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# **SEMI-ANNUAL PROGRESS REPORT #4**

**SUSTAINABLE LOCAL DEVELOPMENT PROJECT  
OCTOBER 1, 2012 – MARCH 31, 2013**

**Contract No. AID-169-C-00-11-00102**

**April 15, 2013**

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc.

## CONTENTS

1. EXECUTIVE SUMMARY .....	1
2. PROGRESS DURING Q1 of FY 2013 .....	3
Component 1: Inter-Municipal Cooperation Programming.....	3
Component 2: Public Administration Reform.....	9
Component 3: Youth Development and Participatory Mechanism.....	12
3. SIGNIFICANT CHALLENGES ENCOUNTERED AND ACTIONS TAKEN .....	16
4. HIGHLIGHTS OF ACTIVITIES PLANNED FOR FY2013 Q2.....	16
5. RESULTS ACHIEVED AGAINST FY 2013 WORK PLAN TARGETS.....	17

## ANNEXES:

ANNEX A	ACCRUALS
ANNEX B	STATUS OF PERFORMANCE INDICATORS
ANNEX C	COMMUNICATIONS REPORT
ANNEX D	SUCCESS STORIES
ANNEX E	EVENT AND MONITORING PLANS
ANNEX F	IMC AREA ONE-PAGERS
ANNEX G	IMC AREA REPORTS
ANNEX H	OVERVIEW OF GRANT AWARDS AND PIPELINE
ANNEX I	STTA CONSULTANTS AND DELIVERABLES

## Acronyms

BEE	Business enabling environment
BFC	Business Friendly Certification
CB	Capacity building
CIP	Capital Investment Planning
CSO	Civil society organization
EU	European Union
FDI	Foreign direct investment
GoS	Government of Serbia
Ha	Hectares
IMC	Inter-municipal cooperation
IMCA	Inter-municipal cooperation area
IPAIZ	Instrument for Pre-Accession Assistance Industrial Zone
KOMS	Serbian Youth Umbrella Organization
LED	Local economic development
LG	Local Government (applies to a city or a municipality)
MERD	Ministry of Economy and Regional Development
MEMSP	Ministry for Environment, Mining, and Spatial Planning
MISP	Municipal Infrastructure Support Program
MoE	Ministry of Education
MoF	Ministry of Finance
MPALSG	Ministry of Human and Minority Rights, Public Administration and Local Self Government
MoU	Memorandum of Understanding
MYS	Ministry of Youth and Sport
NALED	National Alliance for Local Economic Development
NAPOR	National Association of Youth Workers
NARD	National Agency for Regional Development
NCP	New Criteria Project
NES	National Employment Service
NGO	Non-governmental Organization
PMP	Performance monitoring plan
PPP	Public-private partnership
PGoV	Provincial Government of Vojvodina
Project	USAID Sustainable Local Development Project
PPF4	Project Preparation Facility 4
PUC	Public utility company
RDA	Regional Development Agency
RSEDP II	Regional Socio-Economic Development Program
SCTM	Standing Conference of Towns and Municipalities
SEDA	Sandzak Economic Development Agency
SEIO	Serbia European Integration Office
SK	Smart Kolektiv
SLAP	System of Long-listed Advanced Infrastructure Projects
SME	Small- and medium-sized enterprise
STTA	Short-term technical assistance
TA	Technical assistance
WG	Working Group
WP	Work plan
YBS	Youth Business Serbia

# 1. EXECUTIVE SUMMARY

The Project's FY2013 Semi-annual Progress Report covers the period of implementation from October 1, 2012 - March 31, 2013.

The Sustainable Local Development Project in Serbia (hereinafter "the Project") formed eight inter-municipal cooperation areas (IMCA) in 2011. In the first year of their functioning, the Project facilitated establishment of 35 coordinating bodies and thematic working groups, as well as two rounds of IMC action planning. After elections and local government constitution-drafting, which took place between May and August 2012, the Project made a strong push towards initiating projects that could create jobs and bring economic benefits to these mini-regions. The Project's work plan for FY2013 was designed to identify and implement opportunities to expand the private sectors in each of the eight IMC areas and achieve economic impact by contributing to Greenfield and Brownfield investments, job creation and increases in revenues of businesses that participate in and benefit from the Project's assistance.

**Component 1, Inter-Municipal Cooperation Programming**, has taken the brunt of change with the new Project focus on above-mentioned job growth activities and economic development. Following internal consultations, it became evident that all IMC projects would be implemented through Component 1. All proposed projects must contribute to job creation, improve local economies, bring sustainable change, and ensure the participation of local and national stakeholders. Under **Component 2, Public Administration Reform**, based on sector-related IMC development concepts, activities now are much more focused on projects that are tied to IMC overall initiatives or may directly contribute to their success. In line with a focus on job creation **Component 3, Youth Development and Participatory Mechanisms**, aims to further develop its youth employability program, targeting the growth sectors in IMCA industries, providing young people with demand-driven work experience and competencies, and assisting employers in program implementation.

Project resources are used to inform critical decisions that Project and its partners made on business opportunities. To this end, the Project has developed eight economic development concepts (New Criteria Projects) during this reporting period, one per IMCA, each aiming to invigorate the economies of the 32 cities and municipalities encompassed within the IMCAs.

These inter-municipal cooperation (IMC) projects will bring benefits to specific sectors and sub-sectors of the economy (e.g. agriculture producers in the Subotica-led IMC, vegetable producers in the Zrenjanin-led IMC, food processors in the Nis-led IMC, and the entrepreneurial sector in Cacak/Kraljevo and Novi Pazar). One of the identified activities is the attraction of foreign direct investments (FDI) and investment promotion, which is crucial to stimulate growth of local economies and create new jobs in the Vranje, Novi Sad and Nis IMC areas. The Novi Pazar IMC is also interested in building competitiveness in existing small- and medium-sized enterprises (SMEs), and the focus will be on implementing business expansion and retention activities in furniture, shoe, and textile production. The Kraljevo and Novi Sad IMCs have strong potential in SME innovation and light metal processing, and the Project, in close coordination with local partners, will target these opportunities to add jobs and enhance competitiveness.

To supplement its new approach, Project management paid close attention to commitments made by the Project in FY2012. During the reporting period, the Chief of Party worked intensively in the field, meeting 29 mayors and 30 out of 32 partner municipalities. These visits served to present the Project's new approach towards job creation, discuss opportunities with mayors, local economic development (LED) officers and private sector representatives, and ensure activity buy-in from the public, private, and civil sectors.

During this reporting period, the Project revised its performance monitoring and reporting tools in line with the SoW modification. At the level of impact, PMP will measure volume of business sector revenues, investments, job creation, as well as employment of directly assisted youth. At the output level, PMP will monitor implementation of IMC economic development projects. The main implementation goal is to employ available Project resources, i.e. Component 2 and 3 technical capacities, STTAs, subcontracts and grants to support various aspects of IMC economic development concepts and projects. In other words, the Project acts as one team, and technical components will work together to ensure best possible use of resources, and avoid a "stovepipe approach."

Key accomplishments during the reporting period can be summarized as follows:

- Eight IMC economic development concepts, or New Criteria Projects, were developed based on identified private sector growth opportunities. Collectively, the Project committed to add at least 2,000 new jobs, \$120 million of new investments and an increase of business sector revenues by \$120 million by November 2015. Commitment of IMC partners to the development concepts has been reached.
- A total of 433 youth are enrolled in Project-supported educational programs during this reporting period. In addition, 92 youth participated in internship programs, 22 of which became employed with long-term jobs during the reporting period (See Annex D, for a more detailed profile of a former intern, now fully employed).
- Project experts provided guidance and legal advice, as well as drafted legal documents and the agreement toward establishing a public-private partnership (PPP) between the Municipality of Beocin and Lafarge. Within this fiscal year, the Project, in collaboration with the PPP, will co-finance the development of the necessary technical documentation (an estimated value of \$70,000) to support the creation of a new 26-hectare business park on land owned by the municipality, which will meet the demands of investors from Austria, Slovakia, New Zealand, and England.
- The Project mobilized other donors and partners to join initiatives and provided significant input to the following laws and regulations: (1) new Law on Public Enterprises, (2) draft Law on Public Procurement, and (3) new Law on Subsidies in Agriculture and Rural Development.
- Under Component 2, extensive assistance was provided to public utility companies (PUCs) “Lim” from Prijepolje and “September 3” from Nova Varos in addition to PUCs from Merosina and Gadzin in order to enable them to adopt key performance indicators and to initiate quarterly monitoring. By utilizing these tools, local governments (LGs) and PUCs will be able to independently agree on quarterly and annual financial and operational targets, allowing them to finance improvements from their own budgets rather than depend on funding from municipal budgets, thus freeing LGs to focus on overall economic development and job creation.
- The Project continued supporting improvements to LG asset management by providing technical assistance (TA) in preparation of immovable asset inventories that are suitable for commercialization across the Novi Pazar-led IMCA. Based on sector-related New Criteria Projects, asset management activities are focused on projects tied to overall IMCA initiatives or those that may directly contribute to their success (growing the economy). Support to Doljevac, Merosina and Vladicin Han in agricultural land management and/or its conversion to municipal ownership can lead to an increased commercialization of the property, new investments, and PPPs, for example.
- In December 2012, the National Alliance for Local Economic Development (NALED) awarded two LGs with Business Friendly Certificates: Sombor and Nova Varos – the Project successfully assisted both of these LGs in fulfilling the certification criteria.

## 2. PROGRESS DURING Q1 and Q2 of FY2013

### Component 1: Inter-Municipal Cooperation Programming

**Objective 1.1: Improve IMC economic development by guiding work on projects that add jobs to the territory**

#### Activity 1.1.1. Identify and select IMCA projects by meeting the New Criteria and advancing them to the level of project approval

At the end of March 2013, the Project is progressing in accordance to the original plan (critical path).

During the reporting period, the Project assessed IMC business opportunities, focusing on the capacity among existing business leaders and their support of innovation as added value to development of new products and chance for economic growth. The intensive desk research and field assessments have been completed, and the team identified eight IMC concepts that will add jobs to IMCAs by expanding the private sector. The projects, which must be proximately related to adding jobs, have been selected according to criteria developed in FY13 Q1, and are known as New Criteria Projects (NCPs). The Project team determined three goals in proceeding with this activity – attraction of FDI; business expansion and retention; and support to innovation.

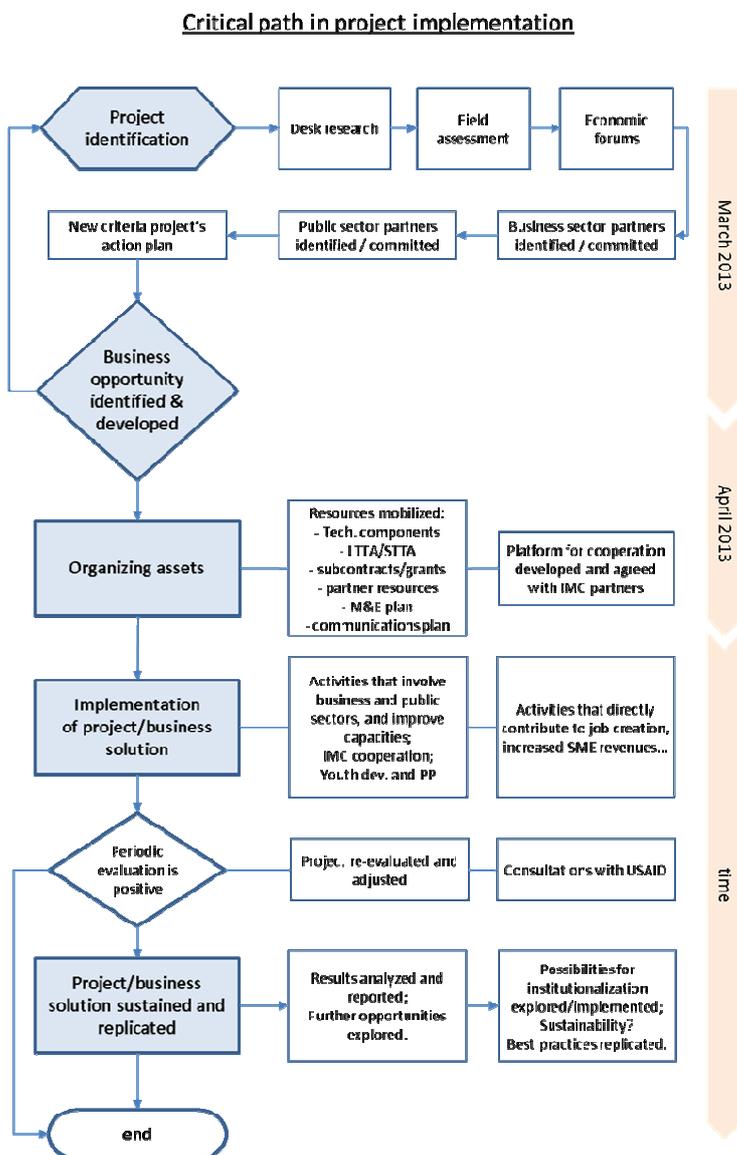
The team presented findings and the analysis at IMC Economic Forums which were held in February. The forums were also tailored to motivate both private and public sector actors to work intelligently toward a joint community goal of investment and job creation. The Forums served as the backbone for choosing new initiatives expected to grow local economies and create jobs.

After exploration of economic opportunities and consultative meetings with relevant partners from private, public and civil sector on national, provincial and local level, the Project initiated eight IMC Concepts for NCPs. Each concept consists of several projects/activities aiming fulfilling program goals to produce measurable economic benefits.

#### The Eight IMC concepts are:

**Vranje IMC** – The goal of this concept, titled “Invest on Corridor 10,” is to attract at last five new investments in Greenfield or Brownfield sites, which will create at least 1,500 new jobs by November 2015. The key partners in this endeavor are municipal LED offices of Vranje (as the IMC leader), Bujanovac, Presevo, Vladicin Han, and Confindustria, an Italian-Serbian business association.

This is an investment attraction program, and the Project will supply a full range of necessary TA, including consulting on investment promotion, targeting investors that fit the IMC’s profile of assets, training local businesses



and LGs to present the best sales package for the IMC area, and working to fill investor need gaps, such as for adequate trained labor and prepared investment sites. In the next quarter Berman Group experts will initiate an FDI coaching program in order to present the best sales package for the IMC area. Also, the Project will cooperate with Confindustria-Serbia develop a training needs assessment and study for the training center in Vranje to fill investor need gaps.

**Nis IMC** – The goal of this concept is to increase the IMC’s dollar value of processed food products sold by at least 15 percent by November 2015. The Project’s key partner in this endeavor is the City of Nis, primarily its Agriculture Department and LED office.

The Project’s activities will center on growing the IMC’s food processing sector by expanding the markets and capacities of existing processors, attracting new processors to the IMC territory, and helping producers organize themselves into efficient value chain vendors to the region’s processors. At the time of writing this report, the Project engaged international and local short-term TA (STTA) to analyze the demand for IMCA processed foods. Parallel with that activity, Berman Group will undertake an analysis of the investment potential of targeted sites, as one of the biggest obstacles in attracting investment to the Nis region is the lack of market-ready property.

**Uzice IMC** – This concept, titled “Uzice Regional Value Chain,” is designed to increase purchases of IMCA products and services by the Anchor Tourism Industry by 10 percent by November 2015. The key partner in this project is the Regional Development Agency (RDA) Zlatibor.

The area is characterized by three poorly developed municipalities in its southern region and two municipalities that enjoy economic assets and growth, particularly in the tourism industry. The northern tourism industry has seen an increase in revenues by 30 percent over the last five years, while no economic sector in the southern region has grown. The guiding principle of this concept is to use the solid tourism industry of the northern municipalities as an example to help grow the private sector resources in the southern municipalities. Next steps include an assessment of investment locations at the Ponikve Airport and Priboj truck factory. With support from the Project’s grant fund, RDA Zlatibor will conduct a supply chain analysis, and the Center for Educational Policies will complete a study by the end of May, analyzing the demand for establishing an integrated university in Uzice.

**Subotica IMC** – The goal of this concept, “Subotica IMC Agribusiness Expansion,” is to increase sales (export and domestic) of agricultural products by 10 percent by November 2015. This concept will engage the LED offices of three IMCA LGs around three specific projects:

1. A laboratory for agriculture products in Subotica;
2. A logistics/distribution center for agricultural goods in Kanjiza; and
3. An agricultural training center in Sombor

In the past year and with the Project’s assistance, the Subotica IMCA has identified the need to increase agribusiness operations in order to create jobs. In April, the Project will commence analysis of existing capacities of producers and processors, as well as the demand for locally produced goods. The Project is also providing technical support to local apple producers to gain a certificate for geographic indication<sup>1</sup>. Ongoing activity is provision of equipment for the Laboratory for testing quality of agricultural products and export certification in Subotica.

**Zrenjanin IMC** – This concept is named “Diversification of Agriculture – New Jobs for Rural Youth,” and its goal is to increase IMC production of vegetables ultimately marketed to processors by 20 percent by November 2015. Key partners in this activity include LGs Zrenjanin, Kikinda and Novi Becej, two associations of agricultural producers: Banatska Lenija and Carska Basta; and the extension service of the Ministry of Agriculture.

This concept deals primarily with the diversification of agricultural production through crop intensification by adding new, high-value crops. Adding vegetables, for example, to existing cropping systems is a way to improve the overall productivity of a farm and promote the creation of new farms. To complement this effort, the Project will also assist in the promotion and strengthening of vegetable production and food processing in rural areas to provide employment

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<sup>1</sup> A geographical indication (GI) is a name or sign used on certain products which corresponds to a specific geographical location or origin (e.g. a town, region, or country). The use of a GI may act as a certification that the product possesses certain qualities, is made according to traditional methods, or enjoys a certain reputation, due to its geographical origin.

opportunities for youth. To synchronize activities, the Project has held additional meetings with the Provincial Secretariat for Agriculture, and the next step is to identify the potential of existing food processing companies through a demand analysis and assess opportunities to introduce new products.

**Novi Pazar IMC** – The “Novi Pazar – Entrepreneurship that Sells” concept aims at increasing total exports of the sectors assisted by the Project by 10 percent by November 2015, and the key partner in this activity is the Sandzak Economic Development Agency.

The City of Novi Pazar and smaller partnering municipalities of Tutin and Sjenica are traditionally well known for their commercial and entrepreneurial spirit. Today, however, they constitute one of Serbia’s poorest regions. The active sectors within the IMC region are textiles, footwear, furniture, and husbandry (dairy, meat), consisting of entrepreneurial small- and medium-sized firms and farms. Each of the key sectors has experienced cluster development work and has identified particular constraints and gaps. As a starting point of Project intervention, in order to increase specific sector competitiveness, the Project will engage international short-term expertise to assess firm-level capacities and to provide sets of recommendations for implementation.

**Novi Sad IMC** – The goal of this concept, “Metro Novi Sad: First Place for Business,” is to add 1,500 new jobs to the IMC area as a result of activities set in motion by the Project by November 2015.

Key partners: ICT Cluster, Metal Cluster, LED Office Beocin and LED offices in Novi Sad, Temerin and Sremski Karlovci.

The Novi Sad IMC territory is economically vibrant with good infrastructure, a quality university, a high tech culture, strong businesses of all varieties, and physical beauty. As an economic package, the IMC is on the road to being a metro area business success story. With this in mind, the key projects are as follows:

1. Industrial park development in Beocin, Temerin and Novi Sad
2. Brownfield site development in the IMC area,
3. Innovation in the metal sector and cluster,
4. Universalize the ICT sector,
5. Turning Young People On to Jobs that have Meaning

Novi Sad IMC as diversified in opportunities will have set the activities such as survey on Serbia's science/engineering/business gap and career guidance training within Regional Educational Center also supported by the Project. Also, further exploration of model of cooperation with Vojvodina ICT Cluster and Vojvodina Metal cluster will be done. Technical documentation for industrial sites in Beocin and Temerin is underway.

**Kraljevo IMC** – “Competitiveness through Innovation” is the concept that aims to support at least 50 innovations, which will lead to new SME sales in the marketplace by November 2015. Key partners are Impuls Center Kraljevo, Technology Park Cacak, and LED municipal offices.

The Kraljevo IMC area's economic profile reveals a preponderance of manufacturing in diverse sectors, mostly by SME remnants of large Communist companies, with pockets of more sophisticated and export-oriented companies. The Project will work on building a culture of dialogue and innovative collaboration between SMEs and academia, and Berman Group will initiate analysis of a potential Technology Park and develop the operational concept. As part of one SoW Kraljevo will be part of Research Serbia's science/engineering/business gap.

All eight IMC programs developed under new project criteria have been submitted to USAID for approval (for more on each IMC Area see Annexes F and G).



*Photo: Economic Forum in Vranje-led IMC area: (left to right) Boban Markovic, Deputy-Mayor of Vranje, Nagip Arifi, Mayor of Bujanovac, Howard Ockman, Chief of Party, and Fazila Ademovic, Head of Bujanovac LED Office.*

During this reporting period, the Project team conducted inter-municipal economic development forums in order to present the new criteria for project selection and generate a range of alternative economic development projects. In five IMCAs: Nis, with 42 participants; Vranje, with 19 participants; Kraljevo, with 27 participants; Novi Pazar, with 23 participants, and Uzice, with 27 participants, forums were attended by mayors, business associations and/or clusters, LED office representatives, RDAs, and civil society sector leaders. Also, USAID representatives attended the Forums in Nis and Novi Pazar. Partners from Berman Group presented results of their research conducted in Q1 FY13, as well as IMC project examples applicable for certain IMCAs. Presentations were designed to facilitate dialog among participants and to motivate the public sector to create a business friendly environment.

**Activity 1.1.2. Support the programming, preparation and implementation of IMC infrastructure projects to leverage the European Union (EU) and the Government of Serbia (GoS) funding**

In light of new project criteria, during this reporting period the Project team completed a review of the existing pool of qualifying and already initiated infrastructure projects. Based on this review, and apart from the forthcoming eight New Criteria initiatives, the Project is currently supporting four infrastructure activities:

1. Development of Feasibility Study, Water Supply System Doljevac – feasibility and economic viability – for the reconstruction and additional construction of the water supply system “Pusta reka”. The study will help the Doljevac Municipality to plan a secure and continuous supply of potable water for the entire population in the prescribed quantity (according to consumption standards), quality and pressure. The Project’s support will enable this activity to be entered into the System of Long-listed Advanced Infrastructure Projects (SLAP) database by providing \$43,000 for the development of the Feasibility Study and \$25,000 (projected) for revision of the existing technical design (for reconstruction of the existing water network made of asbestos), as well as development of technical design for continuation of construction of the water system “Pusta reka”. Current status: the contract has been signed and completion of works is foreseen for August 2013.
2. The New Industrial Zone in Beocin is located north of the “Lafarge BFC” cement factory complex. The zone has a size of 26 hectares (ha) and is envisaged to be used for light industry, small businesses, and storage purposes. The Project’s assistance shall include preparation of the project documentation for the backfilling work and the construction of the following infrastructure: roads, water supply system, sewage system, rain drainage, low pressure gas distribution network, and telecommunication. Project documentation will consist of (a) geotechnical report; (b) technical analysis with preliminary cost estimate; and (c) detailed designs for all project components. Anticipated value of the Project’s assistance is \$60,000. Current status: Municipality needs to provide location permit.
3. Preparation of the feasibility study, preliminary design, detailed design and design for temporary traffic signaling during the road construction for the Service Road in the New Industrial Zone in Temerin. The municipality Temerin is located 19 km from Novi Sad and intends to develop an industrial zone in the settlement Backi Jarak. For that purpose, a detailed regulation plan has already been prepared for the site. The zone has a total surface of 28.6 ha and is envisaged to be used for light industry, small businesses, and storage purposes. The Project’s support includes preparation of the project documentation for the construction of the

service road and connection of the service road to the state road. Anticipated value is \$20,000. Current status of the project: the request for proposals is in the approval process.

4. The Industrial Zone Bunusevac, located 3 km from Vranje, was established through the conversion of the military training facility and transfer of military land to the City of Vranje. The City is currently expanding its industrial zone reach to an area of 100 ha, which will be supported by the Ministry of Economy. Currently, the Industrial Zone Bunusevac can be accessed only by going through the city center. The Project engaged a firm to conduct a geodetic survey and prepare a cadaster topographic plan needed for preparation of the design of a bypass road to the site. It was implemented in three phases: 1) collection of data from Cadaster; 2) a survey of the actual status of terrain in the area planned for access ring road; and 3) data analysis and creation of topographic plan in compliance with the requirements of the Law on State Survey and Cadaster. The project valued at \$5,200 has been completed.

## **Objective 1.2: Sustain IMC capacity to succeed in investment attraction and business growth necessary to enhance regional economic competitiveness**

### **Activity 1.2.1. Support the key areas of IMCA economic growth dedicated to job expansion**

In line with the new selection criteria, the Project and its counterparts identified job-producing concepts in each IMCA (New Criteria Projects). Successful execution of these projects requires increasing the business skills and available tools of both the private and public sectors. Through the use of consultants experienced in forging purposeful and goal-oriented public/private cooperation, the Project will develop the capacity of businesses and local governments to work in-sync to execute job-increasing projects.

