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USAID'S BUSINESS ENABLING PROJECT

QUARTERLY REPORT: THIRD QUARTER 2013

October 7, 2013

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Submitted by:

Cardno Emerging Markets USA, Ltd.

Submitted to:

USAID Serbia

Contract No.:

169-C-00-11-00001-0

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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 (BEP) consists of three major components:

- **Component 1, Business Regulation and Economic Governance**, streamlines laws, regulations, and institutions; improves regulators' capacity to implement laws; and improves analysis and public-private dialogue.
- **Component 2, Macroeconomic Policy and Public Financial Management**, helps 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**, improves regulatory frameworks for non-bank institutions, develops capacity to strengthen and expand capital markets, and improves 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 reduce the time and money spent by Serbian businesses to comply with laws and regulations and help the GoS to be more efficient. The reforms also enable businesses to attract necessary investment at an appropriate cost. As result, Serbian businesses have a better chance to be competitive in the global economy, leading to export-led economic growth and increased employment.

BEP uses an 18 person staff (17 Serbians, one expatriate), substantial Serbian and expatriate medium and short term advisors, and a grants fund to provide technical assistance to GoS and other counterparts.

2. HIGHLIGHTS DURING THE REPORTING PERIOD

This report covers the eleventh quarter of BEP's operation – July 1 to September 30, 2013. Noteworthy activities during the period were:

- **BEP and the Ministry of Justice and State Administration developed the first draft of a new Law on Inspections.** After two years of pushing by BEP and its business association and inspectorate partners, the GoS finally moved forward with this long awaited reform. Three BEP experts and two MoJSA staff are members of the core working group that is drafting the new law, and the core working group agreed on the first draft. The new legislation will include the introduction of a risk-based system; prevention rather than sanctioning; and transparency and coordination of inspections. The MoJSA and BEP are finalizing the Draft Law and will present it to members of the Drafting Group for discussion and endorsement before it is released for open public consultations. The adoption of this new legislation will pave the way to a much-needed and long-overdue overall reform of business inspections, and will result in a decreased administrative burden and greater regulatory compliance by businesses.
- **BEP and GoS move forward with program budget reform.** BEP and the Budget Department

GoS Partners

BEP works in partnership with the following GoS institutions under joint work plans and action plans:

- General Secretariat of the Government
- Ministry of Agriculture, Forestry and Water Management
- Ministry of Construction and Urbanism
- Ministry of Finance
- Ministry of Economy
- Ministry of Labor, Employment and Social Policy
- Ministry of Justice and Public Administration
- Public Debt Administration
- Office for Regulatory Reform and Regulatory Impact Assessment
- Securities Commission
- Fiscal Council (independent body)

of the Ministry of Finance (MoF) have successfully finished the first two stages of the budgeting process reform, and are moving ahead with the implementation. In the initial stage BEP focused on awareness and knowledge building of the Ministry of Finance, budget users and other stakeholders in the budgeting process. The second stage entailed intensive joint work with the Budget Department team on development of the program budget framework, methodological guidelines for budget users, and budget preparation software. The latest phase is roll out of the new program budgeting framework to all direct budget users. Introduction of program budgeting will lead to more efficient government spending as the GoS better controls line ministries' programs. Once program budgeting is implemented, the GoS will be able to better evaluate and plan its spending options, as well as monitor and evaluate the cost-effectiveness of programs. BEP will continue to provide assistance in adoption of program budgeting by all budget users for 2015 budget cycle.

- **The Law on Factoring was adopted** in July. BEP was an active member and the contributor in the Working Group that drafted the law. BEP also led advocacy and education efforts in the law adopting process, including training for MPs in the Serbian National Assembly. The Law was praised by all parliamentary parties, and all amendments proposed in the Parliament were rejected. The Law was also praised by the International Factoring Group. This new Law is a major breakthrough in providing sources of finance for Serbian SMEs. Factoring makes it possible for businesses – particularly SMEs – to obtain working capital finance and protection from credit risk and to manage receivables and ensure they are collected.
- **BEP and GoS develop first draft of Law on Planning and Construction.** After a long and difficult process, BEP, the Ministry of Construction and Urbanism (MoCU), and GoS Office for Quick Responses came to agreement on the outline of a new Law on Planning and Construction. As of the end of the Quarter, the three were still attempting to improve the MoCU's draft, which the Minister of Construction and Urbanism, Velimir Ilic, insisted should be the basis for a draft to be supported by all three parties. Although the MoCU's draft is poorly drafted it appears that it will be revised to integrate all recommendations in the BEP-produced Concept of Reform of Construction Permits. The draft law should be released to the public to begin the comment stage during the week of October 7.
- **Public-Private Partnership (PPP) Commission adopted the Value-for-Money Methodology (VfMM)** developed by BEP. The adoption of the VfMM allows the commission to analyze and approve PPP proposals from local and national governments. The Law on PPP and concessions request that PPP project proposals contain business plans, which includes value-for-money analysis. The VfMM contains economic, financial and technical guidelines for sound and thorough development and implementation of PPP projects.
- **BEP finished the series of roundtables on improving access to finance for SMEs.** The roundtables took place in Šabac, Zaječar, Zrenjanin, Kruševac, Subotica, Niš and Čačak. They enabled BEP to discuss ideas from its "White Paper on SME Finance" with more than 150 businesses. Nina Samardzic, Assistant Minister of Finance and Economy was actively involved in the discussion with the business representatives. The Ministry's main objective was to collect relevant inputs for drafting the Development Strategy for SMEs and provide information about the activities and future plans of the Ministry. Participants at the roundtables included representatives of women business association, food processing cluster, craftsman association, and different business unions and associations.
- **The first draft of the Commodity Exchange Law was completed by the Expert Drafting Group,** which included BEP experts. The draft was released for initial stakeholder feedback. The Working Group subsequently developed the regulatory impact assessment for the legislation.

BEP and American Chamber of Commerce (AmCham) Support Serbia Turning to Economy

BEP co-sponsored the business conference named “Serbia Turns to Economy – Responsibly Together Out of the Crises” organized by the Delegation of the EU in Serbia, business association Privrednik, Foreign Investors Council and the AmCham. representatives of the Government of the Republic of Serbia (Aleksandar Vucic, First Deputy Prime Minister of the Government of the Republic of Serbia, and Mladjan Dinkic, Minister of Finance and Economy), business leaders, and the IMF and World Bank representatives discussed necessary steps to overcome the economic crisis and improve the business climate in Serbia. Commenting on business environment priorities, defined jointly by the conference organizers and BEP, GoS representatives in very strong terms committed to the following: adoption of the new Labor Law by the end of 2013 with a focus on improved conditions for new employment; legislative changes by September to enable expedited construction permits; fiscal consolidation by cutting public expenditures (by restructuring the public sector and pension system, decreasing subsidies, and increasing revenues by curbing the grey economy). These important conclusions were achieved by intensive consultations between organizers and the GoS leadership in preparations for the event, with BEP providing technical assistance to AmCham to define key issues and how to approach them in discussions with the GoS leaders. The starting points for the discussion were the commitments made by GoS representatives at the BEP supported “First 100 Days of the New Government” event.



REVIEW OF PROJECT PROGRESS

In the third quarter of 2013, BEP's activities and outcomes accelerated, as the GoS showed greater urgency in efforts to accomplish the major reforms that BEP is assisting with. This is a huge challenge for BEP, as all Tasks and all staff are fully engaged; but it is also a huge opportunity for BEP and USAID as some major transformational reforms are being accomplished. For example, reforms of the construction permitting, inspections, labor law, GoS budgeting, and SME finance regimes are being conducted with BEP's assistance – these are reforms that have languished for years and have been on the business community's priority lists.

During the third quarter BEP again accomplished all planned activities. It is quite likely that the project will meet or exceed USAID's objectives for the project and counterparts are pleased with our progress. As mentioned above, BEP is on track to help the Government of Serbia (GoS), business community, and other stakeholders accomplish several reforms that can transform the economy and lay the groundwork for rapid economic growth over the rest of the decade and beyond. This includes a comprehensive overhaul of construction permitting under BEP's leadership, a modern Labor Law that BEP provided key inputs for and organized several public-private dialogue events to facilitate, a framework and process for inspections reform led by BEP, and program budgeting reform, which BEP is managing. BEP is also helping improve public debt management, saving the GoS millions in

borrowing costs. BEP has already accomplished significant reforms in factoring and leasing, which will unleash hundreds of millions of Euros in new financing, and BEP's assistance to the Securities Commission has laid the groundwork for new issuances of equity and debt securities.

BEP is seen by GoS officials and staff, business associations, experts, media, and others as a leader in reforms in the areas of business regulation and economic governance, public financial management, and financial market development. BEP has developed the most influential studies, analyses and guides to reforms in each area it works in. BEP's strategic communications and direct assistance to GoS counterparts, along with the Mission's and Ambassador's tremendous advocacy to GoS officials, have ensured that the targeted reforms have become GoS priorities. The project has been very successful in mobilizing coalitions of business associations and government officials and staff. BEP's role in reform efforts includes facilitation, technical assistance, publicizing and communicating, and monitoring.

The GoS has requested BEP assistance in nearly all Task areas of the project, and in most areas the Government has asked BEP to take a leadership role. For example, the GoS has asked BEP to lead public-private dialogue and legislative drafting in construction permits, labor law, and access to finance. BEP is co-leading several legal and institutional reforms with the GoS, including program budgeting, public debt management, inspections, and public-private partnerships.

The success of BEP's approach was confirmed by USAID's Independent Evaluation of the Business Enabling Project: "There is wide agreement among stakeholders, confirmed by available data, that this is an excellently managed project, even exemplary in providing not just highly appreciated know-how and expertise in improving operational processes, but also sincere dedication to achieve effective and sustainable results. In particular, stakeholders value the demonstrated flexibility of the BEP team in responding to the needs of beneficiaries and partner organizations."

Administrative and General Activities

BEP's second set of interns completed their internships and a third set of interns was selected.

The project's four interns had very successful internships, including useful research and analysis on important reform issues. The interns completed a BEP training program and participated in external trainings, seminars and workshops. The interns made substantive contributions to BEP's success, including important research and analysis in the areas of labor law reform and access to finance. BEP has selected four new interns, who will begin work on the project in October 2013.

"A six-month internship at USAID Business Enabling Project had a great contribution to both my professional and private life. It provided me with an invaluable experience, enabling me to use my academic knowledge and providing me with some new sets of practical skills. Also, working in a dynamic and extremely friendly environment, I became much more confident in communication and organization. If I was offered the same internship again, I would immediately accept it, without any doubt! However, I am currently doing my master studies at University of Cambridge, for which I am sure this internship has also contributed to!" Valentina Colic, BEP Component 2 Intern January-July 2013

Sanja Ugrcic, BEP Component 3 intern provided research and analysis of data, laws, regulations, and practices related to financial markets and access to finance, as well as logistic support for conferences, roundtables, and other activities. She conducted independent research and drafted a paper on non-banking financial institutions. After completing her internship Sanja was hired by KPMG.

BEP Third Business Survey Completed. The BEP third annual Survey of Businesses was developed by BEP staff working with BEP grantee IPSOS. The BEP team worked with IPSOS to develop the questionnaire and instructions. IPSOS is now conducting the survey. Initial results will be conveyed to BEP by October 8.

USAID's Second Financial Review of BEP was conducted from September 23 to 24, 2012.

Component 1

BEP undertook activities that cover multiple Component 1 Tasks:

- Under a grant and with technical assistance from BEP, the National Alliance for Local Economic

Development (NALED) presented the Second Quarter Report on Regulatory Reform 2013 (the Report). The Report contains an analysis of effects of the newly adopted tax legislation, as well as completed and ongoing legislative and regulatory processes, overview of some administrative procedures. It also contains a review of the GoS' policy and regulatory responses to the requests of the business community asking for a more predictable and less burdensome legal and business environment. The Report points out unlawful charging and collection of certain para-fiscal charges by the public institutions without prior consent of the Ministry of Finance and Economy. The Report also emphasizes the necessity of resolution of legal status of the Draft Law on Charges for Public and Common-Pool Resources, that affects a large number of business sectors. The Report once again emphasized the importance of regulatory reform in the areas of construction permitting, inspections and labor, and indicated recent progress in those areas. An important part of the Report is a regular survey of business sector opinions, whereby businesses evaluate the regulatory, administrative and institutional framework, including the work of inspections and ministries, and business expectations for upcoming period. BEP will continue to support tracking of regulatory reform status and initiatives that will lead to higher quality of legislation and regulation and better implementation.

- BEP agreed to provide the Minister of Economy Sasa Radulovic, with a Senior Advisor: BEP Director for Economic Governance and Regulatory Reform Dusan Vasiljevic. Mr. Vasiljevic will work part-time onsite in the Ministry, providing advice on strategy and actions relating to reforms that BEP is assisting the GoS with. Mr. Vasiljevic's assistance will be provided pursuant to a Joint Work Plan or Memorandum of Understanding to be entered into between BEP and the Ministry.
- BEP's team met with Sinisa Mali, Economic Advisor to Deputy Prime Minister Vucic, to discuss BEP's scope of work, its priority activities and further assistance to the GoS. One of the most important issues in implementing complex reforms such as those of construction permitting and inspections is the need for constant and well organized coordination of various governmental bodies in charge of implementation. Mr. Mali agreed that the GoS should constitute inter-ministerial bodies that will lead and coordinate the efforts to properly implement new legislation and ensure consistent and effective coordination of line ministries and governmental agencies. He agreed to help establish the Construction Permitting Inter-Ministerial Group and the Labor Law Inter-Ministerial Group, and to discuss the establishment of an inspection reform coordinating body with the Ministry of Justice and State Administration. As agreed, after the meeting BEP sent Mr. Mali a list of line ministries that should be involved in Inter-Ministerial Working Groups, as well as a list of issues regarding labor law amendments that need to be decided upon.
- BEP is also exploring its participation in a planned effort by Deputy Prime Minister Vucic's office to develop a short-term strategy for reforms that will spur economic growth and employment. This effort would be undertaken in collaboration with the NGO CEVES. It would help move forward reforms that BEP is working on in Component 1, and would support program budgeting work under Component 2.

Under **Objective 1, Task 1, "Improve Inspections Operations and Organization,"** BEP made great progress in developing a strategy and law for inspections reform. After two years of pushing by BEP and its business association and inspectorate partners, the GoS is now working closely with BEP to accomplish this long-awaited reform. The adoption of this new legislation will pave the way to a much-needed and long-overdue overall reform of business inspections, and will result in a decreased administrative burden and greater regulatory compliance by businesses. Several important activities during the Quarter helped move the efforts forward:

- Three BEP experts and two MoJSA staff are members of the core working group that is drafting the new law, and the core working group agreed on the first draft. The MoJSA and BEP held a retreat of the core Inspections Law Drafting Group, which was attended by an Assistant Minister of Justice and an Advisor to the Minister and three BEP experts. BEP and MoJSA reached agreement on all key issues to reform legislation governing inspections and inspection oversight. The new legislation will include the introduction of a risk-based system; prevention rather than sanctioning; and transparency and coordination of inspections. The MoJSA and BEP will follow

up on this event by finalizing the Draft Law and presenting it to members of the Drafting Group for discussion and endorsement. Subsequently BEP and MoJSA will organize open public consultations. The drafters will also amend sectoral laws that cover inspection oversight, and will draft bylaws needed to implement inspections reform.

- BEP helped the Ministry of Justice and State Administration (MoJSA) integrate the inspections reform strategy in the Public Administration Reform Strategy. The MoJSA invited BEP to help revise and improve the Draft Public Administration Reform Strategy (2013-2016) and the Action Plan for implementing the Strategy, insofar as they deal with inspections reform. BEP recommended that a chapter on inspections reform be included in the narrative of the Strategy; that new activities and indicators be introduced into the Action Plan, and that deadlines be shortened. These recommendations reflect the demands and requests of businesses and inspectorates that were articulated at five regional roundtables, five focus groups and four Inspection Leadership Group meetings that BEP previously conducted.
- BEP continued outreach to obtain wide support for new legislation. BEP's expert and member of the Working Group for development of the Draft Law on Inspections, that is formed under the auspices of the Ministry of Justice and State Administration (MoJSA), presented the concept of the future Law on Inspections to the members of the NALED and its Legal and Regulatory Committee. The presentation led to a dynamic discussion concerning connections between the nascent systemic Law on Inspections and sectorial laws governing inspection oversight, functioning of risk-based system in inspection control, and its connection with the frequency of inspection controls, role of the check-lists, inspection performance indicators, prevention vs. sanctioning, and coordination of different inspections. BEP will continue to consult business associations on the regulatory issues and provide support for development and implementation of the Law on Inspections.

Under **Objective 1, Task 2, "Remove or reduce quasi fiscal burdens to businesses,"** BEP continued efforts to push the GoS to take further efforts to reduce para-fiscal charges. Under a grant and with technical assistance from BEP, the National Alliance for Local Economic Development (NALED) presented the Second Quarter Report on Regulatory Reform 2013 (the Report) – which is discussed above. The Report includes an analysis of unlawful charging and collection of the certain para-fiscal charges by the public institutions without prior consent of the Ministry of Finance and Economy. This led to increased interest of official, business and general public, and reaction of competent public institutions in charge for financial and fiscal issues. The Report emphasizes the necessity of resolution of legal status of the Draft Law on Charges for Public and Common-Pool Resources, which affects a large number of business sectors.

As discussed in the Grants section below, BEP also awarded a grant under a Request for Applications for a grant for Para-fiscal Charges: Evaluation of Results and Support for Continuation of Reforms. The grant will support the evaluation of para-fiscal reforms conducted thus far, identification of impediments for reform implementation; recommendations and proposals for full implementation and completion of the reform; and development of a tool for comprehensive monitoring of the level of para-fiscal impositions on businesses. The grantee will also conduct outreach, advocacy and public awareness activities.

Under **Objective 1, Task 3, "Assist Implementation of the Law on Enforcement,"** the Chamber of Enforcement Officers asked BEP to organize training for 27 new Enforcement Officers. The request was made to BEP because GIZ, despite agreeing to take over the training program under its new program, is unwilling to undertake any activities until after the inception phase of its project ends around the beginning of 2014. USAID and BEP agreed to organize the training in October.

Under **Objective 1, Task 4, "Streamline Construction Permitting,"** pursuant to the GoS' request, BEP drafted a new draft Law that follows the Concept for Construction Permits Reform that BEP developed and stakeholders agreed to. However, the Ministry of Construction and Urbanism (MoCU), and GoS Office for Quick Responses developed their own drafts and BEP spent a substantial amount of time trying to reconcile the drafts and ensure that the GoS goes public with a draft that is consistent with the Concept. As of the end of the Quarter, BEP, the Ministry and the

Office were still attempting to improve the MoCU's draft, which the Minister of Construction and Urbanism, Velimir Ilic, insisted should be the basis for a draft to be supported by all three parties. Although the MoCU's draft is poorly drafted it appears that it will be revised to integrate all recommendations in the BEP-produced Concept of Reform of Construction Permits. The draft law should be released to the public to begin the comment stage during the week of October 7.

During the Quarter, BEP worked with various stakeholders to ensure that the final Concept was accepted by all and that the legislation that BEP was drafting would result in necessary changes to the way permitting is done. Urban planning elements of proposed reforms were carefully examined at the Standing Conference of Towns and Municipalities' Urbanism Committee meeting in Pozega on July 11. The next day, a similar discussion was organized at Belgrade's Chamber of Commerce, attended by representatives of the private sector companies and planning and cadaster authorities. Participants of both roundtables will send their written contributions that will inform drafting of the new legal framework for construction permits. BEP also established cooperation with the Association of Architects of Serbia (AAS), a forum for professionals who play a key role in helping investors obtain the necessary building permits. AAS provided proposals for regulation, primarily concerning the professional liability of licensed engineers. BEP also consulted the financial sector – and the insurance industry in particular – in this process in order to better determine professional indemnity and other insurance product related to construction procedures, as well as financial guarantees to be required for high-quality performance.

BEP took part in a TV feature focused on construction permitting issues. The interview with BEP's Dusan Vasiljevic was broadcasted on regional Al-Jazeera Balkans TV, and fostered greater debate among countries in the region on how to create a better business environment.

BEP worked intensively on drafting the new legislation necessary to reform construction permitting. A team consisting of BEP staff and BEP grantee Mancic & Associates drafted the new Law on Planning and Construction (LPC), and amendments to various sectoral laws. The Draft provides a first comprehensive proposal for legal reform of the construction permitting process that would make the process much more efficient and transparent. This Draft was reviewed by other BEP experts and finalized. It is ready for dissemination to a wider group of stakeholders, but BEP is holding onto it pending discussions with the GoS on a draft that the GoS would release. In addition to the first version of the new LPC, USAID has completed working versions of the following laws: Law on Roads, Law on Waters and Law on Energy. Some other sectoral laws dealing with permitting are being drafted, and several bylaws will follow.

