



USAID | **SERBIA**
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ANNUAL DEVELOPMENT OBJECTIVES AND INTERMEDIATE RESULTS REPORT #5

SUSTAINABLE LOCAL DEVELOPMENT PROJECT IN SERBIA

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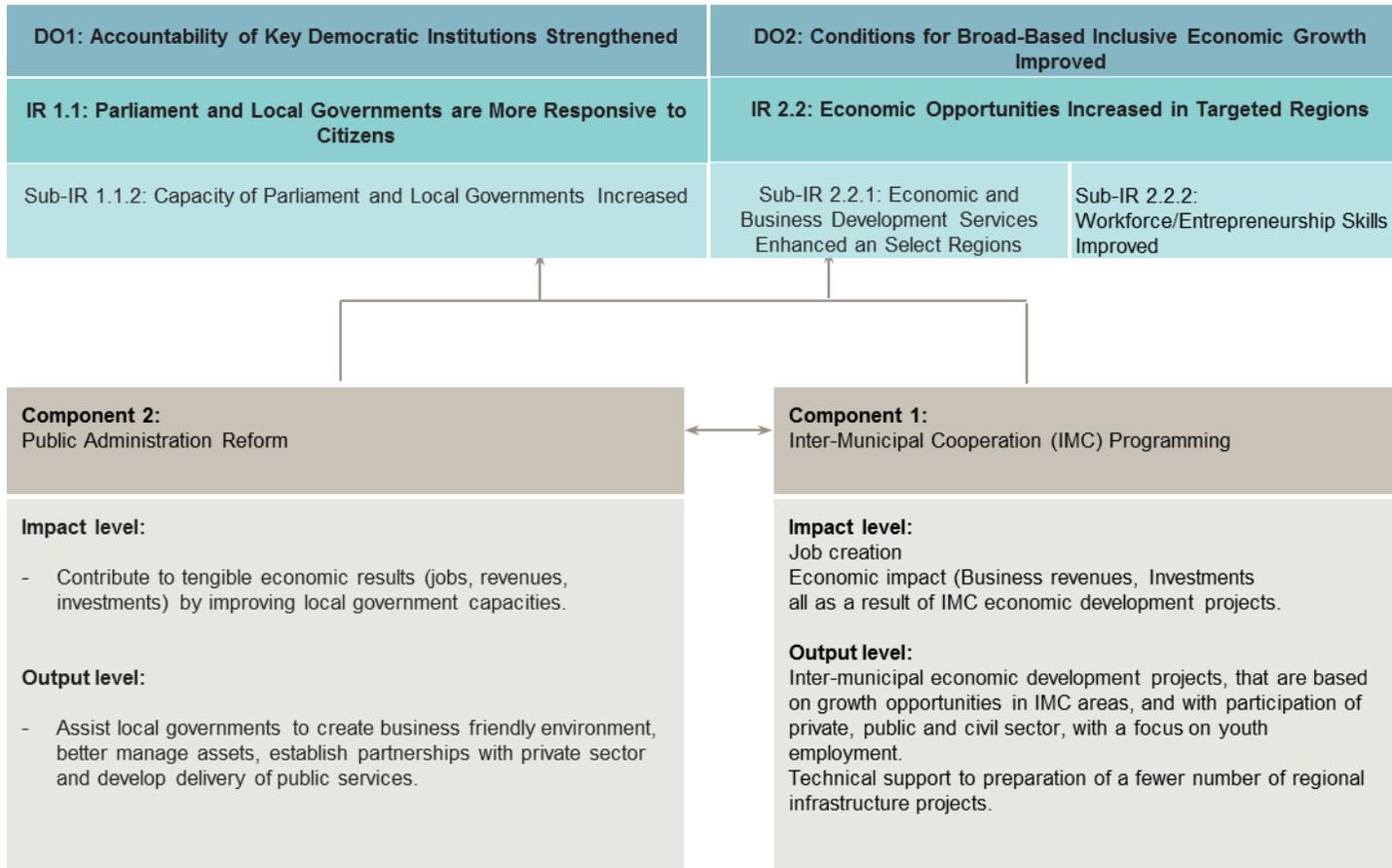
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LIST OF ACRONYMS

B2B	Business-to-Business
BFC	Business Friendly Certification
CEVES	Center for Advanced Economic Studies
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
DO	Development Objective
EU PROGRES	The European Partnership with Municipalities
FDI	Foreign Direct Investment
GoS	Government of Serbia
HoReCa	Hotel, Restaurant, Café
IMC	Inter Municipal Cooperation
IPA	Instrument for Pre-Accession Assistance (European Union)
IR	Intermediate Result
LED	Local Economic Development
LEDO	Local Economic Development Office
LG	Local Government
M&E	Monitoring and Evaluation
NALED	National Alliance for Local Economic Development
NCP	New Criteria Program
NES	National Employment Service
NiCAT	The City of Nis Cluster of Advanced Technologies
PMP	Performance Monitoring Plan
PPP	Public Private Partnership
PUC	Public Utility Company
RDA	Regional Development Agency
SCTM	Standing Conference of Towns and Municipalities
SLAP	System of Long-listed Advanced Infrastructure Projects (hosted by SCTM)
SME	Small and Medium Enterprises
SOW	Scope of Work
STP	Science and Technology Park
STTA	Short-term Technical Assistance
TFP	Technology and Food Processing
VIP	Vojvodina Investment Promotion Agency
VOICT	Vojvodina Information and Communication Technology Cluster
USAID	United States Agency for International Development

USAID's Sustainable Local Development Project in Serbia - Results Framework



1. About the Performance Monitoring Plan

Five major events affected the performance reporting of the Sustainable Local Development Project, as outlined below:

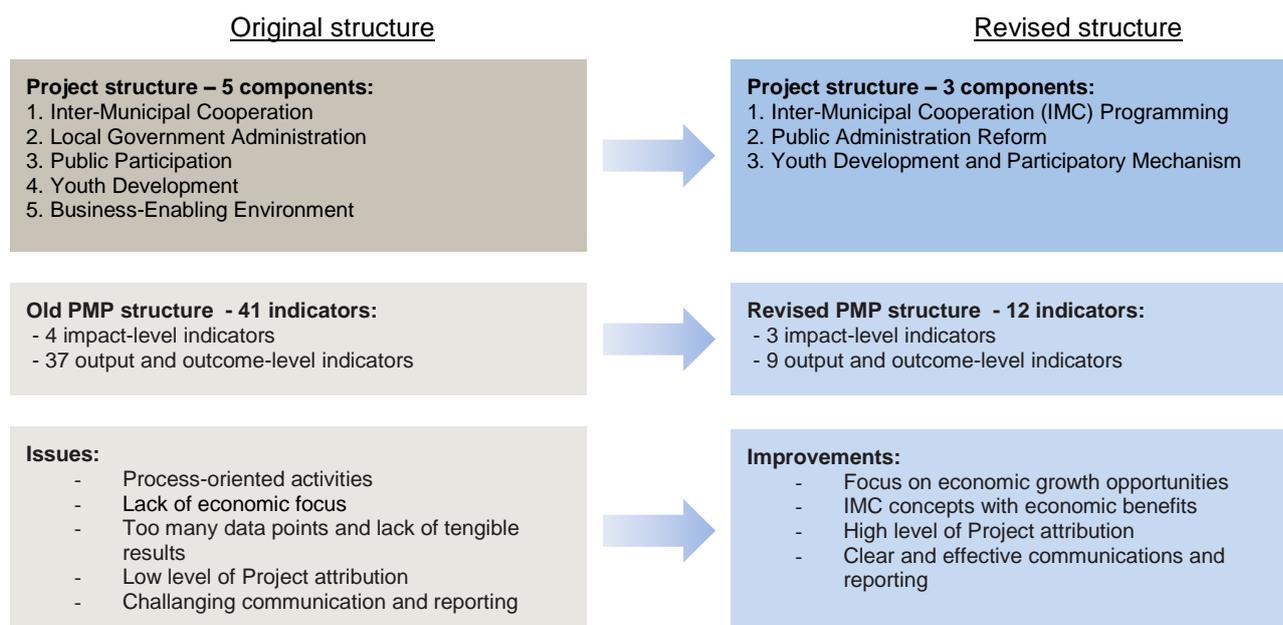
- a) **January 2013: The Project officially refined its approach** by focusing on the economic side of the inter-municipal partnerships.

The Project has been re-organized from five to three components, and now has a clear focus on activities that are economically feasible, add jobs and increase business sector revenues, as well as help youth to become more competitive on the labor market. The main operational mechanism for these activities is the New Criteria Program (NCP) – an Inter-Municipal Cooperation (IMC)-based economic development plan, created to assist business development through support to activities that will attract FDI and expand revenues of the SME sector through innovations and increased competitiveness.