**Stakeholders' commitment:** The Project COP visited twenty-nine (29) mayors, one (1) deputy mayor (Sremski Karlovci). In all, out of 32 Project partner LGs only Raska and Cajetina were not visited in the past six months.

Apart from LGs, the Project COP also consulted with various regional, Provincial and national level organizations: RDA "Zlatibor", RDA Kraljevo, RDA of Sandzak (SEDA), Provincial Secretariat for inter-regional cooperation and local self – government, Provincial Secretariat for Agriculture, Water Management and Forestry, the Standing Conference of Town and Municipalities (SCTM), the Office of the Deputy Prime Minister for European Integration, the Serbian European Integration Office (SEIO), NARD, NALED, the director of Youth Business International program, State Secretary from Ministry for Sport and Youth, Minister of Regional Development and Local Self Government. From the private sector, in last six month, the Project COP talked to more than twenty (20) business representatives from the Vranje, Nis, Bujanovac, Presevo, and business associations in three IMCAs - Uzice, Kraljevo and Novi Pazar.

Finally, during the reporting period several other relevant USAID and EU-funded projects shared their reports, and this data will be used for better guidance of future activities.

### **Activity 1.2.2. Plan, organize and deliver assistance package on inter-municipal competitiveness, investment attraction and business growth tools and techniques**

At the time of writing this report, the New Criteria Projects are being approved by USAID, and the Project team is forming a roster of short-term experts in the areas of market and research (demand and supply), agriculture, FDI, and SME and cluster development, etc. A summary of initiated efforts by short-term experts as well as future Project plans follows:

*Market Demand Analyses on Processed Food Products* – The Project hired Bruce Von Stein, an international expert who examined the potential of growing the food processing industry in the Subotica, Zrenjanin and Nis IMCAs, covering 11 cities and municipalities. In order to justify working on increasing the food processing sector in the regions where the Project works, it is necessary to analyze the existing and potential markets for food processed in Serbia.

*An expert to perform a supply-side capacity analysis to support the establishment of an agribusiness logistical center in Kanjiza and Green Zone Centre in Leskovac* – The Subotica and Nis IMCs are interested in improving capacities of

agricultural producers and processors to increase their markets. Therefore, LGs, in cooperation with business and civil sectors, have identified the establishment of inter-municipal agriculture logistic centers in Kanjiza and Leskovac. The assessment will also provide two supply-side portions of an economic feasibility analysis gauging the potential benefit of establishing an inter-municipal logistical center in Kanjiza utilizing in part or in whole the clean industrial zone known as Horgos (“the logistic center”) and Green Zone in Leskovac.

*An agribusiness expert* – local STTA will prepare the necessary study for official protection of geographical indications of local food products in the North Vojvodina region. Subotica is considered as one of the centers of apple production in Vojvodina, and apples are an important export product, especially to the Russian market. Protected geographic origin, like other certificates, is obtained for realizing additional value or raising the competitive level of a product on the market. Certified apples have a 10-50 percent-higher price than apples without this certificate.

*An expert to recommend possibilities for introducing non-traditional crops* that possess market potential to explore and identify diversification of the region’s agricultural production by introduction of new, or rehabilitation of older, cultures in the Raska, Vrnjacka Banja, and Sandzak regions. Non-traditional crops are commonly thought of as regionally appropriate but not-yet regionally cultivated as they need to be suitable for low-acreage farms as typical for this region. The goal is to open the way for the cultivation of certain non-traditional crops to a greater extent than at present, as they have higher market value and market demand.

*Researching Serbia's Science/Engineering/Business Gap* - The Project aims to increase businesses’ competitiveness in its IMC areas by encouraging closer connections and cooperation between Serbia’s science and engineering communities and the business communities. Research will be done within the Kraljevo, Nis, and Novi Sad IMC areas, but will include national research and development institutions and other stakeholders.

In the next quarter, the Project will engage *sectoral experts to provide recommendation for local business on activities to be introduced to raise competitiveness*. Targeted sectors are textile, furniture, shoe, dairy and innovation in light metal industry. Although producers have skill to certain item and to even satisfy quality standards of foreign markets some significant results did not occur. They may benefit from new product lines or greater efficiencies that may be wrought by innovation to enhance their competitiveness. Questionable capacity of the local producers in management, marketing, sales, customer communication, quality control, quality management, communication with buyer, etc. indicates the need for improvement in this area.

During April 2013, partners from Berman Group will conduct an *assessment of the property for investment in Nis and Uzice IMC areas*. Investment promotion has been identified as a crucial activity to stimulate growth of local economies and create new jobs. One of the biggest obstacles for more efficient investment performance of the region is the lack of market-ready property. Berman Group’s task will be to visit the location, evaluate all available information, and make an interim assessment of the site designated by local partners.

Also, the Berman Group will analyze the potential for *cooperation between businesses and academia*. The city of Cacak, together with universities and research institutes, has established “Technology Park Cacak” as a legal entity to bridge the gap between businesses and research institutions and to increase technology transfer and improve competitiveness of companies in the region. However, as the Park has not yet started operation, the Project will be developing a business plan and operations model for Cacak to jumpstart the endeavor.

### **Objective 1.3: Spread and imbue the institutional and technical knowledge gained, through successes of inter-municipal economic development**

#### **Activity 1.3.1. Network formation and knowledge distribution on IMC principles and LED professionalism**

This year, the Project is focusing on knowledge transfer, specifically addressing the logic of using IMC for economic development and as a keystone toward constructing a practical exit strategy. Overall, the Project’s efforts will be directed at building a class of LED practitioners throughout Serbia, utilizing pre-existing LED Offices, but also building core competencies of newly elected officials.

In the previous year, the Project created a web-based IMC Knowledge Center, and during the reporting period, in addition to this online tool, the Project team developed a newsletter as a knowledge transfer mechanism. With its first issue distributed in January 2013, the IMC newsletter will be distributed on a bi/tri-monthly basis by email to all organizations and individuals assisting in the Project's IMC work. Through such networking the Project intends to promote best practice initiatives, training local staff to engage in activities which add jobs and expand the private sector. (For additional information relating to Project communications see Annex C)

To advance activities and objectives under Component 1, in the next quarter, the Project is planning to conduct two types of study tours. One is sponsoring inter-IMC area study tours where participants from one IMC area travel to a different IMC area to become firsthand acquainted with the economic development experiences of other IMC areas. The intent is to share experiences and lessons learned, and to learn about methodologies and approaches that work in Serbia. The other type of study tours will be thematic, in line with IMC economic development projects, such as FDI, as part of the Berman Group's FDI coaching program for Nis, Uzice, Vranje, and Novi Sad; or study tour for future management of Science Technology Park in Cacak, where participants learn what operation models exist and what type of services would be applicable for the type of businesses included and economic environment. As Serbia does not have examples of well-developed science technology parks, the foreign experience that Berman Group offers is a valuable asset.

## **Component 2: Public Administration Reform**

### **Objective 2.1: Improve capacity of municipalities to effectively manage services and capital investment projects of inter-municipal significance**

#### **Activity 2.1.1. Supporting local governments (LG) to effectively manage own assets**

During the reporting period, the Project provided the Novi Sad IMCA (the municipality of Beocin) technical assistance with resolving property issues (property transfer from park use to industrial zone) for the establishment of the Beocin industrial zone, with prospective of extending technical assistance to Novi Sad and Temerin. Additionally, the Project continued supporting selected local governments through TA in the preparation of immovable assets inventories that are suitable for commercialization (selling, long-term lease, public-private partnerships).

In February 2013, the Project established solid cooperation with the Ministry for Regional Development and Local-Self Government, Standing Conference of the Towns and Municipalities (SCTM) and the EU Delegation in Serbia in designing a comprehensive technical assistance package, to be launched in late 2013. The goal is to support more efficient management of asset inventories. The TA package will be financed through the EU's IPA funding, and the Project has committed to preparing a baseline document with a list of shortcomings and deficiencies in procedures, capacities and regulation that actually prevented municipalities from taking full control over assets. The baseline document will be prepared during April and will enable the Ministry and the EU Delegation to design assistance for a comprehensive asset management program.

In Q1, the Project provided expert advice, a description of the necessary job positions within property departments, and on-the-job training related to the legalization of municipal property in Sjenica. The Project also presented an Asset Management Methodology developed in FY 2012 to executives from Novi Pazar, Sjenica and Tutin and provided a model action plan to streamline management of their respective resources.

During this reporting period the Project also agreed with the City of Uzice on a mechanism to provide mentoring support to local governments, as a result of the New Criteria Projects, which will quickly and efficiently address complex property issues, resolve the status of land ownership, and possibly introduce management and/or organizational changes in municipal administrations. As a part of the mentoring process, in Q3 and Q4 the Project will organize at least two visits of the local governments that will be implementing New Criteria Projects with a spatial/proprietary component to the City of Uzice in order to learn about Uzice's best practice in asset management.

#### **Activity 2.1.2. Facilitating establishment of results-based management in public utility sector**

Continuing to assist partner LGs in streamlining the management of public utilities, in this reporting period the Project undertook a comprehensive assessment of public utility companies (PUC) in the Kraljevo, Novi Pazar and Uzice -led IMC. In March 2013, two trainings were organized for representatives of Novi Pazar and Nova Varos, covering performance monitoring, quarterly reporting, and adjustment of the statutory documents to the new Law on Public Enterprises as well as the establishment of the methodology for setting the tariffs.

During February and March, an extensive TA was provided to PUCs “Lim” from Prijepolje and “September 3” from Nova Varos, as well as to PUCs from Merosina and Gadzin Han. The goal was to enable these PUCs to adopt key performance indicators and to initiate quarterly monitoring. By utilizing these tools, LGs and PUCs will be able to independently agree on quarterly and annual financial and operational targets based on key performance indicators. The municipalities included in the Project’s PUC monitoring activity will be among the first LGs in Serbia to implement the provisions of the new Law on Public Enterprises adopted on December 17, 2012. The New Law introduces performance management as an obligation of public enterprises across the country and institutionalizes quarterly reporting based on performance indicators for the 2013 budget.

### **Activity 2.1.3. Sustaining NALED’s Business Friendly Certification as a national standard of measurement in certifying LGs administrative capacities as significant to businesses**

During the reporting period the Project continued supporting the cities and municipalities of Beocin, Sombor, Kikinda, Novi Becej, Kraljevo, Vrnjacka Banja and Nova Varos to meet the criteria for the Business Friendly Certification (BFC). As a culmination of Project assistance, in December, NALED awarded two LGs with BFC: Sombor and Nova Varos. The Project assisted Sombor in completing the BFC Action Plan and the Business Attitude Survey, while Nova Varos received on-the-job training and assistance in creating the Capital Investment Plan. The municipalities of Beocin, Kikinda and Novi Becej were trained in the process of collecting and processing data and database entries (Brownfield, Greenfields, prospective investors, available locations), identified as necessary steps in attaining BFC standards. The Project also provided the city of Kraljevo, and the municipalities of Novi Becej and Vrnjacka Banja on-the-job assistance in developing LED strategies and promotional materials; the Project also supported the development of the Guide for Construction Permitting and the Capital Investment Plan. Throughout FY13, the Project will extend its assistance to an additional three municipalities in certification and re-certification procedures: Bujanovac, Subotica and Vranje (re-certification), bringing to ten the total number of LGs assisted by the Project in obtaining the BFC.

### **Activity 2.1.4. Strengthening inter-municipal capacities for Brownfield management**

In Q2, based on a previously developed methodology for brownfield investment, which also includes criteria for the selection of brownfield locations most suitable for commercialization, the Project has begun assisting Subotica, Nis, Bujanovac, Vladicin Han, Merosina and Doljevac in prioritization of their brownfield locations. In Subotica, the Project will assist the city in negotiating with the Ministry of Defense on the property transfer of the military barracks “Kosta Nadj” to the LG. In the Nis and Vranje -led IMCAs targeted assistance will mainly be provided through on-the-job training, addressing deficiencies in title checks on brownfield land lots and in improving brownfield investment attraction strategies and opportunities.

The Project will continue cooperation with the Ministry for Regional Development and Local Self Government and Bankruptcy Supervision Agency to select the most promising brownfield sites/companies and to provide technical assistance in the preparation of all legal and financial documents necessary for auctioning off of selected legal entities or parts of assets. The focus of prioritization of brownfield locations will be shifted to those objects and companies in the process of bankruptcy or liquidation that have the potential for agribusiness investment, and in line with NCPs.

### **Activity 2.1.5. Introducing better regulatory management through reducing administrative barriers in pilot IMCs**

In Q1, the Project organized a conference in Novi Sad and introduced the Lean Six Sigma administrative efficiency concept to local governments and local public enterprises. On October 2, 2012, in partnership with the Vojvodina Provincial Secretariat for Inter-Regional Cooperation and Local Government, the Project promoted the Lean Six Sigma optimization methodology to representatives of 32 municipalities in Vojvodina, including all ten Project-partner municipalities in the Subotica, Novi Sad and Zrenjanin-led IMC areas. In Q3 and Q4 the Project will shift

focus from general regulatory management issues to administrative efficiency challenges that are directly related to job retention and attraction and implementation of the NCPs. Bearing this in mind, the Lean Six Sigma concept will be replaced with approaches tailored to the promotion and sustained administrative efficiency, which is a cross-cutting theme in each Component II activity (asset management, Brownfield promotion, PUC monitoring and the Business Friendly Certification).

**Objective 2.2: Improve capacities of the newly elected and appointed local officials to effectively utilize local economic development mechanisms and tools and advance legal framework that spurs inter-municipal cooperation**

**Activity 2.2.1. Supporting elected and appointed municipal officials to effectively manage LED function**

The Project is in the final stage of approving a 10-month grant to SCTM for a project titled: “LEDER - Local Economic Development - Educational Response.” The grant aims to improve the capacities and skills of newly elected or appointed local officials and relevant local government executives or practitioners in IMCAs to effectively utilize local economic development mechanisms and tools through a combination of training, coaching and web-based distance learning programs. Upon full implementation of the grant, at least 200 newly elected or appointed local officials (members of municipal assemblies and municipal councils from 32 cities and municipalities) will be able to understand LED legal and institutional context and to effectively manage LED function; in addition, they will be able to manage at least 8 concrete LED related tasks or activities that will support the implementation of economic development projects in their communities.

**Activity 2.2.2. Providing distance learning course on effective LED management**

From the same grant, the Project will support the development of a distance learning platform and distance learning courses, closely tied to New Criteria Project implementation.. The LED distance learning course will have four modules: LED legal and institutional context, instruments for LED, investment attraction, and public private partnerships (PPP). Upon completion, the LED course will be available to all LED practitioners in the Serbian local governments through the SCTM distance learning platform; it will be continuously upgraded in accordance with legal changes and best practices and promoted through the SCTM’s LED network, LED Committee, their web-site and other SCTM communication channels. The distance learning platform itself will be used for other distance learning programs and available to all interested LG officials in Serbia. Through the distance learning platform at least 50 Local Economic Development practitioners from all eight Project IMCAs will improve their knowledge and skills to effectively utilize local economic development mechanisms and tools, attract investment and generate new jobs.

**Activity 2.2.3. Providing technical assistance to national level counterparts in creating and modifying major laws, policies and/or regulations related to inter-municipal economic development**

In Q2, the Project carried out a comprehensive analysis of the legal framework that governs engagement of career practitioners by companies and public institutions. The analysis provides an overview of the current situation, compares different types of existing contractual arrangements and provides recommendations for abolishment of the redundant taxes and charges that burden contracts with career practitioners. Project analysis was presented on March 29, 2013, during a roundtable on the proposed changes to the Labor Law, organized by USAID’s Business Enabling Project with the Ministry for Labor, Employment and Social Policy, trade unions and representatives of the employers and their associations.

In October 2012, at the invitation of the Ministry for Regional Development and Local Self-Government, the Project became a member of a working group formed to amend the Law on Local Self Government. The amendments introduced two main changes related to IMCs: a list of mandatory elements that each Agreement on IMC should contain, and a provision allowing a municipality (usually larger and more financially and managerially advanced municipalities) to perform joint municipal functions on behalf of the other/others.

Additionally, during the reporting period, the Project mobilized other donors and partners to join initiatives and provided significant input to several laws and regulations:

- 1) The Project rallied other donors and partners to lobby for the removal of the administrative cap on utility tariffs, which have deteriorated utility tariffs to levels well below PUC operating costs (making PUC constantly lose money). Some of the biggest donors in Serbia – KfW, EBRD, World Bank and the EU Delegation – joined the initiative. A joint donor

recommendation was presented to the Ministry of Finance and Economy and on December 17, 2012, the National Assembly adopted the new Law on Public Enterprises without tying utility tariffs to a predicted inflation rate;

- 2) The Project assessed the Draft Law on Public Procurement and assisted the Directorate for Public Procurement, upon their demand, to define provisions on centralized procurement at local level;
- 3) The Project, utilizing support from IMC partners from Nis and Subotica IMCs, provided input to the new Law on Subsidies in Agriculture and Rural Development.

### **Objective 2.3: Strengthen sustainable local economic development environment through private service delivery (PPPs)**

#### **Activity 2.3.1. Fostering the establishment of sustainable public-private partnerships**

In Q1, the Project successfully provided assistance in establishing the PPP between the municipality of Beocin and the Lafarge Company (see caption on next page). Continuing its efforts to facilitate successful public-private partnerships, in Q2 the Project awarded a 12-month grant with NALED to advance the use of PPPs in all partner IMCA. The grant activities should lead to innovative ideas on viable PPPs that would add significantly to economic growth and job-creation in partner IMCAs. At least 30 prospective investors should become involved in the development of eight PPPs (at least one idea per IMCA) innovative. Through this grant, all municipalities and IMCAs will be able to assess critically their own investment potential, and to prioritize initiatives suitable for PPPs. In Q2, NALED's project team conducted a survey among its business members and identified prospective sector-specific public-private partnership investment ideas. In Q3, NALED will hold roundtable discussions, with public and private sector stakeholders, and identify specific PPP plans (see upcoming activities).



*Photo: Costin Borc (General Manager, Lafarge Serbia), Bogdan Cvejic (Beocin Mayor) and Howard Ockman (Project COP), signing the public-private partnership agreement allowing Lafarge, the French cement and construction giant, to expand its operations to a new 26-hectare business park on land owned by the municipality.*

The foreign investors in the new park initially plan to employ approximately 250 residents from Beocin and neighboring municipalities. The agreement stipulates that the Project will finance the main design of the new industrial zone, and Lafarge will provide technical, administrative and financial support for the development of the zone. The Lafarge Company will also assist Beocin to market the business park and provide supplementary services to future tenants. The municipality has committed to improving the business climate, streamlining administrative procedures and speeding up business-related processes and licenses.

## **Component 3: Youth Development and Participatory Mechanism**

**Objective 3.1: Foster entrepreneurship among youth and create long-term employment for young innovators, first-time job seekers, adolescents and young adults who have acquired labor market needed skills.**

#### **Activity 3.1.1. Creating enabling environment for Youth Development and Active Labor Market Measures through building cooperation with relevant institutions**

During the six month reporting period the Project focused on cooperation with various national institutions that provide assistance to youth development as it pertains to new employment opportunities. To do so, the Project extended its MOU with the National Employment Service (NES), expanding on already established good practices. Specifically, at the end of the 2012 calendar year, the Project supported NES to conduct labor skills gap assessment for all partner IMCAs and recommend labor market measures for the identified gaps in 2013. During the first quarter of FY2013 this assessment was distributed to local employment councils in all 32 IMC partnerships, the Ministry of Labor, Employment and Social Policy, Ministry of Youth and Sport, CSOs, educational institutions and professionals working in the field of youth employment and career guidance. These recommendations have also been taken into account within a new national methodology for a new round of labor gap research. In Q2, the Project utilized data from the assessment to identify the most labor intensive sectors in partner municipalities, enabling the Project, LG partners and local private sector representatives to more efficiently plan each of the eight NCPs. Most recently, the Project and NES have begun preparation for a joint impact assessment of entrepreneurship development measures being implemented in Serbia, this assessment will begin in the coming quarter. The Project will also look into launching a new activity aiming to close the labor to skills gap through on-the-job trainings.

The Project has also strengthened its partnerships with the two most relevant national level stakeholders: the Ministry of Labor, Employment and Social Policy (MLESP) and the Ministry of Youth and Sport (MYS). A MOU with MLESP has been developed and is in the process of being signed by the Ministry. The MOU intends to cover activities such as technical assistance in developing, harmonizing and implementing inter-municipal and local Employment Action Plans by utilizing Project and state budget incentives for municipalities in order to implement IMC and local employment plans. While the signing of the memorandum is delayed, the Project has nevertheless been included in the MLESP work by cooperating closely with NES and USAID's Business Enabling Project regarding possible changes to the Serbian Labor Law (see Activity 2.2.3). The Project aims to ensure that internship practices are recognized more widely, by networking with public and private stakeholders, and that all companies and institutions (which cooperate with the Project) use the same type of contracts/work arrangements for work practitioners. Cooperating closely with Component 2, the Project developed an analysis of internship practices and recommended several changes, regarding employee contracts, to the proposed Labor Law. Simultaneously during Q2, the Project developed an MOU with the MYS; however, due to direct negotiations between the Ministry and USAID, on potential co-financing of youth entrepreneurship support, the MOU is still undergoing final adjustment and will be signed in the coming period.

Tied closely to the above activities with the MYS and the MLESP, the Project has worked to ensure recognition of non-formal education and other local services provided to young people in partner LGs. Following initial commitments from relevant stakeholders (MYS, the National Association of Youth Workers (NAPOR) and representatives of youth NGOs), made during a regional Symposium on Youth Policy Cooperation in South East-Europe in Q1, the Project developed a plan to provide assistance and conduct a survey of relevant practice and recognition instruments at European and national levels. This survey will then be used as a basis for further national level efforts to design a tool for recognition of competencies gained by youths. The study will determine the most effective steps leading to legitimate non-formal education recognition mechanisms accepted by civil society, potential employers and young people themselves.

In December, the Project's yearlong efforts to train and certify LG Youth Office (YO) representatives as Municipal Youth Coordinators was rewarded with 21 YO representatives, from 16 municipalities, obtaining certification. During FY12 NAPOR, the Project's partner in this activity delivered trainings aligned with Serbian Government and EU standards and focused on improving services related to youth advocacy and participation, conflict mitigation, as well as EU funding for youth related activities. NAPOR is a national body which gathers 90 CSOs from all over Serbia who advocate and initiate new policies in order to increase the quality of youth work services as part of a systematic youth care network. Despite this achievement, due to recent local elections, a number of LGs established YOs for the first time (Kraljevo, Subotica, Cacak), while many others replaced YO coordinators (9 out of 21 coordinator). Currently these offices are subject to the political will of LGs, as new local governments tend to appoint new YO representatives, thus leading to an almost continuous need to build the basic capacities of YO coordinators. To combat this trend, the Project and NAPOR plan to continue working for the professionalization of YOs through a new round of trainings, planned to begin in Q3.

### **Activity 3.1.2. Smoothing the school- to-work transition through the support to the National Career Guidance Strategy Implementation at the IMCA level**

Continuing efforts to ease the school-to-work transition for youth the Project signed a grant agreement with the Belgrade Open School (BOS) to enhance the sustainability of IMC mechanisms for career guidance, counseling and youth development. In cooperation with BOS, the Project will try to address the high youth unemployment rate in Serbia by building on 10 Local Mobile Career Guidance teams formed in the Zrenjanin, Novi Pazar and Vranje-led IMCAs as part of FY 2012 efforts. Young people account for about 50% of the total unemployment rate. Through BOS, the Project continues to work in three IMCAs, covering eight cities and municipalities (Vranje, Bujanovac, Presevo and Vladicin Han, Novi Pazar, Sjenica, Zrenjanin, Kikinda). The mobile teams have begun developing model local career services/centers for youth in targeted areas. During the reporting period, the Local Mobile Career Guidance teams reached approximately 300 young people with career education, informing and counseling activities:

- 22 young people from youth offices were trained in peer career informing
- 4 peer career workshops were held in Bujanovac, Sjenica and Kikinda leading to career informing of 52 young people
- 54 students attended career informing workshops in Bujanovac
- 40 students participated in career informing workshop in Vladicin Han
- Career counseling services provided for young people from targeted municipalities and cities:
  - ✓ 16 students from Novi Pazar received career counseling
  - ✓ 105 students from Vranje received career counseling
  - ✓ 7 students from Bujanovac received career counseling
  - ✓ 10 students from Vladicin Han received career counseling

Additionally, the Project has begun assisting the Novi Sad IMCA in career guidance activities within the Educational Center (EC) in Novi Sad (part of the Novi Sad IMCA economic development project). The aim is to fully establish a Career Guidance Center within the EC and by Q4 of FY 2013 provide career guidance services to high school students. A Project expert has already conducted a survey of available career guidance services in the IMCAs youth offices. Based on this survey the STTA will provide technical support to educational institutions and youth offices in order to establish a career guidance strategy and coordinate activities with the EC in Novi Sad. The STTA will also advise on development of relevant partnerships among schools, employers, local government and other key stakeholders to successfully implement career strategy recommendations and supervise local mobile career guidance teams in cooperating on activities such as job shadowing visits, career counseling, etc. The preliminary trainings for YO staff, improving their work with young people and empowering youths with more informed advice on entering the labor market, have been planned for the first part of Q3.