BEP helped the Ministry of Construction and Urbanism develop and improve its draft of the Law on Planning and Construction (BEP Director for Economic Governance and Business Regulation Dusan Vaslijevic and BEP Expert Milos Zivkovic were nominated by Minister Ilic to join the Inter-ministerial Working Group for the New Law on Planning and Construction. This Working Group focused on the legal status of construction land and the respective rights and obligations as the key prerequisites for establishing a more efficient construction permitting system. The Working Group agreed to develop several alternative scenarios for dealing with the challenge of the process of conversion of usage rights to formal title. Pursuant to the Ministry's request, BEP's consultant Milos Zivkovic provided options for dealing with this issue. Mr. Zivkovic did not provide recommendations since the solution needs to be decided at a high level in GoS.

But it later became apparent that the Ministry was also separately working on a draft of the Law on Planning and Construction that included new permitting procedures. BEP was not involved in this drafting effort; it was done by State Secretary Miljevic. On August 19, State Secretary Miljevic shared with BEP the most recent internal draft of amendments to the Law. In developing this draft, Mr. Miljevic relied to large extent on materials produced by BEP. However, the draft Law was poorly drafted and it deviated in several significant ways from the BEP-developed Concept for Construction Permitting Reform. In addition, the GoS Office for Quick Responses, which had been closely cooperating with BEP on development of the Concept and draft LPC, separately developed another draft of the LPC.

From August 19, USAID BEP engaged in intensive consultations with the Ministry and Office to resolve the remaining differences in the drafts. USAID BEP and the Office for Rapid Responses agreed on revisions that have substantially aligned their drafts, and the Ministry made revisions to its draft that better align it with the USAID BEP-developed Concept for Reform of Construction Permitting that received the support of all stakeholders. USAID BEP will continue to coordinate discussions with the Ministry and the Office for Rapid Responses to develop a single draft that all support by October 7, when the Ministry wants to release a draft for public comment.

USAID BEP Takes the Lead in Construction Permitting Reform

In December 2012, the Government of Serbia, through former Minister of Finance and Economy Mladjan Dinkic, asked USAID BEP to prepare draft legislation to reform the construction permitting process, to be in accordance with the BEP produced *Assessment of Constraints to Construction Permits in Serbia* and its recommendations.

BEP then followed a consultative process to develop the legislation. This included numerous discussions and roundtables with stakeholders from business associations, the construction industry, professional associations, GoS ministries and agencies, and local governments, as well as experts in construction law, property law, planning, engineering, and inspections. In January 2013 BEP developed a *Roadmap for the GoS to Streamline Construction Permitting Process*, and consequently a *Proposal of the Concept of Reform of Construction Permits* (the Concept), which was released in May 2013, and revised to reflect input received during further consultations with stakeholders during May and June 2013. In May 2013, Minister of Construction and Urbanism Velimir Ilic endorsed the Concept and stated that the Ministry would follow it in developing new legislation to streamline construction permits.

BEP's drafting group then developed a first draft of the Law on Construction Permits, amending the existing law to reflect the recommendations from the Concept and further input from stakeholders and experts on various provisions. BEP also prepared amendments to some related laws, consulting a group of experts and communicating with the Ministry of Construction and Urbanism during the drafting process.

Under **Objective 1, Task 5, "Reduce the Employing Workers Burden,"** BEP continued to help with technical expertise, public-private dialogue, education and outreach, and business advocacy relating to new labor legislation. At the end of the Quarter, Zoran Martinovic, State Secretary in the Ministry of Labor and Social Policy, informed USAID BEP that the Ministry's draft of amendments to the Labor Law is about to be completed, and that it greatly relies on the materials provided by USAID BEP. Mr. Martinovic also asked USAID BEP to continue its involvement in this effort and to support improvements to the draft through a consultative process. Based on general agreement between Mr. Martinovic and USAID BEP, this consultative process will take place in October. Radoslav Vujovic, Deputy Secretary General of the Serbian Parliament, also requested USAID BEP's help in conducting a roundtable in Parliament on Labor Law reform, and USAID BEP agreed to help organize such an event in October or November.

BEP worked with business associations to develop their positions and advocacy and outreach relating to labor law reforms. On July 3, under BEP's chairmanship and coordination, the Labor Policy Reform Group (LPRG) held a meeting focused on joint outreach activities toward the upcoming change of the Labor Law. Representatives of the leading business associations in Serbia (Chamber of Commerce of Serbia, NALED, SAM, FIC, Amcham, and Union of Employees) discussed coordinated advocacy and communications regarding Labor Law amendments. In order to establish a framework for more employment and new investments, the members of the Labor Policy Reform Group will continue to jointly advocate for labor law reform. BEP is now working with associations to develop a draft of the Labor Law that they can jointly support and use in reacting to the Ministry of Labor's soon to be released draft.

BEP and Women in Parliament held a roundtable in the National Assembly on Labor Law changes and how it could affect women. About 20 female parliamentarians participated in the lively discussion and they mostly supported entering the flexible ways of employment. Most concerns were directed towards tax calculations and contributions for that type of employment. The conclusion was that the Labor Law should be changed but this reform needs to be complemented with reform of related laws, such as Law on Employment and Unemployment Insurance, Law on Health and Safety at Work, and Law on Compulsory Insurance. Women in parliament will closely monitor the process of Labor Law reforms. Until the public discussions, where they will be an important part, their focus

will be on women unemployment and how to enable more women-led entrepreneurship.

BEP participated in a panel discussion entitled “Impact of Public Sector Reform on Unemployment” organized by the Belgrade Chamber of Commerce and the Poslodavac Association of Employers. The participants discussed the possible impact of public sector reform on the labor market, as well as the measures to reduce unemployment. After a discussion lasting two and a half hours, it was concluded that solving one of the most complex problems of Serbia, the burning issue of unemployment, requires a series of reforms in the public sector and strengthening of the private sector, along with a strong and precisely defined development strategy. BEP underlined that public sector reform included Labor Law reform, but that the focus of the reform did not necessarily imply layoffs. The reforms should focus on the efficiency, better coordination, risk assessment, and greater use of IT.

BEP and NALED conducted a briefing on labor policy reform issues for foreign diplomats. During the event NALED presented the summary and main recommendations of their comprehensive study entitled “The System of Labor Taxation and Possible Directions of its Reform.” Tamara Borovcanin of BEP then presented Serbian business associations' priorities for Labor Law reform. U.S., Danish, German, Swiss, Japanese and Dutch diplomats, and representatives of the EU delegation agreed that systemic labor policy reform should start with the reform of the Labor Law and labor taxation. They agreed that amending the Labor Law should be a priority for the GoS to accomplish this year. Labor taxation reform, primarily aimed at reducing the tax burden on lower wages and cutting the overall tax burden on labor, was also discussed.

Under **Objective 2, Task 1, "Improve Public Private Dialogue,"** BEP assisted with several events described in detail throughout this Report. They include:

- Event - Serbia turns to Economy, July 7, 2013
- Discussion - The concept of the future Law on Inspections to the members of the NALED and its Legal and Regulatory Committee, July 9, 2013
- Roundtable - Women in Parliament (Labour Law), July 10, 2013
- Roundtable - Presentation of the Concept of Reform of Construction Permits in Pozega (BEP and SKGO), July 11, 2013
- Discussion – Construction Permits and Planning, Belgrade Chamber of Commerce, July 12, 2013
- Presentation and Discussion - National Alliance for Local Economic Development (NALED) Second Quarter Report on Regulatory Reform 2013, July 12, 2013
- Panel discussion - “Impact of Public Sector Reform on Unemployment,” Belgrade Chamber of Commerce and the Poslodavac Association of Employers, July 24, 2013

BEP also continued its cooperation with Parliamentary Committees. BEP participated in the National Assembly's Committee on Economy, Regional Development, Trade, Tourism and Energy session dedicated to current economic and legal issues facing businesses in Serbia. This focused on inspection oversight of commerce and employment. Apart from Committee members, other members of Parliament, and participants from the BEP team, the session was also attended by officials of the relevant ministries - Ministry of Finance and Economy, Ministry of Justice and State Administration, Ministry of Foreign and Internal Trade and Telecommunications - and by representatives of business associations - National Alliance for Local Economic Development (NALED), Serbian Chamber of Commerce and Industry, Serbian Employers Union, and American Chamber of Commerce (AmCham). Among the topics discussed between the public and the private sectors were the fiscal burden on wages; business issues and inspection oversight in commerce; employment and changes needed to labor legislation and regulation; combatting the informal economy; administrative obstacles to doing businesses and attracting more investment; current state of affairs in inspection oversight and recommendations for improvement; and social dialogue on labor issues. Committee members emphasized the value of research into these issues provided to the Committee by BEP, as well as the importance of discussing these topics, adding that greater knowledge would be of major significance when draft legislation entered the parliamentary process.

Under **Objective 4, Task 1, "Finalize Legal Framework for PPPs,"** the Public-Private Partnership (PPP) Commission adopted the Value-for-Money Methodology (VfMM) developed by BEP. The Law on PPP and Concessions requires PPP project proposals to contain business plans, which includes value-for-money analysis, in accordance with the VfMM, the most important methodological document essential for implementation the Law on PPP and Concessions. The VfMM contains economic, financial and technical guidelines for sound and thorough development and implementation of PPP projects, serving as set of tools for public sector decision-makers to determine which investment model for designing and constructing public buildings or providing services best suits the public interest. Value-for-money analysis contains the Public Sector Comparator (PSC), measuring the value of investment alternatives (most frequently traditional public procurement vs. the PPP model), discounting and determining Present Value of costs and Net Present Value of projects, sensitivity analysis, and project risk matrix. In order to support completion of the Serbian PPP framework and facilitate entry into and implementation of PPP agreements, BEP engaged an experienced international consultant to develop the Draft VfMM, in coordination with BEP Business Regulation and Economic Governance Team. In July, the PPP Commission reviewed and adopted the VfMM; the next step is its implementation in the development of public investment and PPP projects, which will lead to greater legal, economic and financial predictability.

Component 2

BEP's activities under Objective 1, Task 1, "Capacity building assistance to the Fiscal Council and Improvements to fiscal responsibility," BEP engaged local STTAs, for the period from October 2013 to January 2014, to evaluate the impact of fiscal consolidation on economic recovery using a number of alternative scenarios and on-the-job training to FC staff. Various assessments of fiscal multipliers obtained in the previous phase of the research (previous SoW) will represent the starting point. The Consultant will simulate a number of alternative scenarios, each suitable for different multipliers, to study the impact of fiscal consolidation on economic recovery.

Pursuant to Objective 1, Task 2, "Improvements to MoF Fiscal Analysis and Strategy," BEP provided training on Fiscal Multipliers for Ministry of Finance and Economy (MoFE) Macro-Fiscal Department, Budget Department and Public Debt Authority. On July 23, local STTAs engaged by BEP delivered training to the departments of the Ministry of Finance and Economy, aiming to build capacity of its staff on Fiscal Multiplier analysis and data series preparation. BEP's initial assistance to the Fiscal Council on Fiscal Multipliers resulted in a review of empirical studies conducted for Central Eastern European (CEE) countries and evaluation of multipliers in both CEE and Serbia, including presentation to the MoFE of results and time series used. The Fiscal Multiplier is used to measure the effect of government spending on the subsequent income level of the country. The training included a review of theory and research, comparison of Fiscal Multipliers in CEE and Serbia, and time series as used in Serbia. The training session was well attended: among the 15 participants were Ms. Rancic, the Assistant Minister, and Mr Bosnjak, Head of the Macro-Fiscal Department.

Pursuant to **Objective 1, Task 3 "Assistance to the GoS and Parliament to Improving Budget Coordination and Performance Management,"** BEP organized a successful study tour to Washington, DC for senior Serbian public financial management officials. The Serbian delegation on this study tour, which took place between July 8 and 12, consisted of two members of the Parliament Finance Committee, a senior officer of the Parliamentary Research Service, the heads of the Ministry of Finance Budget Department and Capital Projects Evaluation Group, as well as a member of the Fiscal Council. The study visit was designed to help Serbian officials better understand budgetary processes and oversight and become more effective by using a more sophisticated and transparent budgeting process and performance measurement indicators. It included extensive meetings, presentations and discussions with senior officials of US institutions such as the Office of Management and Budget, Congressional Budget Office, Government Accountability Office, US Senate Committee on Finance and US House of Representatives Committee on Appropriations, Committee on Finance and Committee on Ways and Means. After a high-level introduction to the US

budgetary system and key points of the budgetary process, presented by Dr. Paul Posner, Serbian officials met with senior staff of each organization. These meetings were focused on how independent analysis helps members of Congress make budgeting decisions. The Serbian delegation also met Senator Robert Casey (Pennsylvania) and US Comptroller-General Gene Dodaro, as well as officials of the World Bank, Government of the District of Columbia, and the American Enterprise Institute.



On September 23, USAID BEP held a meeting with Parliament

leadership to discuss and plan activities to take place this Fall that will help MPs become more effective in overseeing the budget process. USAID BEP staff agreed on several joint activities with Radoslav Vujovic, Deputy General Secretary of the Serbian Parliament, Vesna Kovac, Chairperson of the Finance Committee, Radojko Obradovic, Deputy Chairperson, and Veroljub Arsic, member of the Finance Committee member and Deputy Head of the SNS Parliamentary Group. The activities agreed upon include training in program budgeting and analysis of state aid. The MPs stated that the Committee would like to learn more about how budget oversight takes place in other countries, and how the legislative and executive branches can better interact to improve fiscal management. USAID BEP also agreed to continue presenting draft laws for which USAID BEP provides technical assistance, which has so far proven to be highly beneficial for the Committees. In line with this agreement, Mr. Vujovic suggested that a public hearing be held for MPs on amendments to the Labor Law, to which USAID BEP agreed. They also agreed upon presentation of the draft Commodity Exchange Law and the role of the Securities Commission in ensuring financial market growth.

Under **Objective 1, Task 4, "Assist the MoFE Budget Department to Develop Capacity for Improved Transparency and Program Budgeting,"** BEP and Ministry of Finance (MoF) entered the third phase of Program Budgeting Implementation: roll out of the new program budgeting framework to budget users. The initial stage of BEP's engagement with program budgeting reform focused on awareness- and knowledge-building of different stakeholders in the budgeting process. This was followed by the development of a joint action plan with the Budget Department for the introduction of program budgeting, as well as intensive consultations on devising: 1) a program budgeting framework tailored to Serbian needs; 2) methodological guidelines for budget users, and 3) technical specifications for budget preparation software. In the third phase BEP is providing support to the MoF Budget Department in the full roll-out of the new budget framework among line ministries and other budget users by the 2015 budget. The project has provided a series of individual workshops with selected budget users that will implement program budgeting model a year ahead of the legal deadline, i.e. for the 2014 budget. This group consists of six ministries (Education; Health; Justice and State Administration; Trade and Telecommunications; Culture; and External Affairs) and five independent budget users (Environmental Protection Agency, Office of the Ombudsman, Social Security Fund, Refugee and Migration Commissioner, and Office for Cooperation with Religious Communities). Through a series of meetings with working groups established at the budget user level (comprising representatives of financial departments, various technical sectors, strategic planning groups, as well as management), BEP advisors will help budget users develop their programmatic structures and set goals and performance indicators to be used for 2014 budget requests due in October. BEP's assistance will lead to more efficient government spending as the GoS better controls

line ministries' programs that have often been plagued by increasing costs and disappointing results. Once program budgeting is implemented, the GoS will be able to better evaluate and plan its spending options, as well as monitor and evaluate the cost-effectiveness of programs.

Under **Objective 2, Task 1, "Improving conditions for public investment in and trading of government debt,"** BEP helped the Public Debt Authority (PDA) analyse methods for development of a retail government debt program. As requested by the Public Debt Administration, BEP's international expert examined the possibilities for developing a Retail Government Debt Programme. Expert Nathan Hansford worked closely with the PDA and financial institutions and other interested parties, and will propose the most adequate solutions for Serbia. Mr. Hansford's report will analyze best international practice, identify models applicable in Serbia, identify key issues and obstacles to its development, and provide assistance to the PDA in addressing these issues, including a detailed proposal for the timing of a GoS bond issuance. The PDA would like to build demand from households and individual members of the public to purchase secure and diverse investment options at low fees, while providing the GoS with additional sources of funding at the lowest possible cost.



Under **Objective 3, "Technical Assistance to Advance the GoS Macroeconomic Strategy",** BEP and the Pozarevac Regional Chamber of Commerce held a presentation of the Shadow Economy Study. At this event, USAID BEP emphasized the negative impact of the shadow economy on employees, enterprises, and society as a whole, and praised the willingness of the Government of Serbia to continue addressing this problem. Ivan Simic, the Director of the Tax Administration (TA), also participated in the event and expressed great appreciation for BEP's recommendations, saying that the Tax

Authority had already begun to implement measures from the study, such as strict control of fiscal receipts issuance, better coordination with other Government bodies, intensive training of inspectors, stricter penalties for tax evasion, and a new e-system of consolidated billing and cross-checking property and income. The presentation was attended by more than 50 businesspeople from the region, as well as by representatives of local authorities, public enterprises and the Serbian Chamber of Commerce. The presentation was covered by local and regional media outlets.

Shadow Economy Study: Status of Recommendations

Several of the Study's recommendations have been acted on:

- The Ministry of Justice and State Administration (MoJSA) formed the Working Group for development of the Law governing inspection oversight (June 2013). USAID BEP participates in this Working Group with three members, having a significant role in the Group's operations
- The MoJSA is completing the Draft Strategy on Public Administration Reform, with Inspections Reform as its integral part, including USAID BEP's substantial and comprehensive comments to the Draft Strategy.
- The Government of Serbia (GoS) undertook important steps toward alleviation of para-fiscal burdens on businesses.
- The construction land usage fee, in accordance with the Law on Planning and Construction and the latest Amendments to the Law on Taxes on Property is to be integrated into the property tax by December 31, 2013; it is not going to be charged from January 1, 2014.
- Amendments to the Law on Tax Procedure provide that the opinions, instructions and explanations of the Ministry of Finance will from now on be binding for the Tax Administration, lessening the risk to taxpayers of discretionary and inconsistent decisions of the Tax Administration and the Ministry of Finance.
- Police and municipalities have been assigned new responsibilities in relation to the exchange of information with the Tax Administration. Also, the GoS introduced a specific code for the payment of the tax and social security contributions which Serbian employers should obtain from the Tax Administration and which they should use for the payment of tax and contributions. At the same time, banks are prohibited from executing the payment of salaries until they get the code for payment from their clients.
- A new form of tax return for withholding taxes payable by Serbian companies was introduced. This new form will be filed electronically and will replace as many as 35 different forms which Serbian companies had to file each month. The

form and content of the new withholding tax return will be prescribed by a separate regulation of the Ministry of Finance, and will be used beginning January 1, 2014.

- Fines for tax misdemeanors prescribed by the Law on Tax Procedure have been increased: amounts of minimal fines have been doubled while maximum amounts of fines have been increased up to five times in some cases. The absolute amount of a fine for tax misdemeanors has been increased from RSD 600,000 to RSD 1 million.

Component 3

Under **Objective 1, Task 1, "Assistance to Build Supervision Capacity of Securities Commission,"** BEP's international expert is performing a comprehensive organizational diagnostic and formulating the recommendations for improvement that will enable the SC to regulate the capital market and evaluate their impact. BEP's Expert, Anthony Sinclair, has been working closely with the SC's management and staff, and will propose the most adequate solutions for Serbia. Mr. Sinclair's report will present a comprehensive Organizational Diagnostic of the SC and recommend changes needed for the Commission to operate and perform its licensing, oversight, and other functions in line with best international standards and practice. The SC is aiming to construct an optimal and efficient institutional framework, which is crucial in developing a transparent capital market with high levels of investor protection and adequate risk-based oversight.

Under **Objective 1 Task 3 "Improve Capital Market Legislation,"** BEP helped develop the Draft Law on Venture Capital Companies. The Ministry of Finance and Economy (MOFE) formed the Working Group for preparation of the Draft Venture Capital Companies (Funds) Law, and BEP's expert was appointed to the Working Group. BEP worked with the EU Integrated Innovation project (IISP) and MoFE, as well as with the other members of the Working Group, to develop this Draft Law. The Draft Law, among others, will govern: the status of the venture capital funds, venture capital investments, and requirements for conducting venture capital operations, supervision and penalty issues. Regulation and institutionalization of venture capital companies (funds) should lead to more level playing field in this area and, subsequently, more investments through these finance facilities and a better access to finance for SMEs. This drafting process is a good example of cooperation and synergy of the international donors - BEP and EU IISP, and the Government of Serbia.

