 2012	RTS 1	The campaign to reduce bureaucratic procedures "Ask when"	
170	13. 06. 2012	www.poslovnojutro.com	Cooperation of RTS and NALED	
171	13. 06. 2012	www.jugpress.com	The campaign "Ask when" has started	
172	13. 06. 2012	Radio Beograd 1	Serbia spends around two billion euros in unnecessary taxes per year	
173	14. 06. 2012	Privredni Pregled	Ask (bureaucracy) when	
174	14. 06. 2012	www.radiocentar987.com	The campaign "Ask when" has started	
175	14. 06. 2012	Danas	Of 86 documents, 80% unnecessary	29643
176	15. 06. 2012	Politika	Through the birth pains to maternity leave	154499
177	15. 06. 2012	Magazin biznis	Loans less accessible for women business	
178	16. 06. 2012	Blic	What type of tax system we want	296249
179	16. 06. 2012	Nedeljne novine - Bačka palanka	For faster realization of local projects	
180	17. 06. 2012	www.b92.net	NALED: A pregnant woman against the system	
181	19. 06. 2012	www.bebac.com	NALED: A pregnant woman against the system	
182	20. 06. 2012	www.gradjanske.org	First video in "Ask when" campaign: A pregnant woman against the system	
183	20. 06. 2012	www.ekapija.com	What will the economists and businessmen recommend to the new government- "Summer Vivaldi forum" 21-23 June on Mokra gora	
184	21. 06. 2012	TV KCN	Action "From the labyrinth	
185	22. 06. 2012	Politika	Woman leads every fourth company	154499
186	22. 06. 2012	www.economy.rs	New Law on Factoring - ready for adoption	
187	22. 06. 2012	www.ekapija.com	The new Law on factoring will make business easier and increase the flow of money	
188	22. 06. 2012	www.beta.rs	Draft of the Law on factoring passed the public discussion	
189	22. 06. 2012	www.pressonline.rs	Bugarin: High external debt limits the development of the economy	
190	22. 06. 2012	www.tanjug.rs	High external debt limits the development of the	

			economy	
191	22. 06. 2012	www.pravda.rs	High external debt limits the development of the economy	
192	22. 06. 2012	Zrenjanin	For the dignity of labor	
193	22. 06. 2012	Zrenjanin	Inspection reform	
194	23. 06. 2012	Dnevnik	Mica The Killer - You're lacking one paper	30000
195	25. 06. 2012	Privredni pregled	Waiting for the Law on factoring	
196	25. 06. 2012	www.rts.rs	Udovički: The task of the government is to revive the economy	
197	25. 06. 2012	RTS 1	Kori Udovicki opinion on the future priorities of the Government	
198	25. 06. 2012	RTS 1	It is important to form a new Government as soon as possible	
199	25. 06. 2012	Akter	The exchange rate undermines the enterprise	
200	26. 06. 2012	Blic	Unnecessary burdens can be terminated in three months	296249
201	26. 06. 2012	RTS 1	Unnecessary burdens can be terminated in three months	
202	27. 06. 2012	www.rpkns.com	The annual competition for grant funds for 2012. – USAID Business Enabling Project	
				6,175,414

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. Five focus group meetings 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, and met once. With the BEP provided support, the Draft of the Inspection Reform Strategy developed.
	Assist GoS Working Group with development of the Inspections Reform Strategy (the Program).	Jan - April 2012	Strategy for Inspections Reform	Draft of the Inspection Reform Strategy developed.
	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 October 2012.
	Provide technical assistance for the development of the legal and regulatory framework for implementation of the Inspections Reform Strategy.	Mar 2012 – Jan 2013	Draft laws and bylaws for implementation of the inspection reform.	Draft of the Outline of the Future Inspections Law prepared and shared with the inspections reform Leadership Group.
	Provide technical assistance for the development of the Action Plan for the Inspections Reform Strategy (the Program).	Feb - November 2012	Action Plan for Inspections Reform	Activity expected to start following appointment of the new Government.
	Assist the implementation of the pilot project for the Inspections Reform, targeted at	Jan - April	Reformed	TOR for the new e-Inspections

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
	increasing transparency, establishing coordination between inspections and decreasing the number of steps and procedures.	2012	inspections mechanism for selected inspectorates	system has been developed. Its release is awaiting confirmation of commitment by relevant ministries.
	Conduct an outreach campaign to raise public support for inspections reform	Mar 2012 – Jan 2013	Inspections reform outreach campaign	Outreach campaign in progress.
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 and analysis completed.
	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	First discussion took place on April 19. Other outreach and public private dialogue activities planned.
	Advocate for changes in relevant legislation and practice	July–November 2011	Media and other communications; Roundtables and Conferences	Activity started on April 19 and continues mainly through outreach activities..
	Assist in preparation of legislative and procedural solutions, based on stakeholders dialogue	November 2011 – March 2012	Legislation to remove or limit charges and fees	Activity expected to take after formation of the new Government.
	Conduct an outreach campaign to support removal of quasi fiscal charges using the inventory and analysis of cost of charges and fees imposed on businesses by GoS entities	Feb - December 2012	Outreach campaign on para-fiscal charges	Ongoing.
	Assist stakeholders in discussing and development of the solutions for reducing the cost and for dealing with the lack of predictability and certainty of charges and fees on local and national level	March - December 2012	Public discussion on solutions for quasi fiscal charges	Activity started following April 19 presentation.
	Provide technical assistance for further development of proposals for streamlining quasi fiscal charges.	March – December 2012	Proposals for streamlining para-fiscal charges.	Activity expected to take place 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	All bylaws are adopted.
	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)	Training program developed and initial training delivered. Appointment procedure established and implemented.

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
	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	System for appointment of PEOs established. Supervision performed by the Chamber of Enforcement Officers. Group of MoJ officers is designated to deal with the enforcement sector, organized into a separate Legal Professions Development and Supervision Unit.
	Finalize the bylaws needed for the implementation of the Enforcement Law	Jan - May 2012	Bylaws needed for the implementation of the Enforcement Law	All bylaws are adopted.
	Develop the Curriculum and training manuals and materials for continuing education of Professional Enforcement Officers (PEOs) and conduct the first training program for the first body of appointed PEOs	Jan - June 2012	The first training program for the first body of appointed PEOs	Training manual developed and training delivered.
	Conduct and outreach campaign to promote the new PEOs profession and overall enforcement reform	Sept – November 2012	Outreach campaign on new PEOs profession	Outreach campaign implemented in partnership with the MoJ.
	Develop system, including internal procedures and establishment of Disciplinary Commission, for appointment and supervision of PEOs and assist in establishment and capacity building of MoJ unit to oversee PEOs	Jan-Nov 2012	Functional Disciplinary Commission and MoJPEO unit	System for appointment of PEOs established. Supervision performed by the Chamber of Enforcement Officers (already operational) and the MoJ. Disciplinary Commission not yet being established.
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	Report on Construction Permits Procedures Priority Constraints be completed. Stakeholders dialogue started with the roundtable on the Draft Report.
	Assist the Ministry of Environment and Spatial Planning (MESMP) in developing bylaws and Official Opinions for the proper implementation of the new Law on	April 2011 – April 2012	Bylaws and Official Opinions drafted and	Focus on conversion decree resulted in adoption of that bylaw with support from BEP in terms of

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Task	Activities	Activity Period	Deliverables	Status
	Planning and Construction		adopted / issued	facilitating public discussion and providing the technical assistance in developing the decree. MEMSP created 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 on a bylaw expected to be on the Decree on Communal Charge.
	Use results of the research on Construction Permits Procedures Constraints to facilitate an outreach campaign and stakeholders dialogue to develop priority list and action plan for improvements in legislation and practice	Feb – Dec 2012	Outreach campaign on construction permits constraints, public private dialogue	Stakeholders' dialogue started with the presentation of the Draft Report. Outreach campaign initiated, with the peak planned for September 2012.
	Implement the system for tracking progress with adoption of spatial plans and for accessing the plans in the user friendly format	Jan – April 2012	Web based system for tracking planning documents	RFA for web based system for tracking planning documents prepared, commitment from the Government partners secured, release of the RFA imminent..
	Develop and promote an action plan for business processes improvement in one priority aspects of construction permitting, such as use of information technologies, urban planning mechanisms and role of public enterprises	April 2012 – January 2013	Action plan for business processes improvement in one priority aspects of construction permitting	Awaiting new Government.
5. Reduce the employing workers burden	Develop studies on labor flexibility and on costs and productivity of labor in Serbia, with references to regional and best international practice, including analysis and set of recommendations for change	Feb 2012 – June 2012	Studies on labor flexibility and on costs and productivity of labor in Serbia	RFA released; study expected to be completed in August.
	Organize outreach campaign and public-private dialogue to inform decision makers, stakeholders and general public about the impact of current environment for labor	Sept – Dec 2012	Outreach campaign on environment for	Outreach campaign initiated, with the peak planned for October 2012.

