



**USAID**  
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# USAID'S BUSINESS ENABLING PROJECT

QUARTERLY REPORT: FIRST QUARTER 2012

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**QUARTERLY REPORT: FIRST 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 a 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 fifth quarter of BEP's operation ó January 1 to March 31, 2012. Noteworthy activities during the period were:

**Comprehensive inspections reform continues to move forward.** BEP prepared the Inspections Reform Strategy and a pilot project to coordinate three inspections. A high level GoS working group failed to complete the Strategy by March 31, 2012, as planned, but BEP and the GoS Office for Regulatory Reform (ORR) have drafted the strategy and are drafting a Law on Inspections ó the ORR will submit both to the next Government. The pilot project will set up a coordination body and an IT system to coordinate three chemicals and biocides inspections ó environmental, market and sanitary ó within three different ministries.

**BEP completed a study on para-fiscal charges.** The study demonstrates the need to streamline more than 200 quasi-fiscal charges on businesses and to review both the legitimacy of the charges and the way they are being spent. It also contains a set of recommendations to reduce the charges. The study will be released at an event on April 19.

**BEP prepared a draft Assessment of Constraints to Construction Permits in Serbia.** The assessment will be publicized in May and will include a list of recommended reforms in the

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permits process, including property registration, conversion of land usage rights, restitution of immovable property, issuance of building permits, obtaining utilities services, and inspections of construction projects. USAID BEP will help execute one or two of the reforms, and the assessment will provide a roadmap for the GoS, municipalities, and other donors to undertake other necessary reforms.

**BEP assisted in development of the GoS Strategy on Regulatory Reform 2012-2014.** The Strategy was vetted with the business community and has been cleared by the GoS Legislative Office for adoption by the GoS. The Strategy sets forth the schedule for regulatory reforms and will improve the inclusiveness of legal reforms, increase the level of legal certainty, and institutionalize best international legislative practices.

**BEP helped develop the Fiscal Council's capacity to facilitate good fiscal planning, accountability, and credibility regarding public finances in Serbia.** BEP experts helped to assess GoS budget proposals and are helping to prepare the Medium Term Fiscal Adjustment Reforms document.

**BEP trained the Ministry of Finance Budget Department** on effective use of performance indicators in planning and budgeting and program budget implementation.

**BEP continued to assist the Public Debt Authority** on its debt management system and operations. The project also provided training on the IT system and on risk management.

**BEP helped the Securities Commission develop 17 bylaws** to implement the Law on Capital Markets. The project also provided the Commission with training on supervision. This assistance will help improve the indicator for Sub-IR 1.4.2 "Financial Market Sophistication."

**BEP is preparing a ground-breaking White Paper on Access to Finance for Small and Medium Enterprises.** USAID BEP has conducted a survey, roundtables and focus groups of SMEs and focus groups and interviews with banks, as well as substantial desktop research on supply- and demand-side issues. The White Paper will be released and publicized in May.

### 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. Component 4 of the Project was eliminated pursuant to BEP's recommendations and USAID's agreement, and new tasks and activities have been added under the three components of the project.

BEP's Second Year Work Plan includes several additions and deletions of a Component, Objectives, Tasks, and Activities. The additions and rationale are as follows:

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

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

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

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

BEP is increasing its focus on public sector capacity building. This will support human resource and operations improvements in Component's counterparts. A lack of capacity in our GoS partner institutions is a major barrier to proper implementation of the laws, regulations, and procedures that BEP works on. Management of organizations, implementation projects, and staff is substandard in most partners, and staff is ill-equipped to deal with development and implementation of strategies, legislation and procedures.

Deletions to the Work Plan and rationale include:

Assistance in competition policy was eliminated due to the counterpart's lack of interest in our proposed assistance.

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

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

## **Administrative and General Activities**

**BEP held a retreat with counterparts to develop its Second Year Work Plan.** During the two-day retreat in Arandjelovac BEP and its partners discussed the goals and activities in the Draft Work Plan. BEP reviewed and revised its plans with 26 partners from the Government of Serbia (GoS), business associations and expert think tanks. Participants included USAID, Ministry of Finance, Labor, Trade and Agriculture, Economy and Environmental Protection, Securities Commission, Fiscal Council, National Bank of Serbia, Office for Regulatory Reform, Novi Sad Commodity Exchange, GoS General Secretariat, Chamber of Commerce, Serbian Association of Managers, Economics Institute, MAT, NALED, FEFA, FREN, CESID and CLDS. BEP and its partners agreed on joint activities and the most efficient way to cooperate and achieve results.

**BEP launched its Project Activities Database (PAD).** The PAD is a management tool that tracks costs, stakeholders, events, performance indicators, and qualitative results for all activities that consume project resources. The PAD provides the BEP management team with a variety of standard and customized reports.

**BEP's intern program** is providing excellent assistance for the project and is training four students. BEP has four interns assisting the project: one working on strategic communications and administration, and the other three each assigned to one of the three components. The interns perform research tasks and PAD database input.

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

**BEP continued training for and cooperation with the media.** This included journalist training on economic and business environment reforms that is being conducted under a BEP grant to the Center

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for Liberal Democratic Studies. Twenty-one journalists from print, broadcast and news agency outlets across Serbia attended the training.

**BEP provided training to improve Public Administration and implementation of legislation.** In cooperation with the GoS Human Resources Management Service (SUK), BEP organized a two-day training event for over 20 civil servants from a number of 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 June 2012.

**BEP trained political leaders on economic policy issues.** Under a grant to the Belgrade Fund for Political Excellence (BFPE), BEP supported the Annual Seminar - Session 2: Economic Potentials and Business Development Prospects in Serbia by 2020. The Seminar trained 25 political leaders, civil society organizations (CSO) and media representatives on economic policy and business environment reforms. Joe Lowther, BEP CoP, delivered a presentation entitled "Barriers to Business Competitiveness", while David King, BEP Program Director, gave a presentation on "Access to Finance and Economic Development". Other speakers included: Juri Bajec, Economic Advisor to the Prime Minister of RS; Nebojsa Savic, Professor at the Faculty of Economics, Finances and Administration in Belgrade; and, Aleksandar Baucal, assistant professor at the Faculty of Philosophy, University of Belgrade.

## Component 1

Under **Objective 1, Task 1, "Improve Inspections Operations and Organization"**, BEP helped develop the GoS Inspections Reform Strategy and a pilot project to coordinate three inspections. The GoS Working Group for Inspections Reform was established by the GoS on November 10, 2011, as a result of BEP's initiatives with the business community, business associations and development organizations. The Working Group was led by the Deputy Prime Minister in charge of economy and regional development and consisted of the Ministers of Environment, Mining and Spatial Planning; Labor and Social policy; Agriculture, Trade, Forestry and Water Management; Economy and Regional Development; and the State Secretary in Ministry Of Finance. The Working Group held one session but failed to complete the Strategy by March 31, 2012, as planned. Thus BEP and the GoS Office for Regulatory Reform (ORR) have drafted the strategy and are drafting a Law on Inspections. The ORR will submit both to the next Government. To further inform the strategy, BEP and the Serbian Chamber of Commerce and Industry held four focus groups from different industrial sectors: chemicals, retail, agriculture and food processing, construction, and transportation. The work of the focus groups provided detailed insight into problems that businesses in these sectors face in dealing with different inspections.

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. To develop this pilot project BEP's consultant Goran Vrani, held three workshops with business inspections, as well as a series of meetings with the relevant stakeholders. 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's pilot e-inspections project can be a first step for overall introduction of e-inspections in Serbia.

To keep the pressure on the GoS to embark on inspections reform, BEP organized a joint press conference of leading business associations in Serbia. The American Chamber of Commerce in Serbia, the Serbian Chamber of Commerce and Industry, the Serbian Association of Managers, the Employers' Association, and the National Alliance for Local Economic Development (NALED)

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spoke to the media about the need for focused effort by the Government of Serbia to improve the inspections system.

BEP finished 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 study demonstrates the need to streamline more than 200 quasi-fiscal impositions on businesses and to review both the legitimacy of the charges and the way they are being spent. The preliminary results were presented at the second meeting of Advisory Group for Business Initiatives. The Advisory group, which engages with the Government of Serbia Office for Regulatory Reform and Regulatory Impact Assessment (RRO), was organized by BEP as an institutionalized forum for coordinating advocacy of leading business associations. The meeting included representatives of the Serbian Chamber of Commerce and Industry, the Foreign Investors Council, the American Chamber of Commerce in Serbia, the Association of Accountants Novi Sad and the National Alliance for Local Economic Development (NALED).

“Quasi-fiscal charges” include fees, charges, reimbursements, compensations, defrayals and other expenses imposed by public authorities on businesses that create unjustified financial and administrative burdens on businesses without substantial services or rights provided by public authorities in return. BEP’s activities will help decrease these unnecessary burdens on businesses and increase the predictability of taxes, fees and charges in Serbia.

Under **Objective 1, Task 3, “Assist Implementation of the Law on Enforcement,”** BEP continued to help the Ministry of Justice (MoJ) prepare for proper implementation of the law. BEP provided an updated version of Enforcement Officer Manual, which was updated to ensure compliance with the new Law on Enforcement and Security as adopted. The Manual provides a comprehensive guide for enforcement officers, including court practice and templates of various documents needed in the course of enforcement case administration. The Manual will also serve as a training material for candidates for enforcement officers examinations. It has been posted on the Ministry of Justice and BEP websites: [www.mpravde.gov.rs](http://www.mpravde.gov.rs) and [www.policysafe.rs](http://www.policysafe.rs). In addition, six Bylaws under the Law on Enforcement and Security were enacted as a result of BEP’s technical assistance.

The Ministry of Justice has been quite slow in preparing for implementation of the law. After some discussions with Ministry staff (and unsuccessful attempts to meet with the MoJ State Secretary Homan), BEP informed the MoJ staff that USAID has instructed us to suspend assistance on implementation of the Law on Enforcement.

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. BEP engaged an IT expert to develop an RFA to create the system and has developed an RFA for a grant to provide 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 also completed the first draft of a comprehensive study that will provide recommendations for legal, regulatory, procedural, process management, and IT solutions that will streamline and expedite the construction permits process. The study will identify bottlenecks in urban and regulatory plans, property registration, conversion of land usage rights, restitution of immovable property, issuance of building permits, obtaining utilities services, inspections of construction projects, regulations impacting construction projects’ financing, the availability and transparency of information in relation with obtaining construction permits, and the effects of the new

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Law on Construction and Spatial Planning, including its amendments (2011). When the final draft report is finished in April, BEP will present the draft report to relevant Government of Serbia and local government institutions, media and business representatives and engage in a dialogue on solutions.