Under **Objective 2 Task 1, "Assistance in Development of Legal Framework for Commodity Exchange,"** the Ministry of Foreign and Internal Trade and Telecommunication (MoTT) published a first draft of the Commodity Exchange Law to initiate public discussion. BEP is an official member of the working group supporting the effort to develop a spot and derivatives commodity market in Serbia. Commodity exchanges, as provided for in the draft law, will serve a variety of functions related to marketing, finance and risk management. Developed commodity exchanges facilitate risk management in different ways: through improved market and product information and through clearing-house functions and derivatives trading. They will further contribute to unlocking finance to the commodity sector. MoTT hopes that commodity exchanges in Serbia can become leaders in the region when it comes to agricultural spot and derivatives trading. The MoTT announced that the Law was to be adopted by the end of 2013.

BEP then organized public-private dialogue on the draft Law:

- BEP organized two public discussions on the Draft Commodity Exchange Law with brokers/dealers and investment fund representatives. As both of these industries will be key stakeholders in implementing the law, their comments and suggestions on how to improve the legislation were essential. Among other recommendations, investment funds offered to talk to their clients and discuss which form of commodity pool is the most likely to be established first, and present all information to the drafting group.
- BEP and the Commodity Exchange Law drafting group held a public discussion with major grain exporters and warehouse owners in Novi Sad. The exporters complimented the drafting group on the content of the draft Law, as well as on the drafting process that included a number of discussions with stakeholders. Participants in the public discussion worked to further clarify the draft law in order to leave no space for different interpretations once the law is adopted. Exporters and warehouse owners offered any resources necessary to support the drafting group in

finalizing the law, including sharing their experiences with trading at the Budapest, London and Chicago commodity exchanges. They pointed out that a well-developed commodity exchange will minimize problems between producers and agribusinesses that occur every year. All attendees agreed that relevant institutions should immediately start designing bylaws to enable timely and consistent implementation of the law. Over the course of the coming week, BEP and the drafting group will meet with potential clients of commodity pools, as well as with accountants and tax advisors.

- USAID BEP and Milko Stimac, Drafting Group Chairman, met Mr Igor Loncarevic, head of AmCham's Tax Section, to discuss current and potential tax implications of the proposed Commodity Exchange Law and instruments to be introduced shortly in accordance with it. Leveraging AmCham's practice in the relevant fields of taxation, in addition to their regional and global presence and experience, the Drafting Group will ensure that the Law is easily implementable once adopted. Mr Loncarevic agreed to conduct additional research on this topic and to help USAID BEP and the Drafting Group to overcome any obstacles.

After amending the first draft of the law to reflect the input received through expert discussions, BEP and the drafting group will organize a second, final, round of public discussions.

While waiting for initial stakeholder feedback to the recently published draft of the Commodity Exchange Law (<http://mtt.gov.rs/vesti/radna-verzija-zakona-o-robnim-berzama>), the drafting group is focusing on the regulatory impact assessment of this piece of legislation. The group met on July 31 in Novi Sad to finalize the first draft of the regulatory impact assessment. This method of evaluating the economic impact of the proposed law will show whether new regulation will have a positive influence on the growth of the commodity market. It will also answer the questions of whether a new piece of legislation is needed, what the likely costs of implementation are, and what the effects of the proposed law are envisaged to be on small and medium-sized enterprises, farmers, the government, and other stakeholders. By involving a broad group of stakeholders in the drafting group, as well as by providing transparency and full focus on the regulatory impact assessment during the drafting process the Ministry of Internal and External Trade and Telecommunication aims to provide an example of best practice in law drafting.

Under **Objective 3, Task 1, "Assistance to Identify and Develop the key Regulatory Criteria for Developing a Government Debt Market,"** BEP helped the Public Debt Authority (PDA) analyse methods for development of a retail government debt program (see details under Objective 2, Task 1, "Improving conditions for public investment in and trading of government debt").

Under **Objective 4, Task 1, "Assistance in Development and Implementation of Access to Finance related Laws,"** the Serbian Parliament adopted the Factoring Law. BEP was actively involved in the drafting process from the very beginning, and, thanks to its continuous efforts and attention at every stage; the Factoring Law was passed by the National Assembly in full compliance with international standards and almost no major amendments. Small and medium-sized enterprises (SMEs), which have traditionally had limited access to banks finance due to various adverse factors, are now in a position to use factoring services to improve their liquidity and enhance their financial ratios and creditworthiness. Factoring is also important for exporters because, apart from being able to use additional financing opportunities, it can reduce the risks associated with collection, management and monitoring of payables, which can increase their competitiveness and export potential in the international market. The adoption of this Law marks the implementation of yet another recommendation from BEP's Access to Finance White Paper, further improving access to finance for the SME sector.

One day after its passage in the Serbian Parliament, the Factoring Law was presented to businesspeople, bankers, and other market participants. The presentation was organized by the Belgrade Chamber of Commerce, in cooperation with the Ministry of Finance and Economy (MoFE). Mr. Zlatko Milikic, Deputy Minister and Ms. Branka Djordjevic of the MoFE presented the goals and importance of the basic provisions of the new legislation and the significance of the new regulatory framework that should encourage further development of factoring in the Serbian market. Ms. Lidija Smiljanic of the National Bank of Serbia, Ms. Ana Jolovic of BEP and Mr. Vlado Rosic, President of

the Belgrade Chamber of Commerce Factoring Section, all past members of the drafting group that developed the Law, also addressed the attendees and took part in the discussion following the presentation. All stakeholders in the drafting process expressed their gratitude to BEP for the significant support provided. The entire process of drafting and adopting the Factoring Law was benchmarked as a perfect example of good practice of proper law drafting, which should be used as a guideline for the development of all other regulations.

Over one hundred businesspeople attended the conference organized by the Serbian Chamber of Commerce and BEP on September 20 to promote the newly adopted Factoring Law and factoring as an alternative source of financing for SMEs. Zeljko Sertic, SCC President, and Dragana Stanojevic, BEP DCoP made the introductory presentations; they were followed by Zlatko Milikic, Assistant Minister of Finance, Panos Papatheodorou, member of the Executive Committee of Factors Chain International, and Vlado Rosic, CEO of Real Factor and President of the SCC's Factoring Section. All speakers noted that this law is a significant contribution to the Serbian financing market. An intensive business-to-business workshop between factoring companies and businesses was organized after the plenary session of the conference. A number of international factoring organizations have confirmed their interest in entering the Serbian financial market, now that proper factoring regulation is in place.

BEP and the Factoring Law Working Group influenced positive change in the Law on the Prevention of Money Laundering and Terrorism Financing. In its regulatory impact analysis of the Factoring Law the Factoring Working group pointed out the problem in implementation of newly introduced two-factor system, whereby the factor assigns a receivable or assumes a debt from another factor domiciled abroad. The particular problem arises from the provisions of the current Law on the Prevention of Money Laundering and Terrorism Financing, prescribing that the domestic factor provide full identification about both the foreign factor, foreign debtor and the individuals -owners of foreign debtors. In practice, collecting this information would be very burdensome and likely to discourage the two-factor system introduced by the law. Due to close cooperation within the Factoring Working group, the Administration for the Prevention of Money Laundering and the Factoring Association agreed on the need to amend the Law on the Prevention of Money Laundering and Terrorism Financing. Proposed amendments allow factors in two-factor system to submit full identification only for a foreign factor, not insisting on foreign debtors and their owners. The amendments to the Law on the Prevention of Money Laundering and Terrorism Financing will be adopted in the Parliament in fall 2013.

USAID Business Enabling Project's (BEP) Work on Factoring Law Acknowledged by International Factoring Group (IFG) – The International Factoring Group (IFG), the first international association of factoring companies represented in more than 50 countries, has prominently featured BEP's success in improving factoring in Serbia on their [web site](#). The new law will bring Serbian legislation in these to fields into line with EU standards, they reported. The IFG also commented that the law drafting process was the best case example of public private dialogue, since it actively involved the Government of Serbia and the factoring industry and business associations were involved. Furthermore, the IFG commented positively on the joint effort of all stakeholders to enable export and import factoring through successfully advocating for amendments to the Law on the Prevention of Money Laundering and Terrorism Financing.

BEP made other efforts to increase the non bank financial sector in Serbia. BEP organized a workshop with the MoF and NBS as a continuation of BEP's efforts to improve the non-banking, non-deposit taking financial sector in Serbia (NBFIs). These efforts already resulted in drafting of the Factoring Law, which is to be adopted the next week. The main objective of this event was to start an open dialogue with the MoF's and NBS' on the willingness and feasibility of developing a regulatory framework that enables establishment and growth of non-banking credit providers (micro credit providers, finance companies, non-deposit taking cooperatives, etc.). BEP's goal was to increase the understanding on how these types of institutions could be regulated and to share information on global and regional trends. The next step agreed by all participants is to jointly review and discuss the recommendations on leasing industry improvement in the early fall, based on BEP's report that will be assembled over the summer; and to further explore best regional practice and detect regulatory and business models for development of NBFIs that would be applicable in Serbia, as well as to estimate the market (financial) impact of establishing a regulatory framework for NBFIs.

BEP continued its activities to improve the environment for leasing. USAID BEP's assistance in increasing the competitiveness and affordability of financial services includes technical assistance to help improve the business environment for leasing. USAID BEP's international expert Robert Homans further clarified the barriers to leasing growth in Serbia, and will propose recommendations for improvements based on best regional and international practices. He will also assess the expected effects of the recommendations proposed. Mr. Homans' report will significantly contribute to the final White Paper on improving the regulatory framework for leasing, to be presented to the Ministry of Finance and the National Bank of Serbia, which regulate and oversee the leasing industry in Serbia. Changes to the regulatory framework for leasing are expected to take place in 2014.

BEP also helped draft a new Law on Venture Capital. BEP, the EU Integrated Innovation Support Program (IISP) and the Ministry of Economy (MoE) have completed the draft of the Law on Venture Capital Companies. This piece of legislation is the product of a drafting group established by the Ministry of Finance and Economy (MoFE), which included a BEP expert and a Slovenian specialist in venture capital and entrepreneurship. The draft Law takes into account good international and regional practice and includes rules to govern the legal status and investments of venture capital companies, requirements for engaging in venture capital operations, and supervision of venture capital companies and sanctions for non-compliance. Establishing a regulatory framework for venture capital funds will provide a vehicle for small and medium enterprises (SMEs) to obtain investment and finance, access to expertise and markets, and more sophisticated management and corporate governance.

Under **Objective 4, Task 2, "Strengthen the Government's Capacity, Approach, and Coordination for Improving Access to Finance,"** BEP and Ministry of Finance and Economy Completed the Series of Seven Roundtables on Improving Access to Finance. Business representatives from the Cacak region have actively participated in the discussions during the final roundtable from "Improving access to finance for SMEs – next steps" series, organized in seven cities throughout Serbia. Once again, the Ministry of Finance and Economy was a reliable partner, and their representative, Ms. Nina Samardzic, Assistant Minister was actively involved in the discussion with the business representatives. The Ministry's main objective was to collect relevant inputs for drafting the Development Strategy for SMEs and provide information about the activities and future plans of the Ministry. Among other guests, representatives of women business association, food processing cluster, craftsman association, and different business unions and associations were present at the roundtable. The attendees have confirmed once again that the key findings from the BEP's Access to Finance White Paper completely match the current situation and that the BEP's recommendations, if correctly implemented, will drastically improve the business environment in Serbia.

BEP also participated in the Round Table on Access to Finance, organized by the Financial Committee of the Belgrade Chamber of Commerce. Ms. Nina Samardzic, Assistant Minister from the Ministry of Finance and Economy (MoFE), Mr. Zeljko Jovic, General manager of the Bank Supervision Department at the NBS, and Ana Jolovic from BEP addressed around 25 members of the Financial Committee on different access to finance issues. Ms. Samardzic has noted that the equipment grant program, designed by BEP, is a "crown jewel" of the MoFE, with the excellent implementation and positive feedback from the small enterprises. MoFE will assign more capital to this program, despite the savings program of the Ministry. She also stated that the NBS, BEP and the MoFE have met to introduce the non-banking financial institutions at the financial market of Serbia, and that the MoFE stands strongly behind that idea. The NBS has stated that since the banks have too much liquidity and the percentage of non-performing loans in the SME sector is very low, the banks should engage their capital more intensively for this segment of the market. The NBS has announced changes in the Development Funds regulation in order to enable the consideration of the guarantees from the Development Fund as prime collateral, with 0% loan reserves. Societe Generale representatives commented on the findings of the White Paper on access to finance, where 60% of SMEs do not use formal sources of financing. They have noted that banks are obviously omitting a large market share and that this should be their target group. The Financial Committee concluded that advocating for reform in area of credit enforcement can be their main task in following period.

BEP also planned work with the new team at the Ministry of Economy (MoE) to jointly improve capacities for SME Access to Finance. During a meeting with Aleksandar Stevanovic, Advisor to the

Minister of Economy, Ana Trbojevic, Advisor to the Minister, and Nina Samardzic, Assistant Minister, representatives of USAID BEP discussed possibilities for further improvements to SME policy and access to finance. As Mr. Stevanovic pointed out, the issues the MoE is planning to focus on in the near term include: (i) reducing unemployment and the shadow economy, to begin with a decrease in wage contributions; (ii) making all data about state owned companies public and evaluating previous and re-designing future state aid programs; (iii) solving the problem of liquidity/NPLs; (iv) finishing restructuring of all state-owned firms while also making all data about them publicly available; (v) SME Strategy – probably part of the MoE’s overall strategy and based on the “think small first” principle; and (vi) developing an action plan on SME access to finance using USAID BEP’s White Paper as the main resource. Additionally, it was pointed out that focus has now shifted from FDIs to stimulating domestic firms through tax incentives and a better business enabling environment. The MoE representatives requested USAID BEP’s help in analyzing state aid programs and developing means to improve the programs. that the USAID BEP and MoE representatives agreed that they would develop a joint work plan, detailing USAID BEP’s support and joint activities.

Under **Objective 4, Task 4, "Improve Effectiveness of State Financing Support,"** BEP discussed with the Ministry of Finance and Ministry of Economy means to analyze state aid programs and to develop recommendations for the programs (see discussion above under Objective 4, Task 2, "Strengthen the Government's Capacity, Approach, and Coordination for Improving Access to Finance").

Under **Objective 4, Task 8, "Strengthen Credit Enforcement (in and out of Court),"** the Chamber of Enforcement Officers asked BEP to organize training for 27 new Enforcement Officers. The request was made to BEP because GIZ, despite agreeing to take over the training program under its new program, is unwilling to undertake any activities until after the inception phase of its project ends around the beginning of 2014. USAID and BEP agreed to organize the training in October.

Under **Objective 4, Task 9, "Outreach and Awareness Building on Access to Finance,"** BEP finished its series of roundtables on access to finance throughout Serbia and conducted several other roundtables (see above under Objective 4, Task 1, "Assistance in Development and Implementation of Access to Finance related Laws").

Public Sector Capacity Building Initiatives

BEP has two cross-cutting programs that help improve the public sector's ability to improve the business environment: the Government Internship Program and the Management Assistance Program.

In order to further support partner departments within the Government of Serbia in pursuing highly important reforms, the USAID Business Enabling Project (BEP), in cooperation with its grantee the Belgrade Open School (BOS), is piloting the Government Internship Program (GIP). Within GIP, BOS is currently implementing the project “**Better Public Administration through the Internship Program**” through which 15 young professionals are supporting BEP partner departments.

During their full-time 6-month long internships, that started in late May 2013, young graduates of law and economics are supporting BEP counterparts in drafting and implementing new legislation, in preparing new strategic documents, and in improving administrative processes in order to better respond to the needs of businesses and citizens of Serbia. They are involved in tasks such as: supporting drafting of the Law on Commodity Exchange, drafting methodology for evaluation of capital investments, assisting in preparation of the Fiscal Strategy for the coming year, assisting in preparing guidelines for program budgeting, analysis of comparative practice in labor legislation, assisting in preparatory works for drafting the new Strategy for Development of Small and Medium Enterprises, etc.

Interns are placed within the following BEP counterparts: Ministry of Finance (Budget Department, Macroeconomic and Fiscal Department, Financial System Department, and Public Debt Administration), Ministry of Economy (Sector for Small and Medium Enterprises), Ministry of Labor (Sector for Labor), Ministry of Trade and Telecommunications (Trade Legislation Sector), Office for Regulatory Reform and Regulatory Impact Assessment, Securities Commission, and the National

Assembly (Committee on Finance, State Budget and Control of Public Spending).

BOS is monitoring performance of interns and their work with mentors, organizing advanced trainings and providing individual career counseling for interns. Ten tailor-made one-day trainings for interns were organized every second Saturday in BOS premises since late June 2013. Topics covered include legislation drafting and regulatory impact assessment (RIA), European integration processes, policy paper writing, work ethics and business communication, planning and project management. Evaluation forms for all provided trainings showed very high level of satisfaction among interns. According to their reports, all interns are highly satisfied with their internships.

This program will be considered for continuation under a new grant, due to the exceptionally positive evaluation of this project. At this stage, BEP is thoroughly reviewing and evaluating current project activities and assessing needs of BEP counterparts for this kind of assistance in the coming year. BEP counterparts expressed a need for further support of this kind in 2014, and BEP will try to respond to this request with carefully tailored assistance program.

The USAID Business Enabling Project (BEP) offers its counterparts within the Government of Serbia (GoS) the **Management Assistance Program (MAP)** that includes executive coaching and tailor-made management training program. This Program is offered through the Serbian Management Center. MAP provides BEP counterparts with an integrated approach to management improvement that leads to greater administrative efficiency.

USAID BEP and the Serbian Management Center offer executive coaching for senior Government executives. Executive coaching involves developing leadership abilities, management techniques, and communications skills. The coaching is offered to sector decision makers (assistant ministers, state secretaries, office heads and departmental leaders of partner sectors). Coaching includes one-on-one sessions between the sector leader and an experienced coach, that aim to identify key challenges of the sector, and to facilitate the process of changes acknowledged as crucial for further improvement of the sector efficiency. Coaching sessions are organized on a bi-weekly basis, for a period of up to three months.

Management training is tailor-made and sector based. It targets professional staff in partner sectors, and is highly dependent on leadership commitment. Management training of sectoral staff is closely connected to executive coaching of sector leaders, and only when combined can these two program components can produce tangible results. The basic training package includes strategic management, cost-benefit analysis for public administration, communication and public performance skills, and project and change management (at least four modules, lasting two days each). Besides basic modules, advanced trainings could be organized based upon sector specific needs and might include performance management, program budgeting, leadership and negotiation skills, etc. Each module lasts for two full training days, and the full training program may last for up to three months.

The pilot **Management Assistance Program (MAP)** has been implemented during May and June 2013. It resulted in improved communication, and led to better planning and more efficient execution of complex sectoral tasks. In the upcoming second round of MAP, USAID BEP and the Serbian Management Center will work with each selected counterpart to develop and provide tailor-made advanced trainings for professional staff integrated with coaching sessions for sector leaders. We expect that this approach would contribute to the increase of accountability, improve individual and team performance, and promote positive transformation both at an individual and sector level. We believe that these efforts will help BEP counterparts to more successfully implement new strategies, policies and legislation, and create better governmental services for businesses in Serbia.

Outreach

During the quarter BEP generated 91 media reports, all with a positive or neutral tone. Besides those reports mentioning USAID BEP, our outreach efforts generated more than 100 topical reports mainly in the field of the shadow economy, construction permits, NBFIs, and other. BEP's outreach activities reached nearly 3.5 million people.

The Serbian Parliament adopted the Factoring Law that USAID BEP helped draft. BEP used this



opportunity to celebrate and publicize success. BEP partnered with Belgrade Chamber of Commerce to organize an event where we presented the Factoring Law drafting process as an example of best practice. The process was presented as an extremely transparent and inclusive. The event gathered more than 50 people from the factoring industry. BEP partnered with the Serbian Chamber of Commerce and organized an event mainly directed towards the end users of the factoring – businesses in Serbia. The plenary part of the conference

encompassed introductory speeches of Željko Sertić, President of the Chamber of Commerce and Industry of Serbia, Zlatko Milikić, the Assistant Minister of Finance, Dragana Stanojević, USAID BEP Deputy Chief of Party, a special guest of the conference Panos Papatheodoru, a member of the Executive Committee of Factors Chain International and the CEO and Managing Directors of Laiki Factors & Forfaiters and Vlado Rosić, managing Director of the Real Factor. After the plenary part of the Conference which gathered around 120 participants, B2B meetings with eight factoring companies were organized. The International Factoring Group (IFG), the first international association of factoring companies represented in more than 50 countries, has prominently featured USAID BEP’s success in improving factoring in Serbia on their [website](#).