### **Activity 3.1.3. Implementation of youth employment interventions with focus on supporting entrepreneurship development and youth internships in the private sector**

As part of this year's goal of supporting job growth activities and increasing youth employment, the Project has continued working with Smart Kolektiv (SK) to develop internship opportunities in the public and private sectors through Youth Business Serbia (YBS) program -implemented by SK in partnership with the National Employment Service and Erste Bank. Through YBS, the Project matches labor demand and supply by connecting local talented youths with local businesses. The YBS program also educates and trains participating young people in skills needed to succeed in the market.

#### **Youth Business Serbia Program activities:**

During this reporting period, 12 interns were employed through the first phase of internship opportunities which begun in FY12. In Q1, SK rolled out the second phase of its internship program. Of an initial 356 internship applications from the Subotica, Novi Sad, Kraljevo and Nis-led IMCAs, after interviews and trainings, SK placed 44 interns in 20 companies. The third phase of the internships program will begin in April, up to 60 interns will be accepted in this phase.

138 youths were selected from the Subotica, Novi Sad, Kraljevo and Nis-led IMC areas following the best business idea contest. The Project and SK support these young people through trainings on business start-up planning, management, marketing and financial planning. In March, of the initial 138 business ideas, 25 were recommended for financial support. All 25 finalists will be assisted in obtaining funding for the implementation of their business plans from NES or other financial sources; while Erste Bank itself will consider selected plans

for financing within a special credit line intended for young start-ups that offers lower interest rates with no collateral or guarantee needed.

As a final aspect of the YBS program, the Project supports youth-led businesses during the critical first two years of the newly formed companies by matching these start-ups with mentors, who then provide the necessary guidance to ensure successful and sustainable businesses. Up to date there have been 44 start-ups successfully matched with 25 business mentors.

### **Activity 3.1.4. Support youth led social enterprises**

In Q1 and Q2 the Project continued supporting civil society organization (CSO) Group 484 in its efforts to train young people in the Novi Pazar, Vranje and Uzice-led IMCAs, on how to make use of all the available financial and non-financial support and establish enterprises with the help of local, international, as well as diaspora mentorship guidance. To ascertain the type of expert assistance best suited for youths in the three IMCAs (encompassing twelve municipalities), Group 484 finalized research on migration in Serbia, specifically emphasizing factors for youth outmigration in certain communities. The findings were summarized in three reports and served to inform Group 484's plans about potential mentors from abroad for youths in each of the three respective IMCAs.

During the reporting period Group 484 also held trainings, seminars and roundtables in all three IMCAs on entrepreneurship and development of business plans to stimulate youth employment through direct cooperation with and support from local entrepreneurs and diaspora expert. Through these efforts, since November, 48 interns have been placed in companies, and ten have gained full time employment. Additionally, 56 young people from all three IMCAs have been included in the work of 17 youth teams which are in the process of defining business ideas, through Group 484 "From Idea to Business" workshops. These trainings enable students to learn about business planning, and teach youths how to utilize these newly acquired skills to define their products and markets, to create successful management and operational models, as well as how to prepare financial plans. Participating students will now develop business plans, the best of which will receive favorable start-up loans through Group 484 and the UniCredit Foundation, with priority given to initiatives that include groups of young people.

### **Objective 3.2 -Strengthen the role of civil society with local governments and businesses, tailored to address inter municipal economic development and youth programming**

This Objective and activities under said Objective end in FY 2013 and implementation is not planned to continue, a select few are still active. The following is a summary of efforts under this Objective that were initiated in FY12 and remain ongoing:

#### **Activity 3.2.1. Fostering civil society active involvement in IMCA youth and economic development**

In order to encourage partnerships with other IMC stakeholders and to forge more inclusive, transparent and accountable IMC governance mechanisms, in 2012 the Project issued nine grants, total amount \$143,915, to leading CSOs in the Novi Sad, Zrenjanin, Kraljevo, Uzice, Nis, Vranje and Novi Pazar-led IMC areas. In FY13 due to the Project's focus on job creation, these CSO Focal Points will slowly wind down their public participation activities.

#### **CSO Focal Points were active in all Project supported IMCAs:**

- In the Uzice IMCA, the CSO *Association Uzice Center for Human Rights and Democracy* and LGs organized three round tables inviting LG representatives to discuss development priorities with citizens and allowing citizens to voice their concerns with local development plans.
- In the Nis IMCA, the CSOs *Proaktiv* from Nis and *Edukacioni Centar* from Leskovac were supported in holding two trainings on "Citizens participation in decision making at local level," attended by 39 representatives of the civil sector, local governments and business stakeholders. *Proaktiv* also organized a regional conference on labor market characteristics with experts from the MYS, NES and the Faculty of Economics in Belgrade. The conference gathered 50 participants from all five municipalities (Nis, Leskovac, Gadzin Han, Merosina and Doljevac). During Q2, both CSO's participated in SLDP sponsored Economic Development Forums, providing input to development priorities for the entire IMCA. Both *Proaktiv* and *Edukacioni Centar* also hosted a conference presenting the EU pre-accessions fund to local stakeholders and citizens.
- In the Novi Pazar IMCA, the CSO *Sandzak Committee for Protection of Human Rights and Freedoms* organized a

conference (53 participants from local governments, CSOs, business sector and media) focused on financing CSOs from local/municipal budgets and increasing citizen participation in budget hearings. Activities in the Novi Pazar IMCA will continue in Q3 with activities advocating for local public funding for local CSOs.

- In the Kraljevo IMCA, the CSO *European Movement in Serbia* established a 'Resource Centre for Participatory Democracy' in Kraljevo, to serve as a regional educational center for the civil sector, ensuring that the citizens and smaller CSOs from the entire IMCA are informed on way to participate in local governance. The CSO held two trainings in February, one on the role of the civil sector in public advocacy the other a workshop on securing funding for CSOs.
- In the Vranje IMCA, the CSO *Initiative for Integration* ended its activities by organizing four street actions (i.e. info-booths, handing out brochures) on environmental protection and promotion of citizen involvement in public hearings on a draft Regional Waste Management Plan for the Pcinja Region;
- During Q2, CSOs in the Zrenjanin and Novi Sad IMCAs, jointly developed an internet based anti-corruption platform. The internet platform "together against corruption" (<http://www.zajednoproktivkorupcije.org/>) will enable improved coordination between the civil and public sectors, and overall efforts to stamp out corruption and its negative impact on local economic development.

### **Activity 3.2.2. Establishing regional network of youth organizations and building youth CSO capacity for youth participation**

In an effort to build the capacity of the Serbian Youth Umbrella Organization (KOMS) for greater member participation in sub-national economic developments, the Project worked on establishing regional youth networks. The goal was to influence IMCA projects and to facilitate youth participation in a local youth policy development and implementation. In the previous reporting period, KOMS held seven roundtables on the importance of networking at local and regional levels and improved youth advocacy so to reduce the high rate of youth unemployment and achieve higher levels of youth participation in decision-making. In alignment with the Project's focus towards one NCP per IMC area in FY 2013, the Project will utilize KOMS's network of youth organizations and achieve the following:

- Prepare a training program and guidebook on the new Labor Law for youths just entering the labor market
- Organize trainings for 20 trainers to transfer their work experience and explain a workers rights and responsibilities
- Deliver trainings to 150 young people included in economic development projects and the implementation of a Labor Law Guidebook for young people

## **3. SIGNIFICANT CHALLENGES ENCOUNTERED AND ACTIONS TAKEN**

**Challenge:** Working in the Nis-led IMCA has been particularly challenging due to the rivalry between the two larger cities, Leskovac and Nis. Representatives of both cities believe they have a greater investment attraction capacity. Such rivalry has resulted in slow progress in the Project supported Green Zone Project that is centered on Leskovac. This led the Project to shift its support and assist the food processing sector in Nis.

**Action taken:** The Project decided not to act as a middle man between the two rival cities. The Project team identified a new initiative, centered in Nis, which has the capacity to attract investors and create new jobs. The city of Leskovac will now have the opportunity to participate by either joining the initiative centered on Nis, or with the Project's support, use the experience from Nis as a best practice to grow its own food processing industry.

**Challenge:** Due to budget cuts the Project was forced to close the three regional offices, in Novi Sad, Kraljevo and Nis. Given the new focus on economic development, the Project needs constant presence on the ground to monitor implementation of activities and ensure local buy-in.

**Action taken:** To ensure that all local stakeholders see the benefit of New Criteria Projects, the component leaders and the COP visited 30 municipalities and met 30 mayors and deputy mayors in less than two months. These visits allowed the Project team to introduce the New Criteria Projects to local decision-makers, and to ensure their buy-in at Economic Forums.

## **4. ACTIVITIES PLANNED FOR FY2013 Q3**

- **Component 1-** The Project team plans a roster of short-term experts in the areas of market and research (demand and supply), agriculture, FDI, and small and medium-sized enterprise (SME) and cluster development, etc. be deployed to ensure success. In Q3, several examples of STTA assistance are:

- An STTA will perform a Market Demand Analyses on Processed Food Products and examine the potential of growing the food processing industry in Subotica, Zrenjanin and Nis IMC areas.
  - An STTA will perform a supply-side capacity analysis to support the establishment of an agribusiness logistical center in Kanjiza and Green Zone Centre in Leskovac
- **Component 2** - In Q3, NALED will organize three B2G sessions – roundtables where businesses will present their ideas to the Project’s IMCAs. Within these events local representatives will learn more on prospective investors’ ideas, preferences and expectations concerning PPP projects. At the same time, prospective investors will assess LG commitment toward particular type of the project. It is expected that by the end of the FY 2013 eight viable PPP ideas will be selected and local partners extensively supported in ripening the concepts, preparing formal tendering procedure and preparing all other supporting technical PPP documentation;
- **Component 2-** Kanjiza has developed a best practice methodology in brownfield revitalization, in Q3 the Project will support Kanjiza’s LED office in organizing mentoring training for municipalities interested in Brownfield management. At the training, the Kanjiza LED Office will showcase its approach to brownfield revitalization, and share best practices, common management obstacles, and the up-to-date results it has achieved;
- **Component 3-** In order to ensure that competencies acquired by youth through informal education are recognized, the Project will develop a SOW and issue a grant to support the Ministry of Youth in piloting such informal education recognition mechanism, based on successful EU models;
- **Component 3-** Three roundtable events to be organized gathering employers and students from high schools and open the debate on the employers` needs for skills, as well as present the activities of the Local Mobile Teams, share good practices and specific experiences of young people who participated in job shadowing visits.

## 5. RESULTS ACHIEVED AGAINST FY2013 WORK PLAN TARGETS

	Objectives and activities	Status	Comments
<b>Component 1</b>			
1.1	Improve Inter-Municipal Economic Development by Guiding Work on Projects that Add Jobs to the Territory		
1.1.1	Identify and select IMCA projects meeting the New Criteria and advance them for project approval.	Completed	The 8 IMC concepts are developed. Various ongoing activities: a supply and demand assessment, surveying the current business climate and level of activity, potential investors, assessing possible export locations.
1.1.2	Support the programming, preparation and implementation of IMC infrastructure projects to leverage EU and GoS funding.	Ongoing	Four ongoing activities: (1) Technical documentation for Industrial Zone Bunusevac; (2) Industrial Zone in the municipality of Beocin; (3) Development of Feasibility Study, Water Supply System Doljevac; (4) Feasibility study and technical documentation for New Industrial Zone in Temerin
1.2	Sustain IMC capacity to succeed in investment attraction and business growth necessary to enhance regional economic competitiveness		
1.2.1	Support the key areas of IMCA economic growth dedicated to job expansion.	Initiated	Topics of assistance: •Investment promotion coaching
1.2.2	Plan, organize and deliver assistance package on inter-municipal competitiveness, investment attraction and business growth tools and techniques.	Initiated	•Enhancement of firm and sector-level business sophistication •Building business/science dialogue •Regional economy growth in value chains
1.3	Spread and imbue the institutional and technical knowledge gained through successes of inter-municipal economic development.		
1.3.1	Network formation and knowledge distribution on IMC principles and LED professionalism.	Ongoing	• First bi-monthly Newsletter issue.
<b>Component 2</b>			
2.1	Improve capacity of LGs to effectively manage services and capital investment projects of inter-municipal significance.		
2.1.1	Supporting local governments to effectively manage own assets.	Ongoing	Activity continued from FY2012; assistance to Novi Pazar-led IMCA, work with SCTM and Ministry of Regional Development and Local Self Government

	2.1.2	Facilitating establishment of results-based management in the public utility sector.	Ongoing	Initial assessments completed in the Kraljevo, Novi Pazar and Uzice -led IMC; assisted PUCs in Merosina, Gadzin Han and Nova Varos
	2.1.3	Sustaining NALED's Business Friendly Certification as a national standard of measurement in certifying LGs and IMCAs as a significant ally to businesses.	Ongoing	Assistance provided to: Beocin, Sombor, Kikinda, Novi Becej, Kraljevo, Vrnjacka Banja and Nova Varos
	2.1.4	Strengthening inter-municipal capacities for brownfield management.	Ongoing	Support to: Subotica, Nis, Bujanovac, Vladicin Han, Merosina and Doljevac in prioritization of brownfield locations
	2.1.5	Introducing better regulatory management through reducing administrative barriers in pilot IMCAs.	Initiated	tailor-made approaches that will promote and sustain administrative efficiency in PUCs, asset management, brownfield inventories, BFC – as connected to New Criteria Projects
2.2	Improve capacities of the newly elected and appointed local officials to effectively utilize local economic development mechanisms and tools and advance legal framework that spurs inter-municipal cooperation.			
	2.2.1.	Supporting elected and appointed municipal officials to effectively manage LED function	Initiated	The activity will be implemented with SCTM through a grant.
	2.2.2	Providing distance learning course on effective LED management	Initiated	The Project plans a grant to SCTM for organizing its first fully interactive web-based LED distance learning course
	2.2.3	Providing technical assistance to national level counterparts in creating and modifying major laws, policies and/or regulations related to inter-municipal economic development.	Ongoing	The Project-supported policy work: <ul style="list-style-type: none"> <li>•Member of working group for amending Law on Local Self Government;</li> <li>• Assisted new Law on Public Enterprises (adopted in November)</li> <li>•Assessing Draft Law on Public Procurement providing input to the new Law on Subsidies in Agriculture and Rural Development.</li> <li>• Provided analysis o rules governing career practitioners</li> </ul>
2.3	To .strengthen sustainable local environment through private service delivery (PPPs)			
	2.3.1	Fostering establishment of the sustainable public-private partnerships	Ongoing	The Project assisted/facilitated PPP agreement in Beocin (Lafarge and the local government); Awarded NALED 12-month grant to advance the use of PPPs in IMC areas.
<b>Component 3</b>				
3.1	To foster entrepreneurship among youth and to create long-term employment for young innovators, first-time job seekers, adolescents and young adults who have acquired labor market needed skills.			
	3.1.1	Creating enabling environment for Youth Development and Active Labor Market Measures through building cooperation with the relevant institutions.	Ongoing	Activities on several fields with National Employment Service, Ministry of Labor and Ministry of Youth and Sports, and local partners – Youth Offices; National Association of Youth Workers (NAPOR) Serbian Youth Umbrella Organization (KOMS)
	3.1.2	Smoothing the school to work transition by the support to the National Career Guidance Strategy Implementation at the IMCA level.	Ongoing	A grant awarded to the Belgrade Open School (BOS) which continued Local Mobile Team career guidance activities; work expanded in Novi Sad IMCA- assisting in the establishment of an Education Center
	3.1.3	Implementation of youth employment interventions with focus on supporting entrepreneurship development and youth internships in the private sector.	Ongoing	Smart Kolektiv placed forty-four (44) interns in twenty (20) companies; 122 young entrepreneurs were selected from the Subotica, Novi Sad, Kraljevo and Nis-led IMCAs following a best business ideas contest.
	3.1.4	Supporting youth led social enterprises	Ongoing	Group 484 held trainings and began internships for thirty-two (32) youths.
3.2	Strengthen the role of civil society with local governments and businesses, tailored to address inter-municipal economic development and youth programming. In accordance with Project priorities for FY13, and in consultation with USAID, the Project and USAID mutually agreed that Objective 3.2 and activities under this objective will not be implemented during this fiscal year.			

**ANNEX A – ACCRUALS (OCTOBER 1, 2012 - MARCH 31, 2013)**

**(Deleted)**

## **ANNEX B: STATUS OF PERFORMANCE INDICATORS**

Please note that the Project submitted revised Performance Monitoring Plan for the USAID's approval on April 15, 2013. The new structure reflects Project's refined approach towards economic impact, and the contract modification. The new PMP will have 3 impact and 9 output-level indicators. This is the last report against the old PMP structure, with 41 indicators.

USAID/Serbia Mission-level indicators:

USAID #	PMP #	USAID standard and custom indicators	Actual	Targets (cumulative)			Comments on the status
			March 2013	FY2013	FY2014	LOP	
<b>Indicators related to IR 1.3 – Efforts of local stakeholders better integrated to improve area-based development</b>							
1.3.1	4	Number of business-friendly municipalities (cumulative figures)	17	12	17	17	<p>The Project supported NALED to improve the Business Friendly Certification (BFC) program through its grant fund.</p> <p>As of March 2013, a total of 17 local governments in Serbia possess certificates, 10 are invited for re-certification, and another 19 are in different stages of the certification process.</p> <p>The Project continued providing support to the cities and municipalities of Beocin, Sombor, Kikinda, Novi Becej, Kraljevo, Vrnjacka Banja, Novi Sad and Nova Varos in order to help these LGs fulfill criteria for Business Friendly Certification (BFC). In December, NALED awarded two LGs with BFC: Sombor and Nova Varos. The Project assisted Sombor in completing a BFC Action Plan and a Business Attitude Survey. Nova Varos received on-the-job training and assistance in creating a Capital Investment Plan. The municipalities of Beocin, Kikinda and Novi Becej were trained in the process of collecting and processing data and database entry (brownfields, greenfields, prospective investors, available locations), identified as necessary steps in attaining BF standards. The Project also provided the city of Kraljevo, the municipalities of Novi Becej and Vrnjacka Banja with on-the-job assistance in developing strategic documents (LED strategies) and promotional materials, as well as a Guide for Construction Permitting and the development of a Capital Investment Plan.</p>
1.3.2	5	Number of major infrastructure inter-municipal projects fully prepared and listed in SLAP	1	2	3	5	<p>The Project provided support to four (4) IMC infrastructure projects:  <b>SLDP intervention is completed in one:</b>                      1) Regional Waste Water Treatment South Morava River (Vranje IMC);</p> <p>Ongoing:                      2) Topographic plan for bypass road to the industrial zone Bunusevac in Vranje; 1<sup>st</sup> part of SLDP intervention completed. Another project pending.                      3) Water Supply System "Pusta Reka" (Nis IMC). Status is ongoing.</p> <p>Planned:</p>

USAID #	PMP #	USAID standard and custom indicators	Actual	Targets (cumulative)			Comments on the status
			March 2013	FY2013	FY2014	LOP	
							4) Feasibility study and design for the Service Road in the New Industrial Zone in Temerin. Status is pending.
1.3.1.1	6	Number of public services in municipal clusters in support of business development	12	10	15	20	Three (3) in this reporting period: 1) Novi Pazar-led IMC – Monitoring of the PUC performance, Asset Management 2) Subotica-led IMC brownfield revitalization 3) All eight(8) IMCs (32 local governments) – NALED – supporting development of the 8 viable PPP initiatives
1.3.1.2	7	Number of PPPs in delivery of public services	1	4	7	10	<b>One PPP</b> between the Municipality of Beocin and company LaFarge at the beginning of this reporting period. The Project provided a grant to NALED to facilitate establishment of PPPs in 2013.
1.3.2.1	8	Number of municipalities with improvement in the municipal budget operating surplus available to fund capital investments	-	4	12	20	The Project requested to temporarily suspend own-source revenue generation activities and corresponding indicators
<b>Indicators related to IR 2.1 – Government Operations Improved</b>							
2.1.1.2	24	Number of municipalities where users report improvements in local government services	-	9	N/A	30	A Baseline Citizen Awareness and Satisfaction Survey was conducted in the period March - June 2012. According to the new Project's SoW and proposed PMP revision, the Project will not conduct another survey in the final Project year of 2015.
2.1.1.5	20	Number of partner municipalities implementing mechanisms to improve management practices	16	9	15	21	<b>Nine (9) partner municipalities</b> were added to the list. To date: (10 LGs) - Monitoring PUC Performance - Nis, Merosina, Gadzin Han, Kraljevo, Novi Pazar, Sjenica, Tutin, Nova Varos, Prijepolje and Priboj (9 LGs) - Asset Management –Vrnjacka Banja, Novi Becej, Kikinda, Zrenjanin, Merosina, Vladicin Han, Novi Pazar, Sjenica, Tutin. (4 LGs) – Brownfield Revitalization – Subotica, Nis, Merosina, Vladicin Han.
2.1.1.6	New	Number of sub-national entities receiving USG assistance that improve their performance	32	32	32	32	The Project supported the following activities to improve LGs performance to date: -IMC formation for sustainable local development - 32 - Business Friendly Certification – 8 Project municipalities in achieving BFC standards; - PUC performance monitoring – 10 LGs - Asset management – 9 LGs

Optional USAID indicators (considered at the beginning of the Project but, in consultation with the USAID M&E Specialist in August 2011, dropped from the list of the Project indicators):

USAID #	PMP #	USAID standard and custom indicators	Actual	Targets (cumulative)			Comments on the status
			March 2013	FY2013	FY2014	LOP FY2015	
<b>Indicators related to IR 1.3 – Efforts of local stakeholders better integrated to improve area-based development</b>							
2.2.1.4	31	Number of USG assisted CSOs that engage in advocacy and watchdog functions	10	20	30	40	<p><b>No new CSOs</b> during the reporting period.</p> <p>In the FY 2012, the Project selected 9 Focal Point CSOs and BCIF as a coordinating body.</p> <ol style="list-style-type: none"> <li>1. Zrenjanin, Business Improvement District</li> <li>2. Novi Sad, Novi Sad School of Journalism</li> <li>3. Belgrade, Public Administration and Local Government Center</li> <li>4. Vranje, Initiative for Integration</li> <li>5. Kraljevo, European Movement in Serbia</li> <li>6. Nis, Proactive</li> <li>7. Leskovac, Educational Center</li> <li>8. Uzice, Association Uzice Center for Human Rights and Democracy</li> <li>9. Novi Pazar, Sandzak Committee for Protection of Human Rights and Freedoms</li> <li>10. BCIF</li> </ol>
<b>Indicators under Program Element 2.2.3 Local Government and Decentralization of the Good Governance Program Area</b>							
Prog. Element 2.2.3	9	Number of sub-national governments receiving USG assistance to increase their annual own-source revenues (Number of municipalities participating in inter-municipal development partnerships)	-	37	0	37	The activity is suspended. See comments for PMP#8.
Prog. Element 2.2.3	10	Number of local mechanisms supported with USG assistance for citizens to engage their sub-national government	22	8	16	24	<p><b>Six (6) local mechanisms</b> in this reporting period:</p> <p>(3) - The major activity of SANODBOR in December was organizing three public debates – December 26, in the community of Raždaginja, municipality Sjenica, in elementary school Jovan Jovanović Zmaj. More than 20 participants took part in the public debate (Mayor of Sjenica Hazbo Mujović, councilor covering local communities of Raždaginja, Bisera Šećeragić from the NGO European Movement in Serbia from Novi Pazar, and representatives of non-governmental organizations Sjenica „Sandžački ćilim“ and „Flores“). Second public debate</p>