Under **Objective 1, Task 5, “Reduce the Employing Workers Burden,”** a new Task in Year 2 of the project, BEP has begun cooperation with the GoS, lining up a coalition of business associations, and an advocacy campaign to build public support for labor law and policy reforms. BEP held two meetings with Radmila Bukumiri -Kati , Assistant Minister for Labor and Social Policy (MLSP), and her team to discuss USAID BEP’s assistance and a joint strategy to reform Serbia’s labor policies. USAID BEP and MSLP representatives reached the preliminary conclusion that USAID BEP assistance is most needed in the areas of: 1) analysis of labor flexibility, including employer needs, employee capacity, and cost-benefit analysis; 2) support to improve the Labor Law and related regulations, and 3) outreach, coordination and logistical support in building stakeholder and public support for labor market reforms. BEP has also published policy notes on [www.policycafe.rs](http://www.policycafe.rs) that deal with labor policy reform, and BEP COP Joe Lowther is engaging in an online debate with a trade union official on employment policies on the Policy Café site. 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, regulatory reform that are detailed elsewhere in this report.

Under **Objective 3, Task 1, “Improve Quality and Quantity of Legislative and Regulatory Reforms,”** BEP helped the GoS Office for Regulatory Reform and Regulatory Impact Assessment (RRO) develop a new Strategy for Regulatory Reform and Action Plan for 2012 to 2015. In accordance with the provisions of the Government’s Rules of Procedure and principles of good regulatory practice, the Strategy was dispatched to the relevant regulatory bodies of all ministries and competent bodies of the Government of the Republic of Serbia, for comments, and it was posted on web-pages of the relevant institutions and organizations for public consultations. The Strategy was presented by the Office for Regulatory Reform and Regulatory Impact Assessment (RRO) and the Deputy Prime-Minister in charge of economy and regional development to the public at a conference organized by USAID BEP in December 2011, and comments were invited. The RRO and USAID BEP received comments from businesses, business associations, public agencies and experts, and official opinions of the relevant ministries and other public bodies. and USAID BEP helped the RRO and the DPM Cabinet respond to the comments and opinions, and revise the Draft Strategy accordingly. The Strategy is expected to improve the inclusiveness of legal reforms, increase the level of legal certainty, including establishment of a safety network preventing future enactment of quasi fiscal charges, institutionalize best international legislative practices and serve as a catalyst for the regulatory reform process.

BEP, in Coordination with the Human Resource Management Service of the Government of Serbia (SUK), held a three-day training event for officials of line ministries in charge of regulatory activities. The training focused on Regulatory Impact Analysis (RIA) methodology and goals, teaching attendees how to analyze effects and quality of new legislation. 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 14 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.

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Under **Objective 4, Task 1, “Build Interest and Capacities of Public and Private Partners to Engage in PPPs,”** BEP discussed implementation of the new PPP legislation with Nenad Ilić, Advisor to the Minister of Economy and Regional Development (MERD) and Chairman of the Governmental Commission for PPPs. BEP agreed to provide assistance for effective implementation of the newly adopted legal and institutional framework for PPPs and Concessions, including: capacity building and trainings for the officials of the Ministry of Economy and Regional Development, the Commission for PPPs and the Administrative Secretariat of the Commission for PPPs, and outreach on PPPs, complementing the assistance provided by EBRD. BEP is also cooperating the USAID SLD to educate municipalities and investors on the new law. The Commission, comprising nine members appointed by the Government of Serbia, tasked with providing expert support for realizing PPP arrangements, met for the first time on March 19. Serbia needs PPP and concession projects, particularly at the municipal level, to attract and mobilize investment in much-needed public infrastructure and public services projects.

Under **Objective 5, Task 1, “Support implementation of the new Company Law (adoption expected by June),”** BEP is training Commercial Court Judges on implementation of the Company Law through a grant to the Balkan Regulatory Reform Center. BEP also supported publication and public outreach through a grant to the Economics Institute. The March issue of the Institute’s *Macroeconomic Analyses and Trends (MAT)* included an article “New Framework for Corporate Governance.” This article includes an overview of the current situation in corporate governance in Serbia, and an introduction of the reformed Company Law (enacted February 2012). USAID BEP is supporting the development of the Codex on Corporate Governance via a grant to the Serbian Chamber of Commerce and Industry. In addition, BEP provided a grant to the Serbian Association of Managers (SAM), to hold a working breakfast and presentation of the main features of the New Company Law.

## Component 2

BEP’s activities under **Objective 1, Task 1, “Capacity building assistance to the Fiscal Council and Improvements to fiscal responsibility,”** included help to assess GoS budget proposals and help to prepare the Medium Term Fiscal Adjustment Reforms document. The support is part of Business Enabling Project’s technical assistance package, aiming to develop human and institutional capacity of the Fiscal Council to facilitate good fiscal planning, accountability, and credibility of public finances in Serbia. The Chairman of the Fiscal Council, Mr. Pavle Petrovic, has praised BEP’s technical assistance and has asked for help in developing policy-focused studies, particularly in the areas of the shadow economy and state aid programs, saying that research is missing in these important areas.

Pursuant to **Objective 1, Task 2 “Assistance to the GoS General Secretariat to improving budget coordination and performance management,”** BEP hosted a Panel on “The Changing Paradigm of Public Sector Finance” at Kopaonik Business Forum. The panel focused on a strategic, performance-oriented approach to budgeting. The panelists were: Prof. Dusan Vujovic, BEP Advisor; Anthony Sinclair, BEP Resident Advisor; and Professor Miroljub Labus, of the Faculty of Law at the University of Belgrade. The panel’s conclusions about restarting budget process reforms (introduction of program budgeting and performance measurement) offer clear directions for switching from the public consumption to the public investment model. The panel attracted about 200 attendees, including high-ranking government officials, ambassadors, prominent Serbian and international economists, private sector representatives, and journalists.

BEP also trained the Ministry of Finance Budget Department and GoS General Secretariat on Effective Usage of Performance Indicators in Planning and Budgeting. Dusan Vujovic, BEP Advisor, presented the findings of the study on the effective use of performance indicators in planning and budgeting. The training was provided to the leaders of the budget process reform – the Budget Department (BD) and the General Secretariat. Conducted at the request of the BD Head, the study explores how the usage of performance indicators contributes to the transparency and efficiency in the use of budget resources. It provides recommendations for transition to performance-based budgeting in line with best-practices and experience from OECD and neighboring countries. The training was

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very well received, and, according to the BD Head, the findings and recommendations of the study will help accelerate and shape the reform of the budget process. The module on effective performance indicator usage will be integrated into program budgeting training to be organized for line ministries via the Government Human Resource Management Service (SUK).

BEP began cooperation with the National Assembly to improve their participation in the budget process. BEP took part in the Public Hearing on the Role of Parliament in EU Accession, having been invited by Gordana Comic, Deputy Speaker of the National Assembly. BEP also discussed with Branka Ljiljak, Deputy Chairperson of the Finance Committee of the National Assembly, assistance to improve the Budget Process with Finance Committee of National Assembly Ms. Ljiljak shared her visions on the roles of different institutions in the budgetary process including the Budget Department of the Ministry of Finance, the Fiscal Council, the State Audit Institutions, and the Committees of the National Assembly. Ms Ljiljak had a very high opinion of the analyses and support from the Fiscal Council, to which USAID BEP has provided crucial technical support since its founding in 2011. BEP also participated in a Regional Conference on Role of Parliaments in Promoting Competitiveness and Economic Growth at National Assembly. Joe Lowther, USAID BEP Chief of Party, gave an overview of the necessary budget process reforms on both the executive and the legislative levels.

BEP also supported research in the area of public finance management improvement and the publication of the article “Budget system in Serbia: institutional framework and practice,” in the Economic Institute’s monthly *Macroeconomic Analyses and Trends (MAT)*.

Pursuant to **Objective 1, Task 3, “Improvements to Fiscal Analysis and Strategy by the MoF,”** BEP organized a study tour for staff of Macro-Fiscal Department (MFD) of the Serbian Ministry of Finance (MoF) to Italian Ministry of Finance and Economy (MEF) and Bank of Italy (BoI). The Serbian delegation (comprised of four MFD staff, USAID COTR, BEP technical advisors, and an external BEP advisor) participated in a two-day intensive course on macroeconomic and fiscal analysis and projections. The Serbian delegation heard presentations by the MEF Treasury Director, Marco Cacciotti, and the BoI Managing Director of Economic Research, Daniele Franco. The MFD staff learned about three major groups of models and techniques the Italian counterparts use to make short- and long-term macroeconomic and fiscal projections. Workshops on budgetary policy under the Stability and Growth Pact informed MFD staff on how persistent government deficits and implicit liabilities (e.g. related to the aging population) impair the control of public finances. This training will help the MFDs to better assess models they should develop or enhance, which will strengthen its capacities as a sound policy analysis group. The Study Tour also gave the MFD the opportunity to have a knowledgeable mentor in further convergence activities given Italy’s prominent status within EC and international institutions.

BEP next provided training on Public Debt Sustainability for Macro-Fiscal Department, Public Debt Authority, and Fiscal Council staff. The training included identification of the main risks related to public debt sustainability and development of models capturing debt dynamics in various macroeconomic and fiscal scenarios. The training was very well attended – a total of 18 participants including members of the Fiscal Council Staff and Public Debt Authority.

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. BEP presented the concept of performance indicator usage in performance evaluation to the Ministry of Finance (MoF) Budget Department (BD). The aim of introducing these concepts is to enable the BD to offer such training to line ministries on its own. Subsequently BEP consultant Ms. Jakir-Bajo, Head of the Budget Department of the Croatian Ministry of Finance (MoF) shared the experience of Croatia in program budget implementation at a full-day workshop with the Serbian MoF Budget Department. She presented methodology used in Croatia (program model and classification, linkages between strategic plan and budget, related procedures) and training modules used to build capacity of budget users to switch to program budgeting.

Ms. Jakir-Bajo, also delivered a full-day seminar on program budgeting to the representatives of line ministries and other budget users, sharing the experience of Croatia in reforming the budget process.

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Ms. Stojiljkovic, Budget Department Head of Serbian MoF, delivered the introductory training module and explained the plan of the Budget Department to gradually transition to program budgeting by 2015. This well-attended, interactive seminar - the first in a series of four sessions, covering all budget users - has been realized in cooperation with the Government Human Resource Management Service. Topics covered include: developing mid-term strategic plans; linking strategic plans with financial plans; determining of priorities; program budget model; usage of performance indicators; reporting and system of responsibilities.

This training is the first step in building full capacity of budget users to adopt the program budgeting approach. BEP is helping reignite program budgeting reform (implemented in five pilot ministries in 2005) by assisting the Budget Department in developing best-practice methodology and rolling it out to all line ministries, along with adequate staff training. More efficient use of scarce public resources in Serbia hinges on an improved budget process. The Budget System Law envisages the adoption of program budgeting by 2015. This will provide a longer-term planning framework, identify priorities and help increase transparency and efficiency in the use of budget resources through better measurement of benefits and costs. At a more practical level, it will improve how the budget is classified, compiled, evaluated, prioritized, and ultimately monitored.