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
	market and about expected outcomes of proposed reforms		labor market	Dialogue has begun with business associations and trade unions.
	Provide technical assistance for legal drafting related with labor legislation	Sept 2012 – January 2013	Drafts of legal acts for reducing the employing workers burden	This activity will start after formation of the new government.
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	Public private dialogue focused on dealing with para-fiscal charges, reforming construction permitting,, inspections reform, promotion of PPPs and discussion of the future Code of Corporate Governance.
	Facilitate positioning of the forum of the heads of business associations in Serbia into an institutional mechanism to provide businesses' input on regulatory reforms and build support for increasing the impact and influence of this forum to reform decision makers	Jan – Nov 2012	Established RRO advisory group consisted of business associations representatives	Practice of consultative meetings between RRO and business associations established and sustained.
	Conduct Annual Business Survey continuing the practice started in the Year 1	Jun – Oct 2012	Annual Business Survey report	Annual Business Survey will be conducted in Q3 2012.
Objective 3: Improve the regulatory review process and RIA process				
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	Changes to the GoS Rules of Procedures discussed with the GoS General Secretariat and

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
			publically available	amendments to the Rules of Procedures are drafted accordingly and submitted to the General Secretariat. Waiting for the new GoS to enact.
	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 amendments to the Rules of Procedures are drafted accordingly and submitted to the General Secretariat. Waiting for the new GoS to enact.
	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 will await new Government.
	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, or on the Factoring Law.
	Assist the RRO in conducting RIA for selected legislation and bylaws (ongoing activity)	Jan 2012 – Jan 2013	Standard Cost Model Studies on the costs of particular regulatory constraints for doing business in Serbia	RIA supported by BEP will be most likely on inspections reform strategy, or on the Factoring law.
	Assist implementation of the National Regulatory Reform Strategy (NRRS) and Action Plan for 2011 - 2012	Jan 2012 – Jan 2013	Annual report on the Strategy implementation	This activity will start upon adoption of the NRRS
	Assist RRO`s capacity building and support its outreach and promotion activities	Feb 2012 – Jan 2013		Ongoing activities.

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
Objective 4: Create enabling environment for PPPs				
1.	Facilitate public private dialogue on the bylaws stemming from the PPP and concessions and utility activities law	Feb – Jun 2012	Roundtables, working group meetings, public discussions, consultations	This activity will start after completion of the draft of the first relevant bylaw.
	Provide technical assistance for drafting bylaws stemming from the PPP and concessions and utility activities law	Feb – Jun 2012	Drafts of bylaws stemming from the PPP and concessions and utility activities law	Ongoing – technical assistance so far provided regarding development of the Communal Charge Decree.
	Assist the PPP Commission in developing the PPP and concessions methodologies	Jan – Jun 2012	PPP and concessions methodologies	This activity will start in August 2012.
2. Build interest and capacities of public and private partners to engage in PPPs	Provide training to the members of the Commission (including a study tour in a CEE country)	Jun – November 2012	Training, study tour	This activity is planned for September 2012
	Organize an outreach campaign to educate stakeholders and general public on potential and challenges related with PPPs	Oct – Dec 2012	Outreach campaign on potential and challenges related with PPPs	This activity will start in October 2012
	Organize the “Governments and Businesses Talk Partnerships” road show to train public authorities and potential investors on the possibilities created with the PPP legislation.	Jun – November 2012	Training/regional presentations	This activity will start in November 2012.
Objective 5: Improve Corporate Governance Policies, Standards and Regulations				
1. Support implementation of the new Company Law (adoption expected by June)	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	The new Code of Corporate Governance drafted and the vetting process is taking place now.
	Develop Curriculum and train Commercial Court judges on implementation of the new Company Law	October 2011 – April 2012	Training for Judges	Curriculum developed and 23 judges trained so far.
	Information dissemination on the company law to business community	Sept. 2011 –	Brochure, media	This activity is scheduled for the

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Task	Activities	Activity Period	Deliverables	Status
		April 2012	outreach	period of implementation of the grant for training of Commercial Court judges
	Assist development and popularization of the new Code of Corporate Governance.	Jan – Apr 2012	New Code of Corporate Governance	This activity will start with public promotion of the new Code following its adoption.
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		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 and national level conference and continued with the press 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		Ongoing.
	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		Outreach implemented in partnership with the MoJ.
	Enable journalists to learn more about economic topics and economic reforms needed in Serbia (Task 2.1)	Ongoing		Ongoing – all of the Component 1 activities, with exception of the 5 focus groups on inspections and certain activities related with the labor policy include 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.
	Information dissemination on corporate governance to business community (Task 5.1)	Ongoing	.	Ongoing.
	Advocacy for inspections reform	January – December 2012		Ongoing

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
Outreach campaign for quasi-fiscal charges		February – December 2012	Grant	Ongoing.
Constructions permits – outreach on problems and solutions		March – December 2012	Grant	Outreach campaign started with promotion of the Draft Report on Construction Permitting.
Labor policy outreach		March – December 2012		Outreach campaign expected to start since June 1.
PPP road show and other outreach		June – December 2012	Grant	Outreach activity will start in October 2012, and roadshow will start in November 2012.
Outreach campaign for enforcement of judgments procedures and PEOs		January – October 2012		Outreach implemented in partnership with the MoJ.
Publicize results of BEP Survey of Businesses		October – December 2012	This activity will take place in Fall 2012.	
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	Technical assistance and capacity building to help expand the FC's analytical scope to address: Medium-Term Objectives (MTOs), new fiscal adjustment reforms, and overall improvements to public sector financial management.	Jan - April 2012	Ongoing Technical Assistance MTFAR document	BEP STTA's Milojko Arsic and Sasa Randjelovic prepared the following chapters of Fiscal Council's Proposed Measures for Fiscal Consolidation 2012-2016 study: fiscal consolidation: Fiscal

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	Status
				Decentralization, Public Debt and its Sustainability, Tax Reform, and Analysis of Potential Savings on Subventions. BEP is likely to also support Corporate and Personal Income Tax reform, as well as capacity building assistance to create Demographic Model.
	Support for tactical research that will help the FC improve fiscal policies and advance economic development	2012	Policy Notes and Research Advisory Papers	Components 1 and 2 are in the process of preparing a Scope of Work on De-Agencification of Serbia, as a follow up to Fiscal Council's chapter on "Own Revenues of Budget Users and Out-of-Budget Funds" in Fiscal Consolidation.
	Assist in strengthening public awareness and dialogue on the role and importance of the FC.	2012	Conferences, debates, policy notes, public dialogue	Fiscal Council is already receiving wide media attention due to their Fiscal Consolidation measures that were published in the middle of the political negotiations on new government. Considering what support if any the Council may need after the new Government is formed.
2. Improvements to MoF Fiscal Analysis and Strategy	Finalization of written guidelines for structural and cyclically adjusted deficit projections and debt sustainability analysis.	Jan - April 2012	Trainings and Training Materials	Completed. The third and last capacity building phase has been delivered with completion of Instructions that institutionalized the capacity attained by the Macro Fiscal Department (MFD) of the Ministry of Finance (MoF) to independently perform various forecasts (crucial for fiscal

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	Status
				sustainability analyses and development of fiscal strategy).
	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) [note: this is Year 1 Work Plan's activity, Study Tour was completed in January under the Work Plan for Year 1]	Oct-Nov 2011	Study Tour	Study tour to Italy completed during January 2012.
	Build capacity of the Macro-Fiscal Department (MFD) of MoF to develop and apply econometric models and carry out comprehensive analysis of the public finance sustainability in the mid-term and long-term.	Jun - Dec 2012	Model, Training and Training Materials, Guidelines	USAID BEP Advisor Slaven Mickovic delivered a total of 5 training seminars to assist the MFD to develop the modeling capacity to better analyze the medium and long-term fiscal position and to introduce an early warning surveillance mechanism aiming to prevent and correct macroeconomic imbalances. The training will be continued in October, with delivery of two related seminars.
	Assist the MoF to become a more effective policy-making institution by expanding its capacity to evaluate the impact of micro-fiscal policies on businesses and households.	Sept – Dec 2012	Model, Training and Training Materials, and Guidelines	BEP engaged a senior economist from Italian MoF to conduct assessment of MFD modeling needs in July.
3. Assistance to the GoS and Parliament to improving budget coordination and performance management	Use findings and recommendations from the “Study on Effective Use of Performance Indicators in Public Sector Budgeting and Planning” to train General Secretariat on use of performance indicators and to assist on further development of performance indicators on GoS programs.	March - Sept 2012	Training and Training Materials, Advisory notes High-level workshop	Ongoing. After the new Government is formed BEP STTA expert Dusan Vujovic will deliver remaining trainings to the Members of Parliament on the effective usage of performance indicators in public sector budgeting and planning.
	Undertake donor coordination on outreach efforts to broaden public awareness and dialogue on strategic and performance-based budgeting and planning, to place the budget process reforms on the top of the GoS' agenda, and perform analyses that support that cause. Initiate and maintain communication with other GoS stakeholders such as the Parliament, State Audit Institution, etc.	Feb - Dec 2012	Advisory Notes	BEP is in communications with the World Bank on donor coordination to further advance the initiative that BEP started last Fall in helping to catalyze the development of a