On July 8, BEP co-sponsored the “Serbia Turns to Economy – Responsibly Together Out of the Crisis” conference, organized by the EU Delegation to Serbia, “Privrednik” Serbian Business Club, Foreign Investors Council (FIC) and AmCham Serbia. Representatives of the Government of the Republic of Serbia (Aleksandar Vucic, First Deputy Prime Minister of the Government of the Republic of Serbia, and Mladjan Dinkic, Minister of Finance and Economy), business leaders, and the IMF and World Bank representatives discussed necessary steps to overcome the economic crisis and improve the business climate in Serbia. The starting points for the discussion were the commitments made by GoS representatives at the BEP supported “First 100 Days of the New Government” event.

In this quarter USAID BEP completed a series of seven roundtables on “Improving access to finance for SMEs – next steps”. The roundtables took place in Šabac, Zaječar, Zrenjanin, Kruševac, Subotica, Niš and Čačak. They enabled USAID BEP to discuss ideas from its “White Paper on SME Finance” with more than 150 businesses. Ms. Nina Samardzic, Assistant Minister of Finance and Economy was actively involved in the discussion with the business representatives. The Ministry’s main objective was to collect relevant inputs for drafting the Development Strategy for SMEs and provide information about the activities and future plans of the Ministry. The attendees confirmed once again that the key findings from the BEP’s Access to Finance White Paper completely match the current situation and that the BEP’s recommendations, if correctly implemented, will drastically improve the business environment in Serbia. Those events generated more than 50 positive media reports in the local media.

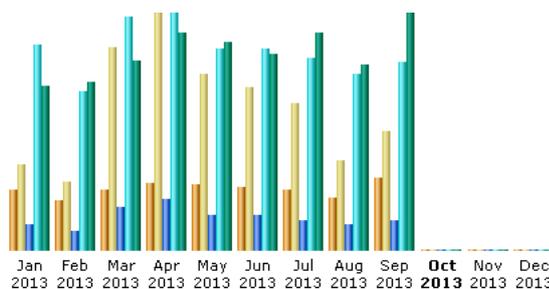


Access to Finance Roundtable in Kraljevo

BEP's interactive website, www.policycafe.rs, provides a means for dissemination of research and analysis on issues related to BEP's three components allowing users to provide input and feedback.

Based on our web analytics, visits to the website have reached a steady and constant number of total visitors with approximately 650 unique visitors on monthly basis (see chart).

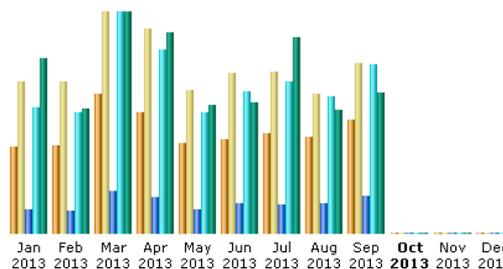
So far the policy café has more than thousand different articles, publications, policy notes, useful links and information with content updated on regular basis, being a solid ground for further expansion of its popularity.



Month	Unique visitors	Number of visits	Pages	Hits	Bandwidth
Jan 2013	612	868	4,448	34,439	3.91 GB
Feb 2013	505	696	3,283	26,649	4.00 GB
Mar 2013	617	2,042	7,350	39,156	4.50 GB
Apr 2013	674	2,417	8,692	40,159	5.17 GB
May 2013	671	1,775	5,871	33,795	4.95 GB
Jun 2013	633	1,649	5,880	33,871	4.67 GB
Jul 2013	607	1,479	4,952	32,217	5.18 GB
Aug 2013	533	911	4,354	29,540	4.43 GB
Sep 2013	733	1,206	5,116	31,499	5.70 GB
Oct 2013	0	0	0	0	0
Nov 2013	0	0	0	0	0
Dec 2013	0	0	0	0	0
Total	5,585	13,043	49,946	301,325	42.51 GB

To improve transparency and make policy café more user friendly, USAID BEP introduced an in the loop section where the visitors can easily access all major analyses, researches and studies conducted by USAID BEP.

The BEP website, 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 steady average of 54 unique visits per day (September 2013) and an average of more than 900 unique visitors per month.



Month	Unique visitors	Number of visits	Pages	Hits	Bandwidth
Jan 2013	837	1,470	5,927	31,453	1.32 GB
Feb 2013	850	1,471	5,582	30,093	968.08 MB
Mar 2013	1,345	2,136	10,411	54,984	1.68 GB
Apr 2013	1,169	1,973	8,966	45,527	1.52 GB
May 2013	869	1,388	5,863	30,008	995.08 MB
Jun 2013	902	1,543	7,403	35,273	1016.73 MB
Jul 2013	968	1,561	7,285	37,604	1.49 GB
Aug 2013	935	1,352	7,433	34,024	962.23 MB
Sep 2013	1,103	1,643	9,397	42,112	1.06 GB
Oct 2013	1	1	3	27	1.32 MB
Nov 2013	0	0	0	0	0
Dec 2013	0	0	0	0	0
Total	8,979	14,538	68,270	341,105	10.92 GB

Grants

ANNUAL PROGRAM STATEMENT

APS-2013-01 has continue to generate interest from organizations. BEP received six project ideas

and deliberated four Expressions of Interest (EoI) in the third quarter of 2013. The Grants Selection Committee (GSC) convened three times, on July 10, August 12 and September 11. All EoIs were rejected, while two full applications were approved and the applicants were contracted:

- Association for the promotion of Serbian economy *Timeline* for "Bankruptcy - A Chance for a Fresh Start" project, APS-2013-01-2. The purpose of the grant is to inform the public about importance of effective bankruptcy proceedings for Serbian economy and the rights and responsibilities of stakeholders, through production of the TV serial and organization and post-production of TV debate focused on bankruptcy and insolvency proceedings in Serbia, which will be filmed, edited and incorporated in the TV documentary, and subsequently broadcast of the national broadcasters – Radio Television Serbia and RT Vojvodina. The public debate will be geared towards encouraging the government of Serbia representatives, corporations and business entities, as well as the public, to focus on this problem which dramatically hinders business environment in Serbia, and mobilize commitment for improvement of regulations and full implementation of Law on bankruptcy procedure and Law on enforcement and security. The round table will bring together representatives of the Government of Serbia, experts, business community, business associations, Commercial court judges, prosecutors, bankruptcy administrators, lawyers, and the media. The grant amount for co-financing of a part of the production costs of the TV serial conducted in Serbia, and the costs related to the organization and post-production of TV debate, amounts to \$15,065. The TV Coop program of the U.S. Embassy in Belgrade co-financed the production of a four half-an-hour documentary in the U.S. aimed at analyzing and comparing the regulation, procedures and mechanisms in the U.S. and Serbia bankruptcy system, as well as experiences and business opportunities of entrepreneurs and companies in the U.S. and Serbia. The project will last until the end of February 2014.
- Business Info Group (BIG) for "Financial Stability and Business Financing" project, APS-2013-01-3. The goal of the grant activity is to support the organization of a panel "Growth of SMEs through Introduction of Nonbanking Financial Institutions" within the one-day conference. The aim of the panel, to be held on November 8, is to open a public debate on means to increase Serbian businesses' access to finance and to increase the interest of policy makers and the public in introduction of alternative ways of financing SMEs in Serbia through establishment of non-bank financial institutions (focus on micro financial institutions). The panel will gather around 100 participants including: representatives of the National Bank of Serbia, Ministry of Finance, finance sector – banks, international finance institutions, national and international leasing companies, as well as business sector, primarily SMEs, finance experts, media, civil society organizations, academic community representatives and general public. The grant amount is \$9,580 and the project will last until the end of 2013.

One applicant submitted a full proposal which is under approval procedure. Namely, USAID's BEP Grants Selection Committee members, at its meeting on September 11, approved the NALED's full proposal received in response to USAID BEP APS-2013-01 for "Business Heartbeat - Reform Advocates" project, and invited its team for negotiations. The negotiation meeting took place on 26 September and USAID BEP will seek approval for its funding in the amount of \$39,990 over a 12 month period. The main aim of proposed grant activity is to create public pressure (through media outreach activities that will tackle the most important topics for improvement of doing business environment in Serbia) and government awareness (using Regulatory Index of Serbia to show which systemic regulatory process changes are needed in order to improve business conditions).

REQUESTS FOR APPLICATIONS (RFAs)

In the second quarter, USAID BEP decided to award the following grants in response to published USAID BEP's Request for Proposals (RFA)

- Ipsos Strategic Marketing for the implementation of the project "Business Survey in Serbia" under RFA-2013-02. The interest for this RFA for substantial; five renowned companies bid with excellent projects and the GSC members decided that Ipsos' proposal was the strongest. Ipsos Strategic Marketing will conduct a survey through face-to-face in-depth interviews with owners

and managers of business entities throughout Serbia (at least 1,000 Serbian businesses) in order to identify the problems and real priorities of the business sector and to capture and measure impacts of USAID's BEP project related interventions where reliable information and data is not readily available. The total grant amount is \$25,021, and grant activities will last from August-December 2013. The results of the Survey are planned to be publically presented in November 2013.

- National Alliance for Local Economic Development (NALED) for RFA-2013-03 for Para-fiscal Charges: Evaluation of Results and Support for Continuation of Reforms. The main goal of the grant activity is to improve the business environment in Serbia by completing the reform of para-fiscal charges system. The purpose of the grant is to support the evaluation of reforms conducted thus far in this area, including identification of impediments for reform implementation; provide recommendations and proposals for full implementation and completion of the reform; develop a tool for comprehensive monitoring of the level of para-fiscal impositions on businesses; and, conduct outreach, advocacy and public awareness activities. The value of the grant is \$40,000, to be implemented within 12-month period, until October 1, 2014.

In the reporting period, the evaluation process, negotiation and contract signing was finalized for two projects:

- Belox Advisory Services for "Support for the implementation of QUEST_Serbia Macroeconomic Model of the Government of Serbia (GoS)" project under APS-2013-01. The goal of the grant activity is to support implementation of QUEST_Serbia macroeconomic model as a support tool in monetary, fiscal and trade policy making for the GoS through training of Ministry of Finance and Economy (MoEF), Sector for Macroeconomic and Fiscal Analysis and Projections (SMFAP) staff on usage of the model and forecasting with computer-based simulator, as well as support them with macro and fiscal analysis and projections, and improvements of the model in the period of one year. This grant builds on the activities conducted to develop the QUEST_Serbia Macroeconomic model, supported by the World Bank. In addition, software MATLAB has already been acquired by the MoEF. The grant amount is \$40,000, and the project will last for from October 2013 until October 2014.
- Center for Advanced Economic Studies (CEVES) for the implementation of "SME Growth Opportunities and How Policies and Banks Miss Them" project under APS-2012-01. The purpose of the grant is to motivate banks and other stakeholders to search for procedures and financing modalities more suitable to the SME market segment than are current bank practices, by presenting strong evidence of missed opportunities with current practice. The project activities will be co-funded by other donors, and USAID BEP's support will focus on analysis on opportunities and constrains faced by SMEs focusing on access to finance, and outreach activities engaging banks to discuss shortcomings of current bank practices and possible alternatives. The grant amount is \$28,614, and the project will last for eight months until April 1, 2014.

In addition, the purchase order with S.C TEAMNET INTERNATIONAL S.A was finalized and signed. USAID BEP received the necessary approvals (2 April 2013), the source nationality waiver (12 July 2013) and approval for revised/increased costs (28 August 2013) and signed the Purchase order on September 25, 2013. The purpose of the RFA is to support USAID BEP by providing assistance to the Serbian Securities Commission in developing a Document Management System and Public Register to facilitate its efforts to assure good market regulation and supervision. The total value of the purchase order is \$107,898 to be implemented within eight month-period, until June 1, 2014.

NEW PROCUREMENTS

USAID BEP re-launched the Request for Proposals (RFP)-2012-01/R for Development of Web-based Inventory of Spatial and Urban Planning Documents on August 16, 2013. The purpose of this RFP is to solicit proposals to support USAID BEP by providing assistance in developing inventory of planning documents with the user interface software application. The purpose of this procurement was to identify a company that has the capacity and professional experience to provide the services

specified in the RFP requirements, and which submits the best value for money bid. USAID BEP posted the announcement on the Project's web site and invited eighteen qualified organizations to submit their bids: Comtrade; GIS Data; OSA racunarski inzenjering; SRC; GEO Inova; CPU; Omnicom Solutions; Asseco SEE; FaData; Solution 4 Human Capital; S&T; SAGA; Soprex; TeamNet; Prozone; PSTech; Algotech; IN2. Two proposals were submitted by the deadline, on September 17, 2013: PSTech d.o.o., and OSA Racunarski inzenjering d.o.o. The Evaluation Committee (EvC) met on September 24, 2013 to deliberate all aspects of proposals, both in terms of quality of proposals, their adherence to the RFP requirements, and capacity of the organizations, proposed staff and financial offers. The EvC team assessed that the overall OSA Racunarski inzenjering d.o.o.'s bid was the strongest. USAID BEP initiated the approval process for the Independent Verification and Validation Review and Regional Office to award a purchase order in the amount of \$53,145 over an eight-month period. The ultimate beneficiary of this software is Republic Geodetic Authority (RGA) with whom the USAID' BEP will sign an in-kind grant agreement.

The total amount of awards to date is **\$1,228,885**. The Grant Status is attached as Attachment 5.

USAID BEP GRANT FUND	\$1,688,880
Contracted (APS, RFA and RFP)	1,228,885
<i>Exchange rate and other differences</i>	<i>17,701</i>
Committed	
In-kind RGA (\$ 70,000) - ongoing RFP	
NALED ("Business Heartbeat - Reform Advocates", (\$ 39,990)	
	\$109,990
Total	1,321,174
Obligated	1,500,000

A total of 40 grants and one purchase order have been contracted to date.

Total disbursed funds until September 30, 2013 amount to \$873,382.86. Grantees have been regularly fulfilling the contracted milestones, and therefore nine payments were initiated in the reporting period for accomplishment of milestones as per their grant agreements.

Progress versus Workplan

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

Progress versus PMP

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

Challenges Encountered and Actions taken to Resolve them

BEP has not encountered any new challenges that required specific actions.

Observations Regarding Implementation

As noted above, the Project has a leadership role in many of the key policy reforms in Serbia, and BEP has managed to move the reform efforts forward in all of its activities. In fact, the reforms that BEP has been pursuing are now among the Government's priorities. This appears to be due to BEP's approach to policy reforms that includes having comprehensive and clear recommendations in each area that are supported by exhaustive research and analysis, effective communications through the media, building business association coalitions, and quality technical assistance to implement the recommendations.

ACTIVITIES PLANNED FOR NEXT QUARTER

Noteworthy activities for the eleventh quarter of the project, covering October 1 to December 31, 2013, will include:

Administrative and General Activities

- BEP's Survey of Serbian Businesses released in November.

Component 1

- Assistance to the Ministry of Justice and State Administration's Working Group for drafting legislation governing reform of business inspection oversight
- Outreach, communication and cooperation with business associations on reform of business inspection oversight
- Cooperation with the Ministry of Justice and State Administration and other relevant stakeholders regarding introduction of E-Inspections system
- Support to the Ministry of Finance in implementation, continuation and monitoring of para-fiscal charges reform
- Drafting the changes to the legal and regulatory framework for construction permitting, its public presentation and vetting, in cooperation with the Ministry of Construction and Urban Planning, the Office for Rapid Response, the Ministry of Economy, business and professional associations and other relevant stakeholders
- Continuation of public-private dialogue on labor framework reform and conduct outreach to increase public support and awareness for Labor Law reform
- Assistance for legal drafting related with labor legislation, in cooperation with the Ministry of Labor, Employment and Social Policy, the Ministry of Economy, social partners and other relevant stakeholders and support its public presentation and vetting
- Standard Cost Model Study finalized for release in December
- Continuation of activities on comprehensive monitoring of business environment in Serbia
- Providing support to the PPP Commission
- Continuation of informing and educating the stakeholders on public-private partnership framework
- Conducting training of enforcement officers

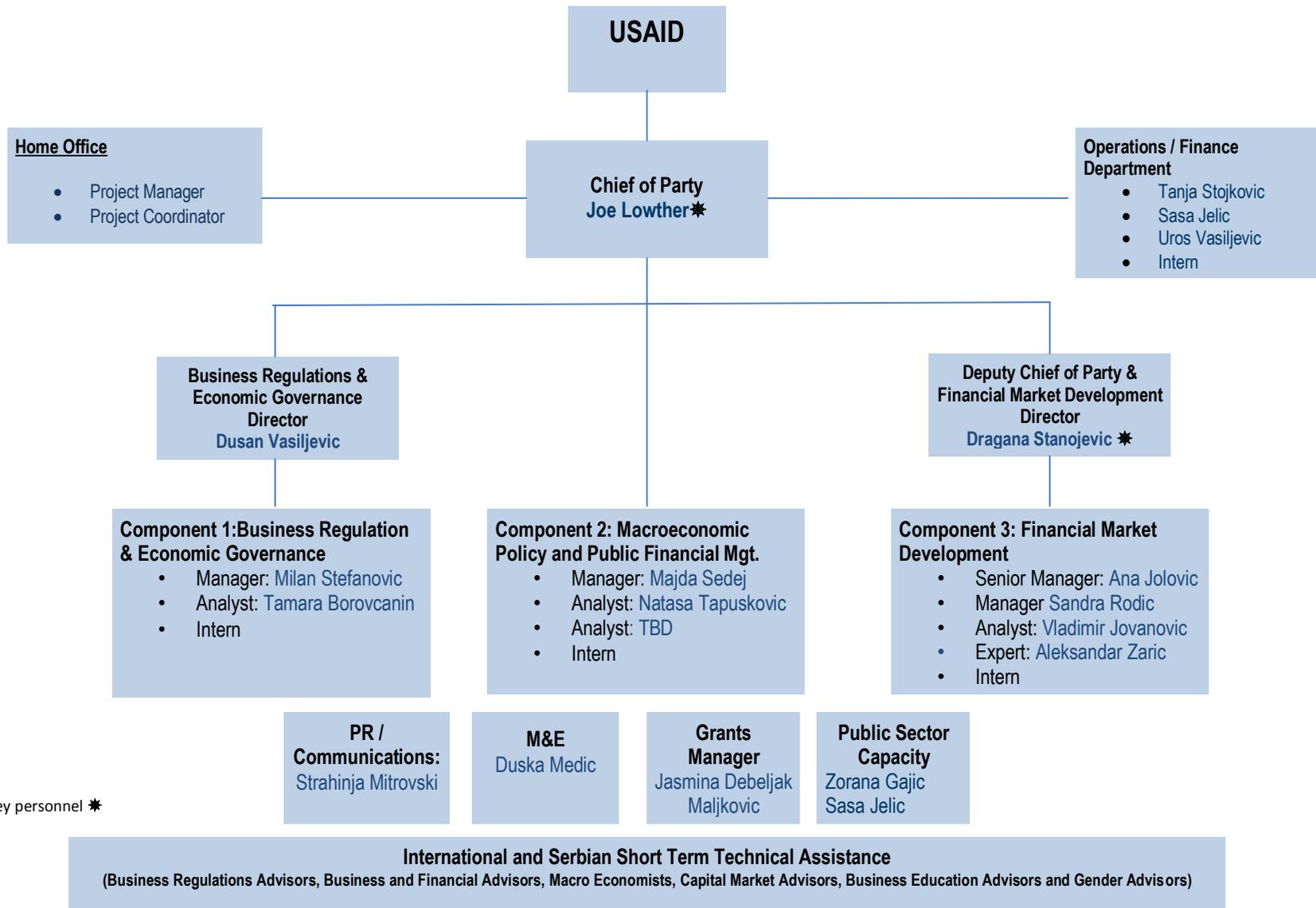
Component 2

- Technical assistance with the development of selected fiscal multipliers for the Fiscal Council
- Technical assistance for MF on Medium Term Fiscal Strategy (2014-2016) and Fiscal Consolidation Measures
- Support for the implementation of QUEST Serbia Macroeconomic Model through training for Macro Fiscal Department
- Continue with technical assistance and training for the budget users to develop programs, projects, objectives and indicators
- Deliver seminars for Parliament's Finance Committee, Supporting Service, and MPs on macro-fiscal and budget analyses; technical briefings on new legislation prepared with BEP assistance (e.g. labor law, commodity, and construction)
- Program Budgeting Conference in December
- Technical Assistance in testing potentially new software DMFAS Program for PDA
- Advocacy, outreach, and follow up of Shadow Economy Study
- Stage II savings study: Formulation of policy recommendations on improving domestic savings
- Drafting of the 2014 edition of the *Citizen's Guide to the Budget*

Component 3

- Assistance to Securities Commission on advanced training on risk-based practices; assistance in developing a set of tools to make inspections more efficient and effective; and a comprehensive organizational diagnostic and formulate the recommendations for improvement; and development of Document management System to support Official Register of Information ^t
- Comments on final draft of amendments to three capital market related laws, containing the recommendations in line with best international practice
- Redraft the Law on Commodity Exchange, present draft law at Food for Europe Agro forum , assist with official public discussion and outreach, and finalize draft law, RIA and transposition table and start the procedure for adoption
- Train the Parliament's Finance and Economy Committee about commodity exchange
- Study tour in USA, CFTC training (October 19-27).
- Disseminate expert's report on retail debt market
- Draft the final list of recommendations for regulatory amendments to support leasing in a form of a White Paper, and present White Paper to the MoF and the NBS and to the wider public
- Support to MoF to finalize bylaws to support the Law on Factoring
- Participate in roundtables to improve knowledge among SMEs around Serbia how to use factoring in best manner
- Finalize and disseminate paper outlining the international examples of best practices and identifying regulatory and business models for developing MFIs that would be applicable in Serbia
- Estimate the financial market impact of establishing regulatory framework for NBFIs
- Support development of the first draft of the GoS A2F action plan (first week of Oct), coordinate A2F action plan with regulatory action plan, and develop proper indicators for A2F related activities
- Conduct diagnostic assessment of selected state aid financing programs and provide recommendation for strengthening state aid management and effectiveness
- Assist the NBS to increase the quality of and set the standards for collateral valuation, including technical assistance to the NBS in developing a conceptual framework for the establishment of a central national data base
- Organizing additional training for the 28 newly licensed Professional Enforcement Officers (PEOs) approximately by the end of October (on similar basis as the one held in May)
- Assist the MoF in strengthening the implementation of the Enforcement, Late Payments and Bankruptcy Law, including training of the Commercial Judges and the State Prosecution Office
- Provide advisory support and legal expertise to the MoF related to the financial stability regulatory framework based on MoF concept and WB, IMF and EBRD recommendations.
- Strengthen the capacity of business associations and business groups to advocate for reforms with focus on access to finance; assist in developing an advocacy strategy
- Assist the MoF in initiating the fine tuning of the collateral regulatory framework in order to enable efficient court and out of court enforcement.