BEP also met with USAID SPP representatives to discuss activities of two projects in areas of 1) budget process improvements and 2) capacity building for the Parliament. BEP presented its current and planned activities with the Ministry of Finance, the General Secretariat, and the Parliament related to the introduction of program budgeting, and improving transparency and efficiency in the use of budget resources. SPP is working on improving the judicial system's budget process - through training delivered to the High Court Council (HCC) and courts. The parties agreed that BEP would share its training materials on 1) usage of performance indicators in planning and budgeting; and 2) program budgeting, which would complement the training agenda developed for SPP beneficiaries.

Under **Objective 2, Task 2, "Assistance to improve debt management systems, analysis and capacity,"** BEP helped the Public Debt Authority (PDA) and Treasury Authority (TA) of Ministry of Finance (MoF) to Resolve Issues Related to Debt Management IT System. After months of efforts and negotiations, the PDA reached agreement with software vendors, HP and TRASSET to conduct much-needed training on the debt management system database for PDA and TA programmers and key users. In addition, BEP submitted its final draft of the specification document outlining corrections needed to Serbia's Public Debt Stock Report. As a result of direct technical assistance provided by USAID BEP, the PDA will be able to make use of more automated and accurate reporting capabilities from its Debt Management System (TRASSET). This 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 and Branko Drcelic, Director of Public Debt Administration (PDA), created a Training Plan to Build PDA Capacity. BEP reached agreement with the PDA to organize three sets of training events during the spring of 2012 in the area of basic risk management, advanced risk management, and macroeconomic simulations. These trainings provide critical support for the PDA to conduct debt management functions more effectively and efficiently. Specifically, the PDA will be more capable of optimizing the costs and risks associated with managing the portfolio of Serbia's public debt.

### **Component 3**

Under **Objective 1, Task 1, "Assistance for the Implementation of the new Capital Market Law,"** BEP assistance to the Securities Commission led to the adoption of 17 bylaws related to capital requirements and regulatory instructions for credit rating services.

BEP is also providing technical support to the Securities Commission in specifying 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 produced a report detailing the various options and their resource implications for implementation of the Securities Commission information system.

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BEP organized a training event for Securities Commission supervisors to motivate the Commission to re-examine the purpose and efficacy of capital markets supervision and the methods chosen to accomplish the reduction of the systemic risk in the capital market. The Capital Market Law, effective November 17 2011, represents a significant step towards compliance with International Directives, IOSCO Principles and other international practices in this area. The new law should contribute to the reduction of the systemic risk in the capital market. But the Commission's supervisory staff have never received practical training in supervision.

Under **Objective 1, Task 2, "Assistance for the Development of a Legal Framework and Strengthened Enabling Environment for a Commodity Exchange,"** the Project is on the Working Group that is drafting a new Law on Commodities Exchanges. BEP also co-hosted a Roundtable on "Commodity Exchange – Chance for Serbian Economy" with the Serbian Chamber of Commerce. The roundtable had two main topics: the benefits to the Serbian economy of a modern and functional commodity exchange, and making the commodity exchange part of the overall financial market. The roundtable gathered key stakeholders from the private sector, legal community, and regulatory agencies.

Under **Objective 4, "Strengthen Public-Private Dialogue on the Financial Sector and its Role in Economic Development,"** BEP conducted five roundtables with businesses throughout Serbia to discuss access to finance. The roundtables are described below under Objective 6. BEP also sponsored the Forum of Managers Organized by Serbian Association of Managers. The key speaker at the Forum, organized at Belgrade's Hyatt Hotel, was the Governor of the National Bank of Serbia. Among the panelists were representatives of the business sector, public enterprises, and banks. The Forum was attended by more than 100 managers, and had outstanding media coverage.

Under **Objective 6, Task 1, "Improving the Enabling Environment for SME Access to Finance,"** BEP organized Roundtables on Access to Finance for Small and Medium Enterprises (SMEs) in Subotica, Jagodina, Vranje, Sabac, Nis, and Novi Pazar. The businesspeople, among other things, emphasized that banks were not willing to consider contracts with state owned companies as collateral and that there were numerous examples of bankruptcy fraud and "phantom" companies where owners close the company and open a new one without any continuing liabilities to creditors and with no civil or criminal consequences. They also emphasized the need to reform the malfunctioning enforcement of contracts and court decisions, since current slowness and inefficiency contribute both to illiquidity and to a high level of risk estimation for any interested investors. The insights and the lessons learned will be beneficial inputs to future policies and development of access to finance for SMEs in Serbia. The results will be used in the White Paper on Access to Finance for SMEs that BEP is preparing.

BEP and Diana Dragutinovic, Vice Governor of the NBS, discussed possible cooperation on improving collateral valuation through 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.

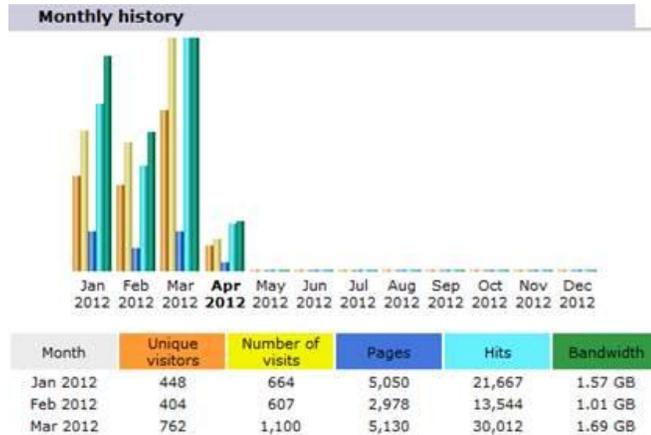
BEP is supporting the Ministry of Finance (MoF) initiative to draft and adopt a new Factoring Law. BEP is advising an intergovernmental working group, comprising National Bank of Serbia, Chambers of Commerce, Ministry of Finance, Export Credit and Insurance Agency of the Republic of Serbia, Bankers Association, Ministry of Economy and Regional Development, and other professionals to coordinate efforts on the Factoring Law development. 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

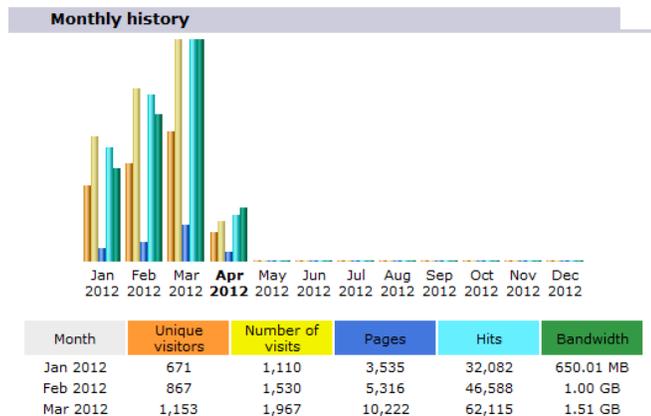
During the quarter BEP generated 74 media reports, all with a positive or neutral tone. BEP's outreach activities reached more than 4 million people.

Based on its survey of journalists on their training needs, BEP awarded a grant for Journalist Education on Economic and Business Environment Reforms. The grant was awarded to CLDS after a competitive process under a Request for Applications (RFA). Training activities began on March 24, in the CLDS premises. At the first training day, 19 journalists were present, both from national and local media. The trainings are going as planned and are executed in a very interactive way, with a lot of questions and practical examples.

BEP's interactive website, [www.policycafe.rs](http://www.policycafe.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). In March 2012 there were 762 unique visits which were seven times more than the amount in November 2011 (119) and almost twice the amount in February 2012 (404). After the launch of the policy café, the visits were mostly coming from BEP network. Now, the policy café is more and more used by policy makers, economists, students with 75 % of visits coming outside of BEP network. So far the policy café has more than thousand different articles, publications, policy notes, useful links and information with content updated on regular basis, being a solid ground for further expansion of its popularity. This will encourage us to further promote the policy café and its content using social media such as YouTube, Twitter, and Facebook.



The BEP website, [www.bep.rs](http://www.bep.rs), continued to have a large number of visitors, as shown by the adjacent chart. The BEP website contains information about the project, grant solicitations, media appearances, and partners. The BEP website (bep.rs) has continued to show an increase in number of visits with a solid expansion of app. 30 % every month and average of 63 visits per day (March 2012).



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

## Grants

During the quarter, BEP published three **Requests for Applications (RFA)**, one of which was re-issued (published for the third time). These were as follows:

RFA #	Date of Issue	Topic
RFA-2011-06-R2	16-Jan-12	Study on Private Domestic Savings

RFA-2012-01	14-Feb-12	Organization of the Forum on Capital Market in Serbia
RFA-2012-02	28-March-12	Study and recommendations on policies to increase employment and workforce competitiveness

Since no applications were received under re-issued RFA-2011-06 for the Study on Private Domestic Savings, BEP decided to re-issue this RFA, and published it on BEP's website in January 16, 2012.

In response to RFAs, BEP received nine proposals in the reporting period, as follows:

For RFA-2011-06-R2 [Study on Private Domestic Savings] - three proposals were received, and the grant was awarded to Center for Liberal Democratic Studies (CLDS), following the GSC meeting as of 3 February 2012.

For RFA-2012-01- [Organization of the Forum on Capital Market in Serbia] - six proposals were received, and the grant was awarded to Chapter 4 Communications Consulting, following the GSC meeting as of 1 March 2012.

BEP approved and contracted a follow-on grant for the Center for Free Elections and Democracy (CeSID). During the fall of 2011, CeSID carried out the Business Survey under grant RFA-2011-01. CeSID proposed to carry out follow up analysis of collected data in order to provide an in-depth insight into issues encompassed by the Business Survey. The grant agreement was signed on 20 January 2012.

Overall, BEP has considered 12 proposals, either in response to APS 2011 or RFAs since the last quarter report was submitted. Three proposals were approved for support, while nine proposals were rejected, and seven grant agreements in total were signed from January to March 2012, for the projects that were approved by USAID.

The total amount of awards to date is \$321,596.

The Grant Schedule and Status is attached as Attachment 5.

BEP published the Annual Program Statement for 2012 on Monday, March 19, 2012. The information has been circulated by e-mail to our partners, stakeholders and potential applicants interested to apply. Any awards resulting from this APS will range from RSD 500,000 to RSD 3,000,000 for a maximum duration of eight months. The APS is open until December 20, 2012.

BEP published RFA-2012-01 for the Project to organize the Forum on capital markets in Serbia, on the BEP web site on February 14, 2012. Six applications were received in response to this RFA, and the GSC decided to award a grant to Chapter 4. The Forum is scheduled for April 11, 2012, at Hyatt hotel, with the confirmed participation of the Prime Minister, Minister of Economy, and U.S. Embassy Charge d'Affairs.

At the moment, BEP has one open RFA for a study and recommendations on policies to increase employment and workforce competitiveness. This RFA solicits applications to support BEP by completing an in-depth study of policies to increase employment and workforce competitiveness in Serbia, including an examination of labor flexibility, costs, and productivity, and the legislative framework for employment and labor relations. BEP intends to provide up to 3,000,000 RSD in total funding to be allocated over a six month period. The deadline for submission of applications is April 18, 2012.