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	Status
				unified donor position on budget reforms. However, BEP is still waiting for the second draft by the World Bank on joint Policy Briefing document. BEP plans to co-organize a Public Financial Management conference with the World Bank.
4. Assist the MoF Budget Department to develop capacity for improved transparency and program budgeting	Train the Budget Department, line ministries and other government institutions (i.e. State Audit Institution) on performance-based budgeting planning, managing, and monitoring skills. Assistance to the Budget Department to implement performance-based budgeting as opportunities arise.	2012	Training and Training Materials	BEP advisors completed a total of seven full-day seminars on program budgeting to the representatives of the Budget Department and line ministries and other budgetary users. There were 140 attendees for a total of about 2000 training hours.
	Assist the MoF to draft and distribute "A Citizen's Guide to the Budget" aimed at promoting public finance transparency and educating broader public on budgetary issues.	Feb - April 2012	Guide to Citizen's Budget 2012	Grant has been awarded and contract signed with BIRN in June. This work will be conducted on the Law on Budget for 2013.
5. Improvements to Fiscal Policy, Strategy and Analysis	Joint training and capacity building for journalists and other stakeholders (like public relations and communications officials from GoS) to improve the quality of reporting and analysis of economic issues.	2012	Workshops Trainings and Training Materials	Grant "Journalist Education on Economic and Business Reforms", awarded to CLDS, has been completed with the delivery of the last two trainings. Follow on grant is being considered.
	Strengthen public awareness and debate on key fiscal policy issues through various mechanisms including, public events, workshops, co-sponsorships of economic publications, Policy Café website.	2012	Research Paper Public Debate	BEP supported the Panel on "First Ten Concrete Measures for the New Government – Serbia's Strategy to Increase Business Growth", as part of Summer Vivaldi CFO Forum, via a grant to Economics Institute. In response to the request by the MoF to help improve regulations for

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	Status
				managing state aid in line with EU and international standards, BEP prepared a grant RFA and evaluated the received proposals and will soon make a final decision.
Objective 2: Improve public debt management and conditions for government financing				
1. Improving conditions for public investment in and trading of government debt (See also Component 3)	Training and organizational improvements to strengthen the front office operations of the PDA based on findings and recommendations from planned review of organizational structure.	2012	Action plan	The organizational diagnostic work (see Objective 2, Task 2, Activity 1 below), planned for completion in July, shall provide insights into the front office operation improvements. Once that work is complete, we will consider further assistance in this area.
	Assistance to the PDA to strengthen investor relations and public outreach about opportunities in central government and municipal debt.	2012	Action plan	BEP will organize a roundtable on government securities from investors' perspective in November with a grantee, Economics Institute. BEP is also considering an invitation by an EU project to co-organize a public debt conference in the first half of October.
2. Assistance to improve debt management systems, reporting, analysis, and capacity	Organizational development and capacity assistance to strengthen PDA's middle and back offices in line with the international standards.	January 2012 – June 2012	Advisory Report on Organizational Diagnostic	An international expert contracted by BEP conducted assessment and presented preliminary findings and recommendations of organizational diagnostic. The work was supposed to finalize in June, but due to delays by the expert, BEP expects the completion in July.
	Ongoing training series and capacity building to PDA in debt management strategy, risk management, planning and operations.	2012	Trainings, Training Materials, Models, Handbooks, Hardware,	A local expert contracted by BEP delivered 14-module training during April, May, and June to the PDA and Treasury staff on public debt risk

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	Status
			Educational Materials, etc.	management topics. Four additional sessions were used to prepare and test the staff for the purpose of checking the knowledge attained by staff for the possible organizational arrangements in line with the staff's test results.
	Continued support for improvements to debt management systems and reporting and information management (e.g. TRASSET reform, advisory support on IT system enhancement, report template development, analytical models, etc.)	2012	Periodic report on issue identification and resolution; New Reports created; User Requirements Outlined	BEP delivered the final (fourth) version of the "Specification for Corrections of Public Debt Stock Report" document to the PDA. BEP hopes that the debt stock report will be modified, tested, and validated in the third quarter of 2012. Other assistance to the PDA related to its debt management system has been put on hold during the second quarter due to insufficient capacity of the PDA to absorb technical assistance.
	Assist the PDA in project managing the implementation of new modules and functionalities of its debt management system.	TBD	Regular Reports on Implementation Status and Undertaken Activities	Not started. TBD. The plan is to make the existing debt management system functioning in terms of cash flows and reporting. Thereafter, new functionalities can be considered.
Objective 3: Improve macroeconomic policy and strategy				
1. Tactical Assistance to advance the GoS macroeconomic strategy	Design and conduct policy-focused studies and policy briefs that will help the new government formulate and plan business growth-focused economic reforms.	Feb – September 2012	Economic Growth Model	BEP designed and published an RFA to address policy actions and recommendations for reducing the shadow economy. BEP evaluated the received proposals and will soon invite an applicant for negotiation.
	Conduct outreach on priority macroeconomic issues of the new government through	2012	Conferences,	BEP External Advisor Milojko Arsic

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	Status
	various mechanisms including workshops, roundtables, and Policy Café submissions.		Debates, Roundtables	wrote an article on “Dynamics and Control of Public Debt, and Risk of Debt Crisis” that was published in FREN’s Quarterly Monitor and also on BEP’s portal www.policycafe.rs . BEP provided “Access to Finance” recommendations for small and medium enterprises (SME) during the Panel “New Financial Serbian Architecture for Stimulating the Real Sector” of the Vivaldi Forum at Mokra Gora.
	Complete the analysis of national savings patterns and promote reforms supporting increased domestic savings rates.	March – October 2012	Savings Study Outreach	The economic think-tank CLDS supplied its detailed technical report by the end of June, when the final draft was due. It appears that the delay is due to the insufficiency of statistical data.
Communications and Outreach Activities				
	Support to the Fiscal Council on outreach and communication strategy	End of 2012		Assisting the Fiscal Council with communications materials.
	Support to the Public Debt Administration on outreach	All year		BEP will organize a roundtable on government securities from investors’ perspective in November with a grantee, Economics Institute. BEP is also considering an EU invitation by an EU project to co-organize a public debt conference in the first half of October.

Press and media events associated with the results of select studies (Savings, Shadow, Performance indicators, ...)	All year		BEP supported the Panel on “First Ten Concrete Measures for the New Government – Serbia’s Strategy to Increase Business Growth”, as part of Summer Vivaldi CFO Forum, via a grant to Economics Institute. Media coverage included over ten reports in both printed and broadcast media, including RTS prime-time news.
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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 in implementation of the new Capital Markets Law	Technical assistance and outreach support to the Securities Commission (SC), MoF, other securities industry stakeholders, including journalists trainings/briefings, to promote acceptance of the new legislation and its impact on market development	February – December	Conference material Media material Ongoing advisory notes Training materials	Completed. 212 participants took part in the Conference organized on April 11. Relevant materials from the Conference, law and bylaws are published and can be found at www.sec.gov.rs and www.policycafe.rs .
	Technical assistance to develop remaining bylaws, regulatory directives and guidelines (e.g. capital requirements, credit rating services, regulatory instructions, etc.) to implement the new Capital Market Law	January - July	Outlines of bylaws drafted Legal drafts	Bylaws related to transparency and disclosure, and bylaws regarding Official Register of Information were finished and adopted in early 2012. This is in addition to 17 capital markets bylaws (related to prospectus, investment firms, Investors Protection Fund and market abuse) drafted, confirmed by MoF and adopted by SC in 2011.
	Staff training and capacity building for the SC to implement the new Capital Market Law.	February – April	Training materials Advisory notes	Completed. SC participated in US Securities and Exchange Commission Annual International Institute for Securities Market Development in Washington DC.