Project components:

1. Inter-Municipal Cooperation (IMC) Programming - assisting IMC partners to add jobs by supporting private sector expansion (Extended for a sixth year of implementation).
2. Public Administration Reform – building institutional and technical knowledge and skills for comprehensive IMC economic development (Extended for a sixth year of implementation).
3. Youth Development and Participatory Mechanism – forging partnerships between the public, private and civil society sectors to grow local economies, increase participatory decision-making and curb youth outmigration and unemployment (Completed activities in the second quarter of FY 2015).

- b) **April/October 2013: USAID approved a new Performance Monitoring Plan (PMP).** The revision is described in short below:



At the level of impact, the revised PMP measures a volume of business sector revenues, investments, and job creation resulting from these investments, as well as employment of directly assisted youth.

At the output level, the PMP monitors implementation of the IMC economic development projects. The main implementation goal is to employ available Project resources, i.e. Component 2 and 3 technical capacity, short-term technical assistance (STTA), subcontracts and grants to support various aspects of IMC economic development concepts and projects.

- c) **June 2013: The mid-term evaluation of the Project provided recommendations**, which were in line with the concerns and challenges identified and raised by the Project team before the evaluation. In terms of performance management, the Project team plans to work on the following:
- Reporting on the impact will be based on the Project's direct contribution to two groups of economic results—(1) investments attracted and (2) expansion of the business sector—which all lead to job creation.
 - Proper performance measuring will require that the Project develop a mini-plan for monitoring and evaluation, adapted to each of the eight NCPs. More detail is provided in Section 2 of this report.
- d) **September 2013: The USAID Mission in Serbia refined its Country Development Strategy.**

In September 2013, the Project adjusted its PMP to the latest USAID Country Development Strategy (CDS), its strategic goal of "Serbia's Stability and Euro-Atlantic Integration Advanced" and development objectives "DO1: Accountability of Key Democratic Institutions Strengthened", and "DO2: Conditions for Broad-Based Inclusive Economic Growth Improved".

- e) **August 2014: The Project proposed to streamline economic impact reporting.**

The Project proposed to streamline economic impact reporting and bring economic impact indicators in compliance with the SOW requirement (introducing reporting on one cumulative indicator that will measure the effects of both investment attraction activities and support to the business sectors in inter-municipal cooperation areas).

- f) **July 2015: USAID approves extension modification and revision of the Project's Scope of Work. To adjust to the extension, the Project proposed PMP targets for the sixth year of implementation**

In FY 2016, the Project will be implementing selected activities to ensure that counterparts have fully adopted the improved practices the project has introduced and to ensure a sustainable increase in industry and IMC competitiveness.

2. Summary of Results

The fifth Annual AO and IR Report is the PMP status report of the Project's performance indicators as of September 30, 2015. It covers the fifth year of project implementation for the period of October 1, 2014 – September 30, 2015. The structure of the PMP for the Sustainable Local Development Project and the current status of the indicators are presented in the table below:

Table 1. Status of SLDP Indicators

	#	Indicator	target		actual
Impact Level	1	Number of business-sector jobs created in participating municipalities as a result of Project's IMC activities	Y1	-	-
			Y2	-	-
			Y3	300	479
			Y4	700	3,975
			Y5	1,000	928
			Y6	-	-
			LOP	2,000	5,382
	2	Dollar value of direct investment, both realized and those that are committed (M=million)	Y1	-	-
			Y2	-	-
			Y3	\$40M	\$0.00M
			Y4	\$80M	\$218M
			Y5	\$118M	\$241M
			Y6	\$30M	
			LOP	\$268M	\$459M (cumulative to date)
	3	Dollar value of increased revenues of companies in sectors supported by the Project (M=million)	Y1	-	-
			Y2	-	-
			Y3	-	\$0.00M
			Y4	\$1.3M	\$1.3M
Y5			\$21.1	\$21.1M	
Y6			- ¹	-	
LOP			-	\$22.4M (cumulative to date)	
Outcome / Output Level	4	Number of inter-municipal economic development projects implemented, which meet the critical path milestones	Y1	-	-
			Y2	-	-
			Y3	8	12
			Y4	8	20
			Y5	4	21
			Y6	(7)	
			LOP	20	21
	5	Number of business-friendly municipalities	Y1	2	0
			Y2	-	8
			Y3	10	11
			Y4	5	6
			Y5	0	-
			Y6	-	-
LOP	17	25			
6	Number of municipalities that have established or improved	Y1	-	-	

¹ Targets for increased business revenues are not set for the FY2016. In previous years, business revenues were counted as part of the overall economic impact of the Project, together with investments.

#	Indicator	target		actual
	management practices.	Y2	9	7
		Y3	8	6
		Y4	8	15
		Y5	7	3
		Y6	(16)	
		LOP	32	31
7	Number of Public-Private Partnerships established with Project's support	Y1	-	-
		Y2	1	-
		Y3	2	3
		Y4	2	2
		Y5	2	2
		Y6	-	-
		LOP	7	7
8	Number of youth with increased competitiveness in the labor market	Y1	-	-
		Y2	130	225
		Y3	320	702
		Y4	330	307
		Y5	270	-
		Y6	-	-
		LOP	1,050	1,234
9	Number of major infrastructure inter-municipal projects assisted in the process of applying for the EU and GOS financing	Y1	-	-
		Y2	1	-
		Y3	1	2
		Y4	1	4
		Y5	2	3
		Y6	-	-
		LOP	5	9
10	Number of locally elected and appointed officials, CSO members, media and the business community trained	Y1	-	-
		Y2	955	955
		Y3	250	655
		Y4	300	857
		Y5	250	341
		Y6	-	-
		LOP	1,750	2,808
11	Corporate social responsibility initiatives supported	Y1	-	-
		Y2	-	-
		Y3	-	2
		Y4	2	-
		Y5	2	2
		Y6	-	-
		LOP	4	4
12	Number of initiatives involving dialog between the public, private and civil sectors	Y1	0	-
		Y2	21	21
		Y3	10	12
		Y4	14	13
		Y5	13	18
		Y6	3	
		LOP	61	64

3. Detailed Report on the Status of Indicators

Indicator	September 2015 target	September 2015 status
1. Number of business-sector jobs created in participating municipalities as a result of the Project's IMC activities	2,000	5,382

Definition: Business sector jobs created in partner cities/municipalities as a result of Project efforts to develop and implement business opportunities and to engage private and public sectors. The indicator will capture the following:

- (a) Jobs created as a result of the private sector investments and jobs created as a result of increased revenues of the private sector, due to Project assistance.
- (b) Jobs found by young people assisted by the Project. The Project will provide intensive assistance to approximately 1,050 young people, and it is expected that 450 of them will be hired by the end of Project implementation.

Status: 928 new jobs were created in this reporting period / 5,382 since the beginning of the Project

Comments and Project's contribution in the reporting period:

- an additional 28 youths employed from On-the-Job Trainings completed in 2014;
- 16 employed in member firms of NiCAT and 12 of VOICT after internship programs;
- 31 in the Zrenjanin-led IMC Area agriculture incubators;
- 713 new jobs as a result of realized investments in the reporting period;
- an employment increase by 128 in 69 firms in business sectors supported by the Project in calendar year of 2014.

Cromer Group conducted an ex-post research of the status of youth employment six months after completion of the On-the Job training program, and found that in this reporting period additional **28 young people** were employed as a result of the OTJ activity, adding to the total of 84 new jobs created.

As a result of the previously established cooperation with two regional IT industry business clusters, the Vojvodina ICT Cluster and the Nis Cluster of Advanced Technologies (NiCAT), in the Novi Sad and Nis-led IMC Areas, a total of **28 students found new employment**. The comprehensive vocational program was based on ICT companies' needs that would bridge the gap between workforce knowledge and employers' needs, and 57 students successfully graduated from the program.

The investments in the cities of Nis, Leskovac, Subotica, Novi Sad and Zrenjanin, and municipalities of Beocin, Doljevac, Novi Becej, Novi Pazar, Priboj, Merosina and Kanjiza resulted in the employment of 4,612 people, mostly in foreign companies who began their business operations in Serbia since the beginning of the Project. In the reporting period the **number of new employments has increased by 713**. This figure is based on the amounts reported by LED offices, and estimated level of attribution of the Project assistance to these local governments' capacities to create business friendly environment, upgrade local services and capacities, learn how to present local business sector and resources, and negotiate investment conditions.

After surveying firms that receive direct and indirect support from the Project in the food production (TFP Leskovac), footwear (Novi Pazar and Vranje), furniture (Uzice, Nis), ICT (NiCAT), metal (VMC), and textile/denim (Novi Pazar) sectors, a total of 69 firms reported an increase in the number of employees. An additional **128 new jobs were created in calendar year of 2014**.