BEP received the first Expression of Interest (EoI) in response to APS 2012 on March 29, from the Economics Institute for the support for publication of eight issues of Macroeconomic Analyses and Trends (MAT) - for Better Business Conditions and the organization of accompanying press conferences.

Grantees have been regularly fulfilling the contracted milestones, and therefore over ten payments of grant installments were initiated in the reporting period.

As part of regular monitoring activities, BEP's grants manager paid field visits to four grantees, as follows:

1. **Serbian Association of Managers (SAM)** – Within the BEP grant for the project Managers' Hours, SAM organized the Forum of Managers on March 1, 2012. The key speaker at the Forum, organized in hotel Hyatt in Belgrade, was the Governor of the National Bank of Serbia. The panelists were representatives of the business sector, public companies, and banks. The Forum was attended by more than 100 managers, and had outstanding media coverage.

2. **Economics Institute (EI)** – On March 6, 2012, Economics Institute organized the press conference to present and promote the publication of the latest issue (No. 208) of the professional journal *Macroeconomic Analyses and Trends (MAT)* in line with BEP's grant for the magazine "MAT - For Better Business Conditions". The guests and the press were addressed by the editor and authors of MAT, as well as by BEP's expert for business regulation



and economic governance. The main analytical article of the MAT's issue was "New Framework for Corporate Governance". The conference was attended by the members of the press coming from eleven media outlets. The total participation to the event included over 30 attendees.

3. **Belgrade Fund for Political Excellence (BFPE)** – Within the BEP grant for the project Annual Seminar - Session 2: Economic Potentials and Business Development Prospects in Serbia by 2020, BFPE organized a seminar in Zrenjanin, on 26 March 2012. The purpose of the grant was to facilitate capacity building of political leaders, civil society organizations (CSO) and media representatives selected for participation in the BFPE Annual Seminar in the area of economic policy and required reform agenda. Around 25 participants took part in the seminar session. Joe Lowther, BEP COP, and David King, BEP Program Director, delivered presentations at the seminar. Juri Bajec, Economic Advisor to the Prime Minister of Serbia and Nebojsa Savic, Professor at the Faculty of Economics, Finances and Administration, also spoke at the seminar.



4. **Center for Liberal Democratic Studies (CLDS)** - On March 31, 2012, CLDS organized the second session of journalist training as part of the BEP grant "Journalist Education on Economic and Business Environment Reforms" aimed at educating journalists on economic and business environment reforms in Serbia, and therefore increasing the quality of Serbian journalists' reporting on the economic reforms and business environment issues. Branko Radulovic, a lecturer at the University of Belgrade Law School and Marko Paunovic, CLDS Executive Director, hold morning sessions, while in the afternoon, Djordje Vlaic, Program director of Radio Belgrade, and Ljiljana Smajlovic, president of Journalists' Association of Serbia, presented to the participants the rules of gathering and the use of economic data. Twenty-one young journalists from print, broadcast and news agency outlets across Serbia attended the training. A working lunch with renowned members of political, business or media community is organized for each session, and on March 31, it was Milivoje Mihailovic, the *Serbian government spokesman*.

All visited grantees are respecting the contract obligations, both content- and time-wise and meeting the milestones.

### Financial Review

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

	<b>BILLING TO DATE</b>	<b>TOTAL BUDGET</b>	<b>REMAINING BUDGET</b>	<b>PERCENTAGE COMPLETE</b>
Salaries and Wages	\$882,128.63	\$3,775,847.61	\$2,893,718.98	23.36%
Fringe Benefits	\$73,369.59	\$257,266.33	\$183,896.74	28.52%
Overhead	\$523,397.71	\$2,179,488.59	\$1,656,090.89	24.01%
Travel, Transportation, and Per Diem	\$66,070.85	\$677,806.94	\$611,736.09	9.75%
Allowances	\$186,812.85	\$767,728.31	\$580,915.47	24.33%
Other Direct Costs	\$479,512.72	\$2,378,118.90	\$1,898,606.18	20.16%
Equipment and Supplies	\$60,972.19	\$203,257.20	\$142,285.01	30.00%
Participant Training	\$11,066.30	\$65,000.00	\$53,933.70	17.03%
Subcontracts	\$314,250.30	\$1,678,842.00	\$1,364,591.70	18.72%
Grants Under Contract	\$141,152.74	\$2,200,000.00	\$2,058,847.26	6.42%
G&A	\$314,680.52	\$1,697,747.70	\$1,383,067.18	18.54%
<b>TOTAL ESTIMATED COST</b>	<b>\$3,053,414.41</b>	<b>\$15,881,103.59</b>	<b>\$12,827,689.17</b>	<b>19.23%</b>
Fixed Fee	\$159,426.70	\$815,860.42	\$656,433.72	19.54%
<b>TOTAL ESTIMATED COST PLUS FIXED FEE</b>	<b>\$3,212,841.11</b>	<b>\$16,696,964.00</b>	<b>\$13,484,122.89</b>	<b>19.24%</b>

### Progress versus Workplan

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

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## Progress versus PMP

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

## Challenges Encountered and Actions taken to Resolve them

No significant unexpected challenges were encountered during the quarter.

## Observations Regarding Implementation

The Project has excellent cooperation with its business association partners, experts, and most government partners. All partners greatly appreciate BEP's approach to identify priority reforms and specific solutions through diligent research and public private dialogue, as well as BEP's ability to tailor solutions to the needs and circumstances of each particular government partner. BEP's emphasis on outreach and transparency also is having a great impact; for example, inspections reform which was moribund for 10 years, has become a GoS priority after BEP's major outreach campaign and roundtables throughout Serbia. 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.

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

## 4. ACTIVITIES PLANNED FOR NEXT QUARTER

Noteworthy activities for the sixth quarter of the project, covering April 1 to June 30, 2012, will include:

### Administrative and General Activities

Second training for public administration on managing implementation of laws and regulations

### Component 1

Press conference with leading business associations and Regulatory Reform Office on importance of the inspections reform

Presentation of results of the Analysis of the Para-fiscal Burden on Businesses

Presentation of results of the study on construction permitting impediments, end of May

Completion of the draft Law on Inspections

Preparation of recommendations and analyses for the new Government.

### Component 2

Risk Management Trainings to increase capacity of the Public Debt Administration

Program Budgeting Training to line ministries via Government Human Resource Services

Organizational Diagnostic of Public Debt Administration

Study Tour for the Budget Department of the Ministry of Finance related to implementation of program budgeting

Training to the Macro-Fiscal Department of the Ministry of Finance to increase awareness of various macro-fiscal model capacities

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### **Component 3**

Conference on the Capital Market

Study tour for the SC for two weeks training as a part of the US Securities and Exchange Commission Annual International Institute for Securities Market Development in Washington DC

Finalize bylaws related to the capital adequacy

Finalize draft of the Commodity Exchange Law and support stakeholders' discussions

Conduct organizational review of the Securities Commission regarding its capacity to implement the new law with the focus on disclosure regulations implementation.

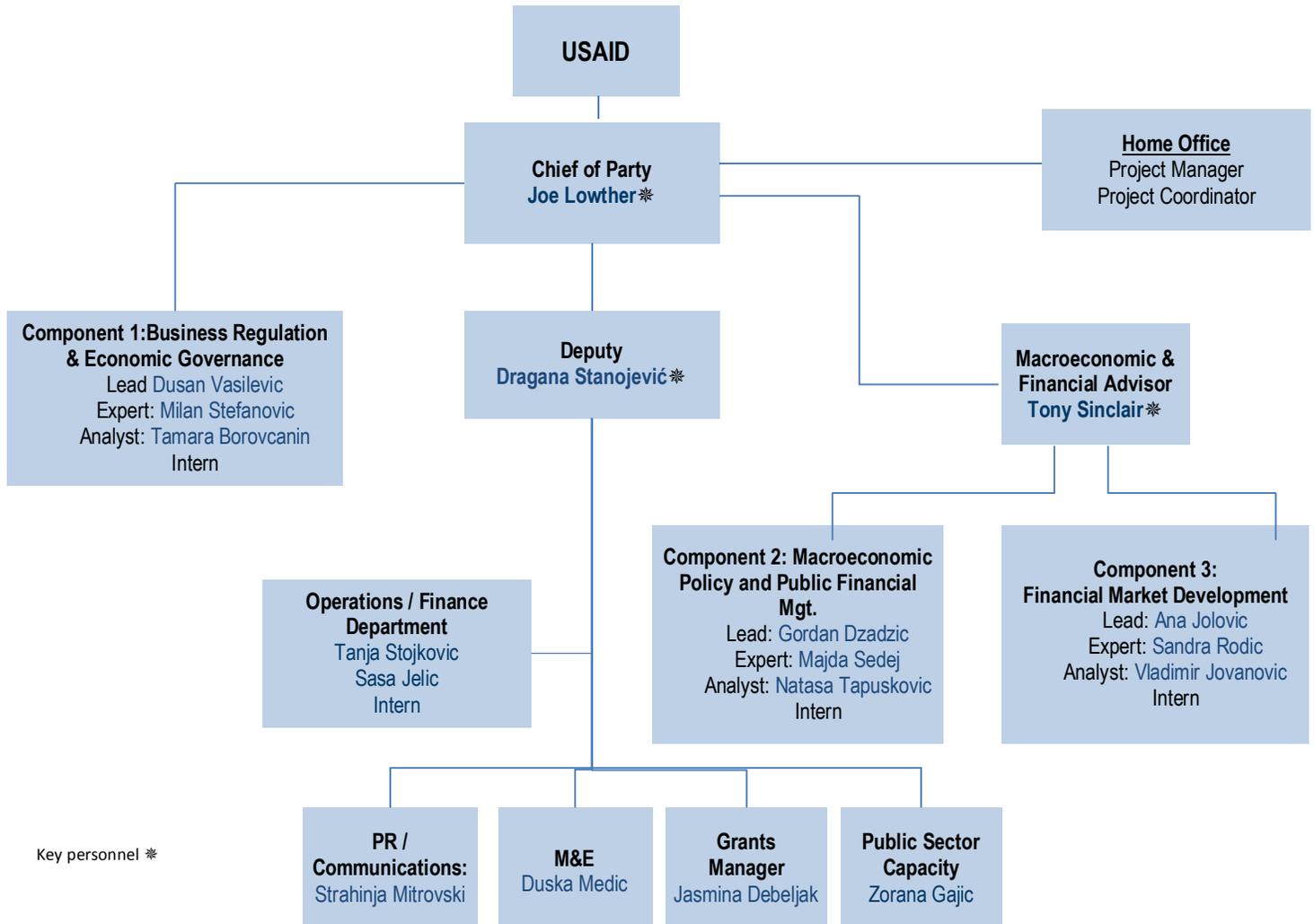
Conduct roundtable focused on access to finance for women in business in Belgrade

Complete access to finance research, develop recommendations, and publish and publicize the white paper on access to finance, including presentation of the findings and public outreach

Finalize the Factoring Law and organize and support the public discussion on the law.