USAID #	PMP #	USAID standard and custom indicators	Actual	Targets (cumulative)			Comments on the status
			March 2013	FY2013	FY2014	LOP FY2015	
							<p>was held on 27th December 2012 in Sjenica, with unemployment and participation of citizens in decision-making being topics. The debate was attended by 40 participants (representatives of the business sector, local government, NGOs, internally displaced Roma, the National Employment Service, citizens). Very special attention during the debate was paid to the problems of displaced families, located in the municipality of Sjenica. The Roma settlement Feković Hill has 26 displaced Roma families from Kosovo. The representatives of the Roma community highlighted their extremely poor life conditions (inadequate water supply, no electricity and no fuel). Mayor of Sjenica, Hazbo Mujović, promised to them assistance through employment. Third public debate was held on 28th December 2012 in local community Postenje, municipality Novi Pazar. Major objects of the debate were strategic planning and resolving problems of marginalized groups in the local community, with more than 20 participants who took part in the public debates (Deputy Mayor of Novi Pazar Fevzija Muric, representatives of local governments, NGOs, LC Blazevo and Roma settlement). Major achievement of the three public debates was reflected in the fact that public debates themselves did present direct communication between representatives of local communities and citizens.</p> <p>(1) - establishment of The Resource Centre for Participatory Democracy in Kraljevo</p> <p>(1)- During March and February 2013 UCHRD has realized the following activities: organized two citizens' forums and conducted in Prijepolje and Uzice, completely finished database of civil society organizations in the inter-municipal area, 200 questionnaires were collected from citizens. Based on data from the questionnaires are defined common problems of municipalities: Ecology, leaving of young professionals and unemployment. The project and joint initiatives of this area were presented to representatives of the National Office for Cooperation with Civil. The common platform was created and presented to the local self-governments of City of Uzice and municipality's Cajetina, Priboj, Prijepolje and Nova Varos</p> <p>(1) - The project introducing new cross-sectorial mechanisms for a greater accountability of local governments has been continued in March. The main two activities were setting up the web site <a href="http://www.zajednoproktivkorupcije.org">www.zajednoproktivkorupcije.org</a> that will be a unique guide through all questions on corruption and how to fight it. Truth is that there is a number of websites that are tackling the question but none of them is written in a language that is so close to common people who are not dealing with high policies, but just want to understand the phenomenon of corruption and its causes.</p>

USAID #	PMP #	USAID standard and custom indicators	Actual	Targets (cumulative)			Comments on the status
			March 2013	FY2013	FY2014	LOP FY2015	
							In previous reporting periods 16 PP mechanisms were reported, as follows: Eight (8) IMC Forums Seven (7) CSO Focal Points (1) - LGs from Novi Pazar-led IMC and the Project, with a grant, supported Sandzak Human Rights Committee in a series of public outreach activities, informing citizens about the work of local governments.
<b>Indicators under Program Element 4.6.1 Business Enabling Environment</b>							
Prog. Element 4.6.1	11	Number of municipalities receiving USG assistance with regulatory and/or administrative simplification	17	30	30	30	<p><b>Five (5) municipalities</b> were added to the list in this reporting period. The Project uses the three project activities as a diagnostic tool for allocating its resources into technical assistance:</p> <ul style="list-style-type: none"> <li>- Business Friendly Certification</li> <li>- PUC performance monitoring</li> <li>- Asset management</li> </ul> <p><u>Municipalities that receive assistance:</u></p> <ol style="list-style-type: none"> <li>1. Sombor - BFC</li> <li>2. Novi Becej – BFC, asset management</li> <li>3. Kikinda – BFC, asset management</li> <li>4. Novi Sad – BFC,</li> <li>5. Kraljevo – BFC, PUC monitoring</li> <li>6. Vrnjacka Banja – BFC, asset management</li> <li>7. Nova Varos – BFC, PUC monitoring</li> <li>8. Nis – PUC monitoring</li> <li>9. Merosina – PUC monitoring, asset management</li> <li>10. Gadzin Han – PUC monitoring</li> <li>11. Novi Pazar – PUC monitoring, asset management</li> <li>12. Sjenica - PUC monitoring, asset management</li> <li>13. Tutin - PUC monitoring, asset management</li> <li>14. Prijepolje - PUC monitoring</li> <li>15. Priboj - PUC monitoring</li> <li>16. Zrenjain – asset management</li> <li>17. Vladicin Han – asset management</li> </ol>

USAID #	PMP #	USAID standard and custom indicators	Actual	Targets (cumulative)			Comments on the status
			March 2013	FY2013	FY2014	LOP FY2015	
Prog. Element 4.6.1	3	Number of institutions or organizations undertaking capacity and competency strengthening as a result of USG assistance	107	80	110	140	Six (6) in this reporting period. The list of assisted institutions and organizations is available upon request to SLD Project.

### Status of other Project performance indicators

PMP #	Activity-level indicators	actual	targets (cumulative)			Comments on the status
		March-2013	FY2013	FY2014	LOP FY2015	
1	Number of business-sector jobs created in participating municipalities	-	1,000	1,750	2,750	Definition and targets changed in the revised PMP. New indicator will reflect New Criteria Projects' results, which will be attributable to the Project.
2	Dollar value of increase in inflowing (domestic and foreign) investment	-	\$100M	\$175M	\$275M	Same as above
13	Number of municipal clusters formed	8	8	8	8	Eight inter-municipal cooperation agreements were signed and partnerships formed as follows: <ul style="list-style-type: none"> <li>- S1- VRANJE, Bujanovac, Presevo, Vladicin Han (June 8, 2011)</li> <li>- S2- NIŠ, Leskovac, Doljevac, Gadzin Han (July 19, 2011)</li> <li>- V1- NOVI SAD, Sremski Karlovci, Beocin, Temerin (July 5, 2011)</li> <li>- C/W1- NOVI PAZAR, Sjenica, Tutin (July 21, 2011)</li> <li>- CW2 – KRALJEVO, Cacak, Gornji Milanovac, Vrnjacka Banja , Raska (December 6, 2011)</li> <li>- CW3 – UZICE, Cajetina, Nova Varos, Prijepolje, Priboj (December 8, 2011)</li> <li>- V2 – SUBOTICA, Sombor, Kanjiza (November 23, 2011)</li> <li>- V3 – ZRENJANIN, Kikinda, Novi Becej (December 12, 2011)</li> </ul>
14	Number of consortia established					The Project and USAID reached an agreement previously to de-emphasize the concept of "IMC cluster consortia" and focus solely on establishing, implementing and sustaining inter-municipal cooperation areas.
15	Number of cluster champions identified	8	8	8	8	1. Novi Pazar IMC: RDA SEDA (Samir Kacapor) 2. Uzice IMC: RDA Zlatibor (Slavko Lukic) 3. Vranje IMC: LED offices in Vranje, Bujanovac, Presevo and Vladicin Han 4. Zrenjanin IMC: Agriculture associations Banatska Lenija and Carska Basta

PMP #	Activity-level indicators	actual	targets (cumulative)			Comments on the status
		March-2013	FY2013	FY2014	LOP FY2015	
						5. Subotica IMC: LED offices in Subotiva, Sombor and Kanjiza 6. Kraljevo IMC: Impulse Centar Kraljevo; Technology Park Cacak 7. Nis IMC: City government of Nis and LED + Ag. Departments 8. Novi Sad IMC: ICT Cluster; Metal Cluster; LED municipality/city departments
16	Number of municipalities that continue LED activities in Year 4 and 5, as project steps back	-	N/A	30	30	This indicator of sustainability of inter-municipal cooperation will be used from 2014.
17	Number of inter-municipal projects leveraging the use of GoS, EU, or other donor funding	-	10	15	20	Since October 2012, the Project focused on identification and design of New Criteria Projects, focusing on new jobs, increased business revenues and investments. This indicator will likely be abandoned, as it does not reflect the Project's refined approach.  Status in September 2012: With its limited resources, the Project provides facilitation through the Project's regional offices, and, to date provided 272 days of technical assistance and \$141,000 of grants and subcontracts, and contributed to the progress of the eighteen IMC projects. Contributions from implementing partners and other donors are estimated at \$24 million.
18	Number of functions established within clusters and consortia that contribute to sustainable development	-	20	24	24	According to the Project's refined approach, sustainability of IMC partnerships will be built around projects that bring tangible economic benefits, and partners from private, public and civil sectors that actively participate. The previously established IMC working groups and other bodies will remain only if economically feasible.
19	Number of municipalities which applied revenue-enhancement diagnostic tool, and, based on diagnostic reports, developed Fiscal Performance Enhancement Action Plans.	-	13	20	20	The activity is temporarily suspended. See comments for PMP#8
21	Voluntary Distance Learning Credentialing Program developed	-	1	1	1	The Project team requested indicator 21, 22 and 23 to be temporarily suspended. The justification for this request is the delay in parliament passing the National Training Strategy for Municipal Administration, and the Law on Labor Relations in Municipal Administration. The passage and enforcement of these is a prerequisite for designing, implementing, and ensuring the sustainability of a distance learning credentialing program for municipal civil servants.
22	Number of prospective local government managers in the credentialing program	-	310	560	750	See comment above.

PMP #	Activity-level indicators	actual	targets (cumulative)			Comments on the status
		March-2013	FY2013	FY2014	LOP FY2015	
23	Number of graduated local government managers	-	12	62	150	See comment above.
25	Number of advocacy initiatives in support of improved legal/regulatory framework undertaken by SCTM, NALED, local governments, or other partner stakeholders	9	6	8	9	In respect to input to specific laws, by-laws and regulations, the Project experts assisted development of <b>three new advocacy initiatives</b> during the reporting period: <ol style="list-style-type: none"> <li>1. Law on Local Self Government</li> <li>2. Law on Public Enterprises</li> <li>3. Labor Law</li> </ol>
26	Number of development initiatives (policies, procedures, projects) based on input from citizens	6	20	28	36	<b>One new initiative</b> in the reporting period: <ol style="list-style-type: none"> <li>1. The project provided analysis and recommendations on internship programs, based on inputs from interns, companies and the HR agency Addecco. Finding and recommendations were presented and discussed on a workshop organized by USAID's Business Enabling Project.</li> </ol>
27	Percent of citizens reporting increase in local government transparency	TBD				The indicator was abandoned.
28	Number of initiatives undertaken by officials to dialogue with the public	33	30	44	58	<b>Twelve (12) initiatives in this reporting period:</b> <ol style="list-style-type: none"> <li>1. Economic forum in Nis</li> <li>2. Economic forum in Vranje</li> <li>3. Economic forum in Kraljevo</li> <li>4. Economic forum in Novi Pazar</li> <li>5. Economic forum in Uzice</li> <li>6. Two forums, in Cajetina and Priboj to determine local and regional priorities, making process of setting priorities for sustainable development more visible and to engage citizens with it.</li> <li>7. Sandzak Committee for protection of Human Rights and freedoms held conference on the topic "Financing CSO from the local budgets"</li> <li>8. BID, Palgo and NSJ CSOs organized the final conference "Corruption and Local Economic Development."</li> <li>9. Three round tables, titled Diaspora as a Resource for Local Development – Uzice, Novi Pazar and Vranje</li> <li>10. Promotion of 6 local mobile teams in Kikinda, Vranje, Novi Pazar, Sjenica, Vladicin Han and Bujanovac</li> <li>11. Youth Business Serbia award</li> </ol>

PMP #	Activity-level indicators	actual	targets (cumulative)			Comments on the status
		March-2013	FY2013	FY2014	LOP FY2015	
						12. Promotion of KOMS youth networking guide
29	Number of locally elected and appointed officials, CSO members, media, and the business community trained	1,181	850	1,000	1,000	<b>226 participants</b> in this reporting period: 196 participants in Component 3 training programs conducted by CSO's supported by the Project; 12 participants in BOS, and 18 participants on two trainings in PUC monitoring. The total participation on all training events since the beginning of the Project is 1,181 (46.6% women).
30	Number of LGs with mechanisms for public participation in the budget drafting process	-	10	15	20	Local governments haven't demonstrated interest for additional mechanisms for public participation in budget drafting process
32	Number of LGs that either implement or otherwise address NGO watchdog recommendations	-	11	19	24	The Project changed the original approach by moving from the CSO's watchdog role towards the role of CSOs as partners in the IMC processes.
33	Number of municipalities where at least one project is implemented, taking into account or supporting participation of under-represented groups (primarily women, youth and ethnic minorities)	23	14	19	24	<b>No new municipalities</b> in this reporting period. Until now 56 young people are included in the work of 15 youth teams which are in the process of defining business ideas. Three 2-day trainings ("From idea to business") were organized in order to support further development of their business ideas. These teams will apply to Unicredit and Group 484 in order to seek funding for their social entrepreneurship initiatives.
34	Number of youth enrolled in project-supported educational programs	606	300	600	800	A total of <b>433 youth</b> are enrolled in project-supported educational programs during this reporting period. Smart: 194; Group 484: 232; BOS- 7
35	Number of youth undertaking internships with business and local government.	123	90	180	250	<b>92 internships</b> in this reporting period: 44 through Smart Kolektiv; 48 through Group 484.
36	Number of youth that get a job or start own business within 6 months of completion of the educational programs.	22	170	340	500	<b>22 youth</b> got a job in this reporting period. 12 youth got a job after participating in Smart Kolektiv program, and 10 from the program organized by Group 484. (out of 22 in total, 9 are female)
37	Number of improvements in achieving BFC standards as a result of the Program intervention	7	20	32	37	No new improvements in this reporting period.

PMP #	Activity-level indicators	actual	targets (cumulative)			Comments on the status
		March-2013	FY2013	FY2014	LOP FY2015	
38	Number of development projects based on input from businesses	8	16	24	36	The eight (8) IMC New Criteria Concepts were developed during the reporting period with goals to directly contribute to the business sector growth.
39	NALED's Business Friendly Certification recognized by national and international institutions	1	1	1	1	Completed in FY2012. Two internationally recognized certification institutions SGS and TUV cooperate with NALED to provide independent evaluation of the process.
40	Corporate social responsibility initiatives supported	0	2	3	4	No CSR activities in the reporting period
41	Number of improvements made by local governments, based on Out of the Maze campaign recommendations	2	6	10	12	No activities in the reporting period.

## **ANNEX C – COMMUNICATIONS REPORT**

## COMMUNICATIONS REPORT

### **Summary:**

*In this reporting period, the communication efforts supported the organization of public events at the national and regional level, such as the Media Brunch during which we presented the Project-supported National Labor Market Survey and the ceremonial signing of the public-private partnership agreement between Beocin municipality and Lafarge, to establish a new business park and generate jobs in the region. The Project launched the “Info Buzz”, its first newsletter, and distributed it to all relevant stakeholders throughout Serbia. In the presence of the representatives of SIEPA, Provincial Secretaries for agriculture and for inter-regional cooperation, mayors and media, the Project also launched a first inter-municipal cooperation area economic program, the Subotica IMCA agribusiness expansion, . Media coverage and number of new visitors of the Project web site continued to rise in the reporting period.*

### **Public events**

Public events are organized as a tool for sharing important information with the general public (through media), dissemination of Project achievements and lessons learned, and a way to show the ‘united front’ of (local, regional and national) stakeholders and the Project to tackle key issues impeding economic growth and employment. Media coverage created through public events is always significant, positive and helpful in the Project’s image building.

In October 2012, in Belgrade, and in cooperation with the the Ministry of Labor, Employment and Social Policy (MoLESP) and the National Employment Service (NES), the Project organized the Media Brunch and presented the results of the National Labor Market Survey for the 2012. The event targeted national-media journalists covering (un)employment topic. The goal was to provide the media with an in-depth information on the present situation on the labor market in Serbia, as well as on joint efforts to decrease unemployment, particularly among youth. The participants emphasized the need to create the employment action plans tailored to local and inter-municipal (regional) contexts. Present at the event were the State Secretary of the MoLESP, USAID Mission Director and the Director of NES, as well as Uzice Local Employment Council representative and the President of the Executive Board of the youth umbrella organization KOMS.

In December 2012, within the Project-supported National Association of Youth Work Practitioners (NAPOR) program for improvement of youth services in Serbia, 23 youth workers received their certificates at a public ceremony organized jointly with the Ministry of Youth and Sports (MoYS) and NAPOR. The Assistant Minister of MoYS and the USAID Mission Director gave opening statements and emphasized the importance of professionalization of youth work in Serbia.

Also in December, the Project provided communication support to the USAID Mission in Serbia, preparing a backgrounder and opening address for the US Embassy Charge d’Affairs at the SCTM’s 49<sup>th</sup> Annual Conference. This event was attended by the Minister of Regional Development and Local Self-Government, over 100 mayors and other Serbian local government representatives, as well as members of the diplomatic corps (including the Head of the EU Delegation to Serbia).

Simultaneously, efforts were made to increase the visibility of the Project-supported local/IMCA/regional-level activities.

In November 2012, the Project organized ceremonial signing of the public-private partnership (PPP) agreement in Beocin. Local, provincial, and national media correspondents reported on the event. The USAID EGO Director was in Beocin during the ceremony. The General Manager of the Lafarge company, the Mayor of Beocin and the Project’s Chief of Party (CoP) addressed the audience, expressing their enthusiasm about economic opportunities that will come out of this partnership, not only for Beocin and its citizens, but also for Vojvodina Province.

In February 2013, the Project organized a series of Economic Forums in Sandzak, and the West and South Serbia regions (Novi Pazar, Zlatibor, Kraljevo, Vranje and Bujanovac), to mobilize partners from five IMCAs to jointly work on accelerating economic growth and increasing employment. In addition to the USAID Mission Director's and EGO Director's presence at the Forum in Novi Pazar, all forums were well attended – 136 representatives of 22 local governments, including 8 Mayors, businesses and civil sector organizations.

In March 2013, the Project launched the economic program in Subotica. The Subotica program is the first of eight (one for each IMCA) economic programs planned for this year. During the ceremony, the Project's CoP, Mayors of Subotica and Kanjiza, Deputy Mayor of Sombor, Director of the Institute of Public Health and Director of the Agricultural Extension Service signed the agreements on joint implementation of a program that aims to increase domestic sales and exports of agricultural products, and generate new jobs. The representatives of the Serbian Investment and Export Promotion Agency (SIEPA), Secretaries of the Province of Vojvodina for agriculture and for inter-regional cooperation, the mayors of the IMC partner municipalities Subotica, Kanjiza, and Sombor, as well as media attended the event.

Throughout the reporting period, the Project grantees, subcontractors and CSO Focal Points were mentored and guided toward a successful implementation of their public events and media-related activities: an effective preparation of agendas, media advisories, press releases and implementation of media events organized for the Project-supported activities.

In total, **29 local/IMCA/regional public/media events** were supported in the reporting period. The Project's Communications Team updated and distributed at all public events and stakeholder meetings the Project's information materials, such as one-pagers for both the Project and IMC areas. At all times, the Project ensured that **USAID's visibility and branding was evident**, through prominent display of USAID's logo on all Project materials, as well as on documents used/presented at the events and meetings.

### The Project Newsletter

In February 2013, the Project created its first newsletter, the "Info Buzz" so to share information on best practices for job creation and increasing regional competitiveness. The *Info Buzz* was disseminated to 334 addresses of local partners (Serbian version of the newsletter is titled "Budite u toku") and 44 international stakeholders (English version). The *Info Buzz* was also posted for download on the Project's web site homepage [www.lokalnirazvoj.rs](http://www.lokalnirazvoj.rs).



The bulletin presented Project news, grouped under three segments: a) Investment attraction/Job creation b) News from the IMC areas, and c) Youth Employment. The first edition also included a research piece (survey on what citizens and businesses think about IMC) and presented the analysis (key changes) of the new Law on Public Companies.

Additionally, and in order to generate more traffic to the Project web site, the *Info Buzz* promoted (made available for download) key documents posted in the Project's e-IMC Knowledge Center.

### Media relations

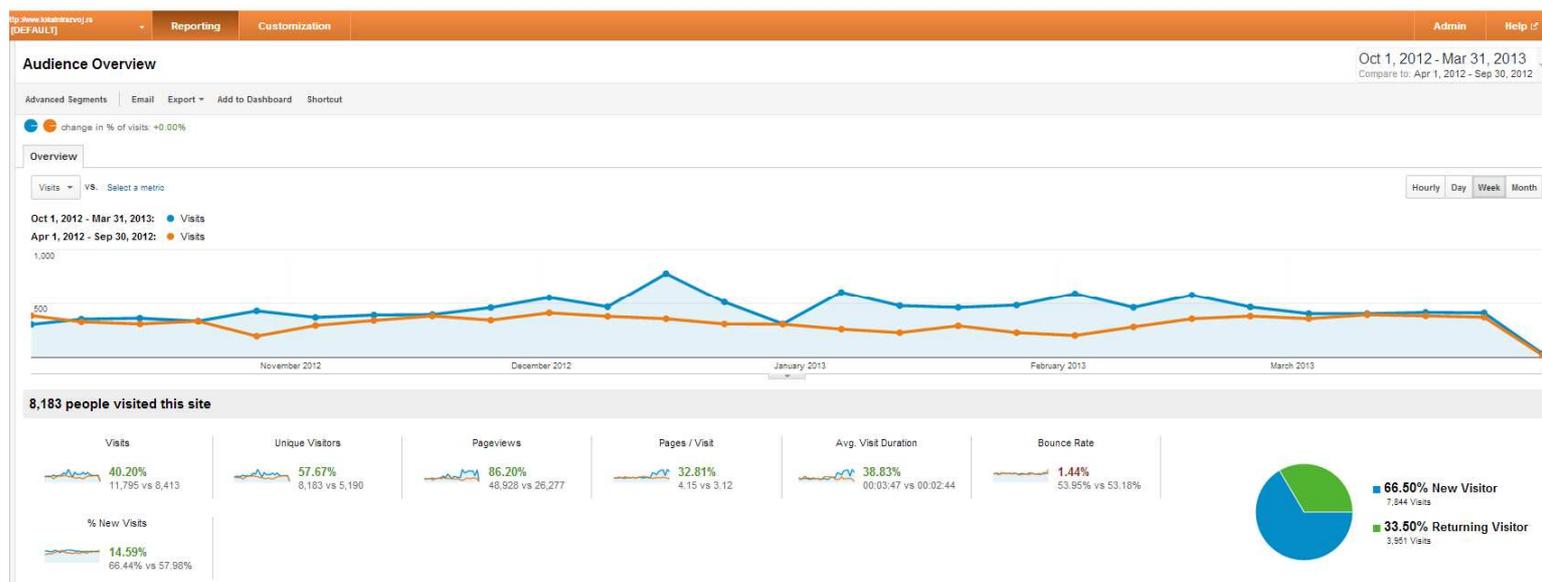
The Project shared its main communication messages with all stakeholders, giving due attention to the media outlets. In the reporting period, **304 positive or neutral media reports** were published/broadcasted/posted. This is more than what we've accomplished in the previous reporting period; in the previous six-month period, there were 240 media reports.

The topics receiving **the most media coverage** from October 2012 to March 2013 were Project-supported **Labor Market Survey, the Economic Forums and the Youth Business Serbia program** (particularly our call for youth's new business ideas and youth internships), implemented by SMART

Kolektiv. At the local level, IMC area projects, particularly in the Novi Pazar-led and Vojvodina-based IMCAs, also drew a lot of media attention in this period.

### The Project's web site

In this reporting period, we used our website successfully to share highlights of the Project activities (through the News page), to announce upcoming events (Calendar page), and to share knowledge (through the e-IMC Knowledge Center and Project Stories pages). There are now **124 documents available** to the Project's stakeholders (through the e-IMC Knowledge Center) on the following topics: Inter-municipal cooperation (9), Local Government Administration (17), Youth Employment (49), Public Participation (12) and Business Enabling and Strengthening (37). Since the previous reporting period, September 2012, we added 28 new documents .



Overall, **there were 11,795 visits to the Project web site** from October 1st 2012 to March 31st 2013 (which is a 40% increase compared to the previous six-month period when 8, 413 people visited the site). Out of the overall visitor number **8,183 visits** (66,5%) was **from unique (first time) visitors** (which is almost 60% more than in the previous period). Other measurements (number of page views, average visit duration etc) also show a significant improvement in the site's traffic, not just quantitative (number of visitors) but also qualitative (visitors stay longer on the site and check multiple pages, not just the landing one)

From the overall number of visitors, 18% came directly (by typing in the exact Project web site address), while some 44% of visitors came to the Project site by typing key words (i.e. lokalnirazvoj/local development) in search engines. It is worth noting that approx. 37% of visitors came to the Project site from the referring sites (by initially visiting some other site, and clicking on the Project web banner there). This is a good indicator of the usefulness of creation and exchange of Project web banner with key Project stakeholders/partners.

Since the web banner promotes the e-IMC Knowledge Center, it is no surprise that this web page <http://www.lokalnirazvoj.rs/imc-knowledge-center.html> (its Serbian version), has the most page views, i.e. ranks the first in number of visits among all the pages of the web site.

### Highlights of communication activities planned for FY13 Q3

In the next quarter the second edition of the Project Newsletter will be prepared and distributed to key local and international stakeholders. Information sharing efforts will be focused on the launch and progress in implementation of economic programs throughout Serbia.

## **ANNEX D – SUCCESS STORIES**



## SUCCESS STORY

### USAID helps generate new jobs through public-private partnership

#### USAID strengthens inter-municipal cooperation and partnership between the public, private and civil sectors



Photo: Sustainable Local Development

*"We can increase investments and create new jobs only by partnering with businesses. After all, businesses create jobs!"*, said Beocin Mayor at the signing of the agreement

**The USAID Sustainable Local Development Project assists municipalities to become more efficient and achieve economies of scale through inter-municipal cooperation (IMC) approaches to economic growth. Project activities focus on adding jobs and reducing unemployment. Eight IMC partnerships are formed throughout Serbia, serving 32 municipalities, with over 2 million citizens.**

What do Beocin, a small municipality of 17,000 residents in Vojvodina Province, and Lafarge, a large international corporation operating in 64 countries world-wide, have in common? A vision of a flourishing Beocin community, where lack of investments and unemployment cease to be a major obstacle for economic growth and prosperity. The host municipality and Lafarge signed a general cooperation agreement confirming the commitment of both sides to make this vision a reality. However, Beocin was struggling to meet its obligations and prepare the necessary project documentation, a prerequisite for the release of Lafarge's earmarked funds (estimated \$1,3 million) for the community's economic development, specifically for the creation of a new industrial zone. Technical documentation is a costly investment, exceeding the limited municipal budget.