Indicator	September 2015 target	September 2015 status
2. Direct private and public sector investments into the Project-supported IMC areas	\$ 238 million	\$459,571,783

Definition: The indicator measures all investments undertaken with the Project's support associated with inter-municipal economic development projects and improved local economic development capacities. The investments are based on signed contracts between local governments and investors. Greenfield and Brownfield investment, and investments into expansion of capacities of any parts in value chains supported by the Project will be counted. Both investments from the private and public sectors will be counted.

Status of new investments:

Since the beginning of the Project: \$459,571,783, including \$143,370,961 of realized private and public investments (\$124,300,641 from private and \$19,070,320 from public sector), and \$316,200,822 of committed investments, based on new contracts signed between the Project partner municipalities and investors. (See Annex A, investment table, column marked 'committed')

During the reporting period October 2014 – September 2015: \$241,062,177, including \$22,508,322 of realized private and public investments, and \$218,553,855 of newly expected investments (See Annex A, investment table)

Comments and Project's contribution to investments:

In order to estimate the level of Project contribution to investments in partner cities and municipalities, the Project made three categories, each with a proposed percentage of attribution:

- 20% attributable to the Project for investments that took place before the FDI coaching; where municipal LED offices played significant role and where the Project worked on building municipal capacity for LED.
- 50% for investments that took place in the previous three-year period, or the investors made commitments by signing land lease or land purchase contracts; where the Project contributed by providing necessary technical documentation for industrial zones; where LED office staff attended FDI coaching; where other indirect support was provided to the sectors of economy where the investments took place.
- 100% for investments that are committed and realized during and after the Project's direct assistance for increasing municipal FDI capacities (FDI coaching) and targeted sectors, and where the Project's contribution and quality of assistance has been highly valued by municipal LED offices.

Details about investments are available in *Annex A of the Report*.

Scope and chronology of the Project's FDI attraction assistance in the reporting period:

August 2015:

- As part of efforts to advance foreign direct investment activities, the Project and Berman Group helped the Kraljevo, Novi Becej and Kanjiza local governments (LGs) develop pre-feasibility studies for three industrial zones (IZ). The studies include detailed conceptual

design for all three sites, which are located on well-defined, LG-owned, land with proper documentation. These studies are a vital step in preparing properties for investors, indicating what needs to be done by the LG to make potential IZ sites investor-ready.

June and July 2015:

- At the request of the Serbian Ministry of Economy, the Project's legal expert joined a Working Group to finalize a new Draft Investment Law. The team worked to better define the competencies and responsibilities of key stakeholders and to abolish lengthy investment procedures outlined in the initial draft.
- The Project completed two trainings for 55 representatives from Project-partner LG departments for urbanism and construction, to help them understand and implement newly enacted construction permitting secondary regulations (rulebooks) regarding One-Stop-Shops (OSS). OSS allow investors to communicate with only one public sector agency instead of being required to contact dozens of public enterprises and institutions. This allows investor operations to begin within weeks rather than months. The two trainings were held in Novi Sad and Nis, and introduced LG representatives to proper implementation of technical documentation rulebooks and ways to simplify the most complex phases of OSS construction permitting procedures regarding water, fire protection, and roads.

March 2015:

- The Project and consulting company Development Consulting Group launch an internet platform to promote brownfield locations in all 32 Project partner municipalities. The portal (<http://www.brownfieldserbia.com>) contains all relevant financial and business data about targeted companies, helping potential investors decide where to invest their capital.
- The Project holds several roundtables in an effort to develop a national FDI Monitoring and Evaluation (M&E) tracking system. Serbia currently does not possess a unified, updated and central investment M&E mechanism that would maximize the impact of limited state resources available for investment attraction support.

February 2015:

- Final training held within the second round of the FDI Coaching Program. The workshop focuses on negotiating and preparing for investor visits and developing tailor-made proposals.
- The Project, in partnership with agribusiness consulting firm SEEDDEV, completes agricultural competitiveness analysis of 15 municipalities across four IMC Areas. The studies examine several indicators which have the most influence on the level of competitiveness and attractiveness for investors and helps LGs set up guidelines for strategic planning, improve usage of existing resources and target areas for investments.
- Project supports business-to-business exchange of privatization experiences through meetings between successfully privatized companies and to be privatized brownfield entities.

December 2014:

- The Project supports 20 LED practitioners and agriculture specialists, from 11 partner municipalities, to go on a study tour to the Czech Republic, to learn best practice approaches in attracting foreign investment. Participants met foreign investors to find out the key factors which influenced their decision to bring their businesses to that particular community. Representatives also completed the third FDI attraction workshop, with a

special focus on location selection, use of promotion activities to attract investors and creation of customized investment offers.

- Within the FDI Coaching Program, the Project helps all 32 partner local governments market their investment opportunities to investors. Targeted companies from Europe were selected in sectors that correspond to each municipality's competitive advantage. The Project assisted local governments to contact over 140 potential investors from select sectors (electronics and modern technology, food processing, wood processing and furniture, textile, metal and automotive industries) and present the economic and investment opportunities in Serbia.

November 2014:

- As part of the FDI coaching program, the Project supported the participation of seven municipalities at the Global Connect Forum in Stuttgart, Germany. Local Economic Development (LED) Office professionals from Nis, Novi Sad, Subotica, Cacak, Leskovac, Vranje, and Zrenjanin, and a Vojvodina Investment Promotion fund representative presented their communities to investors who are considering expanding operations to Serbia.

October 2014:

- FDI coaching workshop held, attended by Subotica, Zrenjanin, Novi Pazar and Kraljevo - led Inter-Municipal Cooperation (IMC) Areas, as well as the Nis Agricultural Department. The second workshop, titled "Developing Tailor-Made Proposals for Investors," teaches LED office representatives how to attract investors by utilizing their communities' comparative advantages and developing proposals for investors.

Indicator	September 2015 target	September 2015 status
3. Volume of revenues of companies in sectors supported by the Project.	\$ - ²	\$22,400,000

Definition: The indicator measures the change in annual revenue of businesses in IMC areas, sectors and sub-sectors of economy that participate in and benefit from the Project-supported activities. Businesses are legal entities registered in the Republic of Serbia. They can belong to categories of entrepreneurs, agriculture producers, small and medium enterprises or large enterprises, as defined by local categorization.

Status of business revenues: \$22,400,000 since the beginning of Project implementation / \$21,110,000 in calendar year of 2014 (reported in March and October 2015).

In late October 2015 the official statistical data on 2014 business revenues were finally published and became available on the web site of the Agency for Business Registries (Agencija za privredne registre – APR). Data are available for 59 Project partner companies, and for 10 companies data are still not published. For these ten companies, the Project used data collected from other sources, i.e. from the partner clusters (Technology and Food Processing Park in Leskovac, Nis ICT Cluster) and directly from companies. Based on the collected data for 69 firms, there is a growth of business revenues by \$21.11 million in

² In August 2014 the Project proposed that PMP will be revised to have one Economic Impact Indicator, counting both investments and business revenues; with SOW's EOP target of \$238 million as a sum of both investments and increased business revenues.

calendar year of 2014 (Serbian fiscal year), if compared with the previous year. The collected data are available in *Annex B of the Report*.

Scope and chronology of the Project's business sector assistance in the reporting period:

September 2015:

- The Project organized meeting and presentation of footwear samples between the Vranje-based Stefi Komerc shoe manufacturer and French Sole, a large, UK-based producer of ballerina-flat shoes for women.
- The Subotica Public Health Institute received official accreditation for its new laboratory services, enabling it to issue export certificates to producers and processors looking to access foreign markets.
- Member companies of Technological and Food Processing Park in Leskovac signed five new sales contracts with buyers from Serbia, Bosnia and Herzegovina, Macedonia, and Iraq, with a total value of \$110K worth monthly deliveries. New products were also included in deliveries under existing contracts with old customers from Kosovo, Montenegro, Croatia, and Serbia, worth \$180K per month.
- Novi Pazar IMC area jeans producers were prepared for arrival and utilization of new ozone-based jeans finishing equipment. Six IMC area producers: Brug, Maxers, Classic, Bros, Exact and Denistar Jeans, gathered under the recently established, Project-supported, Pro-Denim association, learned about the new equipment and how to use it to achieve top results.
- Novi Pazar IMC area shoe producers Florida, 4BR Tref and Euroscarpa delivered the first shipment of 3,500 pairs, worth \$130,000, under a new contract with a retailer.

August 2015:

- As a result of the 2014 "FDI Investment Tour" to Italy, organized by the Project and Confindustria Serbia, the Voiprinting Company has begun production in Novi Sad. Voiprinting is a graphic design and printing company owned by the larger Italian Rotoform printing company. Thus far, Voiprinting has employed twenty new workers with plans to further expand production.
- After a delayed start, two production cycles have been completed in Zrenjanin greenhouses, resulting in sales of over 15 tons of off-season vegetables, mainly tomatoes, peppers, cucumbers and lettuce, generating the first income for young farmers. Simultaneously, in the other two greenhouse locations, in Kikinda and Novi Becej, 16 young users continue with successful cultivation and sales of greenhouse vegetables as in the previous year. Three production cycles have been completed generating more than 30 tons of vegetables and \$24,000 in revenue for young farmers.