This concludes the narrative section of our Quarterly Report for the first 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

No.	Date	Publication/Outlet	Title and description	Reach
1	12.1.2012.	NIN	Guillotine of bad regulations is slowing down	53507
2	18.1.2012.	<a href="http://www.ekapija.com">www.ekapija.com</a>	USAID portal for discussion and exchanging ideas "Policy café Srbija" started working	
3	18.1.2012.	<a href="http://www.naslovi.net">www.naslovi.net</a>	USAID portal for discussion and exchanging ideas "Policy café Srbija" started working	
4	19.1.2012.	<a href="http://www.biznis.starapazova.eu">www.biznis.starapazova.eu</a>	USAID portal for discussion and exchanging ideas "Policy café Srbija" started working	
5	19.1.2012.	<a href="http://www.novosti.rs">www.novosti.rs</a>	Entrepreneurs are wasting too much time waiting in lines	
6	19.1.2012.	<a href="http://www.poslovnojutro.com">www.poslovnojutro.com</a>	Entrepreneurs are wasting too much time waiting in lines	
7	20.1.2012.	Vecernje novosti	Economy in Serbia spends nearly 1.35 billion euros per year on administration	590537
8	25.1.2012.	Pregled	Incentive funds for family business	
9	31.1.2012.	<a href="http://www.economy.rs">www.economy.rs</a>	Commodity exchanges - a chance for serbian economy	
10	1.2.2012.	Novi put	Access to finance for small and medium enterprises	
11	2.2.2012.	Vreme	Business portal - Policy café Serbia	29248
12	4.2.2012.	RTS 1, Dnevnik 2	Serbia on 96th place on the list of the most competitive countries in the world	
13	5.2.2012.	<a href="http://www.rts.rs">www.rts.rs</a>	Expensive paperwork	
14	6.2.2012.	<a href="http://www.rpknis.rs">www.rpknis.rs</a>	Inspection reform - Framework for better business in the construction sector	
15	19.2.2012.	<a href="http://www.vidovdan.org">www.vidovdan.org</a>	Until 2016. Serbia will be fifth in the world in unemployment percentage	
16	19.2.2012.	Blic	Until 2016. Serbia will be fifth in the world in unemployment percentage	918345
17	19.2.2012.	<a href="http://www.blic.rs">www.blic.rs</a>	Until 2016. Serbia will be fifth in the world in unemployment percentage	
18	19.2.2012.	<a href="http://www.prelistavanje.com">www.prelistavanje.com</a>	Until 2016. Serbia will be fifth in the world in unemployment percentage	
19	19.2.2012.	<a href="http://www.vestisrbija.info">www.vestisrbija.info</a>	Until 2016. Serbia will be fifth in the world in unemployment percentage	
20	19.2.2012.	<a href="http://www.naslovi.net">www.naslovi.net</a>	Until 2016. Serbia will be fifth in the world in unemployment percentage	
21	19.2.2012.	<a href="http://www.netkafa.net">www.netkafa.net</a>	Until 2016. Serbia will be fifth in the world	

			in unemployment percentage	
22	20.2.2012.	<a href="http://www.rast.rs">www.rast.rs</a>	Until 2016. Serbia will be fifth in the world in unemployment percentage	
23	20.2.2012.	<a href="http://www.kreditnicentar.rs">www.kreditnicentar.rs</a>	Until 2016. Serbia will be fifth in the world in unemployment percentage	
24	20.2.2012.	<a href="http://www.bummagazin.com">www.bummagazin.com</a>	Until 2016. Serbia will be fifth in the world in unemployment percentage	
25	20.2.2012.	<a href="http://www.b92.net">www.b92.net</a>	We will be the first in the world in unemployment	
26	20.2.2012.	<a href="http://www.poslednjavest.com">www.poslednjavest.com</a>	We will be the first in the world in unemployment	
27	20.2.2012.	<a href="http://www.vesti.rs">www.vesti.rs</a>	We will be the first in the world in unemployment	
28	20.2.2012.	<a href="http://www.025info.rs">www.025info.rs</a>	We will be the first in the world in unemployment	
29	20.2.2012.	<a href="http://www.media1.rs">www.media1.rs</a>	We will be the first in the world in unemployment	
30	20.2.2012.	<a href="http://www.novostidana.com">www.novostidana.com</a>	We will be the first in the world in unemployment	
31	20.2.2012.	<a href="http://www.naslovi.net">www.naslovi.net</a>	In 2012. up to 100 000 people will be without work	
32	20.2.2012.	<a href="http://www.kamatica.com">www.kamatica.com</a>	In 2012. up to 100 000 people will be without work	
33	21.2.2012.	<a href="http://www.okradio.rs">www.okradio.rs</a>	USAID's roundtable	
34	22.2.2012.	<a href="http://www.rtv-vranje.rs">www.rtv-vranje.rs</a>	Access to finance	
35	22.2.2012.	<a href="http://www.vranjske.co.rs">www.vranjske.co.rs</a>	USAID: Challenges of the new government will be conducting reforms	
36	22.2.2012.	TV Vranje, vesti	How to get close to the source of finance	
37	22.2.2012.	<a href="http://www.nadlanu.com">www.nadlanu.com</a>	New government must conduct reforms	
38	22.2.2012.	<a href="http://www.vesti.rs">www.vesti.rs</a>	New government must conduct reforms	
39	22.2.2012.	<a href="http://www.beta.rs">www.beta.rs</a>	New government must conduct reforms	
40	22.2.2012.	<a href="http://www.provesti.com">www.provesti.com</a>	New government must conduct reforms	
41	22.2.2012.	RTS 1, Ovo je Srbija	Roundtable in Vranje	
42	22.2.2012.	<a href="http://www.blic.rs">www.blic.rs</a>	Most expensive loans to economies in the south	
43	22.2.2012.	<a href="http://www.bizlife.rs">www.bizlife.rs</a>	Most expensive loans to economies in the south	
44	22.2.2012.	<a href="http://www.emg.rs">www.emg.rs</a>	USAID: Challenges of the new government will be conducting reforms	
45	22.2.2012.	<a href="http://www.poslednjavest.com">www.poslednjavest.com</a>	USAID: Challenges of the new government	

			will be conducting reforms	
46	23.2.2012.	Radio Presevo, Vesti	Access to finance	
47	23.2.2012.	<a href="http://www.b92.net">www.b92.net</a>	Most expensive loans to economies in the south	
48	23.2.2012.	<a href="http://www.okradio.rs">www.okradio.rs</a>	USAID business enabling project	
49	23.2.2012.	Blic	USAID: State's influence	918345
50	24.2.2012.	<a href="http://www.juznevesti.com">www.juznevesti.com</a>	Easier access to finance	
51	7.3.2012.	Press	Dusan Vujovic: Chinese bring hundreds of billions	396579
52	19.3.2012.	TV Pink, Dnevnik	Fiscal regulations for controlling public debt applied in EU countries must be applied in Serbia	
53	19.3.2012.	<a href="http://www.economy.rs">www.economy.rs</a>	Quarterly monitor: Continuing of current trends leads to perforation of public debt up to 50% of GDP	
54	19.3.2012.	<a href="http://www.naslovi.net">www.naslovi.net</a>	Arsic: Positive overall effects of dinar depreciation	
55	19.3.2012.	<a href="http://www.novimagazin.rs">www.novimagazin.rs</a>	Public debt can exceed 50% of GDP	
56	19.3.2012.	<a href="http://www.prva.rs">www.prva.rs</a>	Positive overall effects of dinar depreciation	
57	19.3.2012.	<a href="http://www.tanjug.rs">www.tanjug.rs</a>	Positive overall effects of dinar depreciation	
58	19.3.2012.	<a href="http://www.b92.net">www.b92.net</a>	Arsic: Positive overall effects of dinar depreciation	
59	19.3.2012.	<a href="http://www.danas.rs">www.danas.rs</a>	Arsic: Positive overall effects of dinar depreciation	
60	19.3.2012.	<a href="http://www.dnevnenovine.rs">www.dnevnenovine.rs</a>	Arsic: Fiscal loss due to increasing minimal wages	
61	19.3.2012.	<a href="http://www.emg.rs">www.emg.rs</a>	Arsic: Fiscal loss due to increasing minimal wages	
62	19.3.2012.	<a href="http://www.ekapija.com">www.ekapija.com</a>	Arsic: Positive overall effects of dinar depreciation	
63	19.3.2012.	<a href="http://www.beta.rs">www.beta.rs</a>	Fiscal loss due to increasing minimal wages	
64	19.3.2012.	<a href="http://www.b92.net">www.b92.net</a>	Public debt can exceed 50% of GDP	
65	20.3.2012.	Pregled	100 million euros of savings	
66	20.3.2012.	Danas	Arsic: Positive overall effects of dinar depreciation	29643
67	20.3.2012.	<a href="http://www.emg.rs">www.emg.rs</a>	Arsic: Public debt can exceed 50% of GDP	
68	20.3.2012.	Pregled	Deficite must go down for 300 milion euros	
69	20.3.2012.	Dnevnik	The state is going towards a dangerous minus	38134

70	20.3.2012.	Politika	Dangerous sugestions for lowering taxes	154499
71	20.3.2012.	TV Studio B, Beograde, dobro jutro	Increasing minimal wages leads to fiscal loss of 4 bilions dinar per year	
72	20.3.2012.	Vecernje novosti	Higher taxes are savig the budget	590537
73	21.3.2012.	Vecernje novosti	USAID	590537
74	28.3.2012.	Dnevnik	Hidden taxes pushing people away from business	
				4309911

### ATTACHMENT 3: PROGRESS VERSUS WORKPLAN

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
<b>Objective 1: Improve and streamline business regulation</b>				
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.	Activity expected to start following appointment of the new Government.
	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 increasing transparency, establishing coordination between inspections and	Jan - April 2012	Reformed inspections	TOR for the new e-Inspections system is being developed.

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
	decreasing the number of steps and procedures.		mechanism for selected inspectorates	
	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 roundtable scheduled for 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 to begin with April 19 roundtable, extending to include period after formation of the new Government.
	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, with the peak expected on and after April 19, 2012.
	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 will start 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 after formation of the new Government.
3. Assist implementation of the Law on Enforcement (adoption expected in April)	Finalize the bylaws needed for the implementation of the Enforcement Law	April-July 2011	Enforcement bylaws drafted and adopted	Ongoing. Project participates in the MoJ working group. Number of bylaws adopted several of them in different drafting stages. The activity is planned to last for the most of 2012.
	Develop and conduct training program for future Private Enforcement Officers	April 2011 –	Training program	This activity is on hold at the

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
	(PEOs) and procedure for appointment of PEOs	November 2011	(app. 300 PEOs trained)	moment per USAID instructions. However the MoJ expressed high level of interest for the implementation of the preparatory training and keeps asking for the technical assistance in this area.
	Develop system for appointment and supervision of PEOs, including establishment of MoJ unit to oversee PEOs (training and procedures), organize exam	April 2011 – April 2012	MoJ Enforcement Supervision Unit operational First PEOs exam	Ongoing, in the form of preparation of bylaws for the Enforcement Law. The establishment of the MoJ Regulatory Unit for PEOs is in progress.
	Finalize the bylaws needed for the implementation of the Enforcement Law	Jan - May 2012	Bylaws needed for the implementation of the Enforcement Law	Ongoing. Project participates in the MoJ working group. Number of bylaws adopted several of them in different drafting stages. The activity is planned to last for the most of 2012.
	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	
	Conduct and outreach campaign to promote the new PEOs profession and overall enforcement reform	Sept – November 2012	Outreach campaign on new PEOs profession	
	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	
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 to be completed by April 14. Action plan to be developed following establishment of the new Government.