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	Status
2. Assistance in development and implementation of other capital market-related laws	Assistance to the SC and MoF on preparation for other legal drafts, including consultations with industry as may be needed.	October - December	Outlines of bylaws drafted Legal drafts Roundtables	Ongoing. As a part of efforts to improve other capital-market-related laws, BEP completed work on "Transposition Table", an official table of Takeover Law compliance with EU Directives. BEP provided recommendations and comments to MoF for improvements to this Law.
3. Assistance for the development of a legal framework and strengthened enabling environment for a commodity exchange	Participation and technical support to the MoTA working group in drafting Commodity Exchange Law and resolving various technical and regulatory issues.	January - May	Draft Commodity Exchange Law	Project actively participates in the MoAT working group and provides technical assistance in drafting this Law. First draft of Law has been prepared and is undergoing internal review. Second round of this review, involving relevant stakeholders, will be organized after establishment of new Government.
	Facilitate outreach and public-private dialogue that will help to foster market support for having a national commodity exchange and commodity risk management products.	January - December	Roundtable conclusions Media materials <i>Produktna berza</i> and PolicyCafe website content	Ongoing. Relevant materials, research and policy notes regularly published on www.policycafe.rs .
	Training and capacity building to the MoTA, SC, and other stakeholders on commodity exchange supervision.	November 2012 – April 2013	As defined by the law	Activity scheduled for November.
	Other technical and operational assistance to integrate and harmonize commodity exchange regulation into overall capital market regulation, and assistance to develop market for commodities.	November 2012 – March 2013	Advisory notes Outlines of policies and procedures drafted	Activity scheduled for November.
Objective 2: Strengthen integrity of the capital markets by helping the GoS to assist equity issuers and brokers to comply with securities laws				
1. Assistance to build capacity of the Securities Exchange Commission in	Training series and organizational development support to the SC and industry to strengthen implementation of the new law and adoption of international practices	April - October	Training materials Advisory notes	Currently outlining work on SC organizational diagnostics and improvement. Two-day training on supervision held at SC in early

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
brokerage and investment fund supervision				March. BEP conducted small-scale review of SC processes to assess its capacity to implement new law.
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 market	Assessment of institutional investor needs and demand-side constraints to achieving a more diversified issuance of government debt. Technical assistance priorities on the supply-side will fall under the support to PDA by Component 2. However, Component 3 will provide technical support on the demand side.	September - November	Baseline assessment of the institutional investors needs	Ongoing. BEP and Economic Institute have scheduled roundtable debate devoted to government bonds from demand side perspective for November.
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	Outreach campaign to stimulate public-private dialogue on how to strengthen the contribution of the financial sector to economic growth. (This campaign would also emphasize reforms to improve capital formation and national savings that would follow from the savings study).	Ongoing	Media materials; journalist training; roundtable conclusions	BEP organized high-level conference with SC in April. BEP contributed to panel on "New Financial Serbian Architecture for Stimulating the Real Sector" at Vivaldi Forum in May. Additional materials, policy notes, researches, etc. are regularly published on www.policycafe.rs . Currently preparing strategy for public outreach for access to finance for SMEs.
2. Facilitation of increased debate of access to finance	Outreach campaign to stimulate public-private dialogue on access to finance.	Ongoing	Media materials; Roundtables conclusions	Grant for overall outreach on access to finance has been committed. BEP is working with grantee to develop details of outreach campaign. Campaign is due to start in September. In addition, materials, policy notes, research, etc. related to access to finance are regularly published on www.policycafe.rs .

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	Status
Objective 5: Strengthen disclosure and transparency supporting new investment by assisting the GoS to implement required accounting, audit and disclosure standards				
1. Improve the quality, timeliness, and access of company information	Assistance with the implementation of disclosure regulations that were drafted and adopted with USAID BEP help in Year 1. This will include some assistance to establish an Official Register of Information to make disclosure more efficient.	April - October	Report on disclosure and Official Register of Information	Completed assessment of technical capacities and procedures of SC to establish Official Register of Information and implement new regulations. Preparing action plan to establish Official Register of Information and implement new regulations throughout new IT system and procedures.
Objective 6: Improving access to finance for small and medium enterprises and entrepreneurs				
1. Improving the enabling environment for SME access to finance	Finalize the access to finance market assessment, develop viable recommendations for comprehensive improvements, and communicate the findings to key government stakeholders	January - March	White paper Media materials	BEP organized special roundtable focused on access to finance for women in business in May. Before that, BEP conducted 6 roundtables in different regions of Serbia. BEP completed substantial research on access to finance, annual business survey on access to finance with more than 900 firms, in-house research on donors' credit lines and state funds, banking regulations, valuation of collateral, etc. Currently finalizing White Paper on Access to Finance for SMEs to include all findings and recommendations for improving access to finance.
	Assist relevant ministries in developing an action plans for improving access to finance based on the findings of USAID BEP's market assessment.	April -December	Advisory notes Draft action plan	Activity scheduled to take place after new government is established.
	Technical assistance for implementing action plan and recommendations based on the findings of USAID BEP's market assessment and accepted by the new government.	May - December	Advisory notes	Activity scheduled to take place after new government is established.

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	Status
	Assistance to help business associations improve outreach and public-private dialogue on access to finance issues.	July -December	Media publications Roundtable conclusions and recommendations	Activity scheduled for September.
	Assist the MoERD in developing a framework for data collection and analysis on SME finance.	March - December	Report on developed framework for data collection	Activity scheduled to take place after White Paper is published.
	Advocacy and outreach campaign to promote the development of a proper legal framework for NBF1 credit institutions.	August - December	Presentations advocacy PR activities media materials	Activity scheduled for October.
	Support to the NBS and MoF on the development of legislation supporting access to finance	March - December	Advisory notes Legal drafts Outlines of bylaws drafted	In May BEP and MoF organized very efficient and successful public discussion on Factoring Law. BEP organized roundtable for more than 40 stakeholders, including Factors Chain International. BEP participated in and supported two more roundtables on Factoring Law, one with factoring industry and one with factoring clients. Final draft of Factoring Law has been prepared and is currently undergoing formal adoption process. Currently working with MoF to prepare modifications to Factoring Law. BEP and NBS started work on improving appraising of collateral, as important factor in access to finance.

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				
4. Assistance in implementation of the new Capital Markets Law	Technical assistance and outreach support to the Securities Commission (SC), MoF, other securities industry stakeholders, including journalists trainings/briefings, to promote acceptance of the new legislation and its impact on market development	February – December	Conference material Media material Ongoing advisory notes Training materials	Completed. 212 participants took part in the Conference organized on April 11. Aim of the Conference was to promote new regulations (Capital Market Law and bylaws, Company Law and Takeover Law). Relevant materials from the Conference, law and bylaws are published and can be found at www.sec.gov.rs and www.policycafe.rs .
	Technical assistance to develop remaining bylaws, regulatory directives and guidelines (e.g. capital requirements, credit rating services, regulatory instructions, etc.) to implement the new Capital Market Law	January - July	Outlines of bylaws drafted Legal drafts	Bylaws related to transparency and disclosure, and bylaws regarding Official Register of Information were finished and adopted in early 2012. This is in addition to 17 capital markets bylaws (related to prospectus, investment firms, Investors Protection Fund and market abuse) drafted, confirmed by MoF and adopted by SC in 2011. Currently assisting SC to organize public discussion, before finalizing and adopting bylaws related to capital adequacy of investment firms.
	Staff training and capacity building for the SC to implement the new Capital Market Law.	February – April	Training materials Advisory notes	SC participated in US Securities and Exchange Commission Annual International Institute for Securities Market Development in Washington DC during April with around 180 senior securities officials from over 70 countries.

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	Status
5. Assistance in development and implementation of other capital market-related laws	Assistance to the SC and MoF on preparation for other legal drafts, including consultations with industry as may be needed.	October - December	Outlines of bylaws drafted Legal drafts Roundtables	As a part of efforts to improve other capital-market- related laws, BEP completed work on “Transposition Table”, an official table of Takeover Law compliance with EU Directives. BEP provided recommendations and comments to MoF for improvements to this Law. BEP and MoF will use work done to prepare amendments of all capital-market-related laws aiming to improve regulation, as well as compliance with EU Directives.
6. Assistance for the development of a legal framework and strengthened enabling environment for a commodity exchange	Participation and technical support to the MoTA working group in drafting Commodity Exchange Law and resolving various technical and regulatory issues.	January - May	Draft Commodity Exchange Law	Project actively participates in the MoAT working group and provides technical assistance in drafting this Law. First draft of Law has been prepared and is undergoing internal review. Second round of this review, involving relevant stakeholders, will be organized after establishment of new Government.
	Facilitate outreach and public-private dialogue that will help to foster market support for having a national commodity exchange and commodity risk management products.	January - December	Roundtable conclusions Media materials <i>Produktna berza</i> and PolicyCafe website content	Relevant materials, research and policy notes regularly published on www.policycafe.rs .
	Training and capacity building to the MoTA, SC, and other stakeholders on commodity exchange supervision.	November 2012 – April 2013	As defined by the law	Activity scheduled for November.
	Other technical and operational assistance to integrate and harmonize commodity exchange regulation into overall capital market regulation, and assistance to develop market for commodities.	November 2012 – March 2013	Advisory notes Outlines of policies and procedures drafted	Activity scheduled for November.