June and July 2015:

- To increase the competitiveness of the Vojvodina Metal Cluster (VMC), the Project helped the Cluster create a new underground container for waste collection. A team, composed of experts from Cluster member companies, developed an underground waste container which utilizes an innovative hydraulic system enabling garbage trucks easier access to service the containers.
- As a final component of Project grant support, the VMC has redesigned its website to provide an interactive map enabling users to efficiently compare products and services, while also facilitating a search for available products, production capacities, standards and delivery times.
- The Project in cooperation with the Czech and the Serbian Chambers of Commerce organized a B2B Forum in Prague for the agro/food processing, textile and metal processing sectors. The forum gave Serbian companies a chance to present their capabilities and connect with Czech firms interested in expanding their operations.

May 2015:

- A traditional products shop opens in the Uzice-led IMC Area, aiming to increase the IMC Area tourism industry's purchases from local vendors and improve the local economy.
- The Project with partner Taurus Agro Consulting completes a four-day training for Regional Center for Agricultural Development (RCAD) staff on the development and application of laboratory protocols for field sampling of milk and meat according to international food safety and quality standards. The RCAD is located in Sjenica, within the Novi Pazar-led IMC Area, and will provide local farmers with certificates proving the quality of these local products, thus assisting in their sale.

April 2015:

- Technology and Food Processing Park (TFP) opens in Leskovac. The Project provided \$90,000 for the establishment of pilot plant, to enable food processors to develop new and improved products in a cost-efficient way. The new facility will support all stages of product development, from idea generation, through concept development, to the production of trial samples in small batches.
- German buyer signs contract with the Novi Pazar-based Antilop shoe company. Sorba's Shoes, a German company looking for socially and environmentally responsible companies to begin a new shoe line for sale on their website, signed a five year contract with Antilop Shoes thanks to Project efforts to link the two businesses.

March 2015:

- The Project holds business-to-science workshops to promote innovation as a way to expand local small and medium-sized enterprises (SMEs). As a result, the Kraljevo 3D IMpuls Printing Center has become a member of the Vojvodina Metal Cluster (VMC); already some of the over 100 members of the VMC have made sample orders from the IMpuls Center.
- In preparation for an inward buying mission, to be organized in April, the Project's international footwear expert, Mr. Jordan Saliman, visited Serbian shoemakers to prepare local shoe manufacturers for international clients. Mr. Saliman visited six Novi Pazar-led Inter-Municipal Cooperation (IMC) Areas shoe companies and seven Vranje-led IMC Area firms and presented footwear that potential buyers are looking for.
- Final, fourth, Business Retention and Expansion training held. LG representatives summed up knowledge gained at the previous workshops and created 'business offering packages' for existing private sector firms in their regions.
- Project STTA, Mr. Peter Furth, recommends ways to expand production and develop a regional center for the collection and processing of non-timber forest products. A draft business development plan to help Tutin establish a drying and primary processing facility, within the recently founded Agro-Tutin public-private partnership, also presented.
- Project launches web-portal, "Grow South" (www.rastjuqa.rs). The site is a part of the Food Processing Support Center in Nis, and helps grow the regional agribusiness sector by serving as an information database and focal point in the provision of services to local farmers, food processors, buyers of agri-food products, and potential investors.

February 2015:

- Footwear STTA visits shoe manufacturers in the Vranje and Novi Pazar –led IMC Areas to develop sample products for buyers as well as improve footwear offers and marketing techniques for an inward buyers mission.
- To expand export and ecologically upgrade Novi Pazar-led IMC Area's denim production, Project supports establishment of a new non-profit association 'PRO-DENIM,' by six local firms, to enable joint use of innovative ozone-based technology for jeans finishing.
- Project helps partner Zlatibor RDA, representatives of regional hotels and tourist organizations introduce new local gastronomic brand, the "Mountain Breakfast", at

Belgrade International Tourism Fair. The Project assists with the branding of local food products in an effort to grow the local, tourism-based, economy and to help small local producers sustainably connect with the regional tourism industry.

- To assist Novi Pazar-led IMC Area non-timber forest fruit industry expand market, Project supports visit to Biofach Organic Food Fair, in Germany. Participants learned of the latest market trends and confirmed that there is significant demand for organic herbs and forest fruits.

January 2015

- The Project supported three furniture companies in attending the IMM Cologne furniture fair. Prior to the fair, the companies participated in a three-day workshop organized in cooperation with Switzerland Global Enterprise (SIPPO), where international consultants taught participants about efficient marketing strategies, latest sales trends, international furniture sector best practices and European business etiquette.
- After viewing the Project created serbianshoes.com website, the Czech Dovolena Company has bought an initial order of eleven sample shoe models from three footwear producers in Vranje and one in Nis to test these facilities and shoe quality.
- Over 40 companies attend a Project and BEP organized factoring workshop for interested local business from the Nis and Vranje –led IMC Areas. Factoring Agency and Bank representatives provided information about the function of factoring. As Serbia has a volatile business climate factoring allows companies to: increase their liquidity, ease cash flow management and improve credit ratings.
- Through a Project grant, the Zlatibor RDA holds workshops to develop unique culinary menus specific to the Zlatibor, Zlatar and Tara mountain resorts. The activity aims to brand local food products and thus grow the local, tourism-based, economy and help small local producers sustainably connect with the regional tourism industry.

December 2014:

- Third Business Retention and Expansion skills workshop held. LG representatives learned how to collect and analyze statistical and macro-economic data about businesses, industries and economic conditions.
- Project helps three Novi Pazar–led IMC Area denim companies, Brug, Classix and Exact Jeans, to open a joint retail store in Belgrade’s Stadion Shopping Mall.
- The Project, in partnership with the Center for Advanced Economic Studies (CEVES), completes comprehensive study on Serbian private sector performance. The Report measures the potential of Serbia's various SME sectors to competitively expand. The Report will help policymakers select interventions that can assist the private sector develop sustainably.

November 2014:

- Second Business Retention and Expansion skills workshop held. LG representatives learned the most useful skills and instruments available to LED Offices for supporting the private sector and investors during the establishment and expansion of businesses.

October 2014:

- Project holds the first Business Retention and Expansion skills trainings for LED practitioners. LG learned about the most important regulations effecting the operations of existing business and how these regulations impact the attraction of new investments.
- The Project supported a best-practice study tour by three representatives of Kraljevo’s Business Innovation Center "ImPuls" to the Czech Republic. The tour presents the latest trends and innovations that can help ImPuls grow its business in 3D printing.

Indicator	September 2015 target	September 2015 status
4. Number of inter-municipal economic development projects implemented that meet the critical path milestones	20	21

Definition: An inter-municipal economic development project is defined as a business opportunity identified and implemented in the Project supported IMC areas that engage the private, public and civil sectors in order to create jobs. (For more on the indicator definition see Revised PMP, dated April 15, 2013)

Status: Within eight New Criteria Programs, there are 21 IMC economic development projects in different stages of implementation.

Comments: The list of IMC economic development projects is as follows:

Vranje-led IMC:

- Project 1. Investment attraction
- Project 2. Increasing sales and exports of footwear sector SMEs

Nis-led IMC:

- Project 3. Building capacity of Nis Food Processing Support Center
- Project 4. Leskovac Technology and Food Processing Center
- Project 5. Investment attraction in Nis-led IMC area
- Project 6. ICT Academy

Uzice-led IMC:

- Project 7. Value chain development between tourism industry buyers and potential vendors in the IMC area
- Project 8. Investment attraction in the IMC area

Subotica-led IMC:

- Project 9. A laboratory for agriculture products in Subotica
- Project 10. An agricultural training center in Sombor
- Project 11. Investment attraction (FY2014)

Zrenjanin-led IMC:

- Project 12. Establishing Agriculture Business Incubator
- Project 13. Investment attraction (FY 2014)

Novi Pazar-led IMC:

- Project 14. Increasing sales and exports of denim sector SMEs
- Project 15. Increasing sales and exports of furniture sector SMEs
- Project 16. Increasing sales and exports of footwear sector SMEs
- Project 17. A collection center for herbs and forest fruit products

Novi Sad-led IMC:

- Project 18. Market expansion of Vojvodina Metal Cluster
- Project 19. Investment attraction
- Project 20. ICT Academy

Kraljevo-led IMC:

- Project 21: Support to Impuls Center Kraljevo and Technology Park Cacak

Indicator	September 2015 target	September 2015 status
5. Number of business friendly municipalities	17	25

Definition: Number of municipalities with NALED's business friendly certificate at the end of the project implementation, including the following:

- (a) At least 17 participating local governments assisted in achieving business friendly standards by the Project. This means that the Project provided technical assistance and the LG successfully responded to at least one NALED's recommendation, resulting in meeting at least one additional BFC criterion.
- (b) At least 17 local governments in Serbia are certified and/or re-certified after the Project completion. Certification and re-certification attained through NALED's Business-Friendly Certification program.