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
	Assist the Ministry of Environment and Spatial Planning (MESMP) in developing bylaws and Official Opinions for the proper implementation of the new Law on Planning and Construction	April 2011 – April 2012	Bylaws and Official Opinions drafted and adopted / issued	Ongoing – focus on conversion decree resulted in adoption of that bylaw with support from BEP in terms of facilitating public discussion and providing the technical assistance in developing the decree. MEMSP created 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	Public Private dialogue to start in the second half of May. Outreach campaign expected to start since June 1.
	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, awaiting commitment from the Government partners.
	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.

<b>Component 1: Business Regulation and Economic Governance</b>				
<b>Task</b>	<b>Activities</b>	<b>Activity Period</b>	<b>Deliverables</b>	<b>Status</b>
	Organize outreach campaign and public-private dialogue to inform decision makers, stakeholders and general public about the impact of current environment for labor market and about expected outcomes of proposed reforms	Sept – Dec 2012	Outreach campaign on environment for labor market	Outreach campaign expected to start since June 1. Public private dialogue to start since formation of the new government.
	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.
<b>Objective 2: Business Effectively Partners with Government in developing and implementing regulatory reforms</b>				
1. Improve Public Private Dialogue	Facilitate improved dialogue between the GoS and businesses on regulatory reforms (on-going activity)	April 2011 – April 2012	Quarterly Coordination Meetings, Workshops & Roundtables, Business reps appointed members of Drafting Work Groups in comm. law area	Ongoing – 5 regional roundtables, 5 focus groups and one national level conference on inspections reform, 2 roundtables on conversion decree, one national conference of SCM and business survey results, one national conference on PPPs, and one roundtable on Regulatory Reform Strategy already organized. Practice of consultative meetings between RRO and business associations established.
	Conduct an Annual Survey of Business Community on major regulatory constraints	April 2011 – July 2011	2011 Survey Results on Major Constraints to businesses	Completed, results presented at the national conference.
	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.
	Conduct Annual Business Survey continuing the practice started in the Year 1	Jun – Oct 2012	Annual Business Survey report	This activity will start in June.
<b>Objective 3: Improve the regulatory review process and RIA process</b>				

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
1. Improve Quality and Quantity of Legislative and Regulatory Reforms	Conduct an Overall Standard Cost Model Study on the costs of regulatory constraints for doing business in Serbia	April 2011 – July 2011	Overall Standard Cost Model Study on business constraints	Completed, results presented at the national conference.
	Assist the GoS Secretariat in developing transparent Annual Legislative Action Plan	May 2011 – April 2012	Annual Legislative Action Plan Developed and publically available	Changes to the GoS Rules of Procedures discussed with the GoS General Secretariat and amendments to the Rules of Procedures are drafted accordingly and submitted to the General Secretariat.
	Assist the GoS Secretariat in streamlining drafting procedures and making them fully inclusive and transparent	May 2011 – April 2012	Amendments to the GoS Rules of Procedure New methodologies for inclusive and transparent drafting	Changes to the GoS Rules of Procedures discussed with the GoS General Secretariat and amendments to the Rules of Procedures are drafted accordingly and submitted to the General Secretariat.
	Assist in drafting and adoption of the National Strategy and Action Plan for 2011 – 2012	November 2011 – March 2012	Regulatory Reform Strategy and Action plan	Strategy Drafted and publically discussed with BEP support. Adoption expected in April 2012
	Support preparation of RIA for selected legislation (ongoing activity)	April 2011 – March 2012	Regulatory impact assessments	Ongoing - first RIA supported by BEP will be most likely on inspections reform strategy
	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	Ongoing - first RIA supported by BEP will be most likely on inspections reform strategy
	Assist implementation of the National Regulatory Reform Strategy 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

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
	Assist RRO's capacity building and support its outreach and promotion activities	Feb 2012 – Jan 2013		Ongoing activities.
<b>Objective 4: Create enabling environment for PPPs</b>				
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 in April 2012.
	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 April 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 October 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 April 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 June 2012.
<b>Objective 5: Improve Corporate Governance Policies, Standards and Regulations</b>				
1. Support implementation of the new Company Law (adoption expected)	Assist GoS in drafting bylaws needed for the implementation of the provisions on Corporate Governance in the new Company Law	October 2011 – January 2012	Bylaws	Grant provided for development of the new Code of Corporate Governance that needs to be changed to facilitate implementation of the Company

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
by June)				Law
	Develop Curriculum and train Commercial Court judges on implementation of the new Company Law	October 2011 – April 2012	Training for Judges	Grant awarded for design and implementation of the training of Commercial Court judges that should be delivered in the first half of 2012
	Information dissemination on the company law to business community	Sept. 2011 – April 2012	Brochure, media outreach	This activity is scheduled for the period of implementation of the grant for training of Commercial Court judges
	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,
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, with the peak expected on April 19, 2012.
Raise awareness on competition constraints and their cost (Task 4.1)		Oct 2011-ongoing		Activities on this objective have been canceled
Assist outreach campaign on the importance and benefits of the new enforcement system (Task 1.3)		May 2011-ongoing		The action plan that MoJ has agreed with, sets the outreach campaign for the Fall 2011 and some outreach activities took place.
Enable journalists to learn more about economic topics and economic reforms needed in Serbia (Task 2.1)		Ongoing		Ongoing – all of the Component 1 activities, with exception of the 5 focus groups on inspections,

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
				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
Outreach campaign for quasi-fiscal charges		February – December 2012	Grant	Ongoing, with the peak expected on and after April 19, 2012.
Constructions permits – outreach on problems and solutions		March – December 2012	Grant	Outreach campaign expected to start since June 1.
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 April 2012, and roadshow will start in June 2012.
Outreach campaign for enforcement of judgments procedures and PEOs		January – October 2012		
Publicize results of BEP Survey of Businesses		October – December 2012		
<b>Gender Integration Activities</b>				
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
<b>Objective 1: Improve GoS budgeting, fiscal policy analysis, and financial management efficiency</b>				
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	New STTA was agreed with the Fiscal Council to address medium term objectives for fiscal adjustment reforms and overall improvements to public sector financial management and the work has begun. Specific topics of analysis include tax reforms, short- and long-term measures to address the so called "Fiscal Decentralization Law", measures to ensure the sustainability of public debt, and the supporting econometric analyses and projections. Additional work is currently discussed with the Fiscal Council that will focus on whether savings can be made by restructuring state aid programs to ensure sustainability of public finances. The outlined work will be completed by the end of June.
	Support for tactical research that will help the FC improve fiscal policies and advance economic development	2012	Policy Notes and Research Advisory Papers	We had a series of meetings with member of the Council to discuss priorities and various research that is needed to put forth policy recommendations in the following areas: state aid, decentralization, shadow economy, and expenditure management. Once the Fiscal Council publishes its Medium Term Fiscal Adjustment Reforms document, which will include recommendations in the

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
				area of “fiscal decentralization”, we will consider additional work in this specific area.
	Assist in strengthening public awareness and dialogue on the role and importance of the FC.	2012	Conferences, debates, policy notes, public dialogue	The Council is doing a better job of getting in front of the public and its public perception is improving. No work was conducted in this area during the quarter and we are considering what support if any the Council may need after the elections.
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	Ongoing. As a result of two out of three delivered capacity building phases completed during 2011, the Macro Fiscal Department (MFD) of the Ministry of Finance (MoF) can now independently perform various forecasts crucial for fiscal sustainability analyses and development of fiscal strategy. The 3 <sup>rd</sup> phase of the assistance delivered during 2012 focuses on institutionalizing the capacity attained by the MFD so far where crucial activity has been the writing of instructions for various macroeconomic and fiscal projections. Debt Sustainability training has also been delivered to MFD, with other institutions also attending: Fiscal Council, Public Debt Administration, and Treasury Administration.
	Study tour to 1-2 countries in the region to learn how to apply fiscal analysis to	Oct-Nov 2011	Study Tour	BEP organized highly successful

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
	<p>polymaking processes (e.g. Croatia, Slovenia, and/or Austria)</p> <p><b>[note: this is Year 1 Work Plan's activity, Study Tour was completed in January under the Work Plan for Year 1]</b></p>			<p>study tour for the MFD Staff of the Serbian MoF to Italian Ministry of Finance and Economy (MEF) and Bank of Italy (BoI), The Italian MEF and BOI invited the Serbian delegation for a two-day intensive course on macroeconomic and fiscal analysis and projections. The Serbian delegation received a reception at the highest level, including presentations by the MEF Treasury Director, Marco Cacciotti, and the BoI Managing Director of Economic Research, Daniele Franco. The MFD staff learned about three major groups of models and techniques the Italian counterparts use to make short- and long-term macroeconomic and fiscal projections. This training will help the MFDs to better assess models they should develop or enhance, which will strengthen its capacities as a sound policy analysis group. The Study Tour also gave the MFD the opportunity to have a knowledgeable mentor in further convergence activities given Italy's prominent status within EC and international institutions.</p>
	<p>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.</p>	<p>Jun - Dec 2012</p>	<p>Model, Training and Training Materials, Guidelines</p>	<p>Training is foreseen for the last week of April or first week of May.</p>

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
	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 is planning to do this work in the second half of the year, once the new government is in place, in order to gain the commitment of the new Minister of Finance for the crucial modeling assistance that BEP is planning for 2012. Plan is to first engage experts to conduct assessment of MFD modeling needs. The assessment will provide insight into which further steps to take toward making the MoF a more effective policy-making institution.
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. University Professor and former World Bank expert Dusan Vujovic is to finalize his study on “Effective Use of Performance Indicators in Public Sector Budgeting and Planning” under BEP contract in April. Mr. Vujovic delivered training to the General Secretariat and to the Budget Department (BD) of the MoF on the effective usage of performance indicators in public sector budgeting and planning (33 participants for a combined 66 total training hours). The trainings were very well received.
	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	Feb - Dec 2012	Advisory Notes	BEP hosted panel “The Changing Paradigm of Public Sector Finance” at Kopaonik Business Forum, the most significant annual economic