ATTACHMENT 1: BEP WORK ORGANIZATION



Key personnel *

ATTACHMENT 2: LIST OF MEDIA PUBLICATIONS

No	Date	Press	Title
1	05. 07. 2013	www.rtvcity.com	Initiatives that lead to decrease of the interest fees
2	05. 07. 2013	RTV City Subotica	Eurobonds trade and landing
3	09. 07. 2013	Politika	Old court cases can be solved
4	11. 07. 2013	www.krstarica.com	Urgent necessary reform of the Construction Permits procedure
5	11. 07. 2013	www.dnevnik.rs	Urgent necessary reform of the Construction Permits procedure
6	11. 07. 2013	TV Galaksija	Roundtable on Access to Finance
7	12. 07. 2013	Dnevnik	The system was made for corruption, not for investors
8	12. 07. 2013	Radio Čačak	Roundtable in Cacak
9	15. 07. 2013	www.euractiv.rs	Civil servants education will lead to the improvement of the law enforcement
10	15. 07. 2013	www.energyobserver.com	Civil servants education will lead to the improvement of the law enforcement
11	15. 07. 2013	Magazin biznis	From fall faster to the construction permit
12	15. 07. 2013	Build	Construction permits in 30 days?
13	16. 07. 2013	Čačanske novine	Local and central Government on move
14	17. 07. 2013	Danas	Aim is to have new employment
15	18. 07. 2013	Danas	Time for innovative agriculture
16	18. 07. 2013	Politika	Law salaries, labor expensive
17	19. 07. 2013	Čačanski glas	Key questions and recommendations
18	22. 07. 2013	Večernje novosti - Vojvodina	Mentors in agriculture
19	23. 07. 2013	Politika	Cacak needs new businesses

20	23. 07. 2013	Al Jazeera	Serbia: Drastically streamline the administrative procedures
21	24. 07. 2013	Danas - Poslovi	Huge losses
22	24. 07. 2013	www.b92.net	More Jobs in 5-6 years
23	25. 07. 2013	www.nspm.rs	RT in Serbian Chamber of Commerce: More jobs in 5-6 years
24	25. 07. 2013	www.gdeinvestirati.com	More Jobs in 5-6 years
25	30. 07. 2013	Čačanske novine	Far from good business environment
26	30. 07. 2013	Privredni pregled	Decrease the burden for 40%
27	30. 07. 2013	Politika	Expensive State Administration shuts down new employment
28	30. 07. 2013	www.politika.rs	Expensive State Administration shuts down new employment
29	31. 07. 2013	Danas - Poslovi	Support for the private sector
30	01. 08. 2013	In Store	Huge losses
31	05. 08. 2013	www.ekapija.com	Commodity Exchange Law in preparation
32	05. 08. 2013	www.tanjugbiz.rs	Commodity Exchange Law in preparation
33	06. 08. 2013	Privredni pregled	For more transparent trade
34	07. 08. 2013	Dnevnik	Stock exchange finally will get the law
35	08. 08. 2013	Dnevnik	Counseling
36	16. 08. 2013	Zrenjanin	Counseling about the implementation of the financial procedures
37	16. 08. 2013	Somborske novine	One step to the self-employment
38	16. 08. 2013	Somborske novine	Quarter of a million for the project
39	19. 08. 2013	Politika	Court buildings in disasters condition
40	23. 08. 2013	Večernje novosti	Conflict interests
41	23. 08. 2013	Danas - Sandžak	Logistics is ready, partner missing

42	23. 08. 2013	www.politika.rs	We change slowly for new investments
43	25. 08. 2013	Politika	We change slowly for new investments
44	25. 08. 2013	www.politika.rs	We change slowly for new investments
45	25. 08. 2013	www.bizlife.rs	Such bureaucracy, such investments
46	26. 08. 2013	Kurir	Support to the youth is essential
47	26. 08. 2013	Kurir	Statement
48	26. 08. 2013	Politika	Who will pay foreign advisors
49	26. 08. 2013	www.poslovnojutro.com	We change slowly for new investments
50	26. 08. 2013	www.b92.net	We change slowly for new investments
51	26. 08. 2013	www.novci.rs	We change slowly for new investments
52	26. 08. 2013	www.b92.net	We change slowly for new investments
53	02. 09. 2013	www.standard.rs	Case of the state owned agencies
54	04. 09. 2013	Danas - Poslovi	Initiative for tax incentives
55	06. 09. 2013	www.danas.rs	Inspections cannot cope with a number of procedures
56	09. 09. 2013	Kurir	Youth help
57	12. 09. 2013	www.vibilia.rs	Draft Law on Construction is done
58	12. 09. 2013	www.b92.net	Draft Law on Construction is done
59	12. 09. 2013	www.kurir-info.rs	Public discussion on the Law on Construction scheduled for September 30
60	12. 09. 2013	www.rts.rs	Public discussion on the Law on Construction soon
61	13. 09. 2013	Danas - Sandžak	4 municipalities amongst the best
62	15. 09. 2013	www.b92.net	Being a woman entrepreneur in Serbia is not an easy task
63	15. 09. 2013	www.politika.rs	Being a woman entrepreneur in Serbia is not an easy task

64	15. 09. 2013	Politika	Being a woman entrepreneur in Serbia is not an easy task
65	16. 09. 2013	www.dnevnik.rs	Construction permit first, payment second
66	20. 09. 2013	www.tanjugbiz.rs	Factoring – faster to get money
67	20. 09. 2013	www.novimagazin.rs	Business should use more factoring
68	20. 09. 2013	www.tanjug.rs	Factoring – faster to get money
69	21. 09. 2013	Kurir	Business get the money faster
70	21. 09. 2013	www.b92.net	Construction permits in a month
71	21. 09. 2013	www.bizlife.rs	New law envisages construction permits in a month
72	22. 09. 2013	www.kurir-info.rs	Ilic: Construction permits in a month
73	22. 09. 2013	www.poslovnojutro.com	Factoring – better financial organization and debt collection
74	23. 09. 2013	Privredni pregled	New law gets clear the market situation
75	24. 09. 2013	www.bizlife.rs	Serbia needs 250 million euros of the microfinance credits
76	24. 09. 2013	Reč Naroda - Požarevac	Shadow economy stops economic growth
77	25. 09. 2013	Privredni pregled	Micro companies need new law
78	25. 09. 2013	Večernje novosti - Vojvodina	Micro companies need new law
79	25. 09. 2013	www.novci.rs	Micro credits still to expensive
80	25. 09. 2013	www.tanjugbiz.rs	Good laws and good implementation will lead to better business environment
81	25. 09. 2013	www.novosti.rs	For many, shadow economy is the only hope
82	26. 09. 2013	Večernje novosti	Shadow economy
83	26. 09. 2013	Privredni pregled	Good implementation is the success key
84	26. 09. 2013	Privredni pregled	Two cities

85	26. 09. 2013	Privredni pregled	Rest in the natural ambience
86	26. 09. 2013	www.nadlanu.com	For many, shadow economy is the only hope
87	30. 09. 2013	Večernje novosti	No one to build
88	30. 09. 2013	Narodne novine	Serbian kitchen
89	30. 09. 2013	www.novosti.rs	Concessions are good, but there is no one to build
90	30. 09. 2013	www.b92.net	Construction permits in one month
91	30. 09. 2013	www.b92.net	How to make a concession successful

TOTAL REACH: 3,461,000

ATTACHMENT 3: PROGRESS VERSUS WORKPLAN

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
Objective 1: Improve and streamline business regulation				
1. Improve Inspections Operations and Organization	Conduct an outreach campaign to increase stakeholders' demand for inspections reform	Jan – Dec 2013	Inspections reform outreach campaign	Outreach campaign in progress, to be intensified with the launch of TV campaign with public announcement videos and further developed. BEP presented the Concept of the Future Law on Inspections to the Members of National Alliance for Local Economic Development (NALED). Communication with the stakeholders in progress.
	Provide technical assistance for development of the legal and regulatory framework for implementation of the inspections reform	Jan – Dec 2013	Draft laws and bylaws for implementation of the inspection reform	Core Working Group is in process of development of the first Draft Law on Inspections (working version should be completed by end September – early October). The deadline for finalizing the Draft Inspections Law is March 2014, while the Government of Serbia should adopt it by June 2014 at the latest.
	Work with the line ministries and other competent public bodies and entities, representatives of businesses and the Inspections Leadership Group to facilitate development of the implementation plan for inspections reform in parallel with the development of the legal and regulatory framework governing inspection reform.	Jan – Dec 2013	Implementation plan for inspection reforms	Direction and timetable of the joint efforts agreed on with the MoJSA State Secretary Gordana Stamenic, and Assistant Minister, Vladana Jovic. BEP provided additional inputs to the

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
				Draft Strategy for Public Administration Reform and Action Plan – deadlines for regulatory activities adjusted by the MoJSA accordingly. BEP works with the MoJSA on elaboration of implementation reform plan.
	Assist the implementation of the pilot e-Inspections project, targeted at increasing transparency, establishing coordination between inspections and decreasing the number of steps and procedures	Jan – Dec 2013	Reformed inspections mechanism for selected inspectorates	TOR for the new e-Inspections system has been developed and shared with EU project that has planned similar activity. Different cooperation models are being discussed. Still waiting for feedback form EU project. Inspection information system documents developed within BEP shared with the MoJSA – cooperation in this regard is in progress.
	Train stakeholders for implementation of new inspections regulatory framework and policies	Oct 2013 – Jan 2014	Inspections reform training program delivered	Training program to be launched following adoption of the new legal and strategic framework.
2. Remove or reduce quasi fiscal burdens to businesses	Provide assistance in the process of streamlining remaining financial impositions on businesses	Jan – Oct 2013	List of re-priced Government services	The Draft Law on Charges for Use of Public Goods is expected to be completed in November 2013. The Parliament adopted the Amendments to the Budget System Law, providing for more predictability with the rate setting. The grant on screening present legal framework and implementation, and providing regulatory recommendations is

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
				awarded to NALED – the work is in progress.
	Assist efforts to streamline para-fiscal charges that fall under responsibility of local governments	Mar 2013 – Jan 2014	Proposal for streamlining local charges	The process continued through development of Draft Law on Charges for the Use of Public Resources, and the Draft Amendments to the Budgetary System Law. The grant on screening present legal framework and implementation, and providing regulatory recommendations is awarded to NALED – the work is in progress.
	Support establishment of a tool for comprehensive monitoring of the level of para-fiscal impositions on businesses	Jan – Oct 2013	Tool for comprehensive monitoring of the level of para-fiscal impositions on businesses	Basic version of the tool is an element of BEP supported NALED's Quarterly Reports on Business Environment. BEP awarded grant to "Business Heartbeat - Reform Advocates" to NALED. The main aim of grant activity is to create public pressure (through media outreach activities that will tackle the most important topics for improvement of doing business environment in Serbia) and government awareness (using Regulatory Index of Serbia to show which systemic regulatory process changes are needed in order to improve business conditions). The grant on para-fiscal charges awarded to NALED encompasses development of a tool for comprehensive monitoring of the level of para-fiscal impositions

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
				on businesses.
	Conduct an outreach campaign to support the reform of para-fiscal charges	Mar – Nov 2013	Proposals for streamlining para-fiscal charges.	The grant on para-fiscal charges awarded to NALED encompasses outreach plan.
3. Assist implementation of the Law on Enforcement (adoption expected in April)	Conduct the PEOs Training	Jun 2013	PEO training delivered	One more training will take place in Q4.
4. Streamline Construction Permitting	Facilitate stakeholders' dialogue on recommendations for improvement of construction permits	Jan – Jun 2013	Recommendations for improvement of CP vetted	After the Concept was agreed on and publicly presented, drafting legislation resulted with three versions of the Changes to the Law on Planning and Construction (BEP's, Ministry of Urbanism and Construction's and GoS Office for Rapid Responses'). By the middle October only one draft should be agreed on and be publicly presented by the end of October 2013.
	Provide technical assistance with improving legal framework for construction permits	Jan – October 2013	Improved legal framework for CP designed and legislated	BEP engaged in intensive consultations with the Ministry and Office for Rapid Response to agree on remaining differences on the directions for the reform of construction permitting. This followed a retreat between BEP and the Ministry during which some differences between drafts were worked out. However, the Ministry refused to make some important changes to align the legislation with

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
				<p>the Concept for reforms that was agreed upon by all stakeholders including Minister of Construction and Urbanism Ilic. On the Minister's demand, BEP agreed to support the Ministry to take important concepts from BEP's and Office for Rapid Response's (ORR) drafts that are not yet incorporated in the Ministry's draft to develop a version of the Draft Law that all parties to this process will be able to support. BEP will work intensively with the Ministry and ORR in an attempt to complete joint version by the October 7.</p>
	<p>Support implementation of specific segments of the CP reform, including planning document software</p>	<p>Jan 2013 – Jan 2014</p>	<p>Web based system for tracking planning documents TOR for implementation of the CP e-Governance system</p>	<p>This activity will be implemented after the key elements of the future legal framework are defined.</p>
<p>5. Reduce the employing workers burden</p>	<p>Facilitate dialogue between business associations, trade unions and Ministry of Labor and Social Policy on reform of labor legislation and regulations</p>	<p>Jan – Apr 2013</p>	<p>Meeting Reports on agreements and outstanding issues</p>	<p>BEP Involved women in Parliament in the Labor Law Reforms holding a roundtable on possible Labor Law changes and how it could affect women. Also, in cooperation with the National Assembly the Committee for Economy, Regional Development, Trade, Tourism and Energy, and Serbian Employers' Union, BEP</p>

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
				<p>participated in the session of the Committee dedicated to the open economic and legal issues that businesses in Serbia deal with, primarily related to the inspection oversight in the area of trade, and labor relationships. Furthermore, BEP participated in the panel discussion on The Impact of Public Sector Reform on Unemployment organized by Belgrade Chamber of Commerce and Association of Employers "Poslodavac". Also, in September 2013 NALED and BEP organized Policy Briefing for Embassy Representatives on Labor Policy Reform Issues. By the end of the year BEP will support public discussions on Labor Law draft and will co-organize the retreat with the Ministry of Labor, Employment and Social Policy.</p>
	<p>Organize outreach campaign and public-private dialogue to inform decision makers, stakeholders and general public about the impact of current policy environment and expected outcomes of proposed reforms</p>	<p>Jan – Dec 2013</p>	<p>Outreach campaign on environment for labor market</p>	<p>The outreach strategy is developed but will be constantly changed and improved as the process of drafting and public discussions go on. Regional Labor Conference will not be organized. In Q3 the following events occurred: Roundtable with women in Parliament regarding the Labor Law Reforms; BEP participated in the</p>

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
				<p>session of the Committee dedicated to the open economic and legal issues that businesses in Serbia deal with, primarily related to the inspection oversight in the area of trade, and labor relationships; BEP participated in the panel discussion on The Impact of Public Sector Reform on Unemployment organized by Belgrade Chamber of Commerce and Association of Employers "Poslodavac"; In September 2013 NALED and BEP organized Policy Briefing for Embassy Representatives on Labor Policy Reform Issues. By the end of the year BEP will support public discussions on Labor Law draft and will co-organize the retreat with the Ministry of Labor, Employment and Social Policy.</p>
	<p>Provide technical assistance for legal drafting related with labor legislation</p>	<p>Jun – Oct 2013</p>	<p>Drafts of legal acts for reducing the employing workers burden</p>	<p>The Ministry of Labor, Employment and Social Policy established the Working Group for drafting changes in the Labor Law. The WG will probably be extended and will include representative of the Ministry of Economy. In October 2013, the Ministry of Labor, Employment and Social Policy plan to organize the retreat where the first draft of the Labor Law will be presented. BEP will</p>

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
				support this activity.
	Train stakeholders on new labor legislation	Nov – Dec 2013	Training and materials	Planned for Q4, 2013.
Objective 2: Business effectively partners with Government in developing and implementing regulatory reforms				
1. Improve Public-Private Dialogue	Develop mechanisms for monitoring and evaluation of Government's policies and their delivery, including the inclusiveness and transparency of policy making.	Jan – Oct 2013	Mechanisms for monitoring and evaluation of Government's policies and their delivery developed	BEP awarded grant to "Business Heartbeat - Reform Advocates" to NALED. The main aim of grant activity is to create public pressure (through media outreach activities that will tackle the most important topics for improvement of doing business environment in Serbia) and government awareness (using Regulatory Index of Serbia to show which systemic regulatory process changes are needed in order to improve business conditions).
	Conduct Annual Business Survey continuing the practice started in the Year 1	Jun – Nov 2013	Annual Business Survey report	Preliminary results of the Business Survey 2013 will be presented to BEP in the mid October 2013, and public presentation of BS 2013 results will take place in November 2013.
	Organize PPD events as forums for discussion between the Government and businesses on improvement of business environment.	Jan 2013 – Jan 2014	PPD events	07 July 2013 BEP co-sponsored the business conference named "Serbia Turns to Economy – Responsibly Together Out of the Crises" that is organized by the Delegation of the EU in Serbia, business association

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
				<p>Privrednik, Foreign Investors Council and the AmCham.</p> <p>10 July 2013 Women in Parliament (Labor Law) - Roundtable on Labor Law changes and how it could affect women.</p> <p>11 July 2013 Presentation of the Concept of Reform of Construction Permits in Pozega (BEP and SKGO)</p> <p>17 and 31 July 2013 Meetings of the Working Group on Law on Planning and Construction were held.</p> <p>19-21 September 2013 Retreat for Drafting the Law on Planning and Construction in Kobilovo</p> <p>26-27 September 2013 Retreat for Drafting the Law on Inspections in Vrsac</p>
	Increase capacities of public sector, business associations and NGOs to manage their mutual interaction for optimal results through training and internship programs and other applicable activities	Jan 2013 – Jan 2014	Internship and training programs completed	15 selected interns continue to provide technical and other support to BEP counterparts.
1. Improve Quality and Quantity of Legislative and Regulatory Reforms	Train the Regulatory Reform Office (RRO) on RIA and SME Test - Train the Trainers in depth course	Jan 2013 – Oct 2013	Training on RIA and SME test delivered	Beside the RIA training for 15 selected interns, no other trainings were held. This activity will be realized in Q4.
	Train the Regulatory Reform Office (RRO) on Evaluation of Regulatory Policies (Ex-Post regulatory analysis) using the Pilot Case (evaluation of Law on Enforcement; alternatively Law on Construction and Spatial Planning)	Jan 2013 – Oct 2013	Training Ex-Post regulatory analysis delivered	TBD

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
	Conduct SCM study comparable with the one conducted in the Y1 of the project	Nov 2013 – Jan 2014	SCM study	Ongoing activity. First results expected in mid-November. Presentation of final results will take place in December 2013.
1. Finalize legal framework for PPPs	Facilitate public-private dialogue and provide technical assistance for drafting the bylaws stemming from the Law on PPP and concessions.	Jan 2013 – Jun 2013	Roundtables, working group meetings, public discussions, consultations; Drafts of bylaws stemming from the PPP and Concessions Law	PPP Commission Adopted the Value-for-Money Methodology developed by BEP. Adoption of the PPP methodology and by-laws envisaged by the Law on PPP and Concessions means that all envisaged legal and methodological documents are enacted and necessary elements of legal and institutional framework for PPPs in Serbia are set in place, and ready for implementation of PPP projects. The PPP Commission issued so far six positive opinions on the PPP projects proposals. The next step will be the implementation of the VfMM and integration of value-for-money analysis in development of public investment and PPP projects, which should lead to more legal, economic and financial predictability.
2. Build interest and capacities of public and private partners to engage in PPPs	Provide training to the members of the Commission, possibly including a study tour, on issues such as potential of PPP agreements in different areas, assessing and dealing with the PPP related risks, providing advisory opinions on PPP arrangements and management of stakeholders' and public's expectations	Jan – Oct 2013	Training to the Commission members delivered	TBD

Component 1: Business Regulation and Economic Governance

Task	Activities	Activity Period	Deliverables	Status
	Organize an outreach campaign to educate stakeholders and general public on potential of PPPs and on challenges related with managing them	Jan – Nov 2013	Outreach campaign on potential and challenges related with PPPs	BEP expert presents framework, advantages and challenges of PPPs in Serbia in local newspapers. Presentation on PPPs framework, practice and perspectives for public bodies and businesses will take place in October 2013.
	Organize the “Governments and Businesses Talk Partnerships” road show to train public authorities and potential investors on the possibilities created with the PPP legislation	Mar – Jun 2013	Training/regional presentations	Presentation on PPPs framework , practice and perspectives for public bodies and businesses will take place in October 2013

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	
Objective 1: Improve GoS budgeting, fiscal policy analysis, and financial management efficiency				
1. Capacity building assistance to the Fiscal Council and Improvements to fiscal	Technical assistance to help develop a demographic and aging model to support intermediate- and long-term fiscal analysis and budgeting. (Support will also benefit the MoFE Macro Fiscal Department)	Jan-Dec (intermittently)	On-site consultations at FC Demographic Model Aging Model	No activities. Fiscal Council is currently developing Demographic Model on its own.