Status: 25 municipalities were assisted by the Project in BFC process since the beginning of the Project implementation. At the time of reporting, 24 Serbian municipalities have valid BFC certificates from NALED, and 7 municipalities are in the process of certification or re-certification.

Comments and Project's contribution

The Project provided direct technical assistance for achieving BFC standards and FDI coaching to 25 partner municipalities.

Indicator	September 2015 target	September 2015 status
6. Number of municipalities that have established or improved management practices.	32	31

Definition: The number of local governments that manage assets more sustainably, practice good governance techniques and have integrated business-related service initiatives into IMC development plans and projects.

In practice, any municipality that made at least three of the following improvements will be counted:

- 1) improved asset management (if a local government replicated Uzice best-practices through mentoring)
- 2) improved management and monitoring of public utility companies
- 3) inventory, prioritization and commercialization of brownfield investments
- 4) improvements made by municipalities in accordance with the BFC standards (if there is at least one improved capacity, measured by the BFC criteria)
- 5) established/supported business related services/procedures (including agribusiness) (if a local government supported the establishment of a mechanism that helps business sector to grow).

Status: By September 2015, a total of 31 local governments were assisted in their efforts to improve at least three of the above listed management practices. Gornji Milanovac is the only municipality that has consistently been uninterested in participating in Project activities designed to improve management practices.

Comments and Project's Contribution

An overview of the capacity building activities can be found in *Annex C of the Report*.

Indicator	September 2015 target	September 2015 status
7. Number of PPPs created in the delivery of public services	7	7

Definition: A Public-Private Partnership (PPP) is a cooperative venture between the public and private sectors that meets clearly defined public needs through an appropriate allocation of responsibilities, resources, risks and rewards among the partners. A PPP must involve some measurable private partner contribution to the cooperative venture in terms of cash contributions, monetized in-kind contributions, and/or non-cash leverage.

Status: Two PPPs initiated in this reporting period / Seven since the beginning of the Project.

Comments and Project's Contribution

1) A PPP model developed during this reporting period has been the establishment of an Association in Novi Pazar to jointly utilize an Ozone jean finishing machine, which most likely will encompass representatives from private sector (six most propulsive companies – jeans producers from Novi Pazar), School for Textile Design in Novi Pazar and municipality of Novi Pazar. The activity will improve the environment while increasing the competitiveness of local denim companies. The Ozone-finishing machine will allow denim companies to enter much more demanding markets that seek goods with environmentally friendly characteristics.

2) The Project supported the third Horticulture Incubator Program in Zrenjanin-led IMC. After Kikinda and Novi Becej, the production started in 15 greenhouses in Zrenjanin. With assistance from the city government and mentoring help from local farmers' association, the young tenants of Zrenjanin greenhouses have mastered greenhouse vegetable production; including cultivation of highly profitable string beans, organic tomatoes and new types of hot peppers. This activity was recently singled out as a best practice example by media which broadcast a report about agricultural incubators as a way for rural youth to find employment in Serbia.

Previously, five PPPs were reported: One between the Municipality of Beocin and LaFarge company; two PPPs were established within Youth Development component; two PPPs within the Youth Horticulture Incubator Programs in Zrenjanin-led IMC.

A Guide for Developing Successful PPPs has been published by NALED in February 2014, with the Project's support. The Project is recognized by the Serbian Chamber of Commerce (SCC) as the key technical partner for PPP-related issues in 2014. The Project provided assistance opening of the SCC Center for PPPs and Investment Attraction.

In March 2015, the Project reported the establishment of a regional think-tank founded by the University of Nis, Regional Chamber of Commerce in Nis and representatives of four local leading industrial sectors (the automotive, IT, mechanical engineering and agro-industrial sectors). However, this initiative has not met the Project's criteria for grant support and was abandoned as a concept.

Indicator	September 2015 target	September 2015 status
8. Number of youth with increased competitiveness in the labor market	1,050	1,234

Definition: Young men and women, age 15 to 30, participating in one of the two Project supported activities, aimed at increasing their competitiveness on the labor market:

- (a) a minimum of 250 youth internships piloted and successfully implemented, where at least 30% of targeted interns are involved in the IMC new criteria programs.
- (b) a minimum of 800 youth program participants in Project-supported educational programs.

Status: Since the beginning of the Project, a total of 782 youths participated in the Project-supported educational programs, and 452 internships were implemented with the Project support.

There were no activities related to new training and internship programs for youth. Cromer Group completed a follow up survey six months after completion of the On-the-job training program, by contacting 166 interns who participated in the program in FY2014, and 84 of them confirmed their employment status in March 2015.

Indicator	September 2015 target	September 2015 status
9. Number of major infrastructure inter-municipal projects assisted in the process of applying for the EU and GOS financing.	5	9

Definition: A major infrastructure project is defined as "heavy investments, i.e. basic infrastructure, water and waste water systems, solid waste management, or road infrastructure." It also includes business enabling infrastructure, such as brownfields, greenfields, power supply, and gas infrastructure. The Project will provide technical support to at least five such projects on inter-municipal level, in order to improve status of their technical preparedness and increase probability of their financing.

Status: The Project's assistance completed in nine infrastructure inter-municipal projects in the process of applying for EU and GOS financing.

Comments and Project contribution

In the Vranje-led IMC Area:

1. Environmental protection of the South Morava River. Based on technical documentation developed by the Project, EU/Progress purchased effluent meters. Vranje constructed a water effluents measurement station and has begun using the meters in Vranjska Banja, while Presevo, Bujanovac, and Vladicin Han have not yet constructed measurement stations. However, Vranje has signed a contract with KfW for €15.2 million on the construction of a Waste Water Facility; the contract was signed in November 2013. That project has been entered onto the SLAP database.

2. "Meteris" regional landfill with recycling facilities was developed with the assistance of Project experts, as was a Regional Solid Waste Management Plan. The project has been entered into the SLAP database. Bujanovic added the transfer station project to the SLAP database in March 2015 as part of this Regional Solid Waste Management Project.

3. The Project funded the development of a topographic plan for a Bunusevac IZ bypass road. That project has been entered onto the SLAP database.

4. Work on the Bunusevac IZ continued with the development of detailed infrastructure designs. Designs of roads, water supply and fire protection system, sewerage, rain drainage, electricity supply, and telecommunication were developed. Project documentation for the IZ was delivered to Vranje on June 5, 2014, and the project has entered onto the SLAP database.

5. In Presevo, the Project completed a pre-feasibility study for the Cukarka Industrial Zone. During the process of developing the pre-feasibility study, the Project discovered that an unsolved land property issue threatens the whole activity. At the time of reporting, the Ministry of Economy has appropriated approximately \$95,000 to the Municipality of Presevo for the construction of a power network to Cukarka IZ. The Project had previously provided legal advice and on-the-job assistance to Presevo on resolving the abovementioned proprietary hurdles related to transfer of the ownership on land from the 'mesna zajednica' (sub municipal level of government) to the Municipality of Presevo.

In the Nis-led IMC Area:

6. Reconstruction of regional Water Supply System "Pusta reka" in Doljevac. A feasibility study was completed to help the Doljevac Municipality plan a secure and continuous supply of potable water for the entire population in the prescribed quantity and quality. Based on the study, the municipality will submit a project proposal to the Serbian Government to reconstruct the regional water supply system. The project has been entered onto the SLAP database.

In the Subotica-led IMC Area:

7. The Project is supporting the development of an Agricultural Educational Center in Sombor. The main design for the reconstruction of the Center was delivered in February 2014, and the technical control assessment of project documentation was completed in March 2014. The Agricultural Training Center reconstruction was completed in August 2014, with the Center has been completely furnished and equipped.

The Novi Sad-led IMC Area has two industrial zones on which SLDP is working:

8. Development of a new industrial zone in Beocin. The Project is supporting the development of a new industrial zone in Beocin. The geotechnical report and technical analysis with preliminary cost estimate were completed in January 2014, and detailed designs were developed for all project components: roads, water supply system, sewage system, rain drainage, low pressure gas distribution network and telecommunication. The total value of project documentation is \$58,000 and the documentation was developed by SAFEGE engineering company and delivered to the Municipality of Beocin on May 7th. Construction work on the Industrial Zone is eligible for support by Province of Vojvodina or GoS state funds, and the city is actively engaged in soliciting this support. This project was entered into the SLAP database in October 2014.