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
	stakeholders such as the Parliament, State Audit Institution, etc.			<p>summit in Serbia in order to build understanding and high-level political support for strategic, performance-oriented approach to budgeting. The panelists were Mr. Vujovic, BEP Advisor, Anthony Sinclair, BEP Resident Advisor, and Professor Miroљub Labus, Faculty of Law at the Belgrade University. The panel's conclusions about restarting budget process reforms offer clear directions for switching from public consumption to public investment model. The panel had about two hundred observers, including high government officials, ambassadors, prominent Serbian and international economists, private sector representatives, and journalists.</p> <p>BEP had a number of interactions with the World Bank on donor coordination to further advance the initiative that BEP started last Fall in helping to catalyze the developed of a unified donor position on budget reforms. This coordination has continued in the second quarter with discussion on the first draft of joint Policy Briefing document.</p> <p>In order to build understanding and high-level political support for strategic, performance-oriented approach to budgeting, BEP shared</p>

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
				information and ideas with the National Democratic Institute and USAID Separation of Powers Program (SPP). Separately, BEP initiated communication with key counterparts at the National Assembly including: Deputy Speaker Gordana Comic and her advisor Slavica Penev; Branka Ljiljak, Finance Committee Deputy Chairperson; and Mirjana Radakovic, Assistant Secretary General. Trainings were agreed with the counterparts from the Parliament once it is back in session.
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 advisor, Ms. Jakir-Bajo, Head of the BD of Croatian MoF, helped build capacity at the BD of Serbian MoF in program budget implementation in a full-day workshop (18 attendees, 144 training hours). This workshop, along with the delivered training and study on effective usage of performance indicators (see Obj. 1, Task 3, Activity 1) aims to help the BD develop a best-practice program budgeting methodology and introduce it to all line ministries along with the necessary capacity building. Ms. Jakir-Bajo also delivered a full-day seminar on program budgeting to the representatives of the line

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
				ministries and other budgetary users. Ms. Stojiljkovic, BD Head of Serbian MoF delivered introductory training module and explained the plan of the BD to gradually transition to program budgeting by 2015. This well-attended, interactive seminar (28 attendees for a total of 224 training hours), the first of a total of four sessions, was realized in cooperation with the Government Human Resource Management Service (GHRS). Topics covered include: developing mid-term strategic plans; linking strategic plans with financial plans; determination of priorities; program budget model; usage of performance indicators; reporting and system of responsibilities.
	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	This work will be conducted during the second half of the year because it will be done 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" was awarded to CLDS who tested many journalists of which 23 were accepted into the program. Two trainings were held in March and one so far in April. Experts in the area of economic sciences and media communications delivered the trainings to the journalists as well as to the visiting government

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
				representatives. Two more trainings will be held.
	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	<p>Ongoing. FREN published and promoted the QM 27 issue. The promotional event presented the analysis and papers in the QM and attracted 14 media representatives. QM's Spotlight On paper funded by USAID BEP provided important insights on the shape of Serbia's financial system, in terms of savings, capital financing, risk management and payments operations and identified key areas for improvement.</p> <p>Economic Institute published and promoted its monthly MAT issue. The promotional event attracted 20 media representatives. MAT's article funded by USAID BEP on "Budget System in Serbia – Institutional Framework and Practice" provided insights on the budget preparation process and areas for improvements.</p> <p>The MoF requested assistance from BEP to help improve regulations for managing state aid in line with EU and international standards. We are considering providing some support on this as well as undertaking analysis of selected state programs in the economic sphere. Work on</p>

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
				preparing a grant RFA to provide this assistance began during this quarter.
<b>Objective 2: Improve public debt management and conditions for government financing</b>				
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 May and June, 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	We are considering possibilities for organizing an event for investors (a conference) together with an EU project. However, though PDA needs assistance with many areas, its capacity to absorb the support is limited at this point, making risk management trainings and organizational diagnostic priorities for now. We will use every opportunity in PDA Director's limited availability to move ahead in this area.
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	BEP has created a Scope of Work for a technical assistance on organizational diagnostic to outline separation of responsibilities that will further increase efficiency of the PDA. The work is expected to commence in May and to complete in June. This work will provide

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
				valuable insights into what changes are needed in order to strengthen middle, back, and also front offices in line with the best practice.
	Ongoing training series and capacity building to PDA in debt management strategy, risk management, planning and operations.	2012	Trainings, Training Materials, Models, Handbooks, Hardware, Educational Materials, etc.	A local expert has been contracted for a Scope of Work that entails a total of 14 training sessions to be held in April and May to the PDA and Treasury staff on public debt risk management topics. Two additional sessions will be used to test the staff for the purpose of checking the knowledge attained by staff and 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 is continuing to help implement recommendations outlined in BEP's 39-page report/review of the PDA's debt management system conducted last year. Specifically, BEP delivered a 24-page "Specification for Corrections of Public Debt Stock Report" document to the PDA, while the completion of the final draft is expected this week. The goal is to outline the improvements and corrections needed for making the Public Debt Stock Report accurate, complete, usable, and readily available in the PDA's debt management system. Other assistance included defining, modifying, and tracking current

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
				issues related to the PDA's debt management system, where primary issues have been the system's functionalities related to commitment fees (solved but yet to be tested) and other cash flow calculations (World Bank's IDA loans).
	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.
<b>Objective 3: Improve macroeconomic policy and strategy</b>				
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	We are engaged in developing/designing the research outline to address policy actions and recommendations for reducing the shadow economy. The recommendations will be targeted for use by the new Government
	Conduct outreach on priority macroeconomic issues of the new government through various mechanisms including workshops, roundtables, and Policy Café submissions.	2012	Conferences, Debates, Roundtables	BEP External Advisor Dusan Vujovic wrote an article on Improving Public Resource Management in Serbia that was published in monthly CorD and also on BEP's portal <a href="http://www.policycafe.rs">www.policycafe.rs</a> . BEP Chief of Party, Joe Lowther, wrote for BEP's portal a Policy Note on the European Growth Model by referencing a study by World Bank.
	Complete the analysis of national savings patterns and promote reforms supporting increased domestic savings rates.	March – October 2012	Savings Study Outreach	Contract for National Savings Study has been signed with the economic think-tank CLDS, who reached the

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
				first milestone of creating the study's structure. The final draft is expected by the end of June 2012.
<b>Communications and Outreach Activities</b>				
	Support to the Fiscal Council on outreach and communication strategy	End of 2012		Not started. Work in this area is expected at the end of 2012.
	Support to the Public Debt Administration on outreach	All year		Plan for a conference on public debt management topics including investor relations is discussed but no specific actions have been taken. As PDA has limited capacity to absorb assistance, we are focusing right now on risk management trainings and organizational improvements.

<p>Press and media events associated with the results of select studies (Savings, Shadow, Performance indicators, ...)</p>	<p>All year</p>		<p>BEP hosted panel “The Changing Paradigm of Public Sector Finance” at Kopaonik Business Forum, the most significant annual economic summit in Serbia in order to build understanding and high-level political support for strategic, performance-oriented approach to budgeting. The panelists were Mr. Vujovic, BEP Advisor, Anthony Sinclair, BEP Resident Advisor, and Professor Miroљub Labus, Faculty of Law at the Belgrade University. Professor Vujovic presented the findings of BEP supported study on “The Effective Use of Performance Indicators in Public Sector Planning and Budgeting”, providing recommendations on how to increase the transparency and efficiency in the use of budget resources.</p> <p>BEP sponsored promotion of FREN's Quarterly Monitor 27 issue. Economic Institute published and promoted its two monthly MAT issues that contained articles financed by BEP.</p>
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Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
<b>Objective 1: Increase capital available to businesses through creation of a regulatory framework for NBFIS</b>				
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	Ongoing. Currently assisting organization of a conference with the SC to promote new regulations (the Capital Market Law and bylaws, the Company Law and the Takeover Law). The conference is scheduled for April 11, 2012.  Already completed – Relevant materials, law and bylaws are published on <a href="http://www.policycafe.rs">www.policycafe.rs</a> . Translation of the Capital Market Law, which is important for foreign investors, is available on SC, BEP webpage and BSE web page.
	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	Ongoing. Currently assisting the SC legal department in finalizing bylaws related to the capital adequacy.  Already completed - The bylaws related to the transparency and disclosure, and bylaws regarding the Official Register of Information are finished and adopted at the beginning of 2012. This is in addition to the 17 capital markets bylaws (related to the prospectus, investment firms, Investors Protection Fund and

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
				market abuse) that was drafted, confirmed by the MoF and adopted by the SC in 2011.
	Staff training and capacity building for the SC to implement the new Capital Market Law.	February – April	Training materials Advisory notes	Ongoing. In progress with preparing the study tour for the SC as a part of increasing SC's capacity to implement the new regulation.  The SC will participate at the US Securities and Exchange Commission Annual International Institute for Securities Market Development in Washington DC during April 2012.
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	Activity scheduled for October.
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	Ongoing. Project actively participates in the MoAT working group and provides technical assistance in drafting the Law.  Already completed - The first draft of the law is prepared and is under internal review. The second round of the review, that includes all relevant stakeholders, is expected to be organized starting from the end of April.

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
	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, researches and policy notes are published on www.policycafe.rs  Already completed - Roundtable with the stakeholders and businesses organized at the end of January in Belgrade.
	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.
<b>Objective 2: Strengthen integrity of the capital markets by helping the GoS to assist equity issuers and brokers to comply with securities laws</b>				
1. 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	Ongoing. Organizational review of the SC to assess its capacity to implement the new law.  Already completed - Two days training on supervision held in the SC at the beginning of March.
<b>Objective 3: Improve GoS access to finance through development of a long-term, liquid public debt market</b>				
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	Activity scheduled for September.

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
<b>Objective 4: Strengthen public-private dialogue on the financial sector and its role in economic development</b>				
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	Ongoing. Currently preparing the high-level conference with the SC. Additional materials, policy notes, researches, etc. are regularly published on <a href="http://www.policycafe.rs">www.policycafe.rs</a> .
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	Ongoing. Preparing the grant for access to finance overall outreach.
<b>Objective 5: Strengthen disclosure and transparency supporting new investment by assisting the GoS to implement required accounting, audit and disclosure standards</b>				
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	Ongoing. The organizational review is in progress in order to assess the SC's capacity to implement disclosure regulations.  Already completed - Assessment of the technical capacities of the SC to establish an Official Register of Information and implement new regulations.
<b>Objective 6: Improving access to finance for small and medium enterprises and entrepreneurs</b>				
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	Ongoing. Currently working on finalizing access to finance research and developing recommendations. In addition, preparing the last roundtable focused on access to finance for women in business to be held in Belgrade, end of April.

**Component 3: Financial Market Development**

Task	Activities	Activity Period	Documentary Deliverables	Status
				Already completed - Conducted 6 roundtables in different regions of Serbia. Finished in-house research on banking regulations and SMEs' 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, etc.
	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 after the 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 after the 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 July.
	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 after the 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 August.
		March - December	Advisory notes Legal drafts	Ongoing. Currently working with the GoS working group to develop

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
	Support to the NBS and MoF on the development of legislation supporting access to finance		Outlines of bylaws drafted	the Factoring Law. Already completed – the first draft of the law is prepared. The public discussion is expected starting from the end of April.
Communications and Outreach Activities				
Outreach on access to finance		January to December 2012	Presentations advocacy PR activities media materials	Ongoing. The research and drafting of the white paper is in progress, to be published in Q2. Preparing the grant for access to finance overall outreach.  Already completed - media coverage of access to finance roundtables and BEP annual business survey, and policy café web page.
Outreach on capital markets		January to December 2012	Presentations advocacy PR activities media materials	Ongoing. Currently preparing the conference with the SC for the April 11, 2012.  Already completed - policy café web page.
Outreach on commodities exchanges		January to December 2012	Presentations advocacy PR activities media materials	Activity scheduled after the draft law goes for the public discussion.