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	Status
Objective 2: Strengthen integrity of the capital markets by helping the GoS to assist equity issuers and brokers to comply with securities laws				
2. Assistance to build capacity of the Securities Exchange Commission in brokerage and investment fund supervision	Training series and organizational development support to the SC and industry to strengthen implementation of the new law and adoption of international practices	April - October	Training materials Advisory notes	Completed two-day training on supervision at SC in early March. BEP conducted small-scale review of SC processes to assess its capacity to implement new law. Currently outlining work on SC organizational diagnostics and improvement.
Objective 3: Improve GoS access to finance through development of a long-term, liquid public debt market				
2. Assistance to identify and develop the key regulatory criteria for developing a government debt market	Assessment of institutional investor needs and demand-side constraints to achieving a more diversified issuance of government debt. Technical assistance priorities on the supply-side will fall under the support to PDA by Component 2. However, Component 3 will provide technical support on the demand side.	September - November	Baseline assessment of the institutional investors needs	Ongoing. BEP and Economic Institute have scheduled roundtable debate devoted to government bonds from demand side perspective for November.
Objective 4: Strengthen public-private dialogue on the financial sector and its role in economic development				
3. Facilitation of increased debate and analysis of the financial sector	Outreach campaign to stimulate public-private dialogue on how to strengthen the contribution of the financial sector to economic growth. (This campaign would also emphasize reforms to improve capital formation and national savings that would follow from the savings study).	Ongoing	Media materials; journalist training; roundtable conclusions	BEP organized high-level conference with SC in April. BEP contributed to panel on "New Financial Serbian Architecture for Stimulating the Real Sector" at Vivaldi Forum in May. Additional materials, policy notes, researches, etc. are regularly published on www.policyscafe.rs . Currently preparing public outreach strategy for access to finance for SMEs.
4. Facilitation of increased debate of access to finance	Outreach campaign to stimulate public-private dialogue on access to finance.	Ongoing	Media materials; Roundtables conclusions	Grant for overall outreach on access to finance has been committed. BEP is working with grantee to develop details of

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	Status
				outreach campaign. Campaign is due to start in September. In additions, materials, policy notes, research, etc. related to access to finance are regularly published on www.policycafe.rs.
Objective 5: Strengthen disclosure and transparency supporting new investment by assisting the GoS to implement required accounting, audit and disclosure standards				
2. Improve the quality, timeliness, and access of company information	Assistance with the implementation of disclosure regulations that were drafted and adopted with USAID BEP help in Year 1. This will include some assistance to establish an Official Register of Information to make disclosure more efficient.	April - October	Report on disclosure and Official Register of Information	Preparing action plan to establish Official Register of Information and implement new regulations throughout new IT system and procedures. Completed assessment of technical capacities and procedures of SC to establish Official Register of Information and implement new regulations.
Objective 6: Improving access to finance for small and medium enterprises and entrepreneurs				
2. Improving the enabling environment for SME access to finance	Finalize the access to finance market assessment, develop viable recommendations for comprehensive improvements, and communicate the findings to key government stakeholders	January - March	White paper Media materials	BEP organized special roundtable focused on access to finance for women in business in May. Before that, BEP conducted 6 roundtables in different regions of Serbia. BEP completed substantial research on access to finance, annual business survey on access to finance with more than 900 firms, in-house research on donors' credit lines and state funds, banking regulations, valuation of collateral, etc. Currently finalizing White Paper on Access to Finance for SMEs to include all findings and

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	Status
				recommendations for improving access to finance.
	Assist relevant ministries in developing an action plans for improving access to finance based on the findings of USAID BEP's market assessment.	April -December	Advisory notes Draft action plan	Activity scheduled to take place after new government is established.
	Technical assistance for implementing action plan and recommendations based on the findings of USAID BEP's market assessment and accepted by the new government.	May - December	Advisory notes	Activity scheduled to take place after new government is established.
	Assistance to help business associations improve outreach and public-private dialogue on access to finance issues.	July -December	Media publications Roundtable conclusions and recommendations	Activity scheduled for September.
	Assist the MoERD in developing a framework for data collection and analysis on SME finance.	March - December	Report on developed framework for data collection	Activity scheduled to take place after White Paper is published.
	Advocacy and outreach campaign to promote the development of a proper legal framework for NBF credit institutions.	August - December	Presentations advocacy PR activities media materials	Activity scheduled for October.
	Support to the NBS and MoF on the development of legislation supporting access to finance	March - December	Advisory notes Legal drafts Outlines of bylaws drafted	In May BEP and MoF organized very efficient and successful public discussion on Factoring Law. BEP organized roundtable for more than 40 stakeholders, including Factors Chain International. BEP participated in and supported two more roundtables on Factoring Law, one with factoring industry and one with factoring clients. Final draft of Factoring Law has

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	Status
				<p>been prepared and is currently undergoing formal adoption process. Currently working with MoF to prepare modifications to Factoring Law.</p> <p>BEP and NBS started work on improving appraising of collateral, as important factor in access to finance.</p>
Communications and Outreach Activities				
Outreach on access to finance		January to December 2012	<p>Presentations advocacy PR activities media materials</p>	<p>PR activities related to Factoring Law and access to finance roundtables, especially regarding access to finance for women in business, attracted substantial media attention. Relevant materials are constantly uploaded on www.policycave.rs. Grant for access to finance overall outreach has been committed. BEP is working with grantee to develop details of outreach campaign. Campaign should start in September.</p>
Outreach on capital markets		January to December 2012	<p>Presentations advocacy PR activities media materials</p>	<p>Conference with SC held on April 11, 2012. Relevant materials are constantly uploaded on www.policycave.rs.</p>
Outreach on commodities exchanges		January to December 2012	<p>Presentations advocacy PR activities media materials</p>	<p>Activity scheduled to take place after draft law enters public discussion.</p>

ATTACHMENT 4: PROGRESS VERSUS PERFORMANCE MONITORING PLAN

Project Results / Objectives	Indicators	Measurement Unit	Data Collection Method	Schedule of Collection	Baseline	Targets Years 1-5	Status Q2 2012 (Q1+Q2)
Mission Assistance Objective: Create A More Competitive Market Economy							
IR Business Enabling Environment Improved 1.1:	Decrease in the "Burden of Government Regulations" addressing Government Inefficiency	Numeric Value	WEF GCI Reports	Annual	2011: 2.34	Yr 1: 2.34 Yr 2: 2.34 Yr 3: 2.44 Yr 4: 2.57 Yr 5 : 2.71	None. New data to be available with WEF GCI 2012-2013 in report due November 2012.
Sub-IR 1.1.1: More Effective Business Regulation	Decrease in costs for businesses to comply with regulatory framework	Numeric Value	Standard Cost Modeling (SCM)	Annual	2011 Total Administrative Cost: RSD 124.6 billion (4.2% of GDP)	Yr3: Total Administrative cost decreased by RSD 4 billion plus inflation (3.2% reduction) Yr5: Total Administrative burden decreased cumulatively by RSD 10 billion plus inflation (8% reduction plus inflation)	None. New data due with a new SCM. Scheduled for year 3.
IR Macroeconomic Environment Improved 1.4:	Increase in Foreign Direct Investment	Numeric Value	National Bank of Serbia (NBS)	Annual	2010: 3.07% 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	Net FDI / GDP for <u>2011 = 5.87%</u> (source: Statistics Office for GDP; NBS for FDI) New GDP calculations methodology was applied retroactively from January 2011 and C2 believes so there is a difference between the baseline value of „Net FDI / GDP“ for 2010 stated in PMP (3.3.%) and our newly calculated value for <u>2010 (3.07%)</u> .