9. Development of a new industrial zone in Temerin. A location permit has been issued for an access road. The Geotechnical Report and Geodetic Survey were developed, and a preliminary design and feasibility study have been completed and submitted to the Technical Revision Committee of the Vojvodina Province Government. Meanwhile, after three months, the Serbian Ministry of Construction, Transport and Infrastructure provided comments and suggestions that need to be adopted and included in the Preliminary Design and Feasibility Study. A new version of the Study and Preliminary Design were prepared and submitted in December 2014. After final adoption of the new Study and Preliminary Designs, Main design and design of temporary traffic signals were completed at the end of March 2015. The project was entered onto the SLAP database in February 2015.

Indicator	September 2015 target	September 2015 status
10. Number of locally elected and appointed officials, CSO members, media and the business community trained	1,750	2,808

Definition: Locally elected and appointed officials, members of CSOs, media and business community participate in any project-sponsored training and/or have their skills/knowledge improved through the technical assistance provided by the Project.

Status: 341 participants attended the Project's training events (150 female participants) during the reporting period on 14 training events. Since the beginning of Project implementation, total participation in Project-sponsored trainings has been 2,808. Out of that number, 1,241 were female participants (44%).

Comments: The complete training database is available upon request.

Indicator	September 2015 target	March 2015 status
11. Number of corporate social responsibility initiatives supported	4	4

Definition: Number of CSR initiatives supported, demonstrating a sustainable mechanism(s) to monitor and improve local business environment.

Corporate Social Responsibility (CSR) is a company's sense of responsibility towards the community and environment (both ecological and social) in which it operates. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. Companies express this citizenship through, for example (1) their waste and pollution education processes and (2) by contributing educational and social programs.

Status: Two CSR initiatives completed in this reporting period / four CSR initiatives completed since the beginning of the Project's implementation.

Comments and Project's contribution in FY2015

The concept of ICT Academy was successfully piloted in Nis and Novi Sad ICT Clusters, where member companies invested resources into educational base for young interns and trainees, as well as their company membership dues for the two business associations, the Vojvodina ICT Cluster and the Nis Cluster of Advanced Technologies (NiCAT). These two CSR initiatives resulted with 57 students successfully graduated from the program, and 28 of them found new employment.

Indicator	September 2015 target	September 2015 status
12. Number of initiatives involving dialog between the public, private and civil sectors	58	64

Definition: This indicator measures initiatives to dialogue with the public, including those not oriented towards job creation. However, as this is an important indicator of LG transparency and accountability the Project will continue to report and follow significant attempts to dialogue with the public (conferences, public hearings etc.). There is a challenge in capturing all initiatives to dialogue with the public, for example in-office visits are very hard to gather due to limited Project and LG resources.

Status: 18 in this reporting period / 64 initiatives since the beginning of Project implementation.

Comments and Project's Contribution

Seven new initiatives are relevant for this reporting period:

1. A Project representative was appointed as a member to the Working Group (WG) for drafting the Law on Investments, jointly with NALED and SCTM, in May (Project facilitates input from local government and business community);
2. In June, the Project participated in drafting by-laws for implementation of the Law on Planning and Construction (facilitating input from business community and business associations).
3. In April and May 2015, the Project supported several roundtables in an effort to develop a national FDI Monitoring and Evaluation (M&E) tracking system. Serbia currently does not possess a unified, updated and central investment M&E mechanism that would maximize the impact of limited state resources available for investment attraction support. Policymakers and practitioners, including representatives of the Serbian Chamber of Commerce, Serbian Investment and Export Promotion Agency and Vojvodina Investment Promotion Fund, took part in the workshops.
4. During May, representatives of nine companies, two secondary vocational schools and wood processing cluster "Agency for Wood ", visited the 3D IMPulse Center in Kraljevo as a part of the recently established cooperation between this research and scientific laboratory and Vojvodina Metal Cluster. The companies had the opportunity to see the benefits of using advanced technologies in the field of development and testing, manufacturing of tools and spare parts, size and quality control.
5. In addition, the FTP and Technological Faculty also designed and implemented innovation vouchers program for undergraduate and graduate students to propose ideas for development of new food products. Call for proposals has been opened for students and five member Committee appointed for this purpose evaluated their new product ideas and selected best seven concepts. Wining students were awarded with vouchers and continued to work with TFP consultants and technologists from TFP member companies on the practical development and test trials of new products in the Pilot Plant. Those found compliant with the market demand and consumer preferences were included in the product line and catalogue of joint TFP Top Food brand.
6. In June, the Project organized presentations of Serbia investment potentials for private and public sector representatives from Czech Republic. The investment

mission was conducted in cooperation with partners from Berman Group and Czech Chamber of Commerce. Serbian delegation comprised of representatives of local authorities (LEDOs from City of Nis, City of Cacak, City of Vranje, City of Kraljevo and City of Subotica), representatives of central level institutions responsible for FDI and export promotion (VIP, SIEPA, Serbian Chamber of Commerce), and representatives of companies from selected sectors: agro/food processing, textile industry, automotive.

7. In June, the Uzice-led IMC Area presented the Mountain Breakfast trade mark. They decided to do branding of the local food producers and formally established Quality Consortium. Consortium consists of representatives of local tourist organizations of Uzice, Nova Varos, Prijepolje and Cajetina municipalities; representative of Nova Varos LED office; representatives of Zlatibor HoReCa association, representatives of Regional Tourism Organization and Regional Development Agency. Main role of Consortium was preparation of the General Act for Mountain breakfast guarantee trademark; define the criteria for potential users of the trade mark and control of trade mark users.
8. Business to Science seminar to promote innovation as a way to expand small and medium enterprises (in Kragujevac, June)
9. In June, experts from Berman Group delivered pre-feasibility studies for selected industrial zones (Kraljevo, Kanjiza and Novi Becej). Final documents were presented to the representatives of local authorities. In addition, they were provided with practical know-how to prepare pre-feasibility studies that accord with international standards and transferred deep, as well as hands-on experience leading joint efforts by public and private sector entities to attract strategically suitable inflowing investment, develop industrial zones, prepare necessary promotional and info materials and design and implement effective investment promotion strategies.
10. The City of Cacak delegation visited two Youth Horticultural Incubators in Zrenjanin and Novi Becej in August. Delegation was comprised of representatives of two local agribusinesses interested to see this example of good practice that can be replicated in Cacak area.
11. In this reporting period, the Technology and Food Processing Park (TFP) in Leskovac and Technological Faculty jointly developed and implemented internship program for students of final year within grant activity "Establishment of a Product Development Research Pilot Plant". 71 students who participated in the program have conducted their practice by working in the manufacturing premises of the established Pilot Plant and two TFP member companies.
12. BOS – signing of MoU between GEOX and School for chemistry and technology in Vranje (dialogue between local government officials, business community and citizens)
13. Two Business to Science seminars to promote innovation as a way to expand small and medium enterprises (in Nis and Novi Sad on February and March)
14. NALED – privatization in Serbia case studies presented to representatives of the Serbian Government and business representatives (November 2014)
15. Belgrade International Tourism Fair - Mountain Breakfast Event – February 2015, promoting new local gastronomic brand – public discussion

16. CEVES – March 4, 2015 – presenting the research on private sector competitiveness and growth at Kopaonik Business Forum
17. Agriculture Education Center in Sombor, which was opened in September 2014, gathers agriculture producers, support service experts and representatives of local government on various issues.
18. In March 2015, the Project supported several roundtables in an effort to develop a national FDI Monitoring and Evaluation (M&E) tracking system. Serbia currently does not possess a unified, updated and central investment M&E mechanism that would maximize the impact of limited state resources available for investment attraction support. Policymakers and practitioners, including representatives of the Serbian Chamber of Commerce, Serbian Investment and Export Promotion Agency and Vojvodina Investment Promotion Fund, took part in the workshops.