Being a part of the inter-municipal cooperation area established with USAID assistance, and having in mind USAID's focus on job-creation and investment attraction, Beocin asked for USAID's help to overcome this obstacle.

In response, USAID agreed to cover (with a \$70,000 grant), part of the cost for the preparation of the documentation, thus enabling the development of the industrial zone to begin.

*"Lafarge and USAID strategic assistance helps us to expand existing investments and attract new companies"*, said Beocin Mayor Bogdan Cvejic.

The new business park, located on a 26 hectares site owned by the municipality, will meet the demand for space expressed by investors, which plan to initially employ 250 residents of Beocin and neighboring municipalities.

*"We welcome new investors by creating conditions which enable these businesses to generate jobs more easily: we are simplifying our administrative procedures and speeding up business related processes"*, said Mayor Cvejic. *"We aim to fully overcome the unemployment in our municipality in the next five years."*



## SUCCESS STORY

### USAID helps youth find employment

**USAID works with the public, private and civil sectors to generate jobs and decrease unemployment in Serbia, particularly among youth**



Photo: Sustainable Local Development

*"I would highly recommend an internship to all young people, since you'll gain knowledge and experience you'll be able to use in your future work, wherever that is",* said Dusan Tasic, former intern, now an employee at the Tagor Electronic

**The USAID Sustainable Local Development Project assists municipalities to become more efficient and pool their resources through inter-municipal cooperation (IMC) aimed at accelerating economic growth. The Project focuses on adding jobs and reducing unemployment in Serbia. The eight IMC partnerships that have been formed throughout Serbia, serve 32 municipalities, with over 2 million citizens.**

Four years ago Dusan Tasic from Nis in South Serbia, completed the Electrical Engineering School and felt uncertain about what to do next. At first he tried to continue his studies. When that didn't work out, he started looking for a job. He registered as an unemployed person with the National Employment Service (NES). However, living in a country with an educational system nonaligned with the labor market needs, where 50% of youth are unemployed, Dusan had little hope of finding something matching his education or interest.

Knowing that there are many young people like Dusan, USAID decided to support internships as a unique opportunity for young people to receive hands-on experience and an inside look at the labor market, with a possibility of finding a permanent employment.

In 2011, working with NES, local governments and civil society organization 'SMART Kolektiv', USAID began its internship program, covering 17 Serbian municipalities. Dusan was among the first interns in Nis: *"At first it felt like I was starting from zero, learning the alphabet from the very beginning. My mentor motivated and guided me in an effort to learn about machine programming, which was the most interesting aspect of operations. Soon, I was able to work independently and assist other team members",* said Dusan whose work-placement became his first full-time job.

Within this USAID-funded program 1,000 young people will receive training in skills needed for a successful entrance to the job market, while 250 of them will be selected by companies and placed in internships.

This work placement brings great benefits to employers as well: *"We invest a lot of effort to select and train the best candidates, and we see internships as an excellent way to ensure that potential new employees are a good fit for us, and can contribute to the achievement of our goals",* said Tamara Jovanovic, Managing Director at Tagor Electronic, a fast-growing, export-oriented company from Nis, where Dusan now works.

USAID also assists in the development of a career guidance system in Serbia, to help young people match their interests and qualifications with existing labor market demand.

## **ANNEX E – QUARTER 1 & 2 EVENT & MONITORING PLAN**





Event Type	Location	Planned Representational Level	Actual Representational Level	Days	Start	End	Monitoring Plan	Monitoring Date	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	
Introductory meeting to the Mayor of Vrnjacka Banja	Vrnjacka Banja	FO/ COR	None	1	October 1	October 1	COR/ FO														
Group 484 Youth Employment Training	Novi Pazar	FO/ COR	FO	2	October 1	October 2	COR/ FO														
CSO Focal Point Training of Public Participation	Uzice	None/ FO	None	3	October 2	October 4	COR/ FO														
Kraljevo PUC Monitoring meeting	Kraljevo	None/ FO	None	1	October 2	October 2	COR/ FO														
RARIS Presentation of the Analysis&Recommendations on non-financial support to SMEs	Novi Pazar	None/ FO	FO	1	October 4	October 4	COR/ FO														
RARIS Presentation of the Analysis&Recommendations on non-financial support to SMEs	Uzice	None/ FO	FO	1	October 5	October 5	COR/ FO														
RARIS Presentation of the Analysis&Recommendations on non-financial support to SMEs	Kraljevo	None/ FO	COR/ FO	1	October 5	October 5	COR/ FO														
CSO Focal Point Kraljevo Monthly Meeting	Kraljevo	None/ FO	None	1	October 10	October 10	COR/ FO														
BFC Working group Kraljevo Meeting	Kraljevo	None/ FO	None	1	October 11	October 11	COR/ FO														
BFC Working group Vrnjacka Banja Meeting	Vrnjacka Banja	None/ FO	None	1	October 11	October 11	COR/ FO														
Asset Management Vrnjacka Banja Working Group Meeting	Vrnjacka Banja	None/ FO	None	1	October 11	October 11	COR/ FO														
Novi Pazar and Sjenica PUC monitoring meeting	Novi Pazar, Sjenica	None/ FO	None	1	October 12	October 12	COR/ FO														
Kraljevo PUC monitoring meeting	Kraljevo	None/ FO	None	1	October 15	October 15	COR/ FO														
IMCA Uzice Agricultural Development WG Meeting	Nova Varos	None/ FO	None	1	October 18	October 18	COR/ FO														
IMCA Kraljevo Meeting with LED Office	Kraljevo	None/ FO	None	1	October 19	October 19	COR/ FO														
IMCA Vrnjacka Banja Coordination Meeting	Vrnjacka Banja	None / FO	None	1	October 25	October 25	COR/ FO														
IMCA Kraljevo Regional Tourism Development Plan Public Discussion	Kraljevo	None / FO	None	1	October 25	October 25	COR/ FO														
IMCA Uzice Tourism Development WG Meeting	Uzice	None/ FO	None	1	October 30	October 30	COR/ FO														
Grupa 484 - training on opportunities for scientific projects development and funding in Uzice-led IMC area	Uzice	None/ FO	None	1	October 30	October 30	COR/ FO														
Meetings with the Mayors of Sjenica and Novi Pazar	Sjenica, Novi Pazar	FO/ COR	COR/ FO	1	October 31	October 31	COR/ FO														
Grupa 484 - training on opportunities for scientific projects development and funding in Novi Pazar-led IMC area	Novi Pazar	None/ FO	None	1	October 31	October 31	COR/ FO														
IMCA Novi Pazar - CSO Focal Point Public Debate	Novi Pazar	FO/ COR	COR/ FO	1	October 31	October 31	COR/ FO														
IMCA Kraljevo - CSO Focal Point Presentaation	Kraljevo	None/ FO	None	1	November 1	November 1	COR/ FO														
Meeting with the Mayor of Prijepolje	Prijepolje	FO/ COR	COR/ FO	1	November 1	November 1	COR/ FO														
IMCA Novi Pazar Toursim Development WG meeting	Novi Pazar	None/ FO	None	1	November 1	November 1	COR/ FO														
Meetings with the Mayors of Nova Varos and Priboj	Nova Varos, Priboj	FO/ COR	COR/ FO	1	November 2	November 2	COR/ FO														
IMCA Uzice - University Development WG meeting	Uzice	None / FO	None	1	November 5	November 5	COR/ FO														



Event Type	Location	Planned Representational Level	Actual Representational Level	Days	Start	End	Monitoring Plan	Monitoring Date	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	
IMCA Uzice - Airpot Development WG meeting	Uzice	None / FO	None	1	November 5	November 5	COR/ FO														
Meeting with the Deputy Mayor of Kraljevo	Kraljevo	FO/ COR	COR/ FO	1	November 6	November 6	COR/ FO														
Meeting with the Assistant to Mayor of Gornji Milanovac and officials in Cacak	Gornji Milanovac	FO/ COR	COR/ FO	1	November 6	November 6	COR/ FO														
IMCA Kraljevo - meeting with RDA	Kraljevo	FO/ COR	None	1	November 7	November 7	COR/ FO														
IMCA Kraljevo - Agriculture Development WG meeting	Kraljevo	None / FO	None	1	November 8	November 8	COR/ FO														
IMCA Kraljevo Toursim Development WG meeting	Kraljevo	None/ FO	None	1	November 13	November 13	COR/ FO														
SEDA Regional Biomass Utilization Conference	Novi Pazar	FO/ COR	FO	1	November 13	November 13	COR/ FO														
IMCA Uzice - Agriculture Development WG meeting	Uzice	None / FO	None	1	November 14	November 14	COR/ FO														
IMCA Kraljevo - Youth Development Roundtable	Kraljevo	FO/ COR	None	1	November 16	November 16	COR/ FO														
IMCA Novi Pazar - Group 484 Youth Employment meeting	Novi Pazar	None / FO	None	1	November 19	November 19	COR/ FO														
IMCA Uzice - Group 484 Youth Employment meeting	Uzice	None / FO	None	1	November 21	November 21	COR/ FO														
IMCA Novi Pazar - CSO Focal Point Conference	Novi Pazar	FO/ COR	FO	1	November 30	November 30	COR/ FO														
IMCA Uzice - Agriculture Development WG meeting	Uzice	None/ FO	None	1	December 3	December 3	COR/ FO														
IMCA Novi Pazar - RDA Meeting	Novi Pazar	None / FO	None	1	December 10	December 10	COR/ FO														
IMCA Kraljevo - Coordination meeting	Kraljevo	None / FO	None	1	December 11	December 11	COR/ FO														
IMCA Uzice- meeting with business representatives	Uzice	None / FO	None	1	December 17	December 17	COR/ FO														
IMCA Novi Pazar - Group 484 roundtable	Novi Pazar	None / FO	None	1	December 17	December 17	COR/ FO														
IMCA Kraljevo- meeting with business representatives	Cacak	None / FO	None	1	December 18	December 18	COR/ FO														
IMCA Novi Pazar Coordination meeting	Novi Pazar	None / FO	None	1	December 19	December 19	COR/ FO														
IMCA Novi Pazar- meeting with business representatives	Novi Pazar	None / FO	None	1	December 19	December 19	COR/ FO														
IMCA Kraljevo- meeting with business representatives	Kraljevo	None / FO	None	1	December 19	December 19	COR/ FO														
IMCA Kraljevo - PU Toplana PPP meeting	Kraljevo	None / FO	None	1	December 24	December 24	COR/ FO														
IMCA Uzice - Group 484 roundtable on youth diaspora	Uzice	None / FO	FO	1	December 26	December 26	COR/ FO														



Event Type	Location	Planned Representational Level	Actual Representational Level	Days	Start	End	Monitoring Plan	Monitoring Date	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4
<b>Nis Regional Office</b>																				
IMCA Nis - RARIS Roundtable on nonfinancial assistance	Nis	None	None	1	October 2	October 2	COR/ FO		■											
IMCA Vranje - Local grey book: roundtable with business reps.	Vladicin Han	None	None	1	October 5	October 5	COR/ FO		■											
IMCA Nis - Local grey book: roundtable with business reps.	Merosina	None	None	1	October 8	October 8	COR/ FO			■										
IMCA Vranje - CSO Focal Point street activity regarding Regional Waste Management Plan	Bujanovac and Presevo	None	None	1	October 22	October 22	COR/ FO				■									
Grupa 484 - seminar on youth employment through diaspora	Vranje	None	None	1	October 23	October 23	COR/ FO					■								
Grupa 484 - training on opportunities for scientific projects development and funding	Vranje	FO	FO	1	October 25	October 25	COR/ FO						■							
IMCA Nis - CSO Focal Point training on citizen participation	Leskovac	None	None	1	November 2	November 2	COR/ FO							■						
IMCA Nis - CSO Focal Point training on citizen participation	Nis	None	None	1	November 3	November 3	COR/ FO								■					
Meeting with Mayor of Vladicin Han, Vranje	Vranje, Vladicin Han	COR/ FO	COR / FO	1	November 6	November 6	COR/ FO									■				
Meeting with Mayor of Bujanovac and Presevo	Bujanovac and Presevo	COR/ FO	FO	1	November 7	November 7	COR/ FO										■			
IMCA Nis - coordination meeting with head of LEDO	Nis	None / FO	None	1	November 8	November 8	COR/ FO											■		
Working meeting on commenting the drafted Law on subsidies in agriculture and rural development	Belgrade	None	None	1	November 16	November 16	COR/ FO												■	
Meetings with Mayors of Gadzin Han, Merosina and Nis	Gadzin Han, Merosina and Nis	COR/ FO	COR	1	November 20	November 20	COR/ FO													■
Meetings with Mayors of Doljevac	Doljevac	COR/ FO	None	1	November 21	November 21	COR/ FO													■
Meeting with IMCA coordinators in Vranje IMCA	Vranje	COR/ FO	None	1	November 22	November 22	COR/ FO													■
Meeting with Mayor of Vranje	Vranje	COR/ FO	FO	1	November 23	November 23	COR/ FO													■
Presentation of Labor Gap Assessment - Nis IMCA	Nis	FO/ COR	None	1	November 30	November 30	COR/ FO													■
IMCA Vranje presentation of citizen awareness of IMC survey	Vranje	None / FO	None	1	December 6	December 6	COR/ FO													■
IMCA Nis presentation of citizen awareness of IMC survey	Nis	None / FO	None	1	December 7	December 7	COR/ FO													■
IMCA Nis - introductory and information meeting with City of Nis Assistant to the Mayor for Agriculture and staff from Department of agriculture and rural development	Nis	None	None	1	December	December 7	COR/ FO													■
IMCA Vranje - information meeting with businesses representing shoe cluster association "Kostana"	Vranje-ES premises	FO	FO	1	December 11	December 11	COR/ FO													■
Meeting with Mayors of Leskovac and Presevo	Presevo and Leskovac	COR/ FO	None	1	December 18	December 18	COR/ FO													■
Group 484 roundtable	Vranje	None	None	1	December 21	December 21	COR/ FO													■
Vranje industrial zone project Bid opening	Belgrade	None	None	1	December 26	December 26	COR/ FO													■
Meeting with Vranje Head of LEDO	Belgrade	None	None	1	December 26	December 26	COR/ FO													■
IMCA Nis - Meeting with Doljevac focal members of the WG for final review of the RFP for the regional watersystem "Pusta reka"	Doljevac	None	None	1	December 31	December 31	COR/ FO													■

**Note: The above is subject to change, will be regularly updated and timely submitted to the COR.**

## Quarterly Event and Monitoring Plan

### Sustainable Local Development

Second Quarter (January 1- March 31), FY 2013

									January				February				March			
Event Type	Location	Planned Representational Level	Actual Representational Level	Days	Start	End	Monitoring Plan	Monitoring Date	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4
SLDP activities in the Novi Sad, Subotica and Zrenjanin -led IMC Area																				
Novi Sad IMCA CSO focal point Palgo Centar- anti-corrupcion training	Novi Sad	none/ FO	none	1	January 18	January 18	COR/ FO													
Coordination WG meeting - Introducing new criteria	Zrenjanin	none/ FO	none	1	January 23	January 23	COR/ FO													
Coordination WG meeting - Introducing new criteria	Subotica	none/ FO	none	1	January 29	January 29	COR/ FO													
Fiber Optic Conference	Andrevlje	EGO Director/ COR	FO	1	February 5	February 5	COR/ FO													
Coordination WG meeting - Introducing new criteria	Novi Sad	none/ FO	none	1	February 7	February 7	COR/ FO													
COP meeting with Mayor of Beocin	Beocin	none/ FO	none	1	February 11	February 11	COR/ FO													
Agriculture WG meeting - Clarification of NCP	Kikinda	none/ FO	none	1	February 12	February 12	COR/ FO													
Agriculture WG meeting - Identification of new project activities	Kikinda	none/ FO	none	1	February 19	February 19	COR/ FO													
Round table on Local Sustainable Development Strategy	Beocin	none/ FO	none	1	February 20	February 20	COR/ FO													
Vojvodina Metal Cluster Assembly meeting	Novi Sad	none/ FO	none	1	February 26	February 26	COR/ FO													
Coordination meeting in Subotica - Organization of MoU signing	Subotica	none/ FO	none	1	March 6	March 6	COR/ FO													
Provincial Secretariat for Agriculture and Interregional Cooperation - joint meeting - Sustainability of IMC Programs in Vojvodina	Novi Sad	none/ FO	none	1	March 7	March 7	COR/ FO													
Coordination WG meeting - Introducing business sector in economic program	Zrenjanin	none/ FO	none	1	March 14	March 14	COR/ FO													
Belgrade Open School - Youth office Zrenjanin - Meeting with Youth Office	Zrenjanin	none/ FO	none	1	March 14	March 14	COR/ FO													
Meeting with Cooperative "Carska Basta" regarding economic program	Zrenjanin	none/ FO	none	1	March 15	March 15	COR/ FO													
Coordination and agriculture WG meetings - Presetnation of NCP - economic programs	Zrenjanin	none/ FO	none	1	March 22	March 22	COR/ FO													
Assessment of Brownfield potentials	Subotica	none/ FO	none	1	March 26	March 26	COR/ FO													
Launhcing event - Subotica Economic Program	Subotica	none/ FO	none	1	March 27	March 27	COR/ FO													
Coordination WG meeting regarding economic program	Zrenjanin	none/ FO	none	1	March 28	March 28	COR/ FO													
CSO Focal Point - Anti Corruption Conference	Zrenjanin	none/ FO	none	1	March 28	March 28	COR/ FO													

Event Type	Location	Planned Representational Level	Actual Representational Level	Days	Start	End	Monitoring Plan	Monitoring Date	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4
<b>SLDP activities in the Kraljevo, Uzice and Novi Pazar -led IMC Area</b>																				
Uzice RDA meeting with COP regarding future SLDP activities	Belgrade	none/ FO	none	1	January 10	January 10	COR/ FO													
Meeting regarding potential PPP in Kraljevo IMCA- PUC Toplana	Kraljevo	none/ FO	none	1	January 11	January 11	COR/ FO													
COP meeting new mayor of Uzice	Uzice	COR/ FO	COR	1	January 15	January 15	COR/ FO													
COP Meeting with Uzice IMCA business representatives	Uzice	none/ FO	none	1	January 16	January 16	COR/ FO													
COP Novi Pazar IMCA meeting with RDA-SEDA	Novi Pazar	none/ FO	FO	1	January 17	January 17	COR/ FO													
COP Meeting regarding Tech. Park in Kraljevo IMCA	Kraljevo	none/ FO	none	1	January 18	January 18	COR/ FO													
COP meeting mayors of Gornji Milanovac and Cacak	G. Milanovac, Cacak	COR/ FO	COR	1	January 31	January 31	COR/ FO													
COP meeting with deputy mayor of Kraljevo	Kraljevo	COR/ FO	COR	1	February 1	February 1	COR/ FO													
CSO Focal Point Public Debate on citizen input in local decision making	Tutin	none/ FO	none	1	February 5	February 5	COR/ FO													
SLDP and Berman Group assessment of economic development potentials	All three IMC Areas	none/FO	none	5	February 6	February 8	COR/ FO													
Career Guidance Mobile Team Promotion in Novi Pazar and Sjenica	Novi Pazar, Sjenica	none/ FO	FO	2	February 6	February 7	COR/ FO													
COP meeting with mayor of Kraljevo	Kraljevo	none/FO	COR	1	February 7	February 7	COR/ FO													
Youth Entrepreneurship mentoring	Uzice	none/ FO	none	1	February 8	February 8	COR/ FO													
COP meeting with mayor of Tutin	Tutin	none/FO	FO	1	February 13	February 13	COR/ FO													
Uzice IMCA Economic Forum Workshop	Uzice	COR / FO	FO	1	February 20	February 20	COR/ FO													
Kraljevo IMCA Economic Forum Workshop	Kraljevo	COR / FO	FO	1	February 21	February 21	COR/ FO													
Novi Pazar IMCA Economic Forum Workshop	Novi Pazar	COR / FO	COR/FO	1	February 22	February 22	COR/ FO													
Youth Business Serbia evaluation panel	Kraljevo	COR / FO	none	1	March 5	March 5	COR/ FO													
Launch of University needs assessment in Uzice -led IMC Area	Uzice	none/FO	none	1	March 14	March 14	COR/ FO													
Novi Pazar -led IMC Area PUC monitoring training	Novi Pazar	none/FO	none	1	March 21	March 21	COR/ FO													
Uzice -led IMC Area PUC monitoring training	Nova Varos	none/FO	none	1	March 22	March 22	COR/ FO													
Group 484 business ideas seminar	Novi Pazar	none/FO	none	2	March 28	March 29	COR/ FO													

Event Type	Location	Planned Representational Level	Actual Representational Level	Days	Start	End	Monitoring Plan	Monitoring Date	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4
<b>SLDP activities in the Nis and Vranje -led IMC Areas</b>																				
SLDP and Berman Group assessment of economic potentials in Nis and Vranje IMC	Nis and Vranje IMC Areas	none/FO	none	5	January 14	January 18	COR/ FO													
COP meeting with Bujanovac private sector and LG staff	Bujanovac	none/FO	none	1	January 17	January 17	COR/ FO													
COP meeting with Vladicin Han private sector and LG staff	Vladicin Han	none/FO	none	1	January 18	January 18	COR/ FO													
Promotion of local mobile teams for career guidance and counseling	Vladicin Han	none/FO	none	1	January 29	January 29	COR/ FO													
Promotion of local mobile teams for career guidance and counseling	Bujanovac	none/FO	none	1	January 30	January 30	COR/ FO													
Promotion of local mobile teams for career guidance and counseling	Vranje	none/FO	none	1	February 11	February 11	COR/ FO													
Handover of Cadastre Topographic Plan for bypass road around Bunusevac IZ	Vranje	none/FO	none	1	February 14	February 14	COR/ FO													
Vranje IMCA Economic Forum	Vranje	COR / FO	none	1	February 18	February 18	COR/ FO													
Nis IMCA Economic Forum Workshop	Nis	COR / FO	none	1	February 19	February 19	COR/ FO													
Youth Business Serbia Selection Panel	Nis	none/FO	none	1	March 12	March 12	COR/ FO													
Brownfield methodology presentation to Nis officials	Nis	none/FO	none	1	March 21	March 21	COR/ FO													
Group 484 business training	Vranje	none/FO	none	2	March 21	March 22	COR/ FO													
Nis IMC working and coordination group meeting for regional agribusiness center - Green zone	Nis	none/FO	none	1	March 21	March 21														
Nis IMC working group meeting for water supply system "Pusta reka"	Nis	none/FO	none	1	March 22	March 22	COR/ FO													

**Note: The above is subject to change, will be regularly updated and timely submitted to the COR.**

## **ANNEX F – IMC AREA ONE-PAGERS**



## USAID Sustainable Local Development Project

### Inter-Municipal Cooperation Partners

#### SUBOTICA CITY

Population: 140,358

Unemployment: 23.53%

Economic Base: agriculture, food processing industry, tertiary sector of the economy, tourism

Ruling Coalition: DS, SVM, LSV, SPS

Mayor: Modest Dulic

#### SOMBOR CITY

Population: 85,569

Unemployment: 26.88%

Economic Base: agriculture, food processing industry, tourism

Ruling Coalition: DS, DSS, SPS, SVM, LSV

Mayor: Nemanja Delic

#### KANJIZA MUNICIPALITY

Population: 24,995

Unemployment: 30.50%

Economic Base: agriculture

Ruling Coalition: SVM, DS, LSV

Mayor: Mihaly Nyilas

### Subotica-led Inter-Municipal Cooperation (IMC) Area

The IMC area was formed in November 2011. This year the Sustainable Local Development Project (the Project) began implementation of the following economic program:

#### “Subotica IMC Agribusiness Expansion”

**Goal:** Increase sales (export and domestic) of agricultural products from the Subotica IMC area by 10% by November, 2015.

The Project and representatives of IMC partner municipalities, signed agreements for the joint implementation of this program that aims to increase domestic sales and exports of agricultural products, and generate new jobs. The Project will assist Subotica in equipping a laboratory that will test food for quality-control, and as needed for export licenses. In Sombor, the Project will support the establishment of a training center for farmers, while Kanjiza will be assisted with a study on supply and demand for setting up a logistic and distribution center for agricultural goods.

In addition, the Project will support producers through the application process for geographic certificates of origin in order to better brand and market their regional produce. This economic program will benefit agricultural producers and processors from the entire IMC area, increasing regional competitiveness, enabling agribusiness expansion, and creating new jobs in the sector.