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**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 Q1
<b>Mission Assistance Objective: Create A More Competitive Market Economy</b>								
<b>IR 1.1: Business Enabling Environment Improved</b>		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.
<b>Sub-IR 1.1.1: More Effective Business Regulation</b>		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.
<b>IR 1.4: Macroeconomic Environment Improved</b>		Increase in Foreign Direct Investment	Numeric Value	National Bank of Serbia (NBS)	Annual	2010: 3.3% 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 Yr5: FDI at 6% of GDP	NBS stats are due sometime soon (overdue).
<b>Sub-IR 1.4.1: Improved Fiscal Policy</b>		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 <sup>1</sup> Yr4: N/A Yr5: -1% of GDP	Yr1: -4.7% (source: Quarterly Monitor no. 27, FREN, March 2012.
<b>Sub-IR 1.4.2: Financial</b>		Improved score in WEF GCI "Financial Market	Numeric	WEF GCI reports	Annual	2011: 3.74	Yr1: 3.74	None. New data to

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

<b>Markets Developed</b>		Development" (formerly 'Sophistication') The VIII WEF GCI Pillar	Value				Yr2: 3.80 Yr3: 3.84 Yr4: 3.88 Yr5: 3.92	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	400 hours
<b>Component 1: Business Regulation and Economic Governance Improved</b>								
	1. Improve and streamline business regulation lowering the costs to businesses and government from business regulations	Number of commercial laws and regulations simplified and implemented in accordance with international standards as a result of USG assistance	Numeric Value	Project Reports	Annual	2011: 3	2011: 3 2012: 10 2013: 10 2014: 10 2015: 10 2016: 3 <sup>2</sup>	6 bylaws on enforcement security
		Average time spent by management on working with inspections	Numeric Value	Business Survey <sup>3</sup>	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	0
		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	Numeric	World Bank Doing	Annual	2011: 279	Yr 5: 220	None. New data to

<sup>2</sup> Project will end 3 months into the 2016 fiscal year.

<sup>3</sup> This refers to the annual USAID BEP Survey of Serbian Businesses.

	with constructions permits	Value	Business Report				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.
	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%	0
	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	2 meetings of the RRO Advisory Group.
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	11

	Business perception of transparency and predictability increases	Qualitative	Business Survey	Annual	2010: 23% agree that transparency and predictability increased	Yr. 2: 25% Yr. 3: 28% Yr. 4: 32% Yr. 5: 35%	None. New report due September 2012.
4. Improve the Government's competition policy and capacity to implement the policy	Number of members of the Commission for the Protection of Competition, Administrative and Supreme Courts judges trained in implementation of the Competition Law	Numeric Value	Project Reports	Quarterly	N/A	Y1: 25 Y2: 25 Y3: 35	0
	Improvement in WEF GCI "Anti-Monopoly Policy" addressing Competition	Numeric Value	WEF GCI reports	Annual	2011: 2.77	Yr 5: 3.6	None. New data to be available with WEF GCI 2012-2013 Report due November 2012.
5. 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	0
6. 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	0

	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
<b>Component 2: Macroeconomic Policy and Public Financial Management Enhanced</b>							
1. Improve GoS budgeting, fiscal policy analysis, and financial management efficiency	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 deficit Yr3: FSR contains estimates on tax expenditures Yr 4: Budgets among ministries better reflect their strategic priorities.	According to the Budget Calendar FSR will be created and adopted in Autumn 2012.
	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	Numeric Value	Project Report	Monthly	N/A	Yr 1: 2 Yr 2: 3 Yr 3: 3 Yr 4: 2	1- An article on Budget process in MAT in Economic Institute's MAT.

	assistance that support changes in fiscal policy					Yr 5: 2	
	Number of activities related to macroeconomic and fiscal issues aimed at improving public-private dialogue <sup>4</sup>	Numeric Value	Project Report	Annual	N/A	Yr 1: 2 Yr 2: 3 Yr 3: 4 Yr 4: 4 Yr 5: 3	1-Kopaonik Business Forum Panel on "The Changing Paradigm of Public Finance".
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.	None. A quick fix workaround has been done on one report, but more work on that report has continued and is expected to complete in Q2 of 2012.
	Proportion of key PDA staff trained in debt management, economic and risk analysis	Numeric Value	Project records	Annual	N/A	Yr 1: 10% Yr 3: 50% Yr 5: 75%	0
3. Improve macroeconomic policy and strategy	Improvements in WEF GCI on "Macroeconomic Environment" addressing Nation's Savings Rate, as % of GDP	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

<sup>4</sup> 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.

							November 2012.
	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	0
	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	524 hours. Trainings were delivered to General Secretariat, Budget Department, Fiscal Council, Public Debt Administration, Treasury Administration, and Macro-Fiscal Department (MFD). MFD staff trainings also include a study tour to Italian Ministry of Finance and Central
<b>Component 3: Increased Financial Market Development</b>							
	1. Increase capital available to business through the creation of a regulatory framework for NBFIs						

	Value of credit financed from NBFi's to businesses increases	Numeric	NBS Publications, Stock Market, and Securities Commission Reports	Annual	N/A Or TBD/calculated by C3	Yr.1: 0 Yr.2: 0 Yr.3: 5% Yr.4: 10% Yr.5: 10%	0
	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	205 persons advised about upcoming securities law in Y1. Q1 Y1: 0 The Conference on the capital market and new regulatory framework is scheduled for April 11, 2012.
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	Statistics Office	Annual	2010: Value of dinar debt is 14% of total borrowing	Yr 5: Proportion of borrowing increases to 20%	Yr 1: 14%
3. Improve the GoS' access to finance through the development of long	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	Yr 5: Banks own 75% or less of government debt in dinars	March 2011: Banks own 87,1% of debt (3/31/11)

term, liquid debt public market					(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 Capital Market Law Regulations is expected to raise compliance level above 60%. Next IOSCO assessment TBD.
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 finance for SMEs	Increase in average value of loan size and borrowing by SME's <sup>5</sup>	Qualitative/ numeric	Project Survey (USAID BEP Business Survey)	Annual	2011: 9500 EUR	Yr.2.: 0 % points increase from baseline Yr.3.: 10 % point increase Yr.4.: 15 % point increase Yr.5.: 20 % point increase	None. New report due September 2012.



**ATTACHMENT 5: BEP GRANTS UPDATE**

6-Apr-12

**BEP GRANTS UPDATE**

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

RFA-2011-04		Construction Permits	ACES - Association of 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
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 Follow-up Data Analysis	CeSID - Center for Free Elections and Democracy	4,513	370,000	contracted

RFA-2012-01	14-Feb-12	Organization of the Forum on Capital Market in Serbia	Beolmpigra, 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	BLUEWATER 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	contracted
RFA-2012-02	28-March-12	Study and recommendations on policies to increase employment and workforce competitiveness		35,600	3,000,000	open

EXPRESSION OF INTEREST TITLE	APPLICANT	Amount RSD	Amount USD	Status	GSC Meeting
Economic Growth Model	Center for Liberal-Democratic Studies (CLDS)	0	0	Rejected	
Commodity Exchange at Agricultural Forum - Food for Europe	Economics Institute	389,640	5,000	PAID	9/26/2011
Economics Training for Students of Journalism	Association CIVILNET	0	0	Rejected	9/26/2011
Guide for preparation of the Plan of Reorganization (PR) in accordance with Bankruptcy Law	BDO Business Advisory	0	0	Rejected	9/26/2011
Guide for the preparaion of the Prepackaged Plan of Reorganization (PPR) in accordance with Bankruptcy Law	BDO Business Advisory	0	0	Rejected	9/26/2011
Development of Corporate Bonds Market in Serbia	Chamber of Commerce and Industry of Serbia	0	0	Rejected	9/26/2011
Fiscal Rules as a Fiscal Responsibility Tool	Center for Liberal-Democratic Studies (CLDS)	0	0	Withdrawn	9/26/2011
MAT for Better Business Conditions	Economics Institute	810,600	10,300	Contracted	11/4/2011
Belgrade Stock Exchange 10th International Conference	Belgrade Stock Exchange	300,000	3,800	PAID	11/4/2011
Public Administration Training to improve administrative capacity	Singidunum University - Faculty of Economics, Finance and Administration (FEFA)	975,000	12,400	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	Contracted	11/4/2011
Alumni Seminar - Improving Conditions for Doing Business in Serbia	Belgrade Fund for Political Excellence (BFPE)	1,100,000	14,000	Contracted	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	3,066,000	39,000	contracted	12/8/2011

	(FREN)				
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	Contracted	12/8/2011
Reform of Financial System and Protection of Intellectual Property Rights in Serbia	ACADEMICA Center for Creative Economy Research	0	0	Rejected	1/12/2012
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	

## FINANCIAL STATUS OF CONTRACTED GRANTS

RFA			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	Contracted
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	1/4 paid
Foundation for the Advancement of Economics - FREN	Econometric Assistance	RFA-2011-03	2,828,300	37,870	2/3 paid
MP and Associates	Assessment of Constraints to Construction Permits in Serbia	RFA-2011-04	1,614,000	20,550	2/4 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	1/4 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	Contracted
Center for Liberal-Democratic Studies - CLDS	Study on Private Domestic Savings	RFA-2011-06-R2	1,840,000	22,230	1/3 paid
Chapter 4 Communications Consulting	Organization of Capital Market Forum in Serbia	RFA-2012-01	1,697,180	19,980	60% paid
<b>Subtotal</b>				<b>206,179</b>	

APS			RSD	USD	Status
Economics Institute	Agricultural Forum "Food for Europe"	APS-2011-01-1		5,043	Paid
Economics Institute	MAT - for Better Business Conditions	APS-2011-01-2		9,965	1/2 paid
Belgrade Stock Exchange - BELEX	Belgrade Stock Exchange 10th International Conference	APS-2011-01-3		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		39,574	1/2 paid
Belgrade Fund for Political Excellence - BFPE	Alumni Seminar - Improving Conditions of Doing Business in Serbia	APS-2011-01-5		13,805	1/2 paid
Belgrade Fund for Political Excellence - BFPE	Annual Seminar - Economic Potentials and Business Development Prospects	APS-2011-01-6		12,018	2/3 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		15,370	1/3 paid
Serbian Association of Managers - SAM	Managers' Hours	APS-2011-01-8		15,770	1/4 paid
<b>Subtotal</b>				<b>115,417</b>	
<b>TOTAL</b>				<b>321,596</b>	