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	
responsibility	Technical assistance with development of selected fiscal multipliers to improve the government's ability to assess the economic growth impact of various policies and meet EU standards on fiscal analysis.	Jan-Mar	Econometric analysis Advisory Brief on Multipliers	BEP engaged local STTAs, for the period from October 2013 to January 2014, to evaluate the impact of fiscal consolidation on economic recovery using a number of alternative scenarios and on-the-job training to FC staff. Various assessments of fiscal multipliers obtained in the previous phase of the research (previous SoW) will represent the starting point. The Consultant will simulate a number of alternative scenarios, each suitable for different multipliers, to study the impact of fiscal consolidation on economic recovery.
2. Improvements to MoFE Fiscal Analysis and Strategy	Technical assistance to the MFD to develop and utilize a Bridge Model model to strengthen macroeconomic and fiscal forecast and analyses and support fiscal policy-making.	Mar-Jun	Bridge Model, Training, Training Materials and Guidelines	Through grant BEP is supporting implementation of the dynamic stochastic general equilibrium (DSGE) macroeconomic model, as a support tool in monetary, fiscal and trade policy making for the Government of Serbia. Implementation of the model is divided in two projects: the first is development of Serbia macroeconomic model which was financed by the World Bank and second with BEP supports for the implementation and it includes training for MFD staff on usage of the model and forecasting with computer-based simulator, as well as support them with macro and fiscal projections and improvements of the model in the period of one year.

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	
	Technical assistance on developing fiscal multipliers that can be used in forecasting and budgeting (This will overlap with support to FC)	Jan-Mar	Econometric analysis Advisory Brief on Multipliers	Local STTAs delivered training on Fiscal Multiplier (FM) analysis and data series preparation. BEP's initial assistance to the Fiscal Council on FMs resulted in a review of empirical studies conducted for Central Eastern European (CEE) countries and evaluation of multipliers in both CEE and Serbia, including presentation to the MoFE of results and time series used. The training session was attended by 15 participants
	Assistance in reviewing the performance and efficiency of selected state aid programs dealing with employment and exports. (This support will tie into the active grant work on creating a framework and assessment methodology for state aid under Objective 3)	Jan-Mar	State aid analysis	BEP engages local STTA for technical assistance on fiscal analysis and strategy. One of the tasks is to analyze spending and results of state aid programs. The focus of the activity will be on attempt to make comprehensive breakdown of all direct and indirect state aid programs.
	Support to MoFE to institutionalize the Citizen's Guide to the Budget.	Jun-Sep	Training and guidance on preparation of CG	Citizen's Guide (CG) to the Budget almost completed. Awaiting for the budget for 2014 and Fiscal strategy report, so data modification should be done in CG. Publication expected in December 2013
3. Assistance to the GoS and Parliament to improving budget coordination and performance management	Technical training series for the Parliamentary Finance Committee on selected budgetary and fiscal issues.	All year	Training and Training Materials Advisory Notes	BEP held a meeting with Parliament leadership to discuss and plan activities to take place this Fall that will help MPs become more effective in overseeing the budget process. The activities agreed upon include: training in program budgeting; analysis of state

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	
	Technical briefings on new business and financial sector legislation prepared with BEP assistance (e.g. inspections, construction permitting, labor, factoring, leasing, commodity exchange, brokerage capital requirements, etc.)	Depends on when laws get submitted		aid; and other issues.
	Study tour for representatives of the Finance Committee and MoFE Budget Department on effective budgetary procedures and oversight.	May		BEP agreed with Finance Committee to continue presenting draft laws for which BEP provides technical assistance: draft Commodity Exchange Law, Labor Law, Construction, etc
	In July BEP organized study tour to Washington, DC for senior Serbian public financial management officials. The Serbian delegation consisted of two members of the parliamentary Finance Committee, a senior officer of the Parliamentary Research Service, the heads of the Ministry of Finance Budget Department and Capital Projects Evaluation Group, as well as a member of the Fiscal Council. It included extensive meetings, presentations and discussions with senior officials of US institutions. The study visit was designed to help Serbian officials better understand budgetary processes and oversight and become more effective by using a more sophisticated and transparent budgeting process and performance measurement indicators.			

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	
<p>4. Assist the MoFE Budget Department to develop capacity for improved transparency and program budgeting</p>	<p>Support to MoFE on formation and agenda-setting of working group (WG) for program budget (PB) implementation. Facilitation of WG discussion and decision making. Technical advice as needed.</p>	<p>All year</p>	<p>Action Plan PB framework Methodological Instructions Training and Training Materials Advisory Notes</p>	<p>BEP and Ministry of Finance (MoF) enter the last phase of program budgeting implementation. BEP's assistance will lead to more efficient government spending. BEP is providing support to the MoF Budget Department in the full roll-out of the new budget framework among line ministries and other budget users by the 2015 budget. BEP delivered a series of individual workshops with selected budget users that will implement program budgeting model a year ahead of the legal deadline, i.e. for the 2014 budget. This group consists of six ministries (Education; Health; Justice and State Administration; Trade and Telecommunications; Culture; and External Affairs) and five independent budget users (Environmental Protection Agency, Office of the Ombudsman, Social Security Fund, Refugee and Migration Commissioner, and Office for Cooperation with Religious Communities). Through a series of meetings with working groups established at the budget user level, BEP advisors will help budget users develop their programmatic structures</p>
	<p>Technical assistance to the MoFE Budget Department (BD) in development of program budget framework and classification system, methodological instructions, and implementation plan.</p>	<p>Feb-May</p>		
	<p>Development of training curricula for budget users, delivery of training on PB methodology; and technical assistance to budget users on formulation of programs and performance indicators.</p>	<p>Apr - Dec</p>		
	<p>Assessment of needs for upgrade of budget preparation information system (BPMIS) in line with modification of budget process (with IMF advisor)</p>	<p>Feb-May</p>		

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	
				and set goals and performance indicators to be used for 2014 budget requests due in October.
5. Improvements to Fiscal Policy, Strategy and Analysis	Support for policy advocacy, outreach, and implementation of the recommendations of State Aid Study.	Apr-Jun	Workshops Trainings and Training Materials	BEP plans to prepare a policy note on the need to reorganize state aid programs from legal framework, economic, and transparency perspectives.
Objective 2: Improve public debt management and conditions for government financing				
1. Improving conditions for public investment in and trading of government debt	Strengthening the system for improving the market for government securities. (Coordinated with work of C3 on demand-side)	2013	Training and Training Materials, Advisory Notes	Worked with PDA to develop program (Crosscutting with C3)
	Assistance with assessing viable options for development of retail distribution of government debt and creation of a household purchase program	Sep-Dec	Retail distribution framework Advisory briefs	Commenced development of program with PDA (Crosscutting with C3). As requested by the Public Debt Administration, BEP's international expert is examining the possibilities for developing a Retail Government Debt Programme. Expert Nathan Hansford has been working closely with the PDA and financial institutions and other interested parties, and will propose the most adequate solutions for Serbia. Mr. Hansford's report will analyze best international practice, identify models applicable in Serbia, identify key issues and obstacles to its development, and provide assistance to the PDA in

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	
				addressing these issues, including a detailed proposal for the timing of a GoS bond issuance.
2. Assistance to improve debt management systems, reporting, analysis, and capacity	Ongoing training series and capacity building to PDA in debt management strategy, risk management, planning and operations.	2013	Trainings, Training Materials, Models	Local STTA delivered two session supervisory training to assist PDA in conducting debt sustainability assessment (DSA) analyses. The remaining work on this Scope of Work is being conducted as an on-job-assistance with consultant reviewing early drafts of the analysis, providing recommendations, monitoring their application, and so forth.
	Study tour to 1-2 countries in the region to learn about advanced government securities auction platforms and how to apply risk analysis to Serbia's portfolio (i.e. Italy's Department of Treasury)	2013	Study Tour	Study tour to Italy- covered by C3
	Continued IT management and support to the PDA director for improvements to debt management systems and reporting and information.	2013	Periodic report on issue identification and resolution; User Requirements Outlined or Developed	No activities in Q3
Objective 3: Improve macroeconomic policy and strategy				
1. Tactical Assistance to advance the GoS macroeconomic strategy	Stage II savings study: Formulation of policy recommendations on improving domestic savings	Feb-Mar	Report on Improving Domestic Savings	Consultant commenced development of policy recommendations.
	Support for policy advocacy and outreach on the recommendations of the Savings Study.	Mar-Jun	Conference, Roundtables, Advisory Notes	No activities.
	Support for policy advocacy, outreach, and implementation of the recommendations of Shadow Economy Study. (In cooperation with C1 where applicable)	Jan-Mar	Conference, Roundtables, Advisory Notes	BEP has identified over 120 articles and features in the media dealing with the importance of tackling the informal economy in Serbia (meaning that at least one article has been published

Component 2: Macroeconomic Policy and Public Financial Management

Task	Activities	Activity Period	Deliverables	
				each day since the study was first made public, in March 2013. Some of the recommendations from the study that are already adopted by GoS are strict control of fiscal receipts issuance, better coordination with other Government bodies, intensive training of inspectors, stricter penalties for tax evasion, new e-system of consolidated billing and cross-checking of property and income, etc.
	Conduct outreach on priority macroeconomic issues of the new government through various mechanisms including workshops, roundtables, and Policy Café submissions.	All year	Conferences, Debates, Roundtables	BEP presented results and recommendations of the study on Shadow economy the Pozarevac Chamber of Commerce. Director of the Tax Administration (TA), also participated in the event and expressed great appreciation for BEP's recommendations. The presentation was attended by more than 50 businesspeople from the region, as well as by representatives of local authorities, public enterprises and the Serbian Chamber of Commerce.

Component 3: Financial Market Development

Task	Activities	Activity Period	Documentary Deliverables	
Objective 1: Strengthening capital markets				
1. Assistance to build	Further capacity building assistance to streamline supervisory practices and improve	Jun -Nov	Training	Ongoing. STTA (Mr. Anthony Sinclair)

Component 3: Financial Market Development

Task	Activities	Activity Period	Documentary Deliverables	
supervision capacity of Securities Commission	resource management through risk-based supervision and effective use of the new IT system supported by the project.		Training Materials Consultations RBS Inspection Manual for brokerages	<p>is preparing a Final Report on SC comprehensive Organizational Diagnostics formulating the recommendations for improvement., all based on the conducted on sight research and inputs received from the stakeholders. Report expected within second half of October, 2013.</p> <p>Already completed: STTA conducted an on sight research aimed for receiving inputs from the SC Commissioners, heads of departments and relevant key employees, during September 2013.</p>
2. Improve disclosure of information in compliance with the legal requirements and best international practice	Continued support for development and implementation of a new web-based information disclosure system.	Jan – Oct	Official Register of Information Report on Development of Document Management and Public Register System for the SC IT procedural training and training materials	<p>Ongoing: Implementation started with first Screening Committee Meeting held on October 1st, project discussed with relevant SC representatives, joint design phase starting (October 7th, 2013), all designed to result in development of Document management System to support Official Register of Information, an important mechanism for information disclosure, reporting and transparency.</p> <p>Already completed: the process of obtaining waiver for an IT grant which allowed establishment of Official Register of Information, followed by IT procedural trainings finished in September 2013.</p>

Component 3: Financial Market Development

Task	Activities	Activity Period	Documentary Deliverables	
3. Improve capital market legislation	Technical assistance in amending capital market legislation.	Feb -Dec	Draft amendments Roundtables	<p>Ongoing: The working group is still expecting to receive feedback containing all the accepted amendments (along with the in detail explanation of the unaccepted ones); the deadline was set at mid-September, 2013.</p> <p>Already completed: MoFE established joint working group on harmonization of capital market regulation. More than 20 laws were identified that should be mutually harmonized and in a line with the best EU and international practice. The working group provided their inputs and recommendations by June, 2013, in order for proposed amendments to be adopted in the fall.</p>
Objective 2: Strengthen enabling environment for commodity exchange				
1. Assistance in development of legal framework for commodity exchange	Provide technical assistance and participate in MoTT Working Group established to review and finalized the draft Commodity Exchange Law	Jan - Aug	Draft Commodity Exchange Law	<p>Ongoing. Work to finalize draft according to the inputs from focus groups. Presentations of the draft law scheduled at several high level events such as Agribusiness Forum and Bankers' Forum. Official public discussion and finalization of Regulatory impact analysis and transposition table are scheduled for October-November.</p> <p>Already completed. MoTT established the new broader working group in January 2013. BEP is the official</p>

Component 3: Financial Market Development

Task	Activities	Activity Period	Documentary Deliverables	
	Capacity building and training to the members of MoTT working group and to other stakeholders on the main features and concepts of a contemporary commodity exchange system including best international practices.	Jan - Jun	Workshops Training Study Tour	<p>member of the working group. Working group finalized the first draft of the Commodity Exchange Law and published it in July. The first round of consultations with focus groups (brokers, investment funds, accountants, tax experts, grain exporters) done. First draft of Regulatory impact analysis and transposition table prepared.</p> <p>Ongoing. Study tour to CFTC's international symposium and training program "Regulation of Derivatives Products, Markets and Financial Intermediaries for International Market Authorities" in Chicago, October 2013.</p> <p>Already completed. Two day workshop on main features and concepts of a contemporary commodity exchange with focus on market abuse, insolvency, clearing, and customer protection. Study tour in order to build capacities of main stakeholders to implement the new law and develop bylaws according to best international practice prepared and scheduled.</p>
Objective 3: Improve GoS access to finance through development of a long-term, liquid public debt market				
1. Assistance to identify and develop the key regulatory criteria for developing a	Assessment of institutional investor needs and demand-side constraints to achieving a more diversified issuance of government debt.	Feb – Jun	Roundtable conclusions Advisory notes Progress report	Ongoing. BEP started assistance to the PDA in designing retail government debt program. Adequate retail debt instruments and distribution

Component 3: Financial Market Development

Task	Activities	Activity Period	Documentary Deliverables	
government debt market				<p>channels will build demand from households and citizens achieving a more diversified issuance of government debt. Technical report will be finalized during October.</p> <p>Already completed. Study visit to the Italian Ministry of Economy and Finance. The main goal of the study tour was to continue to help the PDA make substantial improvements in the quality of debt reporting and analysis, application of risk management to PDA work, and progress in overcoming constraints to development of primary and secondary markets for government debt.</p>
Objective 4: Improving access to finance for small and medium enterprises and entrepreneurs				
1. Assistance in development and implementation of access to finance related laws	Support and facilitate reform of the leasing regulation to make it more competitive with international standards, including assistance to MoFE in making selected amendments (if needed).	Feb-Dec	Roundtables, Working Group meeting, Consultations, Draft amendments	<p>Ongoing. Preparing a White Paper on Leasing industry constraints, based on the final report of the STTA and other inputs from the stakeholders.</p> <p>Already completed. Analyzed identified constraints and developed recommendations in cooperation with the leasing association. Had a roundtable with the leasing industry in order to verify recommendations for leasing improvements and determine further steps of advocating for reforms.</p>

Component 3: Financial Market Development

Task	Activities	Activity Period	Documentary Deliverables	
				<p>BEP and leasing association sent a document to the MoFE regarding amendments to the Corporate Income Tax Law.</p> <p>Agreed cooperation with MoF on improving the leasing regulatory framework</p> <p>Agreed cooperation with the Association of Leasing Companies in Serbia on joint efforts for leasing improvement</p> <p>Expat STTA, Robert Homans engaged Report "Financial Leasing Operations in Serbia Legal & Regulatory Barriers" done by the STTA</p> <p>All identified issues from the report discussed and clarified with the leasing industry representatives, during the onsite work of the STTA in Belgrade.</p>
	<p>Assistance for finalization and adoption of the Factoring Law and drafting of selected by-laws for implementation.</p>	<p>Jan – Sep</p>	<p>Law on Factoring adopted Bylaws drafted and adopted</p>	<p>Ongoing. Working with MoF and working group to develop bylaws. Preparing the public outreach around Serbia about proper using of factoring for SMEs growth. Preparing outreach and trainings on reverse factoring (supply chain finance) and its role in improving access to finance.</p> <p>Already completed. The final draft was prepared after the last round of the public discussion was conducted. The draft was send to all relevant ministries</p>

Component 3: Financial Market Development

Task	Activities	Activity Period	Documentary Deliverables	
				<p>for comments. Regulatory impact analysis and required additional documents are prepared, submitted and approved. BEP conducted the training on factoring to the Parliament's Committee on Finance, State Budget and Control of Public Spending in cooperation with C2. BEP published articles in weekly magazine to increase knowledge and understanding about factoring. Comments prepared for amendments received in Parliament. Factoring presented to the Women in Parliament Network. The Factoring Law adopted in July. Newly adopted Law presented to the factoring firms at roundtable in Belgrade Chamber of Commerce. In cooperation with Serbian Chamber of Commerce Factoring conference for more than 120 firms organized in September to increase knowledge how to use factoring. Business Register Agency set up a factoring firm register.</p>
	<p>Advocacy and assistance for development of a regulatory framework for non-bank credit institutions</p>	<p>Jan - Dec</p>	<p>Consultations Roundtable(s) Draft laws/bylaws</p>	<p>Ongoing. BEP started assistance to MoF in providing international examples of best practices and detect regulatory and business models for developing NBFIs that would be applicable in Serbia. Public outreach about the role of NBFIs is planned and will start in November. Already finalized: Workshop to foster</p>

Component 3: Financial Market Development

Task	Activities	Activity Period	Documentary Deliverables	
				open dialogue with the MoFE and the NBS regarding the willingness and feasibility of developing a NBF regulatory framework was successfully organized.
2. Strengthen the government's capacity, approach, and coordination for improving access to finance	Technical advice and training to the MoFE and SMEs Council, including assistance in developing an inter-governmental Action Plan for improving access to finance based on the findings of BEP's White Paper.	All year	Advisory notes Training Draft Action Plan	Ongoing. The new SMEs Council will be actively involved in drafting SMEs Development Strategy. Already completed. Technical assistance in designing and establishing SMEs Council.
	Assistance to MoFE in drafting "SME Development Strategy 2014-2020" in the area of access to finance and business regulation (in coordination with the C1)	Apr – Nov	Draft SMEs Development Strategy 2014-2020	Ongoing. Roundtables with women in business in order to collect information and feedbacks. Preparing action plan on improving access to finance to be used for the new Strategy. Already completed. Seven regional roundtables in order to collect information and feedbacks from the SMEs, as well as work on establishing SMEs Council.
	Assistance to MoFE in implementation of other priorities, as defined in cooperation with the MoFE, and consistent with the project goals.	All year	Advisory notes Drafting of legislation	Ongoing. BEP provides advisory support and legal expertise to the MoF related to financial stability regulatory framework based on MoF concept and WB, IMF and EBRD recommendations. The assistance covers the following topics: troubled bank resolution legislation, early warning signals, and deposit insurance reform