### UP-TO-DATE PROJECT RESULTS

#### IMC area economic growth activities

- Database of investors and brownfield locations was created in Sombor to advance steps to Business Friendly Certification achievement; Sombor was awarded the BFC certificate on December 4, 2012.
- Three public-private partnership toolkits (for local infrastructure development, energy efficiency and parking services) were presented at a regional “Public Private Partnerships” Conference in Novi Sad.
- “Business Enabling Environment – Brownfield” training conducted on evaluating potentials of brownfield locations, their prioritization and redevelopment.
- Regional Development Agency for Eastern Serbia (RARIS) conducted (\$39,000 national-level grant) an analysis of available non-financial services for small and medium sized enterprises and recommended how they can be standardized and improved.
- In partnership with the Serbian Intellectual Property Office and the Ministry of Agriculture, a workshop was organized to explain and promote geographic branding to regional agricultural producers and processors.
- The study “Diversification of the Agricultural Production” and its recommendations were presented to representatives of IMC agriculture and rural development working group members, producer associations, regional educational and health institutions, and local governments.
- To promote regional competitiveness and innovation through improved broadband infrastructure, a conference was held with high officials from the relevant Ministry, Provincial and local governments.

#### Youth development and employment

- National Association of Youth Workers (NAPOR) held five trainings for Local Youth Office workers from Sombor to strengthen their role, services and capacities.
- 4 young entrepreneurs selected for business mentorship; 4 companies applied to receive 8 interns, with possibility for employment; in the second round 9 interns were engaged by 5 companies.
- Within the Youth Business Serbia program, four business start-up ideas were selected and recommended to receive Erste bank’s favorable credits (lower interest rate and no collateral).

March 2013



# USAID Sustainable Local Development Project

## Inter-Municipal Cooperation Area Partners

### NOVI SAD CITY

Population: 381,388  
Unemployment: 18.90%

Economic Base: tertiary sector of the economy, processing industry

Ruling Coalition  
Mayor: Milos Vucevic

### SREMSKI KARLOVCI MUNICIPALITY

Population: 8,839  
Unemployment: 46.14%

Economic Base: agriculture, tertiary sector of the economy

Ruling Coalition: DS, SPS, LSV, URS  
Mayor: Milenko Filipovic

### BEOCIN MUNICIPALITY

Population: 16,086  
Unemployment: 34.29%

Economic Base: industry, tourism, mining

Ruling Coalition: DS, SPS, LSV  
Mayor: Bogdan Cvejic

### TEMERIN MUNICIPALITY

Population: 28,275  
Unemployment: 30.80%

Economic Base: industry, craftsmanship, agriculture

Ruling Coalition: DS, SPS, DSVM, DSS-NS, SVM and GG "Za prosperitet opštine Temerin"  
Mayor: Vladislav Capik

## Novi Sad-led Inter-Municipal Cooperation (IMC) Area

The IMC area was formed in July 2011. This year the Sustainable Local Development Project (the Project) began implementation of the following economic program:

### “Metro Novi Sad: First Place for Business”

**Goal:** Add 1,500 jobs to the IMC area as a result of activities set in motion by the Project by Nov. 2015.

The IMC partners identified preparation of existing industrial zones in the area as a priority, and the Project has initiated work on technical documentation and conceptual designs for the sites. In the forthcoming period the Project will primarily focus on investment attraction for these sites. The IMC area also has several attractive brownfield sites that are nonproductive, either due to delays in privatization/bankruptcy process or simple lack of good plans for their development. The sites will be analyzed for economic potential and then included in a larger package of other similar sites from other IMC areas to advocate for policy change at the central level.

The IMC area has many small and medium sized metal producers, with active foreign and local markets, however in need of new products and increased operational efficiency. The Project will focus on improving innovation in the sector by encouraging closer cooperation between science and business communities. The Project will also support the development of much needed human resources - ICT specialists and engineers, and on strengthening the linkages between ICT and other sectors in Serbia, such as the metal sector. Both gaps will be addressed through technical assistance and cooperation with the ICT Association, Vojvodina Metal Cluster and Regional Education Center in Novi Sad.

## UP-TO-DATE PROJECT RESULTS

### IMC area economic growth activities

- The Project provided legal advice and support for establishment of partnership between Lafarge and Beocin, to create a new business park on land owned by the municipality, to meet the demand of new investors for adequate business space and generate new jobs in the region
- Created database of investors and brownfield locations in Beocin and Novi Sad in the process of Business Friendly Certification – NALED; Novi Sad was awarded BFC certificate in June 2012.
- “Business Enabling Environment – Brownfield“ training conducted on evaluating potentials of brownfield locations, their prioritization and redevelopment.
- Regional Development Agency for Eastern Serbia (RARIS) conducted (\$39,000 national-level grant) an analysis of available non-financial services for small and medium sized enterprises and recommended how they can be standardized and improved.
- Architectural design prepared for the regional Educational Training Centre for Professional and Working Skills in Novi Sad. This center will train graduates annually in highly demanded business skills.
- To promote regional competitiveness and innovation through improved broadband infrastructure, a conference was held with high officials from the relevant Ministry, Provincial and local governments.
- In Beocin municipality, public, private and civic sectors jointly plan local sustainable development activities in line with regional and national development strategies.

### Youth development and employment

- National Association of Youth Workers (NAPOR) held trainings for Local Youth Office Coordinators from Beocin and Temerin to strengthen their role, services and capacities.
- 9 young entrepreneurs received business mentorship.
- Within the Youth Business Serbia program, nine business start-up ideas were selected and recommended to receive Erste bank’s favorable credits (lower interest rate and no collateral).

March 2013



# USAID Sustainable Local Development Project

## Inter-Municipal Cooperation Area Partners

### ZRENJANIN CITY

Population: 122,714

Unemployment: 25.86%

Economic Base: agriculture, food processing, textile, metal and chemical industry

Ruling Coalition: SNS, SPS

Mayor: Ivan Bosnjak

### KIKINDA MUNICIPALITY

Population: 59,329

Unemployment: 28.58%

Economic Base: agriculture, food processing, metal and chemical industry

Ruling Coalition: DS, SPS, LSV, SVM

Mayor: Savo Dobranic

### NOVI BECEJ MUNICIPALITY

Population: 23,847

Unemployment: 42.64%

Economic Base: agriculture, tourism

Ruling Coalition: LDP, DS, LSV

Mayor: Sasa Sucurovic

## Zrenjanin-led Inter-Municipal Cooperation (IMC) Area

The IMC area was formed in December 2011. This year the Sustainable Local Development Project (the Project) began implementation of the following economic program:

### “Diversification of Agriculture – New Jobs for Rural Youth”

**Goal:** To increase IMC area production of vegetables ultimately marketed to processors by 20% by November 2015.

Even though it has a well-developed agricultural production and food processing industry, IMC area concentrates on processing of grains, which brings less revenue per hectare than vegetable production. The Project will work with existing and potential small producers to help them adapt to production of new, high-value crops - vegetables, in order to create a more diversified product portfolio, increase revenues and support establishment of new agriculture businesses.

Complementing this effort, the Project will support the creation of agriculture incubators, primarily aimed at young and unemployed farmers. These incubators will provide access to land, equipment and infrastructure for farm start-ups. Existing agriculture associations and cooperatives, as well as agricultural extension experts, will support new vegetable producers through counseling and mentoring.

On the processing side, local government with Project technical assistance will focus on attraction of domestic and foreign investors in the food processing industry. Additionally, the Project will assist in establishing agricultural working zones in each partner municipality.

## UP-TO-DATE PROJECT RESULTS

### IMC area economic growth activities

- To promote regional competitiveness and innovation through improved broadband infrastructure - a conference was held with high officials from the relevant Ministries, provincial and local governments.
- Database of investors and brownfield locations was created in Kikinda and Novi Becej, to advance steps to Business Friendly Certification achievement,
- Public-private partnership toolkits for local infrastructure development, energy efficiency and parking services were created and presented at a regional conference in Novi Sad.
- “Business Enabling Environment – Brownfield” training conducted on evaluating potential of brownfield locations, their prioritization and redevelopment.
- Regional Development Agency for Eastern Serbia (RARIS) conducted (\$39,000 national-level grant) an analysis of available non-financial services for small and medium sized enterprises and recommended how they can be standardized and improved.
- On-the-job training provided to 10 municipal representatives for “Preparation of Terms of Reference for infrastructure projects”.

### Youth development and employment

- Four career guidance and counseling trainings held for 18 youth service providers who started providing services to youth in the Zrenjanin-led iMC area.
- National Association of Youth Workers (NAPOR) held trainings for Local Youth Office Coordinators from Zrenjanin to strengthen their role, services and capacities.

March 2013



# USAID Sustainable Local Development Project

## Inter-Municipal Cooperation Area Partners

### KRALJEVO CITY

Population: 124,554  
Unemployment : 34.64 %

Economic Base: agriculture, trade,  
processing industry

Ruling Coalition: SNS, SPS, URS, DSS and  
GG 'Složno za Kraljevo'  
Mayor: Dragan Jovanovic

### CACAK CITY

Population: 114,809  
Unemployment: 29.40 %

Economic Base: agriculture, industry,  
trade, tertiary sector of the economy

Ruling Coalition: NS, DSS, SNS, SPS, URS  
Mayor: Vojislav Ilic

### GORNJI MILANOVAC MUNICIPALITY

Population: 44,438  
Unemployment: 24.10 %

Economic Base: industry, mining,  
manufacturing

Ruling Coalition: SPS, DS  
Mayor: Milisav Mirkovic

### VRNJACKA BANJA MUNICIPALITY

Population: 27,332  
Unemployment: 35.82 %

Economic Base: tourism

Ruling Coalition: SNS, DSS, JS, URS  
Mayor: Boban Djurovic

### RASKA MUNICIPALITY

Population: 24,680  
Unemployment: 40.58 %

Economic Base: agriculture, tourism

Ruling Coalition: SPS, SRS  
Mayor: Jovan Corbic

March 2013

## Kraljevo-led Inter-Municipal Cooperation (IMC) Area

The IMC area was formed in December 2011. This year the Sustainable Local Development Project (the Project) began implementation of the following economic program:

### “Kraljevo IMC Competitiveness through Innovation”

**Goal:** To develop at least 50 innovations that lead to new SMEs sales in the marketplace by Nov. 2015

This IMC area has experience with promoting SMEs innovation through the IMPuls center of the Kraljevo Faculty of Mechanical Engineering that helps SMEs design and develop new products. The Project will support these efforts by further develop the relationship between science and business in order to increase SMEs competitiveness. SMEs in the metal, textiles, food processing and wood-processing sectors will be assisted in exploring new markets and identifying product and operational gaps that prevent serving those new markets.

Key Project activities are focused on: 1) Assistance to Technology Center in Cacak to become operational and able to help SMEs innovate and become competitive; 2) Further development of the IMPuls program - introduction of more sustainable and market-based practices to maximize its positive effect on SMEs; and 3) Improving the national innovation policy. In addition, the Project will assist small agricultural producers from the IMC area to better supply the resorts of Kopaonik and Vrnjacka Banja by introducing innovation in crop production and post-harvest technologies.

## UP-TO-DATE PROJECT RESULTS

### IMC area economic growth activities

- IMPuls multi-media laboratory equipped (\$38,000 grant) to support entrepreneurs from the region to acquire new skills, improve knowledge, reduce production costs and apply innovation in their production processes.
- The analysis of opportunities for linking R&D institutions with SME sector, involving more than 10 key stakeholders from public and private sectors, has been completed (25 days of expert assistance).
- IMC partners assisted in improving business environment through a NALED Business Friendly Certification (BFC) workshop.
- Created database of investors and brownfield locations in Kraljevo and Vrnjacka Banja to advance steps to BFC achievement.
- “Business Enabling Environment – Brownfield“ training conducted on evaluating potential of brownfield locations, their prioritization and redevelopment
- Public-private partnership toolkits for local infrastructure development, energy efficiency and parking services created.
- Technical assistance to PUC 'Cistoca' in introduction of PUC monitoring system and to PU „Toplana“ in establishing a public-private partnership.
- Regional Development Agency for Eastern Serbia (RARIS) conducted (\$39,000 national-level grant) analysis of available non-financial services for small and medium sized enterprises and recommended how they can be standardized and improved.
- Regional Strategy of Tourism development completed.
- Baseline assessment of business associations completed aiming at tailoring SLDP assistance to business sector needs, to support new job openings, increased production and export.

### Youth development and employment

- 4 young entrepreneurs selected for business mentorship; 5 companies applied to receive 5 interns, with possibility for employment.
- National Association of Youth Workers (NAPOR) held five trainings for Local Youth Office Coordinators from Vrnjacka Banja and Raska to strengthen their role, services and capacities.
- Within the Youth Business Serbia program, six business start-up ideas were selected and recommended to receive Erste bank’s favorable credits (lower interest rate and no collateral).



## USAID Sustainable Local Development Project

### Inter-Municipal Cooperation Partners

#### UZICE CITY

Population: 78,018

Unemployment: 22.84%

Economic Base: metal and machine industry, textile and wood processing industry

Ruling Coalition: DS, SPS, LDP, NS  
Mayor: Saša Milošević

#### CAJETINA MUNICIPALITY

Population: 14,726

Unemployment: 17.72%

Economic Base: tourism, agriculture, craftsmanship

Ruling Coalition: DSS  
Mayor: Milan Stamatovic

#### NOVA VAROS MUNICIPALITY

Population: 16,758

Unemployment: 49.17%

Economic Base: tourism, agriculture

Ruling Coalition: SNS, DSS, GG  
"Novi ljudi za Novu Varoš," NS, SDPS  
Mayor: Dimitrije Paunovic

#### PRIJEPOLJE MUNICIPALITY

Population: 36,713

Unemployment: 52.18%

Economic Base: textile and wood processing industry, agriculture

Ruling Coalition: SDP, DS, SDA, SRS, DSS  
Mayor: Emir Hasimbegovic

#### PRIBOJ MUNICIPALITY

Population: 27,127

Unemployment: 50.23%

Economic Base: automotive industry, agriculture, tourism

Ruling Coalition: SNS, DS, SPS, NS, SPO  
Mayor: Lazar Rvovic

### Uzice-led Inter-Municipal Cooperation (IMC) Area

The IMC area was formed in December 2011. This year the Sustainable Local Development Project (the Project) began implementation of the following economic program:

#### "Uzice IMC Regional Value Chain"

**Goal:** To increase purchases of IMC area produced goods and services by the Anchor Tourism Industry by 10% by November 2015.

As the tourism industry has already been substantial and growing in the region of center of Zlatibor and its neighboring tourist resort areas, the Project will focus on growing the business of diverse SMEs and farmers in the IMC area, to be able to answer the tourism-related demand. The guiding principle of this program is to use the solid tourism industry of the northern municipalities to pull the private sector resources in the southern municipalities to develop. Project assistance will concentrate on value chain development within the dairy, fruit and vegetable, textile, furniture and services sectors.

Additional projects (development of university and investor-attractive land sites) will also be pursued to increase regional competitiveness, increase investments and generate jobs in the region.

### UP-TO-DATE PROJECT RESULTS

#### IMC area economic growth activities

- Dairy sector analysis completed and recommendations provided on how to improve dairy production and operations in order to become more competitive in the regional market.
- \$40,000 provided for the development of a study to review the demand for and guide the establishment of a University in Uzice, in order to help equip local youth with skills demanded by regional employers and decrease youth outmigration.
- Guide for building permits issued and an investor database updated in Nova Varos municipality to advance steps to Business Friendly Certification achievement.
- „Business Enabling Environment – Brownfield“ training conducted for evaluating potential of brownfield locations, their prioritization and redevelopment.
- Public-private partnership toolkits for local infrastructure development, energy efficiency and parking services were developed.
- Regional Development Agency for Eastern Serbia (RARIS) conducted (\$39,000 national-level grant) analysis of available non-financial services for small and medium sized enterprises and recommended how they can be standardized and improved.
- Baseline assessment of business associations completed aiming at tailoring SLDP assistance to business sector needs, to support new job openings, increased production and export.

#### Youth development and employment

- CSO Group “484” held trainings, seminars and round tables (116 participants) on social entrepreneurship and development of business plans to stimulate youth employment through direct cooperation with-and support from- local entrepreneurs and professional diaspora.
- National Association of Youth Workers (NAPOR) held five trainings for Local Youth Office Coordinators from Uzice and Prijepolje to strengthen their role, services and capacities.

March 2013



## USAID Sustainable Local Development Project

### Inter-Municipal Cooperation Area Partners

#### NOVI PAZAR CITY

Population: 117,084  
Unemployment: 54.59 %

Economic Base: textile, road construction, trade

Ruling Coalition: SDP, SNP, SNS, DSS, NS  
Mayor: Meho Mahmutovic

#### TUTIN MUNICIPALITY

Population: 36,054  
Unemployment: 58.81 %

Economic Base: furniture production, trade, agriculture, forestry

Ruling Coalition: SDA  
Mayor: Semsudin Kucevic

#### SJENICA MUNICIPALITY

Population: 27,970  
Unemployment: 45.52 %

Economic Base: agriculture, textile, food industry

Ruling Coalition: SDA, SDP, DS, LDP, SPS, URS  
Mayor: Hazbo Mujovic

### Novi Pazar-led Inter-Municipal Cooperation (IMC) Area

The IMC area was formed in July 2011. This year the Sustainable Local Development Project (the Project) began implementation of the following economic program:

#### “Novi Pazar: Entrepreneurship that Sells”

**Goal:** To increase total exports of assisted sectors by 10% by November 2015.

The IMC area is traditionally well known for its commercial and entrepreneurial spirit. The active sectors within the region are textiles, footwear, furniture and husbandry (dairy, meat), consisting of small and medium-sized firms and farms. In order to expand, they need to improve their competitiveness through reduction of operational costs, development of new products and access to new markets.

The Project will apply a sector-wide approach to increase production efficiencies and improve product portfolios. International business experts will be brought to assist in marketing, identifying demand and investment. Other technical assistance will be directed to supply-side flaws in the IMC area, including a need for serious workforce development, linked to business needs.

### UP-TO-DATE PROJECT RESULTS

#### IMC area economic growth activities

- Value Chain Analysis and a Marketing Plan developed with recommendations on how to improve dairy production and increase regional competitiveness. Project assistance (50 expert days) builds on approximately \$1million investment from EU Progress, Czech Development Agency, and the Serbian Government.
- Tourism development workshop was held and Regional Tourism Development Strategy completed.
- “Business Enabling Environment – Brownfield” training conducted on evaluating potential of brownfield locations, their prioritization and redevelopment.
- In Novi Pazar and Sjenica Asset Management Baseline Assessment was conducted and recommendations provided on the next steps.
- Public-private partnerships toolkits were created for local infrastructure development, energy efficiency and parking services.
- Baseline assessment of public utility companies (PUC) in Novi Pazar and Sjenica was completed and training provided for introduction of PUC monitoring system.
- Regional Development Agency for Eastern Serbia (RARIS) conducted (\$39,000 national-level grant) an analysis of available non-financial services for small and medium sized enterprises and recommended how they can be standardized and improved.
- Project-supported (\$35,000 grant) study on regional biomass utilization was developed by SEDA proving large potential of the Sandzak region for the use of biomass and other renewable energy sources as a tool for the overall regional development and investment attraction. The study was presented to international, national, regional and local stakeholders.
- Baseline assessment of business associations completed aiming at tailoring Project assistance to business sector needs, to support new job openings, increased production and export.

#### Youth development and employment

- Four modules of career guidance and counseling trainings held for 25 youth service providers.
- CSO “Group 484” held trainings, seminars and round tables (144 participants) on social entrepreneurship and development of business plans, to stimulate youth employment through direct cooperation with-and support from-local entrepreneurs and professional Diaspora.
- National Association of Youth Workers (NAPOR) held trainings for Local Youth Office Coordinators from Novi Pazar and Sjenica, to strengthen their role, services and capacities.



## USAID Sustainable Local Development Project

### Inter-Municipal Cooperation Partners

#### NIS CITY

Population: 255,479  
Unemployment: 37.20%

Economic Base: Electronic industry, machine industry, textile, agriculture, transport

Ruling Coalition: SNS, SPS, URS, DSS  
Mayor: Zoran Perisic

#### LESKOVAC CITY

Population: 156,252  
Unemployment: 44.38%

Economic Base: Chemical industry, agriculture, food industry, textile, wood processing industry

Ruling Coalition: SNS, SPS, DSS, URS, SDPS  
Mayor: Goran Cvetanovic

#### MEROSINA MUNICIPALITY

Population: 14,812  
Unemployment: 54.61%

Economic Base: Agriculture

Ruling Coalition: URS, SNS, members of SPS  
Mayor: Sanja Stajic

#### GADZIN HAN MUNICIPALITY

Population: 10,464  
Unemployment: 44.94%

Economic Base: Agriculture, food industry

Ruling Coalition: SPS, JS, DS  
Mayor: Sasa Djordjevic

#### DOLJEVAC MUNICIPALITY

Population: 19,561  
Unemployment: 57.99%

Economic Base: Agriculture, food processing industry

Ruling Coalition: GG 'Goran Ljubic' part of URS  
Mayor: Goran Ljubic

March 2013

### Nis-led Inter-Municipal Cooperation (IMC) Area

The IMC area was formed in July 2011. This year the Sustainable Local Development Project (the Project) began the implementation of the following economic program:

#### “Grow South”

**Goal:** To increase the Nis IMC’s dollar value of processed food products sold, by at least 15% by November 2015.

IMC area partners all agree that the region should be a center of agribusiness and food processing. The Project will focus on growing the IMC area food processing sector by expanding the market and increasing the capacities of existing processors, attracting new processors to the region, and helping producers organize themselves efficiently to meet the demand of the region’s processors.

Key Project activities include: a) Study on external demand for IMC area processed foods and supply potential for meeting this demand; b) Preparing a model for efficient operation of the Food Processing Support Center (to be created by expanding the services of the Department of Agriculture in Nis) and drafting cooperative agreements between food producers-processors; c) Creation of an online portal with associated software/mobile applications, for business network services outreach; d) Piloting realization of cooperative agreements aimed at increased food processing and sales; and e) Analyzing region’s investment potential and development of marketing concept for their promotion, preparation of promotional tools and attracting specific investors, primarily related to food processing.

Additionally, the USAID Project provides support (\$43,000) for the development of the Feasibility Study for a regional infrastructure project „Water supply system “Pusta reka”.

### UP-TO-DATE PROJECT RESULTS

#### IMC area economic growth activities

- Regulatory and administrative barriers to business growth in the IMC area analyzed by NALED and 21 recommendations advanced for improvement; Expert assistance provided to Merosina to implement recommendations related to: information on agricultural subsidies; register of most burdensome administrative procedures and deadlines for completing business related administrative procedures.
- Public Private Partnership toolkits on local infrastructure development, energy efficiency and parking services completed and presented to local, regional and national stakeholders
- “Business Enabling Environment-Brownfield” training held on evaluating potential of brownfield locations, their prioritization and redevelopment.
- Project experts assessed economic potential of IMC area’s brownfields and most promising locations are selected to receive legal and technical assistance for brownfield redevelopment. The sites will also be included in a larger package of other similar sites from other IMC areas to advocate for policy change at the central level.
- Three Public Utility Companies (PUC) instituted a standardized financial and technical performance reporting to municipalities, with the goal to improve PUC efficiency, thus enabling local governments to focus more on overall economic development and job creation.

#### Youth development and employment

- National Association of Youth Workers (NAPOR) held five trainings for Local Youth Office Coordinators from Nis, Leskovac and Doljevac to strengthen their role, services and capacities. Within the program, 4 local youth-focused projects were implemented by December 2012.
- 11 youths were selected for business mentorship program; 2 companies from Nis and Gadzin Han engaged 15 interns with possibility for employment; in the 2nd round of the internship program, 8 young people were engaged in 4 companies.
- Within Youth Business Serbia program, six business start-up ideas were selected and recommended to receive Erste bank’s favorable credits (lower interest rate and no collateral).



# USAID Sustainable Local Development Project

## Inter-Municipal Cooperation Area Partners

### VRANJE CITY

Population: 87,228  
Unemployment: 31.23%

Economic Base: Textile, furniture producing, leather and shoe industry, machine industry

Ruling Coalition: SPS, SNS  
Mayor: Zoran Antic

### BUJANOVAC MUNICIPALITY

Population: 43,302  
Unemployment: 37.84%

Economic Base: Agriculture, food processing, wood processing

Ruling Coalition: Democratic Party Nagip Arifi, GG 'Stojanca Arsic,' DS  
Mayor: Nagip Arifi

### PRESEVO MUNICIPALITY

Population: 34,904  
Unemployment: 47.68%

Economic Base: Wood processing industry

Ruling Coalition: DPA, DUA, GG 'Demokratski preporod'  
Mayor: Ragmi Mustafa

### VLADICIN HAN MUNICIPALITY

Population: 23,703  
Unemployment: 54.88%

Economic Base: Fruit processing, wood processing, production of paper packaging

Ruling Coalition: SNS, SPS, DSS, URS  
Mayor: Goran Mladenovic

March 2013

## Vranje-led Inter-Municipal Cooperation (IMC) Area

The IMC area was formed in June 2011. This year the Sustainable Local Development Project (the Project) began the implementation of the following economic program:

### “Invest on Corridor 10”

**Goal:** Create at least 1,500 new jobs in the IMC area through at least five new inflowing investments in green- or brown-field sites by November 2015.