Sub-IR 1.4.1: Improved Fiscal Policy	Improvements in the Open Budget Index (“OBI”) Score as reported by the International Budget Partnership	Numeric Value	OBI Survey	Bi-Annual	2010: 54	Yr 1: N/A Yr 2: N/A Yr 3: OBI score 54 Yr 4: N/A Yr 5: OBI score 57	None. Next OBI Survey results to be published in October 2012.
	Improved Government Budget Balance as percentage of GDP	Numeric Value	MoF	Annual	2010: -4.4 % (actual fiscal deficit)	Yr1: -4.5% of GDP Yr2: -4.5% of GDP Yr3: N/A ¹ Yr4: N/A Yr5: -1% of GDP	By Macro Fiscal Dept. the actual 2011 Fiscal Deficit is at 5.0% of GDP (instead of first original 4.4% and second revised 4.7%);
Sub-IR 1.4.2: Financial Markets Developed	Improved score in WEF GCI “Financial Market Development” (formerly ‘Sophistication’) The VIII WEF GCI Pillar	Numeric Value	WEF GCI reports	Annual	2011: 3.74	Yr1: 3.74 Yr2: 3.80 Yr3: 3.84 Yr4: 3.88 Yr5: 3.92	None. New data to be available with WEF GCI 2012-2013 Report due November 2012.
	Credit to private sector as a percentage of GDP	Numeric Value	National Bank of Serbia (NBS)	Annual	2010: 40%	Yr 5: 60%	2011: 43.7 %
	Number of person hours of training of journalists from publications that cover business	Numeric Value	Project Report	Annual	N/A	Yr 1: 400 Yr.2: 800 Yr 3: 800 Yr 4: 800 Yr 5: 400	814 hours
Component 1: Business Regulation and Economic Governance Improved							
1. Improve and streamline	Number of commercial laws and regulations	Numeric Value	Project Reports	Annual	2011: 3	2011: 3 2012: 10	20

¹ GoS Ministry of Finance should publish a Fiscal Strategy Report which will provide level of projected deficits for 2012, 2013, 2014.

business regulation lowering the costs to businesses and government from business regulations	simplified and implemented in accordance with international standards as a result of USG assistance					2013: 10 2014: 10 2015: 10 2016: 3 ²	
	Average time spent by management on working with inspections	Numeric Value	Business Survey ³	Annual	59 hours	Yr. 2: 58 Yr. 3: 55 Yr. 4: 50 Yr. 5: 45	None. New report due September 2012.
	Number of Professional Enforcement Officers trained, passed the exam, and ready to get appointed	Numeric Value	MoJ Data	Annual	N/A	Yr 2: 300	75
	Number of days to enforce a judgment	Numeric Value	World Bank Doing Business Report	Annual	2011: 635	Yr 3: 530 Yr 4: 475 Yr 5: 417	None. New data to be available with WB DB Report in November 2012.
	Number of days dealing with constructions permits	Numeric Value	World Bank Doing Business Report	Annual	2011: 279	Yr 5: 220	None. New data to be available with WB DB Report in November 2012.
	Business perception of the burden of laws and regulations improves	Qualitative	Business Survey	Annual	2011: 17% agree that there was improvement	Yr. 2: 18% Yr. 3: 20% Yr. 4: 24% Yr. 5: 28%	None. New report due September 2012.

² Project will end 3 months into the 2016 fiscal year.

³ This refers to the annual USAID BEP Survey of Serbian Businesses.

	Significant progress of realization of new labor legislation recommended by the 2011 White Book by the Foreign Investors Council in Serbia	Qualitative	Foreign Investors Council in Serbia	Annual	N/A	Yr.2: 1 Yr 3: 2 Yr.4: 6 Yr 5: 6	None. 2012 White Book is pending.
	Decrease in percentage of businesses responding that labor law has negative impact on business	Qualitative	Business Survey	Annual	2011: 75%	Yr. 3: 65% Yr. 5: 55%	None. New report due September 2012.
2. Business effectively partners with Government in developing and implementing regulatory reforms	Increase in business sector participation on laws improving regulatory environment	Qualitative	Business Survey	Annual	2011: 19% of businesses agree that there was improvement	Yr 2 : 21% Yr. 3: 25% Yr. 4: 28% Yr. 5: 32%	None. New report due September 2012.
	Number of public private dialogue mechanisms/ events on business regulation issues created by the project	Numeric Value	Project Reports	Annual	N/A	Yr1: 3 Yr2: 5 Yr3: 5 Yr4: 5 Yr5: 2	7
3. Improve and support the regulatory review process and RIA process	Number of substantial RIAs conducted by GoS	Numeric Value	Project Reports/ Office of Regulatory Reform Reports	Quarterly	2010: 8	Yr 1: 10 Yr 2: 15 Yr 3: 20 Yr 4: 25 Yr 5: 30	13
	Business perception of	Qualitative	Business Survey	Annual	2010: 23% agree that transparency and	Yr. 2: 25% Yr. 3: 28%	None. New report due September 2012.

	transparency and predictability increases				predictability increased	Yr. 4: 32% Yr. 5: 35%	
4. Improve corporate governance standards, policies and regulations	Improvement in Doing Business Strength of Investor protection Index	Qualitative	World Bank Doing Business	Annual	2011: 5.3	2012: 5.3; 2013: 6; 2014: 6.5; 2015: 7	None. New data to be available with WB DB Report in November 2012.
	Number of Commercial Court judges trained in implementation of the Company Law	Numeric Value	Project Reports	Quarterly	N/A	Yr 1: 20	23
5. Create enabling environment for PPPs	Number of training hours of representatives of public sector entities and private companies trained in PPP	Numeric Value	Project Reports	Annual	N/A	Yr.2.: 200 Yr 3.: 200	95
	Completion of regulatory framework (bylaws and methodologies) for PPP	Qualitative	Project records	Annual	Nonexistence of complete normative framework (bylaws and methodologies) for PPP	Yr2.: 0 Yr.3: Complete normative framework (bylaws and methodologies) for PPP (specifically 1- Methodological materials in the field of public-private partnerships and concessions; 2-Bylaw on public contracts registry; 3-Bylaw on Supervision over Implementation of Public Contracts	0
Component 2: Macroeconomic Policy and Public Financial Management Enhanced							
1. Improve GoS budgeting, fiscal policy analysis, and financial management	Improvement in the quality of Medium Term Budgeting and Prioritization	Qualitative	Project Reports	Annual	No effective budgeting framework is in place	Yr 1: Fiscal Strategy Report (FSR) contains estimates of potential GDP Yr2: FSR contains estimates of structural	According to the Budget Calendar FSR will be created and adopted in Autumn 2012.

efficiency						deficit Yr3: FSR contains estimates on tax expenditures Yr 4: Budgets among ministries better reflect their strategic priorities.	
	PEFA Multi- Year Score perspective in fiscal planning , expenditure policy and budgeting	Qualitative	PEFA Assessment (due Nov 2013)	Annual/ Results published every 3 years	2010: Scored C	Yr 5: Score B	The 2013 PEFA Assessment scheduled for November 2013.
	PEFA Assessment Score on predictability in the availability of funds for government expenditures	Qualitative	PEFA Assessment (due Nov 2013)	Annual/ Results published every 3 years	2010: Scored C+	Yr 5: Score B	The 2013 PEFA Assessment scheduled for November 2013.
	Number of articles published in the area of fiscal policy containing research and analysis provided through BEP assistance that support changes in fiscal policy	Numeric Value	Project Report	Monthly	N/A	Yr 1: 2 Yr 2: 3 Yr 3: 3 Yr 4: 2 Yr 5: 2	None
	Number of activities related to macroeconomic and fiscal issues aimed at	Numeric Value	Project Report	Annual	N/A	Yr 1: 2 Yr 2: 3 Yr 3: 4 Yr 4: 4	2 (for this quarter: Panel 1 (First Ten Concrete Measures For The New Government – Serbia’s Strategy To Increase Business Growth) of Summer

	improving public-private dialogue ⁴					Yr 5: 3	Vivaldi Forum at Mokra Gora.)
2. Improve public debt management and conditions for Government financing	Value of dinar denominated debt	Numeric Value	PDA (Public Debt Administration)	Annual	2010: Value of dinar debt is 14% of total borrowing	Yr 5: Proportion of borrowing increases to 20%	Yr1: 14%
	Government initiates a public issue of debt to more diversified investor base	Qualitative	PDA (Public Debt Administration) ad hoc report	Annual	Baseline end of March 2011 according to PDA: Banks own 87,1% on 31.03.2011	Yr 5: Banks own 75% or less of government debt in dinars	March 2011: Banks own 87,1% of debt (3/31/11)
	Operational status of debt management system and number of reports developed to manage debt risks and strategy	Numeric Value	PDA (Public Debt Administration) ad hoc report	Annual	N/A	Yr 1: 0 reports (system not functional); Yr 2: 2 reports(system operational); Yr 3: 6 reports; Yr 4: 8 reports; Yr 5: 10 reports.	No reports have been completed based on BEP Specification. The only news is that the PDA has forwarded the Specification to the Software Vendor to make changes to the report. Hopefully all programming and testing by the Software Vendor and testing and validation by the PDA will be done by the end of the Q3 for this particular report (Debt Stock report).
	Proportion of key PDA staff trained in debt management, economic and risk analysis ⁵	Numeric Value	Project records	Annual	N/A	Yr 1: 10% Yr 3: 50% Yr 5: 75%	This quarter, 20%. Cumulative value (with 15% of key staff trained in 2011) reaches 35%.
3. Improve macroeconomic policy and strategy	Improvements in WEF GCI on "Macroeconomic Environment"	Numeric value	WEF GCI reports	Annual	2011: 14.8	Yr 5: 18	None. New data to be available with WEF GCI 2012-2013 Report due November 2012.