Component 3: Financial Market Development

Task	Activities	Activity Period	Documentary Deliverables	
3. Improve information collection and dissemination of SMEs financing data	Assistance to MoFE in establishing efficient information collection and dissemination mechanism, including defining information that should be collected.	Jun - Sep	Consultations Advisory brief on information parameters	Activity scheduled from October
	Provide assistance in improving portal for disseminating all information on SMEs' financing, including SMEs' support programs.	Jul - Nov	Web portal improvement and content criteria Financial tools	Ongoing. Scheduled meetings to discuss further steps on improving portal with NARD and MoE.
4. Improve Effectiveness of State Financing Support	Assistance in developing new financing support to stimulate access to finance at the SME level and possible re-designing or restructuring selected state programs.	Feb- Dec	Diagnostic of state support mechanism Targeted on-going advisory Programs design	Already completed. BEP supported MoFE to develop equipment grant scheme, as well as invitation letter for the banks and evaluation criteria. MoFE choose three banks to participate in equipment grant scheme. The program is released for small businesses, entrepreneurs and cooperatives to apply for grants under this year's program for co-financing. The Program is already successfully implemented.
5. Streamline financial regulations that affect the cost and flexibility of SMEs lending	Assist the NBS to develop regulatory impact assessment (RIA) on selected credit regulations to assess their costs to banks and SMEs.	Mar -Aug	Regulatory impact assessment	Ongoing. We are in the process of hiring STTA to conduct standard cost model analysis on selected banking regulations.
6. Strengthen professional services supporting access to finance	Assist the NBS to increase the quality of and set the standards for collateral valuation.	Jan –Dec	Advisory notes	Ongoing. Technical assistance in the creation of a comprehensive data base of relevant information, for use by Appraisers in the valuation, which could improve the accuracy of and

Component 3: Financial Market Development

Task	Activities	Activity Period	Documentary Deliverables	
				<p>confidence in value conclusion.</p> <p>Already completed. A detailed analysis of the current real-estate valuation practice in Serbia is done and recommendations on possible models of implementation of international valuation standards are made. In cooperation with the NBS, BEP has organized a roundtable for more than 50 financial institutions and valuation experts in order to receive feedbacks from all relevant stakeholders and identify all possibilities for valuation improvement.</p>
<p>7. Strengthen the capacity and market position of SME's</p>	<p>Strengthen the capacity of business associations and business groups to advocate for access to finance reforms; assist in developing an advocacy strategy.</p>	<p>Feb – Mar (initial engagement) Apr-Nov (targeted assistance)</p>	<p>Training and consultations Roundtables, Workshops</p>	<p>Ongoing. Developing potential advocacy training for major business associations that includes tailor made case study on access to finance reforms.</p> <p>Already completed. BEP finalized initial meetings with the business and financial associations in order to develop national consensus for access to finance reforms. BEP organized seven roundtables in different regions, as well as roundtables with NALED's local economic offices and NALED's SMEs Committee. BEP is closely cooperating with leasing association and factoring association in implementing recommendations from</p>

Component 3: Financial Market Development

Task	Activities	Activity Period	Documentary Deliverables	
	Assist selected business associations and SME groups to develop dedicated financing programs with banks and other lenders.	Apr-Nov	Workshops Guidance materials	BEP's White Paper. Ongoing. Assisting selected business associations, SME groups and clusters to create demand for a supply chain finance. Preparing outreach and promotion of supply chain finance.
8. Strengthen Credit Enforcement (in and out of Court)	Continuing education of Professional Enforcement Officers (PEOs) (see Component 1, Objective 1, Task 3).	Dec 2012 – Mar 2013	Curriculum for appointed PEOs training Training conducted	Ongoing. Considering organizing additional training for the 28 newly licensed PEOs approximately by the end of October (on similar basis as the one held in May). Already completed: Meeting held with the representative of PEOs Chamber on September 19 th , (current topics of interest discussed); discussed (internally) an option for addressing topics related to the industry interests Relevant representatives of banking industry (workout dpts.) that were contacted accordingly expressed interest to participate;
	Assist the MoFE in initiating the fine tuning of the collateral regulatory framework in order to enable efficient court and out of court enforcement.	Jan - Dec	Identify and prioritize the changes in collateral regulatory legislation Draft amendments to a set of collateral related laws	Ongoing: Comprehensive report on both pledge on movables and mortgage extrajudicial execution (based on the previous report on enforcement) to be prepared by October 1 st . Already completed: Assembling list of regulatory changes needed to improve collateral legislation (mortgage, pledge

Component 3: Financial Market Development

Task	Activities	Activity Period	Documentary Deliverables	
	Assist the MoFE in strengthening the implementation of the Enforcement, Late Payments and Bankruptcy Law, in particular through training of the Commercial Judges and the State Prosecution Office	Jan -Dec	Curriculum for training developed Participation in training Advisory Notes	etc.). Ongoing: Analyzing the necessity of collecting and reviewing data on total number of existing court cases and proceedings, both criminal and litigations, related to bankruptcy frauds;
9. Outreach and awareness building on access to finance	Outreach campaign on the access to finance White Paper and proposed reforms, including targeted outreach to advance reforms on specific A2F topics (non-banks, leasing, enforcement, etc.)	All year	Media materials Roundtables	Ongoing. We are organizing roundtables around the country, as well as constantly being present in the printed and electronic media. All reforms we work on are promoted through outreach campaign and public discussion with all relevant stakeholders. We are constantly updating policy cafe webpage.

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 Q3
Mission Assistance Objective: Create A More Competitive Market Economy							
IR 1.1: Business Enabling Environment Improved	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	2.3 by the WEF GCI published in September 2013
Sub-IR 1.1.1: More Effective Business Regulation	Decrease in costs for businesses to comply with regulatory framework	Numeric Value	Standard Cost Modeling (SCM)	Annual	2011 Total Administrative Cost: RSD 124.6 billion (4.2% of GDP)	Yr3: Total Administrative cost decreased by RSD 4 billion plus inflation (3.2% reduction) Yr5: Total Administrative burden decreased cumulatively by RSD 10 billion plus inflation (8% reduction plus inflation)	None. New data due with a new SCM. Scheduled for year 3.
IR 1.4: Macroeconomic Environment Improved	Increase in Foreign Direct Investment	Numeric Value	National Bank of Serbia (NBS)	Annual	2010: 3.07% GDP	Yr1: FDI at 3.3% of GDP Yr2: FDI at 3.3% of GDP Yr3: FDI at 4% of GDP Yr4: FDI at 5% of GDP Yr 5: FDI at 6% of GDP	Net FDI / GDP for 2012 = 0.8% MoFE Table on Basic macroeconomic indicators, updated March 18, 2013

Sub-IR 1.4.1: Improved Fiscal Policy	Improvements in the Open Budget Index ("OBI") Score as reported by the International Budget Partnership	Numeric Value	OBI Survey	Bi-Annual	2010: 54	Yr 1: N/A Yr 2: N/A Yr 3: OBI score 54 Yr 4: N/A Yr 5: OBI score 57	2012: 39 Reason for this score: No longer producing a Pre-Budget Statement, and publishes a less comprehensive Executive's Budget Proposal.
	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: -3.5% of GDP ¹ Yr4: -1.9% of GDP Yr5: -1.0 % of GDP	Q1: 2012 deficit is -6.6% of GDP- source FREN's Quarterly Monitor 31 and MoFE Public Finance Bilten for January 2013 Q2: -4,6 % of GDP
Sub-IR 1.4.2: Financial Markets Developed	Improved score in WEF GCI "Financial Market Development" (formerly 'Sophistication') The VIII WEF GCI Pillar	Numeric Value	WEF GCI reports	Annual	2011: 3.74	Yr1: 3.74 Yr2: 3.80 Yr3: 3.84 Yr4: 3.88 Yr5: 3.92	3.5 by the new WEF GCI published in September 2013 (WEF 2013/14)
	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 % 2012: 54%
	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	Q1=90 Q2=160 Q3=110
Component 1: Business Regulation and Economic Governance Improved							
1. Improve and	Number of commercial laws	Numeric Value	Project Reports	Annual	2011: 3	2011: 3 2012: 10	Q1=1 Q2=2

¹ Projected deficits by Fiscal council for 2013, 2014, 2015

streamline business regulation lowering the costs to businesses and government from business regulations	and regulations simplified and implemented in accordance with international standards as a result of USG assistance					2013: 10 2014: 10 2015: 10 2016: 3 ²	Q3=2
	Average time spent by management on working with inspections	Numeric Value	Business Survey ³	Annual	59 hours	Yr. 2: 58 Yr. 3: 55 Yr. 4: 50 Yr. 5: 45	Yr2: 34 hours Yr3: 17 hours
	Number of Professional Enforcement Officers trained, passed the exam, and ready to get appointed	Numeric Value	MoJ Data	Annual	N/A	Yr 2: 300	82 Q3=27
	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	By WB DB Report published in October 2012 Serbian result is 635 days
	Number of days dealing with constructions permits	Numeric Value	World Bank Doing Business Report	Annual	2011: 279	Yr 5: 220	By WB DB Report published in October 2012 Serbian result is 269 days
	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%	Yr2: 26% agree that there was improvement Yr3: 36.7% agree that there was

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

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

							improvement
	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	No significant changes to the status of the recommendations in the White Book 2012
	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%	Yr2: 66% Yr3: 78.4%
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%	Yr2: 25% Yr3: 36,6%
	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	Q1=18 Q2=21 Q3=7
3. Improve and support	Number of substantial RIAs	Numeric Value	Project Reports/ Office of Regulatory	Quarterly	2010: 8	Yr 1: 10 Yr 2: 15	Q1=2 Q2=12

the regulatory review process and RIA process	conducted by GoS		Reform Reports			Yr 3: 20 Yr 4: 25 Yr 5: 30	Q3=7
	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%	Yr2: 23.5% Yr3:45,1%
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	By WB DB Report published in October 2012 Serbia has a score of 5.3
	Number of Commercial Court judges trained in implementation of the Company Law	Numeric Value	Project Reports	Quarterly	N/A	Yr 1: 20	We don't have a target for Year 3
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	Q1=322,5 Q2= 105 Q3= 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	Q1=0 Q2=1- completed Bylaw on supervision over Implementation of Public Contracts Q3= Value for Money Methodology adopted by the PPP commission
Component 2: Macroeconomic Policy and Public Financial Management Enhanced							

1. Improve GoS budgeting, fiscal policy analysis, and financial management efficiency	Improvement in the quality of Medium Term Budgeting and Prioritization	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.	Fiscal Strategy Report for 2014 is expected in the middle of October 2013
	PEFA Multi- Year Score perspective in fiscal planning , expenditure policy and budgeting	Qualitative	PEFA Assessment (due Nov 2013)	Annual/ Results published every 3 years	2010: Scored C	Yr 5: Score B	The 2013 PEFA Assessment scheduled for November 2013.
	PEFA Assessment Score on predictability in the availability of funds for government expenditures	Qualitative	PEFA Assessment (due Nov 2013)	Annual/ Results published every 3 years	2010: Scored C+	Yr 5: Score B	The 2013 PEFA Assessment scheduled for November 2013.
	Number of articles published in the area of fiscal policy containing research and analysis provided through BEP assistance that support changes in fiscal policy	Numeric Value	Project Report	Monthly	N/A	Yr 1: 2 Yr 2: 3 Yr 3: 3 Yr 4: 2 Yr 5: 2	Q1=1 Q2=0 Q3=0
	Number of activities related to macroeconomic and fiscal issues	Numeric Value	Project Report	Annual	N/A	Yr 1: 2 Yr 2: 3 Yr 3: 4 Yr 4: 4	Q1=5 Q2=1 (Presentation of shadow economy to Working Group for combating shadow economy in Serbian Chamber of Commerce.)

	aimed at improving public-private dialogue ⁴					Yr 5: 3	Q3= 1 (Presentation of the Shadow Economy -Pozarevac)
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%	Yr2: 18.9% (on December 31, 2012) May 31 st 2013: 16.19% Aug 31 st 2013: 18,7%
	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	43,45% on May 31 st 2013
	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.	BEP Senior Expert continued assistance by helping the PDA test potential new debt management system (developed by Commonwealth Secretariat) and delivering a 26-page "Review of Tested Functionalities of the Debt Recording and Management System" (DRMS).
	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%	Cumulatively 80% of key staff trained thus far. Q1= 10-sessions training was organized this quarter on advanced public debt risk management – Debt Sustainability Assessment model. Q2=2-sessions training was organized this quarter on debt sustainability

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

							assessment report structure. The remaining work on this Scope of Work is being conducted as on-job-assistance. Q3=no activities
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	8.0 by the new WEF GCI published in September 2013
	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	Q1=2 Q2=0 Q3=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%	Yr2: 38% Yr3: 49,9%
	Number of person hours of training of GoS staff on macroeconomic	Numeric Value	Project Reports	Annual	N/A	Yr1: 500 Yr2: 1000 Yr3: 1000 Yr4: 750	Q1=379 Q2=44 Q3=202

	policy and public financial management topics					Yr5: 300	
Component 3: Increased Financial Market Development							
1. Increase capital available to business through the creation of a regulatory framework for NBFIs	Value of credit financed from NBFIs 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	First draft of the Law is done
2. Strengthen integrity of the capital markets by helping the GoS to build capacity to ensure equity issuers and brokers comply with securities laws	Number of intermediaries trained and advised about upcoming securities laws	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	<u>Up to now 417</u>

3. Improve the GoS' access to finance through the development of long term, liquid debt public market	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%	Yr2: 18.9% (on December 31, 2012) May 31 st 2013: 16.19% Aug 31 st 2013: 18,7%
	Government initiates a public issue of debt to more diversified investor base	Qualitative	PDA (Public Debt Administration) ad hoc report	Annual	Baseline end of March 2011: Banks own 87,1% of debt (3/31/11)	Yr 5: Banks own 75% or less of government debt in dinars	November: 80,38%
4. Strengthened public-private dialogue on the financial sector and its role in economic development	Increased awareness of the role of the financial sector in economic development	Qualitative	Project Survey (a.k.a. BEP Business Survey)	Annual	Around 25% of businesses expressed a sort of an agreement that there is awareness	Yr 5: 50% increase in awareness	Yr2: 83.9 % Yr3: 88.3%
5. Strengthen the disclosure and transparency supporting new investment by assisting the GoS to implement required accounting, audit and	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.

disclosure standards							
6. Improved access to finance for SMEs	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%	Yr2: 23.2% Yr3:35.5%
	Increase in average value of loan size and borrowing by SME's ⁵	Qualitative/numeric	Project Survey (BEP Business Survey)	Annual	2011: 89,475 EUR	Yr.2.: 0 % points increase from baseline Yr.3.: 10 % point increase Yr.4.: 15 % point increase Yr.5.: 20 % point increase	2012: 57,927 EUR 2013: 67,695 EUR

ATTACHMENT 5: BEP GRANTS UPDATE

**BEP GRANTS
UPDATE**

30 September-13

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

RFA-2011-04		Construction Permits	City of Novi Sad	-	-	rejected
RFA-2011-04		Construction Permits	EC Harris d.o.o	-	-	rejected
RFA-2011-05	30-Sep-11	Journalist Education	CLDS - Center for Liberal Democratic Studies	15,000	1,175,000	paid
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	paid (modification 1)
RFA-2011-06-R	27-Dec-11	Private Domestic Savings	-	23,000	1,850,000	No applications were submitted
RFA-2011-06-R2	16-Jan-12	Private Domestic Savings	Foundation for the Advancement of Economics (FREN)	-	-	rejected
RFA-2011-06-R2	16-Jan-12	Private Domestic Savings	BDO Business Advisory LLC	-	-	rejected
RFA-2011-06-R2	16-Jan-12	Private Domestic Savings	CLDS - Center for Liberal Democratic Studies	22,230	1,840,000	paid
RFA-2011-01-F	Follow-on	Business Survey Follow-up Data Analysis	CeSID - Center for Free Elections and Democracy	4,513	370,000	paid
RFA-2012-01	14-Feb-12	Organization of the Forum on Capital Market in Serbia	BeoImpigra, Ltd.	-	-	rejected
RFA-2012-01	14-Feb-12	Organization of the Forum on Capital Market in Serbia	AVENTo d.o.o	-	-	rejected

RFA-2012-01	14-Feb-12	Organization of the Forum on Capital Market in Serbia	EDGE Ltd. Belgrade	-	-	rejected
RFA-2012-01	14-Feb-12	Organization of the Forum on Capital Market in Serbia	BLUEWATERS YU d.o.o.	-	-	rejected
RFA-2012-01	14-Feb-12	Organization of the Forum on Capital Market in Serbia	Represent Communications	-	-	rejected
RFA-2012-01	14-Feb-12	Organization of the Forum on Capital Market in Serbia	Chapter 4 Communications Consulting	19,980	1,697,180	paid
RFA-2012-02	28-March-12	Study and recommendations on policies to increase employment and workforce competitiveness	Center for Liberal – Democratic Studies	-	-	paid
RFA-2012-02	28-March-12	Study and recommendations on policies to increase employment and workforce competitiveness	Faculty of Economics, Finance and Administration, Singidunum University (FEFA)	-	-	rejected
RFA-2012-02	28-March-12	Study and recommendations on policies to increase	Joksovic, Stojanovic & Partners Law Office	-	-	rejected

		employment and workforce competitiveness				
RFA-2012-02	28-March-12	Study and recommendations on policies to increase employment and workforce competitiveness	Foundation for the Advancement of Economics (FREN)	-	-	rejected
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach Campaign	Bluewaters YU LLC	-	-	rejected
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach	Kovacic&Spaic	-	-	rejected
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach	Represent Communications		84,342	Paid (modification 1 and 2)
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach	Chapter 4 Communications Consulting	-	-	rejected
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach	Executive Group d.o.o. Beograd	-	-	rejected

RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach	Conference Republic d.o.o.	-	-	rejected
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach	Cromer Group Ltd.	-	-	rejected
RFA-2012-03	18-Apr-12	Project of Creating and Executing PR/Outreach	MC 2 Public Affairs (Milosevic Creative Communications)	-	-	rejected
RFA-2012-04	26-Apr-12	Strengthening Regulation, Management, and Effectiveness of State Aid in Economic Sphere	BDO Business Advisory LLC	4,600,000	47,998	Terminated (modification 1)
RFA-2012-04	26-Apr-12	Strengthening Regulation, Management, and Effectiveness of State Aid in Economic Sphere	CLDS	-	-	rejected
RFA-2012-05	11-May-12	Economic Policy Measures to Combat Shadow Economy and its Effects on Total Economic Growth in Serbia	BDO Business Advisory LLC	-	-	rejected

RFA-2012-05	11-May-12	Economic Policy Measures to Combat Shadow Economy and its Effects on Total Economic Growth in Serbia	Foundation for the Advancement of Economics (FREN)		79,830	paid (modification 1)
SSS-2012-01	6-Jul-12	2012 Business Survey in Serbia	CESID d.o.o.		25,825	paid
RFA-2011-04-F/2012	3-Aug-12	Assessment of Constraints to Construction Permits in Serbia - follow on	MP and Associates		16,850	paid
RFA-2012-06	4 September 2012	Internships in National Governmental Institutions in RS	Faculty of Economics, Finance and Administration, Singidunum University (FEFA)	-	-	rejected
RFA-2012-06	4 September 2012	Internships in National Governmental Institutions in RS	Consulting Company ConsulTeam Ltd. Belgrade	-	-	rejected
RFA-2012-06	4 September 2012	Internships in National Governmental Institutions in RS	NIP Obrazovniinformatord.o.o. (Educational Informer)	-	-	rejected

RFA-2012-06	4 September 2012	Internships in National Governmental Institutions in RS	Adizes Business Consulting, d.o.o	-	-	rejected
RFA-2012-06	4 September 2012	Internships in National Governmental Institutions in RS	Belgrade Open School (BOS)		89,970	contracted
RFA-2012-06	4 September 2012	Internships in National Governmental Institutions in RS	Cromer Group LLC	-	-	rejected
RFP-2012-01	8 October 2012	Development of web-based inventory of spatial and urban planning documents	Team Net World Professional Services	-	54,500	rejected
RFP-2012-01	8 October 2012	Development of web-based inventory of spatial and urban planning documents	Omnicom Solutions d.o.o.	-	47,800	rejected
RFP-2012-02	19 November 2012	Document Management System and Public Register	PSTechd.o.o.		120,000	rejected
RFP-2012-02	19 November 2012	Document Management System and Public Register	TEAMNET World Professional Services		99,948	Pending (waiver approved)