IMC area is characterized by high unemployment and a favorable geographic position (proximity to important transport Corridor 10). Combined with a history of success in the shoe, textile and furniture industries (particularly city of Vranje), investment attraction has emerged as the territory’s priority.

The Project will supply a full range of necessary technical assistance, including consulting on: a) work force development and alignment with investor needs; b) development and implementation of Corridor 10 Investment Marketing Program; c) industrial zone and brownfield development and d) technical assistance and training on best practices for managing industrial parks and zones.

Continuing the support for the development of the industrial zone “Bunusevac” in Vranje, the Project will provide approx. \$60,000 for the development of the main technical design for a transport road and associated infrastructure within locations allocated to key investors – shoe and furniture manufacturers.

## UP-TO-DATE PROJECT RESULTS

### IMC area economic growth activities

- Cadaster topographic plan developed (\$5,500 grant) and used for technical design for a bypass road connecting the industrial zone (IZ) “Bunusevac” in Vranje to Corridor 10.
- Expert assistance and on-the-job training provided for preparation of cross-border cooperation (CBC) projects (Bulgaria-Serbia); \$235,000 of EU CBC funds were awarded for improvement of competitiveness of regional furniture manufacturers.
- 10-year Regional Waste Management Plan (RWMP) for Pcinja region developed (\$40,000 grant); the plan anticipates the development of transfer stations in Bujanovac and Presevo, as well as expanding the existing landfill “Meteris”, located in Vranje.
- Regional Wastewater Treatment System Along the South Morava River: The Project provided a \$15,460 grant for technical documentation for the construction of waste water measuring points at sewer outfalls and installment of effluent meters in each IMC municipality.
- Completed and presented public-private partnership toolkits for local infrastructure development, energy efficiency and parking services.
- Training held on evaluating potential of brownfield locations, their prioritization and redevelopment. Project experts assessed economic potential of IMC area’s brownfields and most promising locations are selected to receive legal and technical assistance for brownfield redevelopment. The sites will also be included in a larger package of other similar sites from other IMC areas to advocate for policy change at the central level.
- Expert assistance provided to Vladicin Han to implement recommendations outlined in NALED’s local Grey Book related to: information on agricultural subsidies; register of most burdensome administrative procedures and deadlines for completing business related administrative procedures.

### Youth development and employment

- 3 career guidance and counseling trainings held for 60 youth service providers; established local mobile teams and promoted their services at events held in V. Han, Bujanovac and Vranje.
- National Association of Youth Workers (NAPOR) held 5 trainings for local Youth Office Coordinators from Presevo to strengthen their role, services and capacities.
- CSO “Group 484” held trainings, seminars and round tables (115 participants) on social entrepreneurship and development of business plans, to stimulate youth employment through direct cooperation with-and support from-local entrepreneurs and professional Diaspora.

## **ANNEX G – IMC AREA REPORTS**

# Sustainable Local Development Project

## Subotica-led IMC Area Report

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### 1. EXECUTIVE SUMMARY

#### **Description of IMC specificity**

Subotica, Sombor and Kanjiza have a very similar historical, cultural and economic heritage. The three local governments cover the north-western area of the Province of Vojvodina, the border area that is predominantly characterized by agricultural production. The share of their agricultural land in the Province is 82.89%. Cereals are by far the most common category of crops and cover 66% of the total crops sown. Industrial plants follow with 22%, fodder 5% and vegetables 5%. Fruit and vegetable production in Vojvodina is not present enough, far below the natural possibilities. The agriculture of the region does not reach its potential profitability in the least, due to obsolete way of working the land, extensive use of energy, small estates, depopulation, and old age of farmers and lack of interest in agriculture among the young. In Subotica led IMC area almost 177.854 people are active labor, but only 6,06% of them work in agriculture (primary producers). Also, there is a large percentage of the active working population engaged in agriculture as a supplementary activity, i.e. they receive a part of their income through other activities.

#### **Summary of the Program's Key Activities:**

In the past year and with the Project's assistance, the Subotica Inter-Municipal Cooperation Area (IMCA) has examined the need to increase the business of its agribusiness private sector in order to increase employment in the IMCA. Expansion of the agribusiness sector into new markets will increase the need for employees and will increase overall jobs in the IMC area. The Subotica IMC Agricultural Coordinating Committee has unveiled three projects, one in each city member, for substantially strengthening the supply side of the entire agribusiness sector. These projects are:

- a. logistic and modern distribution center for agricultural goods, to be constructed in Kanjiza;
- b. agricultural produce laboratory to be established in Subotica; and
- c. agricultural training center for new farmers and farmers who are in need of new skills in Sombor.

Other supply side ideas that have been discussed are the need for geographical certificate of origin that would assist branding and marketing of regional produce, a growth in food processing on land in the IMC area, and an interesting set of ideas regarding the development of new cultivar varieties to be added to the region's agricultural product mix. In total, the supply side ideas are well-reasoned and understood within the IMC, and all things being equal, are necessary ingredients for increasing the yield potential of the IMC's agribusiness sector.

#### **Partnerships (cooperation with partners and stakeholders)**

Partnerships and strong stakeholder relations became very important part of the Project's activities in the IMC Area led by the city of Subotica. The Project supports local governments and public utility companies to establish partnership with:

- Business sector – Regional Chamber of Commerce, Agro Unija;
- CSOs – LDA Subotica, Rural educational center;

- Provincial Government of Vojvodina - Provincial Secretariat for Interregional Cooperation and Local Self-Government, Provincial Secretariat for Economy, Provincial Secretariat for Labor, Employment and Gender Equality...
- National and provincial institutions – SIEPA, VIP, SCTM, NALED.

### **Key developments in IMC programs/projects**

- Technical assistance was provided to Sombor and Kanjiza in the BFC process–STTA presented and explained criteria to heads of departments and relevant municipal representatives charged with meeting these criteria. Based on the evaluation and current situation, the STTA provided recommendations for improvements.
- Technical assistance in the process of project selection for rural development – the working group is in the process of defining priority projects that will be implemented. Two major initiatives are in the field of protection of geographic origin, promotion of these agricultural products and development of rural areas. Activities are focusing on boosting agricultural production and entering new markets.
- The Project and representatives of the Institute for Intellectual Property and Ministry of Agriculture provided training to improve knowledge on the process of protection of geographic indication for representatives of business sector in the IMC Area. Protection of geographic indication is an added value for the agricultural products and can be utilized as a mechanism for strengthening regional competitiveness. Presentation was attended by 27 representatives from the IMC Area, out of which 10 were agricultural producers and business associations.
- Technical assistance in the process of project selection for agricultural development. Working group members defined these priority projects:
  - food and agricultural product quality control laboratory
  - logistic center for trading agricultural products
  - training center for the unemployed in rural areas within the IMC Area
- Through a workshop organized for 31 participants, a Brownfield STTA guided selected local officials from the Local Economic Development offices, Finance Department, Directorates and Urban Department to initiate the process of redeveloping brownfield locations by collecting data and mentoring LG representatives on the prioritization process. Prioritization means that the STTA, together with LG representative, will develop criteria based on which local government will evaluate brownfield location and after that initiate location revitalization either by offering them to investors or seeking national or donor subsidies.
- SLDP, in partnership with the Vojvodina Provincial Secretariat for Inter-regional Cooperation and Local Government, promoted the Lean Six Sigma optimization methodology to representatives of 32 municipalities in Vojvodina, including all ten SLDP-partner municipalities in the Subotica, Novi Sad and Zrenjanin-led inter-municipal cooperation (IMC) areas. Lean Six Sigma is a process improvement method designed to reduce operating costs by increasing the efficiency and effectiveness of all activities. It aims to ensure better utilization of existing resources, systematic improvement in efficiency, reduction in costs as well as risks and losses, and it can help local governments provide better services to citizens and businesses. The Lean Six Sigma conference was organized October 3, 2012 and attended

by 70 representatives from local governments, local economic development offices and public utility companies, as well as the mayors of SLDP-partner municipalities Kikinda and Temerin.

- February 5<sup>th</sup>, 2013 SLDP and the Vojvodina Provincial Secretariat for Economy and Employment organized a joint conference promoting "Broadband Networks as Part of the National, Regional and Local Infrastructure." The conference highlighted the need for a modernized and competitive knowledge-based economy, and presented the results of an SLDP funded feasibility study for a fiber-optic broadband network covering the Novi Sad-led inter-municipal cooperation area, which encompasses Temerin, Beocin and Sremski Karlovci. The basic concepts of broadband networks and the importance of optical networks for the development of local communities and economies were made known to the participants. These *information highways* enable local governments to attract new investments in high-technology industries, generate new jobs, ease communication with citizens and businesses, and improve the quality of life in rural and remote areas. The conference was attended by the State Secretary of the Ministry of Telecommunications, the Provincial Secretary for Economy, as well as members of the Vojvodina local government, businesses, and academic communities.
- 27<sup>th</sup> March, 2013 - Advisory Panel and Ceremony for MoU signing for the implementation of following projects:
  - A logistic and modern distribution center for agricultural goods, to be constructed in Kanjiza;
  - An equipping the laboratory for testing agricultural products and export certification in Subotica; and
  - An agricultural training center in Sombor

#### **Key accomplishments in IMC Area**

- City of Sombor gained NALEDs BFC certificate on December 4, 2012.

#### **Key challenges**

In Serbia the concept of inter-municipal cooperation is accepted as a good chance to reduce the important disparities in the quality of the same public service among local self-government. A key challenge relates to ensuring buy-in by inter-municipal stakeholders for economic development concept because the process of decision-making involves much coordinating and preparing and competition of local-governments for the new investors.

## 2. PROCESSES

Activities	Subject	Date	Number of participants	Next Steps
Meeting with LEDO Subotica	Equipping the laboratory	6-Nov-2012	4	Preparation of detail specification for the equipment
Meeting with LED Kanjiza	Agriculture logistic center	16-Nov-2012	3	Definition of the activities

Meeting with LEDO Subotica	Specification of the Equipment	4-Feb-2013	4	Preparation of the RfP
Meeting with LEDO Sombor	Training Centre	12-Feb-2013	3	Preparation of the RfP
Meeting with LEDO Kanjiza	Agriculture logistic centre	21-Feb-2013	3	Preparation of SoW
Coordination WG	Preparation for Advisory Panel	7-Mar-2013	4	Agenda, invitations...
Coordination WG	Preparation for MoU signing	22-Mar-2013	5	Ceremony
<b>Working group meetings</b>				
	Rural Development	9-Nov-2012	21	Next steps with business
	Agriculture Development - Kanjiza	21-Nov-2012	10	New Project Criteria
	Agriculture Development - Sombor	21-Dec-2012	12	Preparation SoW for training Centre
	Agriculture WG – Supply analysis	22-Mar-2013	5	Questionnaires
<b>Trainings</b>				
<b>Presentations</b>				
	Lean Six Sigma	3-Oct-2013	70	
	Broadband Networks as Part of the National, Regional and Local Infrastructure	5-Feb-2013	85	
	Advisory Panel and MoU signing	27-Mar-2013	20	

# Sustainable Local Development Project

## Novi Sad-led IMC Area Report

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### 3. EXECUTIVE SUMMARY

#### **Description of IMC specificity**

The Novi Sad-led Inter-Municipal Cooperation Area (IMCA) territory is economically vibrant with good infrastructure, a quality university, strong businesses of all varieties, and physical beauty. As an economic package, the IMC is on the road to being a metro area business success story. Remarkably, this situation offers a paradox for SLDP - the Novi Sad metro area will economically develop with the dominant and dynamic big city boosting the potential of its neighboring communities without *necessary* IMC coordination. The neighboring communities need to be smartly turned out satellites, and the benefits will come from proximity. Realistically, in such a situation, the Project's most constructive role would be to maximize those benefits and accelerate their arrival. This is the impulse behind our Concept for the IMC—to build good, related projects throughout the IMC in order to burnish the attractiveness of the metro area as a place for business. New Criteria Project for the Novi Sad area IMC – **“Metro Novi Sad: First Place for Business”**. The overall objective of the economic program is to add 1,500 jobs to the IMC area as a result of activities set in motion by the Project by November, 2015.

#### **Summary of the Program's Key Activities:**

The Project will work on discrete projects that will support the IMC landscape as a place for business. These include the following:

- a. Industrial Park Development in Beocin, Temerin, and Novi Sad: The IMC Coordinating Committees previously identified preparation of industrial zone pockets in the above-listed municipalities as a priority, and the Project has initiated work on technical documentation and conceptual designs for the sites. This work will continue, but more importantly, the Project will switch gears to work more on investment attraction for these sites.
- b. Brownfield Site Development: The IMC has several attractive brownfield sites that are caught in nonproductive traps, caused either by delays in privatization or the bankruptcy process or simple lack of good plans for development. The sites bound up by bureaucratic process will be analyzed for economic potential and opportunity lost through desuetude, and then included in a larger package of other similar sites from other IMCs to advocate for policy change at the central level. The sites stalled by lack of good ideas, such as one in Sremski Karlovci, which could be a very good business hotel and convention center to complement the regional business landscape, will receive technical business consultancy.
- c. Innovation in Metal Sector and Cluster: The IMC enjoys the presence of a number of small and medium sized metal producers with active foreign and local markets. The EU has invested heavily in the Vojvodina Metal Cluster, which boasts 116 members. This sector has potential for expansion if new markets can be penetrated. Particularly necessary is the introduction of innovation for creating new products and operational efficiencies. The Project will concentrate on improving innovation in the sector, taking advantage of the fact that innovation is a principal pillar of the Metal Cluster's

mission. This activity has synergies with projected work in other IMC areas such as Kraljevo, in that it will encourage closer connections and cooperation between Serbia's science and engineering communities and the business community.

d. Universalize the ICT Sector: The IMC touts itself as Serbia's center of ICT talent (though other IMCs, such as Nis, will dispute the claim). Lacking, however, are sufficient numbers of ICT specialists and engineers, as well as sufficient linkage between ICT and other sectors in Serbia, such as the metal sector. Both gaps will be addressed through technical assistance and cooperation with the ICT association. An IT Academy to show how ICT provides solutions to all industries will be considered, as well as other means for universalizing IT and for developing a critical mass of individuals who bridge ICT and engineering specialties.

e. Turn Young People On to Jobs that have Meaning: Novi Sad has established a Regional Education Center subsidized by the Provincial Government. The Project contributed in the past to this center, and will be supporting the placement of a career guidance team inside the Center. We will coordinate the Team and the Center with the investment, sector and ICT work mentioned above in order to help assemble a work force that can answer the bell of Metro Novi Sad: First Place for Business.

#### **Partnerships (cooperation with partners and stakeholders)**

Partnerships and strong stakeholder relations became very important part of the Project's activities in the IMC Area led by Novi Sad. The Project supports local governments and public utility companies to establish partnership with:

- Business sector – Amber Software, Vojvodina ICT cluster, Vojvodina metal cluster;
- CSOs – Novosadska novinarska skola, PALGO centar, Zeleni eko krug;
- Provincial Government of Vojvodina - Provincial Secretariat for Interregional Cooperation and Local Self-Government, Provincial Secretariat for Economy, Provincial Secretariat for Labor, Employment and Gender Equality...
- National and provincial institutions – SIEPA, VIP, SCTM, NALED

#### **Key developments in IMC programs/projects**

- Technical assistance to municipality of Beocin and Novi Sad in the BFC process—the Project presented and explained criteria to heads of departments and relevant municipal representatives charged with meeting these criteria. Based on the evaluation and current situation - STTAs provided recommendations for improvements. The mayors supported the process by providing templates for various databases and guidance in improving the permit issuing process.
- CSO Focal Point was selected to ensure citizen participation in IMC activities and decision-making process - CSO "Novosadska novinarska skola" in partnership with the PALGO Center. Selected focal point will implement the following activities:
  - Motivation and involvement of CSOs in working groups' activities
  - Communication with citizens
  - Organization of the anti-corruption training for LG staff
  - Development of a web platform

- Organizing a conference about tourism development -“Regional tourism offer” in Beocin and Sremski Karlovci to present what has been done in the past in the field of tourism in these municipalities and to present examples of good practice. Also, there were two lectures on topics:
  - Management of tourist destinations and marketing tools
  - Contemporary trends in tourism and event management

The main conclusions for further steps are that it is necessary to strengthen the capacity of local tourism organizations especially in Beocin and Temerin, to develop and strengthen inter-municipal cooperation and regional tourism offer, as well as to improve tourism promotion. The conference was organized October 4<sup>th</sup> 2012.

- SLDP, in partnership with the Vojvodina Provincial Secretariat for Inter-regional Cooperation and Local Government, promoted the Lean Six Sigma optimization methodology to representatives of 32 municipalities in Vojvodina, including all ten SLDP-partner municipalities in the Subotica, Novi Sad and Zrenjanin-led inter-municipal cooperation (IMC) areas. Lean Six Sigma is a process improvement method designed to reduce operating costs by increasing the efficiency and effectiveness of all activities. It aims to ensure better utilization of existing resources, systematic improvement in efficiency, reduction in costs as well as risks and losses, and it can help local governments provide better services to citizens and businesses. The Lean Six Sigma conference was organized October 3, 2012 and attended by 70 representatives from local governments, local economic development offices and public utility companies, as well as the mayors of SLDP-partner municipalities Kikinda and Temerin.
- February 5<sup>th</sup>, 2013 SLDP and the Vojvodina Provincial Secretariat for Economy and Employment organized a joint conference promoting "Broadband Networks as Part of the National, Regional and Local Infrastructure." The conference highlighted the need for a modernized and competitive knowledge-based economy, and presented the results of an SLDP funded feasibility study for a fiber-optic broadband network covering the Novi Sad-led inter-municipal cooperation area, which encompasses Temerin, Beocin and Sremski Karlovci. The basic concepts of broadband networks and the importance of optical networks for the development of local communities and economies were made known to the participants. These *information highways* enable local governments to attract new investments in high-technology industries, generate new jobs, ease communication with citizens and businesses, and improve the quality of life in rural and remote areas. The conference was attended by the State Secretary of the Ministry of Telecommunications, the Provincial Secretary for Economy, as well as members of the Vojvodina local government, businesses, and academic communities.
- The Project supported a study to improve decision making related to energy efficiency in public buildings. As part of the study, thermal imaging of public buildings (schools, hospitals, municipal buildings etc.) in Novi Sad and Temerin was used to analyze the efficiency of energy use. Specifically, findings indicate that up to 10% of municipal annual budgets are used to pay for energy, while the average energy use of households within the IMC area is approximately 70% higher than the European average. The study indicated that over \$700,000 could be saved in Novi Sad’s annual budget by increasing the efficiency of energy use in schools and hospitals alone. This calculation does not include savings that could be captured in local administration buildings, public utility companies and other public buildings

such as museums and theaters. The results of the study and recommendations were presented at a conference organized November 15<sup>th</sup> 2012 in Novi Sad, attended by representative of local governments, the Vojvodina Provincial Government, public utility companies, universities and Civil Society Organizations.

### **Key accomplishments in IMC Area**

- SLDP supports partnership between Lafarge and municipality of Beocin. This partnership will create a new 26 hectare business park on land owned by the municipality, which will meet the demands of investors from Austria, Slovakia, New Zealand and Great Britain. Beocin's existing Business Park, owned by Lafarge, is nearly filled to capacity. The foreign investors in the new park initially plan to employ approximately 250 residents from Beocin and neighboring municipalities. The agreement stipulates that SLDP will finance the main design of the new industrial zone, and Lafarge will provide technical, administrative and financial support for the development of the zone. This partnership is expected to attract new investors, which will create more jobs in this part of Serbia.

### **Key challenges**

In Serbia the concept of inter-municipal cooperation is accepted as good chance to reduce the important disparities in the quality of the same public service among local self-government. A key challenge relates to transfer inter-municipal cooperation concept on the economic development, because the process of decision-making involves quite much coordinating and preparing and competition of local-governments for the new investors.

## 4. PROCESSES

Activities	Subject	Date	Number of participants	Next Steps
Meeting LEDO Novi Sad	Industrial zone Novi Sad	7-Nov-2012	3	Ownership of the land
Meeting Agency for LED Temerin	Preparation of RfP for industrial zone in Temerin	17-Dec-2012	3	Preparation of RfP
Meeting LEDO Beocin	Local Sustainable Development Strategy	20-Dec-2012	3	Development of Strategic Document
Meeting Agency for LED Temerin	RfP for industrial zone in Temerin	22-Jan-2012	3	Preparation of RfP
Meeting LEDO Beocin	Local Sustainable Development Strategy	20-Feb- 2013	2	Development of Action Plan
<b>Working group meetings</b>				
Meeting	Energy efficiency WG	24-Oct-2012		Preparation of Conference
Meeting	Vojvodina Metal Cluster	5-Dec-2012		Meeting with CoP
<b>Trainings</b>				
	SWOT analysis – Training Local Sustainable Development Strategy	27 Nov 2012	18	Definition of the action plan
	Focal Point – Training – Anti	18- Jan -2013	10	Final Conference

	Corruption			
<b>Presentations</b>				
	Press conference - Standardization of non-financial support to SMEs	9-Oct-2012	n/a	
	Conference – Energy Efficiency	15 Nov 2012	20	
	Lean Six Sigma	3-Oct-2013	70	
	Broadband Networks as Part of the National, Regional and Local Infrastructure	5-Feb-2013	85	
	Final Conference – Focal Point PALGO and NNS	28-Mar-2013	20	

# Sustainable Local Development Project

## Zrenjanin-led IMC Area Report

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### 5. EXECUTIVE SUMMARY

#### **Description of IMC specificity**

The Zrenjanin-led Inter-Municipal Cooperation Area (IMCA) is a part of the Banat Region in Vojvodina, a traditionally agricultural region with over 85% of its land dedicated to arable agriculture - this accounts for over 16% of the total arable land in Serbia. A significant portion of the land in the region is occupied by small farms, and this portion of the land represents a considerable resource that significantly under-performs against its potential. The result of small farms under-performance is due to low usage of modern mechanized farming techniques, the limited size of the individual farms themselves, and insistence on cultivating grains rather than higher-value horticulture. Not surprisingly, young people are leaving these rural areas, which leads in turn to de-population and aging of the small farming community. One way to address these issues and keep young people employed is to emphasize vegetable cultivation, which is more suitable to small parcels of land, and complement that effort by working to build a processing industry to buy the produce, thus employing young people in the more value-added aspects of agribusiness. This is the keystone of the Concept that the Project is proposing as a New Criteria Program for the Zrenjanin IMCA – **“Diversification of Agriculture – New Jobs for Rural Youth”**. The overall objective of the economic program is to increase IMC production of vegetables ultimately marketed to processors, by 20% by November 2015.

#### **Summary of the Program’s Key Activities:**

The Zrenjanin IMCA has a well-developed agricultural production and food processing industry, but it concentrates on processing of grains. The Project will work with the existing processors and potential newcomers to examine the potential and adapt new ways of processing vegetables in order to create a more diversified product portfolio. Key activities will focus on horizontal agriculture diversification at two levels, production and processing. The diversification of crops will be driven by adding new high-value crops, vegetables, to existing cropping systems as a way to improve the overall productivity of small farms and creation of new farms. Complementing this effort, the Project will support the creation of agriculture incubators, targeted at developing new farmers (basically youth). Such incubators will provide access to land, equipment and infrastructure for farm start-ups. Also, existing agriculture associations and cooperatives, as well as exiting agricultural extension experts, will be involved in Project activities to support new vegetable producers through counseling and mentoring. On the processing side, local governments, with Project technical assistance, will drive the attraction of new investors (foreign and domestic) in the food processing industry. Local counterparts and the Project will also work with existing agricultural processors on diversification of their food offerings and on expansion of their vegetable processing business. In support of the above Concept, the Zrenjanin IMCA Coordination Working Group has unveiled the following projects:

- Creating 3 Agriculture working zones for potential investors in the food processing industry – one in each partner local government;

- Creating 3 Agriculture incubators for protected vegetable growing (greenhouses) to train and foster the agricultural trade among unemployed rural youth and farm start-ups – one in each partner local government;
- Joint activities in investment attraction of all three local governments.

The main goals of the agriculture incubator are:

- to promote vegetable production as an economic career for rural youth
- to increase the chance of start-ups success in vegetable production
- to decrease the time and cost required to establish and grow a new agribusiness.