⁴ The new indicator "Number of activities related to macroeconomic and fiscal issues aimed at improving public-private dialogue" replaces the indicator "Quality of public dialogue and debate on macroeconomic and fiscal issues." The new indicator is a more objective and attributable measurement of the project's work to achieve this Objective.

⁵ This is new indicator designed for new C2 PDA related task

	addressing Nation's Savings Rate, as % of GDP						
	Number of published studies and articles containing research and analysis provided through BEP assistance that support changes in macroeconomic policy	Numeric Value	Project Report	Annual	N/A	Yr1: 2 Yr2: 5 Yr3: 8 Yr4: 8 Yr5: 6	None in this quarter, but last quarter we failed to report an article („Comparative analysis of functionality of financial system: Serbia and SEE countries“, QM 27, March 2012)
	Awareness of Government's Economic Growth Strategy	Qualitative	Business Survey	Annual	2011: 20% of businesses agreed that they have some awareness and understanding of the strategy	Yr. 2: 20% Yr. 3: 25% Yr. 4: 30% Yr. 5: 35%	None. New report due September 2012.
	Number of person hours of training of GoS staff on macroeconomic policy and public financial management topics	Numeric Value	Project Reports	Annual	N/A	Yr1: 500 Yr2: 1000 Yr3: 1000 Yr4: 750 Yr5: 300	2769
Component 3: Increased Financial Market Development							
1. Increase capital available to business through the creation of a regulatory framework for NBFIs							
	Value of credit financed from NBFIs	Numeric	NBS Publications, Stock Market, and	Annual	N/A Or	Yr.1: 0 Yr.2: 0	0

	to businesses increases		Securities Commission Reports		TBD/calculated by C3	Yr.3: 5% Yr.4: 10% Yr.5: 10%	
	Status of the legal and market framework for a commodities exchange	Qualitative	Project Report/MoF Report	Annual	Regulatory framework currently not in place	Yr 2: Commodities exchange law and regulatory framework established Yr 3 : Establishment of the commodities exchange	The first draft of the Commodity Exchange Law is developed, and under the process of redrafting before sent to the public discussion.
	Number of intermediaries trained and advised about upcoming securities laws	Quantitative	Securities Commission and Project Report	Annual	Majority of intermediaries trained and advised	Yr 1 to Yr 4: Will depend on the speed of implementation of new law and agreement with Securities Commission and MoF Yr5: 75% of intermediaries trained and advised on changes and benefits brought by new securities laws	195 registered attendees (88 female, 107 male) + 17 media representatives = 212 attendees Total (Y1+Q1+Q2)= <u>417</u>
2.Strengthen integrity of the capital markets by helping the GoS to build capacity to ensure equity issuers and brokers comply with securities laws	Value of dinar denominated debt	Numeric Value	NBS or Statistics Office ⁶	Annual	2010: Value of dinar debt is 14% of total borrowing	Yr 5: Proportion of borrowing increases to 20%	Yr 1: 14%

⁶ Ana suggested to use NBS as a source instead of Statistics Office

3. Improve the GoS' access to finance through the development of long term, liquid debt public market	Government initiates a public issue of debt to more diversified investor base	Qualitative	PDA (Public Debt Administration) ad hoc report	Annual	Baseline end of March 2011: Banks own 87,1% of debt (3/31/11)	Yr 5: Banks own 75% or less of government debt in dinars	March 2011: Banks own 87,1% of debt (3/31/11)
	Increased awareness of the role of the financial sector in economic development	Qualitative	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Around 25% of businesses expressed a sort of an agreement that there is awareness	Yr 5: 50% increase in awareness	None. New report due September 2012.
4. Strengthened public-private dialogue on the financial sector and its role in economic development	Compliance with IOSCO standards in areas of securities intermediaries and equity issuance improves	Qualitative/ Numeric Value	Project and IOSCO Reports	Bi-Annual	50%	Yr 5: Compliance improves to 60% or better	New data will be available in Year 5.
5. Strengthen the disclosure and transparency supporting new investment by assisting the GoS to implement required accounting, audit and disclosure standards	Improved access to finance	Qualitative	Business Survey	Annual	2011: 25% of businesses agree that access to finance has improved	Yr. 3: 30% Yr. 5: 35%	None. New report due September 2012.
6. Improved access to	Increase in average value of loan size	Qualitative/	Project Survey	Annual	2011: 9500 EUR	Yr.2.: 0 % points increase	None. New report due September 2012.

finance SMEs	for	and borrowing by SME's ⁷	numeric	(USAID BEP Business Survey			from baseline Yr.3.: 10 % point increase Yr.4.: 15 % point increase Yr.5.: 20 % point increase
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ATTACHMENT 5: BEP GRANTS UPDATE

6-July-12

BEP GRANTS UPDATE

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	paid
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	paid

RFA-2011-04	20-Sep-11	Construction Permits	MP and Associates	20,700	1,614,000	paid
RFA-2011-04		Construction Permits	ACES - Association of Consulting Engineers of Serbia	-	-	rejected
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	contracted
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	Contracted (modification 1)
RFA-2011-06-R	27-Dec-11	Private Domestic Savings	-	23,000	1,850,000	No applications were submitted
RFA-2011-06-R2	16-Jan-12	Private Domestic Savings	Foundation for the Advancement of Economics (FREN)	-	-	rejected
RFA-2011-06-R2	16-Jan-12	Private Domestic Savings	BDO Business Advisory LLC	-	-	rejected
RFA-2011-06-R2	16-Jan-12	Private Domestic Savings	CLDS - Center for Liberal Democratic Studies	22,230	1,840,000	contracted
RFA-2011-01-F	Follow-on	Business Survey	CeSID - Center for	4,513	370,000	paid

		Follow-up Data Analysis	Free Elections and Democracy			
RFA-2012-01	14-Feb-12	Organization of the Forum on Capital Market in Serbia	BeoImpigra, Ltd.	-	-	rejected
RFA-2012-01	14-Feb-12	Organization of the Forum on Capital Market in Serbia	AVENTo d.o.o	-	-	rejected
RFA-2012-01	14-Feb-12	Organization of the Forum on Capital Market in Serbia	EDGE Ltd. Belgrade	-	-	rejected
RFA-2012-01	14-Feb-12	Organization of the Forum on Capital Market in Serbia	BLUEWATERS YU d.o.o.	-	-	rejected
RFA-2012-01	14-Feb-12	Organization of the Forum on Capital Market in Serbia	Represent Communications	-	-	rejected
RFA-2012-01	14-Feb-12	Organization of the Forum on Capital Market in Serbia	Chapter 4 Communications Consulting	19,980	1,697,180	paid
RFA-2012-02	28-March-12	Study and recommendations on policies to increase employment and workforce competitiveness	Center for Liberal – Democratic Studies	-	-	contracted

RFA-2012-02	28-March-12	Study and recommendations on policies to increase employment and workforce competitiveness	Faculty of Economics, Finance and Administration, Singidunum University (FEFA)	-	-	rejected
RFA-2012-02	28-March-12	Study and recommendations on policies to increase employment and workforce competitiveness	Joksovic, Stojanovic & Partners Law Office	-	-	rejected
RFA-2012-02	28-March-12	Study and recommendations on policies to increase employment and workforce competitiveness	Foundation for the Advancement of Economics (FREN)	-	-	rejected
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach Campaign	Bluewaters YU LLC	-	-	rejected
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach	Kovacic&Spaic	-	-	rejected
RFA-2012-03	18-Apr-12	Project of Creating and Executing	Represent Communications	7,551,660	84,416	approved (under negotiations)