RFP-2012-02	19 November 2012	Document Management System and Public Register	SAGA d.o.o.		115,000	rejected
RFA-2012-07	21 November 2012	Management Training for Public Officers Working in Governmental Institutions in the Republic of Serbia	Audit And Consulting Company "Deloitte", Ltd., Belgrade		29,920	rejected
RFA-2012-07	21 November 2012	Management Training for Public Officers Working in Governmental Institutions in the Republic of Serbia	Singidunum University – Faculty of Economics, Finance and Administration		29,765	rejected
RFA-2012-07	21 November 2012	Management Training for Public Officers Working in Governmental Institutions in the Republic of Serbia	Adizes South East Europe		28,890	rejected
RFA-2012-07	21 November 2012	Management Training for Public Officers Working in Governmental Institutions in the Republic of Serbia	Serbian Management Centre Ltd		29,810	Contracted

RFA-2012-07	21 November 2012	Management Training for Public Officers Working in Governmental Institutions in the Republic of Serbia	Fenix Human Resources Ltd.		29,855	rejected
RFA-2012-07	21 November 2012	Management Training for Public Officers Working in Governmental Institutions in the Republic of Serbia	CEFE Serbia		29,670	rejected
RFA-2012-07	21 November 2012	Management Training for Public Officers Working in Governmental Institutions in the Republic of Serbia	Center for Project Management - CPM		29,450	rejected
RFA-2012-07	21 November 2012	Management Training for Public Officers Working in Governmental Institutions in the Republic of Serbia	Cromer Group Ltd		29,560	rejected
RFA-2013-01	6 February 2013	Developing an Alternative Legal Framework for Improving Construction Permits	Center for Liberal Democratic Studies in consortium with Zivkovic and Samardzic		39,970	rejected

		in Serbia				
RFA-2013-01	6 February 2013	Developing an Alternative Legal Framework for Improving Construction Permits in Serbia	EU Bild do.o		38,500	rejected
RFA-2013-01	6 February 2013	Developing an Alternative Legal Framework for Improving Construction Permits in Serbia	MP&Associatesd.o.o. in consortium with Pro energod.o.o.		38,150	rejected
RFA-2013-01/R	15 March 2013	Developing an Alternative Legal Framework for Improving Construction Permits in Serbia	EU Bild do.o		48,500	rejected
RFA-2013-01/R	15 March 2013	Developing an Alternative Legal Framework for Improving Construction Permits in Serbia	MP&Associatesd.o.o. in consortium with Pro energod.o.o.		48,400	contracted
RFA-2013-01/R	15 March 2013	Developing an Alternative Legal Framework for	Initiative for integrations – IFI		36,070	rejected

		Improving Construction Permits in Serbia				
RFA-2013-02	5 June 2013	Business Survey in Serbia	TNS Medium Gallup		19,755	Rejected
RFA-2013-02	5 June 2013	Business Survey in Serbia	GfK Belgrade		19,500	Rejected
RFA-2013-02	5 June 2013	Business Survey in Serbia	IPSOS Strategic Marketing		25,021	Contracted
RFA-2013-02	5 June 2013	Business Survey in Serbia	Serbian Association of Managers in partnership with MASMI		27,500	Rejected
RFA-2013-02	5 June 2013	Business Survey in Serbia	CeSID d.o.o.		22,925	Rejected
RFA-2013-03	30 July 2013	Para-fiscal charges: Evaluation of results and support for continuation of reforms	National Alliance for Local Economic Development (NALED)		40,000	Contracted
RFA-2013-03	30 July 2013	Para-fiscal charges: Evaluation of results and support for continuation of	Foundation for the Advancement of Economics (FREN)		37,920	Rejected

		reforms				
RFP-2012-01/R	16 August 2013	Development of web-based inventory of spatial and urban planning documents	PSTech d.o.o.		39,050	Selected (Approval process ongoing)
RFP-2012-01/R	16 August 2013	Development of web-based inventory of spatial and urban planning documents	OSA Racunarski inzenjering d.o.o.		53,145.50	Rejected

EXPRESSION OF INTEREST TITLE	APPLICANT	Amount RSD	Amount USD	Status	GSC Meeting
Economic Growth Model	Center for Liberal-Democratic Studies (CLDS)	0	0	Rejected	
Commodity Exchange at Agricultural Forum - Food for Europe	Economics Institute	389,640	5,000	PAID	9/26/2011
Economics Training for Students of Journalism	Association CIVILNET	0	0	Rejected	9/26/2011
Guide for preparation of the Plan of Reorganization (PR) in accordance with Bankruptcy Law	BDO Business Advisory	0	0	Rejected	9/26/2011
Guide for the preparation of the Prepackaged Plan of 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	PAID	11/4/2011
Belgrade Stock Exchange 10th International Conference	Belgrade Stock Exchange	300,000	3,800	PAID	11/4/2011
Public Administration Training to improve administrative	Singidunum University - Faculty	0	0	Rejected	11/4/2011

capacity	of Economics, Finance and Administration (FEFA)				
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	PAID	11/4/2011
Annual Seminar - Economic Potentials and Business Development Prospects	Belgrade Fund for Political Excellence (BFPE)	1,000,000	12,700	PAID	11/4/2011
Alumni Seminar - Improving Conditions for Doing Business in Serbia	Belgrade Fund for Political Excellence (BFPE)	1,100,000	14,000	PAID	11/4/2011
Including Serbia into the World Competitiveness Yearbook	Institute of Economic Sciences	0	0	Rejected	11/4/2011
Quarterly Monitor: Macroeconomic and Business Climate Issues of Serbian Economy	Foundation for the Advancement of Economics (FREN)	3,066,000	39,000	PAID	12/8/2011
Improving Competitiveness of Trade Companies	Serbian Association of Employers	0	0	Rejected	11/29/2011
Managers' Hours	Serbian Association of Managers	1,297,280	16,300	PAID	12/8/2011
Enforcement of the Law on Capital Markets	Center For Advanced Economic Studies	0	0	Rejected	12/8/2011
Export-Oriented Recovery	Center For Advanced Economic Studies	0	0	Rejected	1/12/2012
Practice of Corporate Finance in Serbia	Chamber of Commerce and Industry of Serbia	0	0	Rejected	12/8/2011
Reform of Financial System and Protection of Intellectual 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	0	0	Rejected	12/8/2011

	Development Agency				
Macroeconomic Analyses and Trends (MAT) - for Better Business Conditions (eight issues)	Economics Institute	2,400,000	28,015	Rejected	4/24/12
Round tables "For better Business Conditions"	Economics Institute	3,000,000	35,000	PAID (Modification1)	4/24/12
Practice of Corporate Finance in Serbia	Chamber of Commerce and Industry of Serbia	0	0	rejected	4/24/12
Citizens' Budget Guide	BIRN	2,420,000	28,131	PAID (Modification 1 Modification 2)	4/24/12
"Quarterly Monitor: Institutional Challenges to Boosting Employment, Growth and Public Sector Efficiency in Serbia"	Foundation for the Advancement of Economics (FREN)	2,900,000	33,971	PAID (Modification 1)	4/24/12
Benchmarking 2016 – Comprehensive Monitoring of Doing Business Environment in the Republic of Serbia	NALED - National Alliance for Local Economic Development	5,422,950	63,525	PAID (Modification 1)	4/24/12
Ask When! - Advocacy Campaign for Improving of Doing Business Environment in the Republic of Serbia	NALED - National Alliance for Local Economic Development	2,328,500	24,998	PAID (Modification 1)	5/29/12
Steinberg Capital&Publishing&Production Ltd	Grant for development of Financial Markets	0	0	rejected	4/24/12
Government - Business Dialogue	Bluewaters YU LLC	0	0	rejected	5/18/12
Developing Methodology for Improving Local Incentives to Support Local Economic Development and	RARIS - Regional Development	0	0	rejected	5/18/12

Improvement of Business Environment in Serbia	Agency Eastern Serbia				
Internet Radio Station	The First Entrepreneur Association	0	0	rejected	6/14/12
Press Retreat and Financial Market Workshop	Chapter 4 Communications Consulting	0	0	rejected	6/29/12
Accelerated Development of the Leasing Industry in Serbia	Association of Leasing Companies "ALCS" Belgrade	3,000,000	32,545	rejected	6/29/12
Municipal bonds – A way to a sustainable local economic development	Bluewaters YU LLC	2,300,000	23,782	rejected	9/13/2012
Conference 100 Days of Government	American Chamber of Commerce in Serbia	1,812,500	19,215	rejected	9/13/2012
Conference: Improving Conditions for Doing Business in Serbia	Belgrade Fund for Political Excellence	1,627,460	18,000	rejected	9/13/2012
Strengthening the Voice of Managers	Serbian Association of Managers	2,375,000	25,986	rejected	9/13/2012
Development of regulatory frameworks and mechanisms of alternative financing for SMEs in Serbia	EDGE Ltd Beograd	2,000,000	21,886	rejected	9/13/2012
Innovated model banking services to Serbian legal entities and agriculture during process of society transition, sanitation of banking and finance sector and state recover after last world wide economy crises (2013-2025).	MEJA LTD, BELGRADE	3,000,000	33,700	rejected	10/11/2012
Annual Seminar (Module 2): Economic Potentials and	Belgrade Fund for Political	2,176,070	24,500	rejected	10/11/2012

Business Development Prospects in Serbia by 2020	Excellence				
Improving competitiveness of Serbian economy through development of the system of Institutional Financial Restructuring (IFR Project)	Chamber of Commerce	2,535,075	28,233	rejected	10/11/2012
Strengthening the Voice of Managers	Serbian Association of Managers	1,150,000	12,960	contracted	10/11/2012
Conference 100 Days of Government	American Chamber of Commerce in Serbia	1,874,300	21,343	Contracted (Modification 1 and 2)	10/11/2012
Policy Measures to Enhance Serbian Exports	Faculty of Economics, Finance and Administration, Singidunum University (FEFA)	3,530,000	39,831	rejected	10/11/2012
Monetary and Fiscal Model for the Government of Serbia, Supporting Tool in Monetary, Fiscal and Trade Policy Making	Belox Advisory Services Ltd.	11,500,000	131,034	rejected	01/24/2013
Better Treatment for More Investments in Serbia	OPTIMUS - Center for Good Governance	2,979,756	33,708	rejected	01/24/2013
Building Project Management Awareness in Government of Serbia	PMI Serbia Chapter	900,000	10,483	rejected	01/24/2013
Institutionalizing the Concept of Continuous Improvements within the Public Sector of the Republic of Serbia	Audit and Consulting Company "Deloitte", Ltd., Serbia	2,579,000	32,136	rejected	01/24/2013
Improve Macroeconomic Policy and Strategy - Impact of Cultural Heritage and Viticulture on Macroeconomic	FruskogorskiVinogradi	3,000,000	34,945	rejected	01/24/2013

Development of Vojvodina and Republic of Serbia					
Preparing Serbia for Free Movement of Services	European Policy Centre	2,800,000	32,613	rejected	01/24/2013
Evaluation of Influence of the Project “Western Balkans Innovative Auto Region” on Macroeconomic Development of Sumadija Region	L&I Consulting	2,500,000	29,119	rejected	01/24/2013
Build Efficiently in Serbia Today (BEST- a Guide through Building Proedures)	Center for Architecture Belgrade	1,600,000	18,636	rejected	01/24/2013
Building Capacity of Government of Serbia (GoS) in Project Management, Communications Management and Leadership Area	4You doo Beograd	2,850,000	33,195	Rejected	01/24/2013
Improve the Environment for Development and Institutionalization of Clusters in Serbia	Cluster House	3,000,000	34,943	Rejected	01/24/2013
Bank Collaboration to Improve SME Access to Finance	Center for Advanced Economic Studies (CEVES)	2,500,000	29,119	contracted	01/24/2013
No name	Serbian Financial and Business Consultants –Creative Economy Group	2,780,000	32,380	Rejected	01/24/2013
Impact Serbia	CEFE Serbia	2,841,000	32,965	Rejected	01/24/2013
Forum 2013 - For better business conditions	Economics Institute	-	40,000	Grantee withdrew	4/26/13
Support for the implementation of QUEST_Serbia Macroeconomic Model, Monetary and Fiscal Model of the Government of Serbia	Belox Advisory Services Ltd.	-	40,000	Contracted	4/26/13

Panels „For better conditions for doing business“ within Business Info Group conferences – „Financing of Small and Medium Enterprises“ and „Governors and Bankers of the Region“	Business Info Group (BIG)	-	24,000	Contracted	6/7/13
Practical Guide: How SME can acquire money in Serbia	AAP Consulting Ltd Belgrade	-	24,800	Rejected	6/7/13
Strengthening Communication Capacities of Project’s Communicators	Represent Communications		32,320	Rejected	6/7/13
Bankruptcy - A Chance for a Fresh Start	Association for the promotion of Serbian economy “Timeline”		15,000	Contracted	6/7/13
Business Heartbeat - Reform Advocates	NALED		100,000	Approved	6/7/13
Standard Methodology for SMEs Project Appraisal	AAP Consulting Ltd Belgrade		34,000	Rejected	7/10/13
Strengthening support for inspections reform	Center for Democracy Foundation		28,000	Rejected	7/10/13
Improvement of competitiveness of tourism industry in south Serbia as part of European process through establishment of its reservation system	European Movement in Serbia		30,000	Rejected	9/11/2013
Empowering the SMEs - Family Business in Serbia	Chapter 4 Communications Consulting		36,000	Rejected	9/11/2013
Enabling business environment in waste recycling sector in Serbia	European Movement in Serbia		38,000	Rejected	9/11/2013
IFRS for SME education	Serbian Association of Accountants and Auditors		40,000	Ongoing	9/11/2013

Support to SME associations in successful articulation and interests advocacy in relations with the commercial banks	DOOR Training and Consulting Serbia		33,000	Ongoing	TBD
Credit risk guaranties: a viable Government policy as a remedy for long term external imbalances of Serbia	Safege LTD		40,000	Ongoing	TBD
TOTAL REQUESTED		97,480,111	\$ 1,669,487		

OVERVIEW:

Total number of applications	78
Rejected / postponed/ withdrawn	53/-/2
Paid / Contracted / Approved	13/19/20
Pending / under negotiations /open	3/-/-

FINANCIAL STATUS OF CONTRACTED GRANTS

RFA's 2011, 2012, 2013

			RSD	USD	Status
Foundation for the Advancement of Economics - FREN	Quarterly Monitor 24	unsolicited proposal	2,099,993	28,417	Paid
CeSID	Business Survey	RFA-2011-01	1,401,600	18,502	Paid
CeSID	Business Survey Follow-up Data Analysis	RFA-2011-01-F	370,000	4,513	Paid
National Alliance for Local Economic Development - NALED	Assessment of Impact of Quasi-Fiscal Charges on Businesses in Serbia	RFA-2011-02	1,400,000	19,197	Paid
Foundation for the Advancement of Economics - FREN	Econometric Assistance	RFA-2011-03	2,828,300	37,870	Paid
MP and Associates	Assessment of Constraints to Construction Permits in Serbia	RFA-2011-04	1,614,000	20,550	Paid
Center for Liberal-Democratic Studies - CLDS	Project on Journalist Education on Economic and Business Environment Reforms	RFA-2011-05	1,175,000	14,290	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	Paid
Center for Liberal-Democratic Studies - CLDS	Study on Private Domestic Savings	RFA-2011-06-R2	1,840,000	22,230	Paid
Chapter 4 Communications Consulting	Organization of Capital Market Forum in Serbia	RFA-2012-01	1,697,180	19,980	Paid
Center for Liberal Democratic Studies	Policies to Increase Employment and Workforce Competitiveness	RFA-2012-02	2,987,000	34,052	Paid
Represent Communications	PR/Outreach Campaign	RFA-2012-03		84,342	Paid

BDO	Strengthening Regulation, Management, and Effectiveness of State Aid in Economic Sphere	RFA-2012-04	4,600,000	47,998	2/3 paid (Terminated)
Foundation for the Advancement of Economics (FREN)	Economic Policy Measures to Combat Shadow Economy and its Effects on Total Economic Growth in Serbia	RFA-2012-05		79,830	Paid
CESID d.o.o.	2012 Business Survey in Serbia	SSS-2012--01		25,825	Paid
MP and Associates	Assessment of Constraints to Construction Permits in Serbia - follow on	RFA-2011-04-F/2012		16,850	Paid
Belgrade Open School (BOS)	Better Public Administration through Internship Placements	RFA-2012-06		89,970	5/6 paid
Serbian Management Centre Ltd	Management Training for Public Officers Working in Government Institutions in the Republic of Serbia	RFA-2012-07		29,810	Paid
MP and Associates	Development of an Alternative Legal Framework for Improving Construction Permits in Serbia	RFA-2013-01/R		49,400	2/6 paid
Ipsos Strategic Marketing	Business Survey in Serbia	RFA-2013-02		25,021	1/4 paid
NALED	Para-Fiscal Charges - Evaluation of results and support for continuation of reforms	RFA-2013-03		40,000	Contracted

Subtotal				729,277	
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APS 2011, 2012, 2013			RSD	USD	Status
Economics Institute	Agricultural Forum "Food for Europe"	APS-2011-01-1	389,640	5,043	Paid
Economics Institute	MAT - for Better Business Conditions	APS-2011-01-2	820,000	9,965	Paid
Belgrade Stock Exchange - BELEX	Belgrade Stock Exchange 10th International Conference	APS-2011-01-3	300,000	3,872	Paid
Foundation for the Advancement of Economics - FREN	Quarterly Monitor 25-26-27 : Macroeconomic and Business Climate Issues of Serbian Economy	APS-2011-01-4	3,066,000	39,574	Paid
Belgrade Fund for Political Excellence - BFPE	Alumni Seminar - Improving Conditions of Doing Business in Serbia	APS-2011-01-5	1,100,000	13,805	Paid
Belgrade Fund for Political Excellence - BFPE	Annual Seminar - Economic Potentials and Business Development Prospects	APS-2011-01-6	1,000,000	12,018	Paid
Chamber of Commerce and Industry of Serbia	Adjusting the Codex of Corporate Governance of the CCIS with the New Company Law	APS-2011-01-7	1,270,000	15,370	Paid
Serbian Association of Managers - SAM	Managers' Hours	APS-2011-01-8	1,297,280	15,770	Paid
Economics Institute	Round tables -For better business conditions	APS-2012-01-3	2,959,208	32,199	Paid (Modification 1)
National Alliance for Local Economic Development - NALED	Ask When! - Advocacy Campaign for Improving of Doing Business Environment in the Republic of	APS-2012-01-4	2,328,500	25,308	Paid (Modification 1)

	Serbia				
Foundation for the Advancement of Economics - FREN	“Quarterly Monitor: Institutional Challenges to Boosting Employment, Growth and Public Sector Efficiency in Serbia”	APS-2012-01-2	2,648,319	28,328	Paid (Modification 1)
BIRN	Citizens' Budget Guide	APS-2012-01-5	2,513,906	27,682	Paid (Modification 1 Modification 2)
NALED - National Alliance for Local Economic Development	Benchmarking 2016 – Comprehensive Monitoring of Doing Business Environment in the Republic of Serbia	APS-2012-01-1	3,000,000	32,637	Paid (Modification 1)
American Chamber of Commerce in Serbia	“First Lap Time - 100 Days of Government” and Follow up	APS-2012-01-6		22,688	Paid (Modification 1 and 2)
Serbian Association of Managers - SAM	Strengthening the Voice of Managers	APS-2012-01-7		14,192	1/3 paid (Modification 1)
Center for Advanced Economic Studies (CEVES)	SME Growth Opportunities and How Policies and Banks Miss Them	APS-2012-01-8		28,614	Contracted
Belox Advisory Services ltd	Support for the implementation of QUEST_Serbia Macroeconomic Model - Monetary and Fiscal Model of the Government of Serbia	APS-2013-01-1		40,000	Contracted

Association for the promotion of Serbian economy "Timeline"	Bankruptcy - a Chance for a Fresh Start	APS-2013-01-2		15,065	Contracted
Business Info Group (BIG)	Financial Stability and Business Financing	APS-2013-01-3		9,580	Contracted
Subtotal				391,710	
TOTAL CONTRACTED USD				1,120,987	

Request for Proposals

TEAMNET World Professional Services (Purchase order) In-kind grant to be signed with the Securities Commission	Document Management System and Public Register	PO 2012-02		107,898	contracted
Subtotal				107,898	
GRAND TOTAL				1,228,885	