ANNEX A
Overview of Investments in the Project Partner Cities and Municipalities
(and Level of the Project's attribution)

Annex B: Status of Revenue and Employment in Businesses Supported by the Project

ANNEX C

Overview of Capacity Improvements in Project-assisted Local Governments (PMP Indicator #6) in the period January 2011 – September 2015

Capacity improvement City/ municipality	1. improved <u>asset management</u>	2. improved <u>management and monitoring of public utility companies</u>	3. better managed inventory, prioritization and commercialization of <u>brownfield investments</u>	4. improvements made by municipalities in accordance with the <u>BFC standards</u> (if there is at least one improved capacity, measured by the BFC criteria)	5. <u>established/supported business related services/procedures (including agribusiness)</u> (if a local government supported the establishment of a mechanism that helps business sector to grow).
Vranje	Based on mayor's proposal/request, organized initial training for asset management – as a result, WG for property registering finally has started to work	Within the framework of the asset management training, organizes on-the-job consultation on new legal requirements for establishment of the PUC's evidence on assets.	Prepared inventory of the potential brownfield companies (financial, legal, technical data) to be used as a material for investors' teasers and business offering packages Prepared detailed economic/ financial analyses on unsuccessful privatization of the Vranje Company "Zavarivac" within grant that was provided to NALED.	FDI coaching improved municipal capacity for targeted marketing.	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training. Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Bujanovac	Provided support in resolving legal deficiencies in assigning land lot for construction of the Economics Faculty (financed through EU grant)	Within the framework of the asset management training, organized on-the-job consultation on new legal requirements for establishment of the PUC's evidence on assets.	On-going support in marketization of the "Vrelo Prohorovo" Bujanovac Spa	Support provided in data basis development, investment brochure preparation, changing web page structure, improving technique for distribution of investment promotion materials and establishment of the one-stop shop for construction permitting. Bujanovac successfully passed evaluation phase in BFC in July 2013. FDI coaching improved municipal capacity for targeted marketing	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Preševo	Based on request from Presevo municipal administration provided training for implementation of the Law and Rulebook on Legalization – as a result, municipal administration more efficiently	Within the framework of the asset management training, organized on-the-job consultation on new legal requirements for establishment of the PUC's evidence on assets	Established web site which will serve for marketization and promotion of all interesting brownfield projects in all 32 cities and municipalities.	FDI coaching improved municipal capacity for targeted marketing	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Support to Presevo LEDO to initiate policy activity and change Law on

Capacity improvement City/ municipality	1. improved <u>asset management</u>	2. improved <u>management and monitoring of public utility companies</u>	3. better managed inventory, prioritization and commercialization of <u>brownfield investments</u>	4. improvements made by municipalities in accordance with the <u>BFC standards</u> (if there is at least one improved capacity, measured by the BFC criteria)	5. <u>established/supported business related services/procedures (including agribusiness)</u> (if a local government supported the establishment of a mechanism that helps business sector to grow).
	provide legalization services to businesses and citizens				pastures in order to allow for establishment of the new industrial zone in Presevo. Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Vladičin Han	Resolving proprietary issues in providing land lot for German investor (led bulbs); mentored by Uzice in introducing modern asset management practices	Within the framework of the asset management training, organized on-the-job consultation on new legal requirements for establishment of the PUC's evidence on assets.	On-going technical assistance in resolving proprietary issues / obstacles to marketization of the brownfield projects Prepared inventory of the potential brownfield companies (financial, legal, technical data) to be used as a material for investors' teasers and business offering packages	SCTM provides support to LEDO (TA within SLD grant) to improve quality of the databases (greenfield, brownfield), promotional materials and techniques for targeting potential investors and strategies for communication with existing businesses.	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training
Niš	Analyses of the opportunities for new investments on land lots used by three companies in financial difficulties Support to establishment of the production/educative grapefruit center in a form of PPP	TA provided - management practices aligned with new regulatory framework (quarterly reporting, performance indicators, and more transparency and clearer criteria for subsidizing PUCs).	For three brownfield projects action plans developed, most important institutional and legal issues resolved and process of promotion and marketization initiated.	FDI coaching improved municipal capacity for targeted marketing	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training; Supported by NALED in development of the PPP project initiative (establishment of the Fruit Growing Regional Research and Development Center) Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Leskovac	Analyses of the opportunities for new investments on land lots used by three companies in		Teasers provided for three companies and/or part of the companies in Leskovac	Support provided in preparing presentation for BFC verification visit. Leskovac was awarded BFC	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through

Capacity improvement	1. improved <u>asset management</u>	2. improved <u>management and monitoring of public utility companies</u>	3. better managed inventory, prioritization and commercialization of <u>brownfield investments</u>	4. improvements made by municipalities in accordance with the <u>BFC standards</u> (if there is at least one improved capacity, measured by the BFC criteria)	5. <u>established/supported business related services/procedures (including agribusiness)</u> (if a local government supported the establishment of a mechanism that helps business sector to grow).
City/ municipality					
	financial difficulties		(Nevena, agricultural land in Nevena and Danilo Boskovic).	in march 2014.	SCTM training and distance learning training Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Gadžin Han	Support in institutional set-up for property inventorying; mentored by Uzice in introducing modern asset management practices	TA provided - management practices aligned with new regulatory framework (quarterly reporting, performance indicators, and more transparency and clearer criteria for subsidizing PUCs).	Prepared inventory of the potential brownfield companies (financial, legal, technical data) to be used as a material for investors' teasers and business offering packages.		Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Doljevac	Support for institutional set-up for property inventorying. Support to establishment of the Agricultural/Greenmarket Center in Pukovac as a potential PPP	TA provided - management practices aligned with new regulatory framework (quarterly reporting, performance indicators, and more transparency and clearer criteria for subsidizing PUCs).	Prepared inventory of the potential brownfield companies (financial, legal, technical data) to be used as a material for investors' teasers and business offering packages.	FDI coaching improved municipal capacity for targeted marketing	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training; Supported by NALED in development of the PPP project initiative (Regional Market Center) Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Merošina	Support for institutional set-up for property inventorying; mentored by Uzice in introducing modern asset management practices	TA provided - management practices aligned with new regulatory framework (quarterly reporting, performance indicators, and more transparency and clearer	On-going technical assistance in resolving proprietary issues / obstacles to marketization of the brownfield projects	SCTM provides support to LEDO (TA within SLD grant) to improve quality of the promotional materials and techniques for targeting potential investors. FDI coaching improved municipal	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Strengthened capacities of the

Capacity improvement City/ municipality	1. improved <u>asset management</u>	2. improved <u>management and monitoring of public utility companies</u>	3. better managed inventory, prioritization and commercialization of <u>brownfield investments</u>	4. improvements made by municipalities in accordance with the <u>BFC standards</u> (if there is at least one improved capacity, measured by the BFC criteria)	5. <u>established/supported business related services/procedures (including agribusiness)</u> (if a local government supported the establishment of a mechanism that helps business sector to grow).
		criteria for subsidizing PUCs).		capacity for targeted marketing.	department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Novi Sad	Support for institutional set-up for property inventorying.	TA provided - management practices aligned with new regulatory framework (quarterly reporting, performance indicators, and more transparency and clearer criteria for subsidizing PUCs).		SCTM provides support to LEDO (TA within SLD grant) to adequately identify and implement PPP projects. FDI coaching improved municipal capacity for targeted marketing.	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Temerin	Support to establishment of the one-stop-shops in line with new legal requirements (training and on-the-job consultations provided)			FDI coaching improved municipal capacity for targeted marketing.	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Beočin	Initial support for institutional set-up for property inventorying.			Support provided in data basis development and preparing Business Attitude Survey. FDI coaching improved municipal capacity for targeted marketing	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training On-going support in implementation of the IZ (PPP with Lafarge) – resolving proprietary issues and development of the planning documents Strengthened capacities of the department for urbanism to

Capacity improvement City/ municipality	1. improved <u>asset management</u>	2. improved <u>management and monitoring of public utility companies</u>	3. better managed inventory, prioritization and commercialization of <u>brownfield investments</u>	4. improvements made by municipalities in accordance with the <u>BFC standards</u> (if there is at least one improved capacity, measured by the BFC criteria)	5. <u>established/supported business related services/procedures (including agribusiness)</u> (if a local government supported the establishment of a mechanism that helps business sector to grow).
					streamline construction licensing process in line with Law on Planning and Construction
S. Karlovci	Support to establishment of the one-stop-shops in line with new legal requirements (training and on-the-job consultations provided)			FDI coaching improved municipal capacity for targeted marketing.	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Novi Pazar	Support for institutional set-up for property inventorying; mentored by Uzice in introducing modern asset management practices	TA provided - management practices aligned with new regulatory framework (quarterly reporting, performance indicators, and more transparency and clearer criteria for subsidizing PUCs).	On-going technical assistance in resolving proprietary issues / obstacles to marketization of the brownfield projects	SCTM provides support to LEDO (TA within SLD grant) to improve quality of the databases (workforce, companies, available greenfield and brownfield locations), promotional materials and techniques for targeting potential investors	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training, Support to City to efficiently address imminent waste water challenge with denim producers (pre-treatment facility installation) Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Sjenica	Support for institutional set-up for property inventorying	TA provided - management practices aligned with new regulatory framework (quarterly reporting, performance indicators, and more transparency and clearer criteria for subsidizing PUCs).		SCTM provides support to LEDO (TA within SLD grant) to improve quality of the promotional materials and techniques for targeting potential investors	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning

Capacity improvement City/ municipality	1. improved <u>asset management</u>	2. improved <u>management and monitoring of public utility companies</u>	3. better managed inventory, prioritization and commercialization of <u>brownfield investments</u>	4. improvements made by municipalities in accordance with the <u>BFC standards</u> (if there is at least one improved capacity, measured by the BFC criteria)	5. <u>established/supported business related services/procedures (including agribusiness)</u> (if a local government supported the establishment of a mechanism that helps business sector to grow).
					and Construction
Tutin	Support for institutional set-up for property inventorying	TA provided - management practices aligned with new regulatory framework (quarterly reporting, performance indicators, and more transparency and clearer criteria for subsidizing PUCs).		Strengthening capacities of the Tutin to apply for BFC was made through first phase of the PPP project developed by NALED.	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Supported by NALED in development of the PPP project initiative (purchasing, processing and packaging of the forest fruit, mushrooms and medical herbs) Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Kraljevo	Support for institutional set-up for property inventorying Analyses of the opportunities for new investments on land lots used by two companies in financial difficulties. Analyses on establishment of the PPP in attraction of the private investor to the private location Riccone Outlet Owned by private company but strategically important for City.	TA provided - management practices aligned with new regulatory framework (quarterly reporting, performance indicators, and more transparency and clearer criteria for subsidizing PUCs).	Teasers provided for two companies and/or part of the companies in Kraljevo (Magnohrom and also Socially owned Matarusla banja SPA)	Support provided in data basis development, facilitation of the process of adoption of the strategic document (City Economic Development Strategy), changing web page structure, and improving techniques for distribution of investment promotion materials.	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Čačak	Analyses of the opportunities for new investments on land lots used by two companies in financial difficulties. Analyses on establishment of the PPP in attraction of the private investor to the private location Riccone Outlet Owned		Teasers provided for two companies and/or part of the companies in Čačak – Riccone and Tehnos. Prepared analyses on successful privatization of the Mining Rudnik within the	Through work with brownfields City acquires new skills and practices in marketization of the brownfield companies.	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Strengthened capacities of the department for urbanism to streamline construction licensing

Capacity improvement	1. improved <u>asset management</u>	2. improved <u>management and monitoring of public utility companies</u>	3. better managed inventory, prioritization and commercialization of <u>brownfield investments</u>	4. improvements made by municipalities in accordance with the <u>BFC standards</u> (if there is at least one improved capacity, measured by the BFC criteria)	5. <u>established/supported business related services/procedures (including agribusiness)</u> (if a local government supported the establishment of a mechanism that helps business sector to grow).
City/ municipality					
	by private company but strategically important for City.		brownfield project implemented by NALED.		process in line with Law on Planning and Construction
G. Milanovac					Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training
V.Banja	Support for institutional set-up for property inventorying.			Support provided in data basis development, facilitation of the process of adoption of the strategic document (City Economic Development Strategy), changing web page structure, and improving technique for distribution of investment promotion materials.	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Raška		Potential PPP project on recycling yard has been supported with analyses of the financial, operational and technical preconditions for establishment of the project and benefits for both sides.	Analyses of the opportunities for new investments on land lots used by two companies in financial difficulties.		Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Supported by NALED in development of the PPP project initiative (Recycling Yard) Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Užice	Facilitated role of the Uzice as an asset management mentor for group of SLD municipalities	Jointly with SCTM TA provided - management practices aligned with new regulatory framework (quarterly reporting, performance indicators, and more transparency and clearer		SCTM provides support to LEDO (TA within SLD grant) to improve HR strategy and to analyze technical capacities of the LEDO with recommendations for improvements	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training

Capacity improvement	1. improved <u>asset management</u>	2. improved <u>management and monitoring of public utility companies</u>	3. better managed inventory, prioritization and commercialization of <u>brownfield investments</u>	4. improvements made by municipalities in accordance with the <u>BFC standards</u> (if there is at least one improved capacity, measured by the BFC criteria)	5. <u>established/supported business related services/procedures (including agribusiness)</u> (if a local government supported the establishment of a mechanism that helps business sector to grow).
City/ municipality		criteria for subsidizing PUCs).			
Čajetina	Facilitated role of the Uzice as an asset management mentor for group of SLD municipalities			SCTM provides support to LEDO (TA within SLD grant) to improve quality of the promotional materials and techniques for targeting potential investors	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training
N.Varoš	Facilitated role of the Uzice as an asset management mentor for group of SLD municipalities.	TA provided - management practices aligned with new regulatory framework (quarterly reporting, performance indicators, and more transparency and clearer criteria for subsidizing PUCs). Potential PPP project on co-generation has been supported with analyses of the financial, operational and technical preconditions for establishment of the project and benefits for both sides.			Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Supported by NALED in development of the PPP project initiative (Biomass Co-Generation Project)
Prijepolje	Facilitated role of the Uzice as an asset management mentor for group of SLD municipalities.	TA provided - management practices aligned with new regulatory framework (quarterly reporting, performance indicators, and more transparency and clearer criteria for subsidizing PUCs).	Potential PPP brownfield project aimed to attract strategic investor in the area of management of the regional cool storages/chambers has been supported with analyses of the financial, operational and technical preconditions for establishment of the new company and benefits for both sides.		Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Supported by NALED in development of the PPP project initiative (Regional Cooling Chamber)
Priboj	Facilitated role of the Uzice as an asset management mentor for group of SLD municipalities	TA provided - management practices aligned with new regulatory framework (quarterly reporting, performance indicators, and more	International STTA provided in marketization of the largest brownfield potentials.	SCTM provides support to LEDO (TA within SLD grant) to improve quality of the promotional materials and techniques for targeting potential investors	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training

Capacity improvement City/ municipality	1. improved <u>asset management</u>	2. improved <u>management and monitoring of public utility companies</u>	3. better managed inventory, prioritization and commercialization of <u>brownfield investments</u>	4. improvements made by municipalities in accordance with the <u>BFC standards</u> (if there is at least one improved capacity, measured by the BFC criteria)	5. <u>established/supported business related services/procedures (including agribusiness)</u> (if a local government supported the establishment of a mechanism that helps business sector to grow).
		transparency and clearer criteria for subsidizing PUCs).			
Subotica	Facilitated role of the Uzice as an asset management mentor for group of SLD municipalities		Support to revitalization of the former military barracks Kosta Nadj in Subotica (provided legal assessment and action plan for negotiation with RoS Property Directorate)		Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Sombor	Facilitated role of the Uzice as an asset management mentor for group of SLD municipalities.			Support to establishment of the one-stop-shops in line with new legal requirements (training and on-the-job consultations provided)	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training; Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Kanjiža	Facilitated role of the Uzice as an asset management mentor for group of SLD municipalities.		Initial meetings held and LEDOs become acquainted with mechanisms needed for preparing opportunities for new investments on land lots and brownfield companies in financial difficulties.	Initial assistance to Kanjiza.	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training; Supported by NALED in development of the PPP project initiative (Agro-industrial Logistic Center) Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Zrenjanin	Mentored by Uzice in	Prepared analyses on	Initial meetings held and LEDOs	SCTM provides support to LEDO	Strengthened capacities of the LEDO

Capacity improvement City/ municipality	1. improved <u>asset management</u>	2. improved <u>management and monitoring of public utility companies</u>	3. better managed inventory, prioritization and commercialization of <u>brownfield investments</u>	4. improvements made by municipalities in accordance with the <u>BFC standards</u> (if there is at least one improved capacity, measured by the BFC criteria)	5. <u>established/supported business related services/procedures (including agribusiness)</u> (if a local government supported the establishment of a mechanism that helps business sector to grow).
	introducing modern asset management practices; supported by NALED in development of the PPP project initiative (Terra Panonica). In addition to, prepared analyses of the unsuccessful privatization of the pharmaceutical company Jugoremedija (NALED's grant) with recommendations for improvements.	possibilities for PPP investment in Banja/Spa Rusanda which also highlights basic deficiencies and suggest venues for improvement in utility sector which is needed for investment.	become acquainted with mechanisms needed for preparing opportunities for new investments on land lots and brownfield companies in financial difficulties.	(TA within SLD grant) to improve quality of the promotional materials and techniques for targeting potential investors	and municipal officials in investment attraction and retention – through SCTM training and distance learning training; Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Kikinda	Mentored by Uzice in introducing modern asset management practices		Initial meetings held and LEDOs become acquainted with mechanisms needed for preparing opportunities for new investments on land lots and brownfield companies in financial difficulties.	Project provides support to LEDO (TA within SLD grant) to improve quality of the promotional materials and techniques for targeting potential investors	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training. Strengthened capacities of the department for urbanism to streamline construction licensing process in line with Law on Planning and Construction
Novi Bečej	Initial support in property registration and introducing modern asset management practices		Initial meetings held and LEDOs become acquainted with mechanisms needed for preparing opportunities for new investments on land lots and brownfield companies in financial difficulties.	Project provides support to LEDO (TA within SLD grant) to improve quality of the promotional materials and techniques for targeting potential investors	Strengthened capacities of the LEDO and municipal officials in investment attraction and retention – through SCTM training and distance learning training