		PR/Outreach				
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach	Chapter 4 Communications Consulting	-	-	rejected
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach	Executive Group d.o.o. Beograd	-	-	rejected
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach	Conference Republic d.o.o.	-	-	rejected
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach	Cromer Group Ltd.	-	-	rejected
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach	MC 2 Public Affairs (Milosevic Creative Communications)	-	-	rejected
RFA-2012-04	26-Apr-12	Strengthening Regulation, Management, and Effectiveness of State Aid in Economic Sphere	BDO Business Advisory LLC	4,594,000	49,642	under consideration
RFA-2012-04	26-Apr-12	Strengthening Regulation, Management, and	CLDS	-	-	rejected

		Effectiveness of State Aid in Economic Sphere				
RFA-2012-05	11-May-12	Economic Policy Measures to Combat Shadow Economy and its Effects on Total Economic Growth in Serbia	BDO Business Advisory LLC	-	-	Rejected
RFA-2012-05	11-May-12	Economic Policy Measures to Combat Shadow Economy and its Effects on Total Economic Growth in Serbia	Foundation for the Advancement of Economics (FREN)	7,198,816	78,300	approved/pending negotiations

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 preparation of the Prepackaged Plan of	BDO Business Advisory	0	0	Rejected	9/26/2011

Reorganization (PPR) in accordance with Bankruptcy Law					
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	PAID	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)	0	0	Rejected	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	Contracted	11/4/2011
Annual Seminar - Economic Potentials and Business Development Prospects	Belgrade Fund for Political Excellence (BFPE)	1,000,000	12,700	PAID	11/4/2011
Alumni Seminar - Improving Conditions for Doing Business in Serbia	Belgrade Fund for Political Excellence (BFPE)	1,100,000	14,000	PAID	11/4/2011
Including Serbia into the World Competitiveness 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 (FREN)	3,066,000	39,000	PAID	12/8/2011
Improving Competitiveness of Trade Companies	Serbian Association of Employers	0	0	Rejected	11/29/2011
Managers' Hours	Serbian Association of Managers	1,297,280	16,300	Contracted	12/8/2011
Enforcement of the Law on Capital Markets	Center For Advanced Economic Studies	0	0	Rejected	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	Rejected	12/8/2011
Reform of Financial System and Protection of Intellectual	ACADEMICA Center for	0	0	Rejected	1/12/2012

Property Rights in Serbia	Creative Economy Research				
Supermarket	CEFE Serbia	0	0	Rejected	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
Macroeconomic Analyses and Trends (MAT) - for Better Business Conditions (eight issues)	Economics Institute	2,400,000	28,015	Pending	4/24/12
Round tables "For better Business Conditions"	Economics Institute	3,000,000	35,000	Contracted (changed topics)	4/24/12
Practice of Corporate Finance in Serbia	Chamber of Commerce and Industry of Serbia	0	0	rejected	4/24/12
Citizens' Budget Guide	BIRN	2,420,000	28,131	contracted	4/24/12
"Quarterly Monitor: Institutional Challenges to Boosting Employment, Growth and Public Sector Efficiency in Serbia"	Foundation for the Advancement of Economics (FREN)	2,900,000	33,971	contracted (changed topics)	4/24/12
Benchmarking 2016 – Comprehensive Monitoring of Doing Business Environment in the Republic of Serbia	NALED - National Alliance for Local Economic Development	5,422,950	63,525	contracted	4/24/12
Steinberg Capital&Publishing&Production ltd	Grant for development of Financial Markets	0	0	rejected	4/24/12
Government - Business Dialogue	Bluewaters YU LLC	0	0	rejected	5/18/12

Developing Methodology for Improving Local Incentives to Support Local Economic Development and Improvement of Business Environment in Serbia	RARIS - Regional Development Agency Eastern Serbia	0	0	rejected	5/18/12
Internet Radio Station	The First Entrepreneur Association	0	0	rejected	6/14/12
Press Retreat and Financial Market Workshop	Chapter 4 Communications Consulting	0	0	rejected	6/29/12
Accelerated Development of the Leasing Industry in Serbia	Association of Leasing Companies "ALCS" Belgrade	3,000,000	32,545	pending	6/29/12

FINANCIAL STATUS OF CONTRACTED GRANTS

RFAs 2011 and 2012

			RSD	USD	Status
Foundation for the Advancement of Economics - FREN	Quarterly Monitor 24	unsolicited proposal	2,099,993	28,417	Paid
CeSID	Business Survey	RFA-2011-01	1,401,600	18,502	Paid
CeSID	Business Survey Follow-up Data Analysis	RFA-2011-01-F	370,000	4,513	Paid
National Alliance for Local Economic Development - NALED	Assessment of Impact of Quasi-Fiscal Charges on Businesses in Serbia	RFA-2011-02	1,400,000	19,197	Paid
Foundation for the Advancement of Economics -	Econometric Assistance	RFA-2011-03	2,828,300	37,870	Paid

FREN					
MP and Associates	Assessment of Constraints to Construction Permits in Serbia	RFA-2011-04	1,614,000	20,550	Paid
Center for Liberal-Democratic Studies - CLDS	Project on Journalist Education on Economic and Business Environment Reforms	RFA-2011-05	1,175,000	14,290	3/4 paid
Balkan Center for Regulatory Reform - BCRR	For Training of Commercial Court Judges on Implementation of the New Company Law	RFA-2011-07	1,675,000	20,630	2/4 paid
Center for Liberal-Democratic Studies - CLDS	Study on Private Domestic Savings	RFA-2011-06-R2	1,840,000	22,230	2/3 paid
Chapter 4 Communications Consulting	Organization of Capital Market Forum in Serbia	RFA-2012-01	1,697,180	19,980	Paid
Center for Liberal Democratic Studies	Policies to Increase Employment and Workforce Competitiveness	RFA-2012-02	2,987,000	34,052	1/4
Subtotal				240,231	

APS 2011 and 2012			RSD	USD	Status
Economics Institute	Agricultural Forum "Food for Europe"	APS-2011-01-1	389,640	5,043	Paid
Economics Institute	MAT - for Better Business Conditions	APS-2011-01-2	820,000	9,965	Paid
Belgrade Stock Exchange - BELEX	Belgrade Stock Exchange 10th International Conference	APS-2011-01-3	300,000	3,872	Paid
Foundation for the Advancement of Economics - FREN	Quarterly Monitor 25-26-27 : Macroeconomic and Business Climate Issues of Serbian Economy	APS-2011-01-4	3,066,000	39,574	Paid

Belgrade Fund for Political Excellence - BFPE	Alumni Seminar - Improving Conditions of Doing Business in Serbia	APS-2011-01-5	1,100,000	13,805	Paid
Belgrade Fund for Political Excellence - BFPE	Annual Seminar - Economic Potentials and Business Development Prospects	APS-2011-01-6	1,000,000	12,018	Paid
Chamber of Commerce and Industry of Serbia	Adjusting the Codex of Corporate Governance of the CCIS with the New Company Law	APS-2011-01-7	1,270,000	15,370	2/3 paid
Serbian Association of Managers - SAM	Managers' Hours	APS-2011-01-8	1,297,280	15,770	3/4 paid
Economics Insitute	Round tables -For better business conditions	APS-2012-01-3	2,959,208	32,199	1/4 paid
National Alliance for Local Economic Development - NALED	Ask When! - Advocacy Campaign for Improving of Doing Business Environment in the Republic of Serbia	APS-2012-01-4	2,328,500	25,308	1/4 paid
Foundation for the Advancement of Economics - FREN	"Quarterly Monitor: Institutional Challenges to Boosting Employment, Growth and Public Sector Efficiency in Serbia"	APS-2012-01-2	2,648,319	28,328	Contracted
BIRN	Citizens' Budget Guide	APS-2012-01-5	2,513,906	27,682	Contracted
NALED - National Alliance for Local Economic Development	Benchmarking 2016 – Comprehensive Monitoring of Doing Business Environment in the Republic of Serbia	APS-2012-01-1	3,000,000	32,637	Contracted

Subtotal				261,571	
TOTAL CONTRACTED				501,802	

In the pipeline (committed funds)

Approx. USD

Represent Communications	PR/Outreach Campaign	RFA-2012-03	7,700,000	83,600	Finalizing negotiations
FREN	Economic Policy Measures to Combat Shadow Economy and its Effects on Total Economic Growth in Serbia	RFA-2012-05		80,000	Negotiations on 9 or 10 July
Republic Geodetic Authority (RGA)	In-kind grant for the Republic Geodetic Authority (RGA)	IK-2012-01		70,000	Republic Geodetic Authority (RGA)
CeSID	Business Survey	Sole-source		26,000	Ongoing; USAID approved Memo on 3 July
TOTAL COMMITTED				259,600	