### **Partnerships (cooperation with partners and stakeholders)**

Partnerships and strong stakeholder relations have become a very important part of the Project's activities in the IMCA led by Zrenjanin. In the current economic climate, with more focus on demonstrating efficient and responsible use of public money, there is a need to be transparent, accountable and in touch with all stakeholders. The Project supports local governments and public utility companies to establish partnership with:

- Business sector – Business Improvement district, d.o.o. Carska Basta, Zadruga Vrebalov, Banatska Lenija;
- CSOs – Youth association of Novi Becej, Media Association Banat Info, Kormilo;
- Provincial Government of Vojvodina - Provincial Secretariat for Interregional Cooperation and Local Self-Government, Provincial Secretariat for Economy, Provincial Secretariat for Labor, Employment and Gender Equality;
- National and provincial institutions – Ministry of Local Government, Ministry of Economy and Regional Development, SIEPA, VIP, SCTM, NALED

### **Key developments in IMC programs/projects**

- Technical assistance to Novi Becej and Kikinda in BFC - STTA presented and explained criteria to heads of departments and relevant municipal representatives in charge of meeting these criteria. Based on the evaluation and current situation the STTA provided recommendations for improvements.
- Technical assistance in the process of project selection for agricultural development – the Working Group defined priority projects:
  - Establishment of IMC agricultural working zone
  - Equipping of IMC agricultural working zone
- Asset management – The goal is to provide Zrenjanin-led IMC Area with tools for increasing the benefits they derive from property assets. Expected outcomes of this activity are improved asset management policies and practices, and increased major development opportunities for IMC partnerships.
- A CSO Focal Point organization was selected to ensure citizen participation in IMC activities and informing citizens of various mechanisms to fight local corruption – The Business Improvement District in partnership with the Media Association "Banat-Info". The Focal Point:
  - Motivation and involvement of CSOs in working groups' activities

- Communication with citizens
- Organization of anti-corruption training for members of CSOs

A closing event was organized in March, promoting the final product as a result of CSO activities: an anticorruption platform “together against corruption”

([www.zajednoproktivkorupcije.org](http://www.zajednoproktivkorupcije.org)) which informs the public of mechanisms, institutions and organizations which can assist in reporting and fighting against corruption.

- SLDP, in partnership with the Vojvodina Provincial Secretariat for Inter-regional Cooperation and Local Government, promoted the Lean Six Sigma optimization methodology to representatives of 32 municipalities in Vojvodina, including all ten SLDP-partner municipalities in the Subotica, Novi Sad and Zrenjanin-led inter-municipal cooperation (IMC) areas. Lean Six Sigma is a process improvement method designed to reduce operating costs by increasing the efficiency and effectiveness of all activities. It aims to ensure better utilization of existing resources, systematic improvement in efficiency, reduction in costs as well as risks and losses, and it can help local governments provide better services to citizens and businesses. The Lean Six Sigma conference was organized 3<sup>rd</sup> October 2012 and attended by 70 representatives from local governments, local economic development offices and public utility companies, as well as the mayors of SLDP-partner municipalities Kikinda and Temerin.
- February 5<sup>th</sup>, 2013-SLDP and the Vojvodina Provincial Secretariat for Economy and Employment organized a joint conference promoting "Broadband Networks as Part of the National, Regional and Local Infrastructure." The conference highlighted the need for a modernized and competitive knowledge-based economy, and presented the results of a SLDP funded feasibility study for a fiber-optic broadband network covering Novi Sad-led inter-municipal cooperation area, which encompasses Temerin, Beocin and Sremski Karlovci. The participants were informed about the basic concepts of broadband networks and the importance of optical networks for the development of local communities and economies. These *information highways* enable local governments to attract new investments in high-technology industries, generate new jobs, ease communication with citizens and businesses, and improve the quality of life in rural and remote areas. The conference was attended by the State Secretary of the Ministry of Telecommunications, the Provincial Secretary for Economy, as well as members of the Vojvodina local government, businesses, and academic communities.

### **Key challenges**

In Serbia, the concept of inter-municipal cooperation is accepted as a good chance to reduce the disparities in the quality of public service among local self-governments. A key challenge lays within the transfer of economic development inter-municipal cooperation concepts because the process of decision-making involves coordination, preparation and competition of local-governments for new investors. By working jointly on IMC initiatives, the Project hopes to overcome the LGs’ tendencies to compete among each other and instead work together for a mutually beneficial investment opportunity.

## **6. PROCESSES**

<b>Activities</b>	<b>Subject</b>	<b>Date</b>	<b>Number of participants</b>	<b>Next Steps</b>

Meeting with LEDO Zrenjanin	Introduction of New Criteria Program	16-Jan-2013	3	Development of new ideas
Meeting with LEDO Kikinda	Introduction of New Criteria Program	17-Jan-2013	4	Development of new ideas
Coordination WG meeting	Clarification of NCP	25-Jan-2013	3	Development of new ideas
Meeting with LEDO Novi Becej	Introduction of New Criteria Program	31-Jan-2013	4	Development of new ideas
Meeting with LEDO Zrenjanin	Development of new idea – NCP	27-Feb-2013	4	Presentation of the idea
Meeting with LEDO Novi Becej	Development of new idea – NCP	28-Feb-2013	3	Presentation of the idea
Coordination WG meeting	Definition of NCP	14-Mar-2013	3	Preparation of documentation
<b>Working group meetings</b>				
WG meeting	Youth employment	24-Oct-2012	9	WP Follow up
WG meeting	Brownfield WG	29-Oct-2012	5	Next steps
WG meeting	Agriculture	18-Dec-2012	3	New Criteria Program
WG meeting	Agriculture	14-Feb-2013	5	New Criteria Program
<b>Trainings</b>				
	Focal Point – BID – “Anti-corruption”	20-21 Dec- 2012	15	Next training
	Focal Point – BID – Citizen participation in decision making process on local level	2- Mar-2013	15	Final Conference
<b>Presentations</b>				
	Lean Six Sigma	3-Oct-2013	70	
	Broadband Networks as Part of the National,	5-Feb-2013	85	

	Regional and Local Infrastructure			
	Final Conference – Focal Point BID	28-Mar-2013	20	

# Sustainable Local Development Project

## Kraljevo-led IMC Area Report

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### 7. EXECUTIVE SUMMARY

#### **Description of IMC specificity**

The Kraljevo-led Inter-Municipal Cooperation Area (IMCA), comprised of the cities of Kraljevo and Cacak and municipalities of Vrnjacka Banja, Gornji Milanovac and Raska, reveals a multitude of manufacturing in diverse sectors, mostly by SME remnants of large state-owned companies, with pockets of more sophisticated and export-oriented companies, especially in the two larger cities, Kraljevo and Cacak, which rival each other in many respect but have cooperated on previous projects and joint initiatives for the benefit of the entire region. Though much smaller in size, in comparison to the two cities, the municipality of Gornji Milanovac has an extremely well developed export oriented local economy. A small-producer agricultural sector occupies territories more remote from the larger municipal centers, especially in Vrnjacka Banja and Raska. On the whole, the private sector economy is stagnant, bound by limited, customary markets and stiff competition.

Competitive business is critical to economic growth and job additions. The IMC's stalling SME sectors need new products and less expensive operation costs to grow into new markets and expand. Therefore, the SME development and increase of their competitiveness in domestic and foreign markets are key priorities defined both by business sector and local governments, and what is needed is that local producers increase their competitiveness by producing goods that markets want and that competitors cannot deliver more cheaply. This situation is suitable for using innovation to expand SME market opportunities, especially as the IMC has experience with promoting SME innovation in the form of the IMPuls program introduced by university-run laboratory in Kraljevo housing Italian prototype and reverse engineering machines for designing new products and strongly supported by both local governments of Kraljevo and Cacak. In addition, Cacak is highly interested in making the newly established Technology Center fully operational and in service for the local SME sector. Furthermore, the innovation in crop products and post-harvest technologies will drive the effort of IMC small agricultural producers to better supply IMC recognized markets of Kopaonik and Vrnjacka Banja with locally produced agricultural products, thus complementing the regional tourism offer and boosting development of regional economy. Given this momentum toward enhancing SME innovation in the IMC area, the Project is anxious to further advance the relationship between science/engineering and business to promote SME innovation in the IMC area within the new economic program proposed for this IMC area - "**Kraljevo IMC Competitiveness through Innovation**". The overall objective of this economic program is to promote at least 50 innovations that lead to new SME sales in the marketplace by November 2015.

#### **Summary of the Program's Key Activities**

The Kraljevo IMPuls program is a fine model and launching pad for building a culture of dialogue and innovative collaboration between SMEs and the academia. The presence of willing SMEs and willing scientists/engineers is critical, and in the IMPuls program good champions are already on board. Using sector competitiveness tools, the Project will help SMEs in the metal, textiles, food processing and wood-processing sectors explore new markets and identify product and operational gaps that prevent serving those new markets. The Project will then work to create collaborative dialogue

between scientists/engineers and SMEs to find innovative solutions for the gaps identified. Three trunk lines will be followed in accomplishing this work. They are:

- a. Concrete design and use of the Technical Center in Cacak. At present, the Center is drifting without a distinct purpose or business plan. The Project will assist in the development of a plan, and will assist in implementing the plan to accomplish concrete science/business collaboration.
- b. IMPuls needs more work to prove its economic value. Initial funding for the program did not provide for measuring impact or for running IMPuls as a business proposition dedicated to selecting and assisting businesses with strong business plans and market potential. The Project will introduce more sustainable and market-based practices to maximize IMPuls' positive effect on IMC SMEs.

The Project will also pay attention to two other types of activities congruent with innovation concerns.

- a. The gap between business and science. In Serbia, the science/business gap is not a problem exclusive to this IMC. National policy on innovation and competitiveness does not reward scientists in the academy who work with firms to find practical business solutions through innovation. The Project will work with the local governments of the IMC to improve national innovation policy through a concerted IMC (and perhaps inter-IMC) policy effort. We hope that identification of real business opportunities in the IMC, realized on the shoulders of business/science dialogue, will open new policy doors for promoting Serbia's competitiveness through innovation. The IMC mechanism will be the platform for waging these policy changes.
- b. The IMC is also a place of small farmers who lack markets. The Project will utilize the resorts of Kopaonik and Vrnjacka Banja to build demand for products that can be offered by IMC small agricultural producers. Innovation in crop products and post-harvest technologies will drive this effort to better supply recognized markets.

### **Partnerships (cooperation with partners and stakeholders)**

During this reporting period cooperation between the Project and IMC Area partner municipalities has been oriented towards identification of businesses and economy sector with the highest potential for innovation and increase of competitiveness. In the reporting period the Project had the most intensive cooperation with various representatives of business and scientific sectors, especially:

- The Faculty of Mechanical and Construction Engineering Kraljevo - on monitoring and planning for further cooperation of the IMPuls Center and SMEs. Also, discussions on further SLDP cooperation with IMPuls pursuing continued development of the SME sector has been initiated.
- Regional Chamber of Commerce and the business associations: Association of Entrepreneurs "Unija 2000" Cacak, Business Forum Cacak, business association "Inicijativa 2012" Kraljevo, association of women entrepreneurs Kraljevo, through their participation in a baseline assessment for tailored SLDP assistance to the business sector.

- Owners and managers of the key companies from various sectors (metal processing, textile, wood processing) in Kraljevo and Cacak in identification of potential areas of cooperation in increase of SME competitiveness.
- The National Employment Service, in activities related to youth development and employment through cooperation on projects related to young entrepreneur business mentoring and an internship program for youth.
- Regional Development Agency for Spatial and Economic Development of Raska and Morava Regions which participates in the work of all working groups.

### **Key developments in IMC programs/projects**

- Technical assistance to the City of Kraljevo and the municipality of Vrnjacka Banja in the process of Business Friendly Certification – NALED. Monitoring of re-opened certification processes and implementation of previously developed Action Plans and initiated activities that would enable them to respond to the criteria in a timely manner and obtain business friendly certificate.
- Technical assistance to PU “Toplana” Kraljevo in establishment of public-private partnership for co-generation of the district heating plant has been initiated.
- Baseline assessment of business associations aiming at tailoring SLDP assistance to business sector in new job openings and increase of production and export conducted.
- The selection Panel for best business ideas within the Youth Entrepreneurship program was held. Six candidates presented their business plans and the Panel members interviewed and evaluated these plans and made a recommendation to the Erste Bank in relation to financing these start-ups.
- After initial mapping and analyzing existing resources for linking R&D institutions with the SME sector and provision of recommendations during summer 2012, an agreement has been made with Cacak for provision of technical assistance in the design and development of operational and business plans for the Technology Center in Cacak in order to accomplish cooperation between science and business sectors.
- Successfully organized Economic Forum with 27 representatives of public and business sectors and academia where SME innovation potentials and increase of SME sector competitiveness were discussed as well as future cooperation of all stakeholders in the process. The Forum, also, was a platform to gather new ideas to be part of the newly developed economic program for this IMC area.

### **Key challenges**

In this reporting period the biggest challenge was to identify and develop an over-arching economic program that will balance and include the needs of all local partners with newly established project criteria.

## 8. PROCESSES

Activities	Subject	Date	Number of participants	Next Steps
<b>Meeting with Coordinators</b>	SLDP Assistance to business sector development – Kraljevo	12/24/2012	2	✓ Preparations for Economic Forum
		02/13/2013	2	
	SLDP Assistance to business sector development – Cacak	01/18/2013	2	✓ Preparations for Economic Forum
		02/13/2013	2	
	SLDP Assistance to business sector development – Gornji Milanovac	02/13/2013	1	✓ Preparations for Economic Forum
SLDP Assistance to business sector development – Raska	02/14/2013	2	✓ Preparations for Economic Forum	
SLDP Assistance to business sector development – Vrnjacka Banja	10/25/2012	2	✓ Preparations for Economic Forum ✓ Further activities	
	02/14/2013	2		
	03/25/2013	2		
<b>Working group meetings</b>				
<b>Business Friendly Certification</b>	Vrnjacka Banja WG meeting on further steps	10/11/2012	13	✓ Next steps in certification process
<b>Agricultural Development</b>	Establishment of a WG and agreement on WG operations	11/08/2012	11	✓ Development of Full Project Proposal
<b>Tourism Development</b>	Establishment of a WG and agreement on WG operations	11/13/2012	11	✓ Development of Concept Note
<b>Business sector meetings</b>				
<b>Business sector development</b>	Business sector analysis – Technology Park Cacak	12/18/2012	1	✓ Economic Forum
	Business sector analysis – IMPuls center	12/18/2012	2	✓ Economic Forum
	Business sector analysis	12/20/2012	5	✓ Economic Forum

	Business sector support – Technology Park Cacak	01/18/2013	6	✓ Technical assistance
	Business sector support – IMPuls center	02/05/2012	2	✓ Technical assistance
	Business sector analysis – potentials for cooperation	02/08/2013	11	✓ Economic Forum
	Business sector support – IMPuls center	03/15/2012	2	✓ Technical assistance
<b>Economic Forum</b>	Development of new economic program for IMC area	02/21/2013	27	✓ Development of the NPC Concept Note
<b>Trainings</b>				
<b>PUC Monitoring</b>	Introduction of the PUC monitoring system	10/15/2012	6	✓ Next steps
<b>Presentations</b>				
<b>Presentation of analysis and recommendations of Standardization of non-financial services to SMEs</b>	Presentation of the analysis, findings and recommendations	10/05/2012		Implemented by RARIS
<b>Public presentation and discussion of Regional Tourism Development Plan in Vrnjacka Banja</b>	Presentation of the draft of the Plan	10/25/2012	39	Development of final document
<b>Youth Development Roundtable</b>		11/16/2012		KOMS

# Sustainable Local Development Project

## Uzice-led IMC Area Report

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### 1. EXECUTIVE SUMMARY

#### **Description of IMC specificity**

The Uzice-led Inter-Municipal Cooperation Area (IMCA) is comprised of the City of Uzice and municipalities of Cajetina, Nova Varos, Prijepolje and Priboj. The IMC Area is a diverse, mountainous region, and economic opportunities in these five communities are scarce. The IMC area is characterized by three poorly developed municipalities in its southern portion and two municipalities that enjoy economic assets and growth, particularly in the tourism industry. Unemployment in the southern municipalities is 30%, higher than the national average (23.6% national unemployment rate), while in the northern municipalities it is significantly below the national average (less than 18 %). The northern tourism industry has expanded by 30% in revenues over the last five years, while no economic sector in the southern region has grown.

The region has always been on the crossroads of different ideologies, cultures, religions, with a rich heritage and outstanding natural resources. 8% of the territory is under some sort of protection (mostly environmental) and its position enables free flow of economic factors contributing thus to sustainable regional development. Therefore, the Project has identified an over-arching economic program - **"Uzice IMC Regional Value Chain"** which uses the tourist center of Zlatibor and the neighboring tourist resort areas (Tara, Mokra Gora and Zlatar) as an anchor industry for the underdeveloped regional supply chains (the Anchor Tourism Industry). The Project does not intend to grow the tourism industry itself, which is already substantial and growing, but will leverage that industry's needs in order to grow the businesses of diverse SMEs and farmers in the IMC area. The overall objective of the economic program is to increase purchases of IMC area products and services by the Anchor Tourism Industry by 10% by November, 2015.

This main effort will be enhanced by more strategic economic elements we call ancillary projects (university, investor-attractive land sites) that will, also, be pursued and that will contribute to the overall idea that IMC areas can provide more economic dynamism than municipalities acting independently.

#### **Summary of the Program's Key Activities**

The guiding principle of the Uzice economic program is to use the solid tourism industry of the northern municipalities to pull the private sector resources in the southern municipalities to develop. Value chain development between tourism industry buyers and potential vendors in the IMC area will be the key focus of the technical work, and we anticipate that the value chains will encompass the dairy, fruit and vegetable, textile, furniture and services sectors. As a systematic study or marketing effort regarding the desire of the Anchor Tourism Industry to buy various products from local producers has not yet been performed, testing the level of demand for locally produced goods will be the first activity undertaken. This effort will not rely solely on social science; however, surveys, interviews and focus groups will be part of the initial demand research. If the study proves that local producers can satisfy the needs and standards of the Anchor Tourism Industry, we plan on building upon such success and help local producers to expand to more remote markets by diverse methods, including better cost and pricing information, more centralized produce certification centers, and warehousing and cold chain improvements.

Other technical assistance that will, in the long-run, expand the value chain's capacity has already been identified by the IMC area's Coordinating Committees and will also be pursued. These are:

- A demand study for a new university being contemplated for the region, to be located in Uzice. This analysis will focus on the idea of offering higher education curriculum that is allied to and matched with local business needs. Once the study is completed, we will determine how and whether to follow-up and participate in other activities concerning the establishment of the university.
- Investment-related activities regarding the suitability of selected property sites for inflowing investment of strategic value to the region. We will begin with a 350 hectare former military site in Uzice, and a brownfield site in Prijepolje.
- The Priboj truck factory, FAP, is a possible asset for investment and for the supply chain, but only if it is not sold to a strategic investor as a turn-key operation. If the GOS abandons the idea of exploiting the factory as a turn-key operation, we will examine the investment and value chain potential of its parts.

#### **Partnerships (cooperation with partners and stakeholders)**

During this reporting period cooperation between the Project and IMC Area partner municipalities has been oriented to identification of businesses and economy sector with the highest potential for innovation and increase of competitiveness. Therefore, in this reporting period the Project had the most intensive cooperation with various representatives of the business sector, especially:

- Regional Development Agency Zlatibor, which is an inter-municipal cooperation champion and facilitates the entire process of project initiatives implementation by participating in and facilitating Working Groups, as well as coordinating the cooperation of all partnership municipalities and stakeholders.
- Regional Chamber of Commerce, Business Incubation center Uzice and Business Associations of Entrepreneurs from Uzice and Priboj, Business club from Prijepolje through their participation in a baseline assessment for tailored SLDP assistance to the business sector.
- Business Club Western Serbia is exploring the opportunities and possibilities to cooperate with the IMCA, especially in the area of youth education.

#### **Key developments in the IMC programs/projects**

- Technical assistance to the municipality of Nova Varos in the process of Business Friendly Certification – NALED.
- Support in development of a specific brownfield location in Prijepolje by facilitation of meetings of local government representatives and republic Agency for Bankruptcy.
- Development and implementation of RfP for Demand Needs Assessment for establishment of Integrated University.

- Dairy sector assessment and provision of recommendation on how to make it more competitive.
- Baseline assessment of business sector aiming at tailoring SLDP assistance to business sector in new job openings and increase of production and export conducted.
- Technical assistance in introduction of PUC monitoring system.
- Successfully organized Economic Forum with 27 representatives of public and business sectors where the importance of building a strong regional human capital and investment attraction bases were discussed as well as future cooperation of all stakeholders in the process. The Forum also was a platform to gather new ideas to be part of the newly developed economic program for this IMC area.
- Initiation of study development to review the demand for and guide the establishment of a University in Uzice in order to help equip local youth with skills demanded by regional employers and decrease youth outmigration (\$40,000 subcontract).
- Complete dairy sector analysis with recommendations on how to improve production and operations in order to become more competitive in the regional market and increase their incomes.

#### **Key accomplishments in IMC Area**

- The Municipality of Nova Varos certified by NALED as a business friendly municipality with improved procedures and a business enabling environment.

#### **Key challenges**

In this reporting period the biggest challenge was to identify and develop an over-arching economic program that will balance and include the needs of all local partners with newly established project criteria.

Also, a late change of local government in the City of Uzice, in November, required investing more efforts in bringing the new leadership and administration staff to the same level of understanding and commiteemen with other partners in the IMC area.

## **2. PROCESSES**

<b>Activities</b>	<b>Subject</b>	<b>Date</b>	<b>Number of participants</b>	<b>Next Steps</b>
<b>Meeting with Mayors and Coordinators</b>	SLDP Assistance to business sector development – Uzice	12/17/2012 02/11/2013	3 3	✓ Preparations for Economic Forum
	Meeting with the new Mayor of Uzice	01/15/2013	4	✓ Preparations for Economic Forum
	SLDP Assistance to business sector	02/11/2013	2	✓ Preparations

	development – Cajetina			for Economic Forum
	SLDP Assistance to business sector development – Nova Varos	02/11/2013	2	✓ Preparations for Economic Forum
	SLDP Assistance to business sector development – Priboj	02/12/2013	2	✓ Preparations for Economic Forum
	SLDP Assistance to business sector development – Prijepolje	02/12/2013	2	✓ Preparations for Economic Forum
<b>Working group meetings</b>				
<b>Agricultural Development</b>	Dairy sector analysis action plan presentation	10/18/2012	7	✓ Field analysis
	Elaboration of field visit findings	11/14/2012	6	✓ Development of the draft of the analysis
	Presentation of the draft of the Dairy Sector Analysis	12/03/2012	5	✓ Development of final document of the analysis
<b>University Development</b>	Demand Needs Assessment for University establishment SoW presentation	02/14/2013	11	✓ Field survey
<b>Business sector meetings</b>				
<b>Business Sector Development</b>	Baseline assessment for tailored SLDP assistance to business sector	12/17/2012	11	✓ Economic Forum
	Baseline assessment for tailored SLDP assistance to business sector in Prijepolje	01/16/2013	4	✓ Economic Forum
<b>Economic Forum</b>	Development of new economic program for IMC area	02/20/2013	27	✓ Development of the NPC Concept Note
<b>Trainings</b>				
<b>Public Participation</b>	Public Participation Trainings	10/2-4/2012		CSO Focal Point
<b>Youth Development Group 484</b>		10/30 /2012		Group 484
<b>Youth Development Group 484</b>		11/21/2012		Group 484
<b>PUC Monitoring</b>	Introduction of the PUC monitoring system	03/22/2013	5	✓ Next steps
<b>Presentations</b>				
<b>Presentation of analysis and recommendations: Standardization of non-financial services to SMEs</b>	Presentation of the analysis, findings and recommendations	10/05/2012		Implemented by RARIS
<b>Youth and Diaspora Round Table Group 484</b>		12/26/2012		Group 484

# Sustainable Local Development Project

## Novi Pazar-led IMC Area Report

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### 1. EXECUTIVE SUMMARY

#### **Description of IMC specificity**

The Novi Pazar-led Inter-Municipal Cooperation Area (IMCA), comprised of the City of Novi Pazar and municipalities of Tutin and Sjenica, is oriented towards overall development of the Pester Plateau region. The entire region is traditionally well known for its commercial and entrepreneurial spirit. Today, however, this is one of Serbia's poorest regions. The active sectors within the IMC region are textiles, footwear, furniture and husbandry (dairy, meat), consisting of entrepreneurial small and medium-sized firms and farms. The private sector here does not need to be motivated to work, and it is not reluctant or too proud to take advice. Rather, the firms in the key sectors have proven their business-hardiness and resourcefulness. The results from the Project's Labor Gap Analysis are showing that they expect to hire new labor in the forthcoming period.

USAID's Economic Security (ES) Project and a very capable Regional Development Agency Sandzak (SEDA) have been working productively with these sectors on cluster-building and marketing. However, the firms are all of the view that critical to their ability to expand is competitiveness improvement through reduction in operational costs, development of new products and access to new markets. Supply-side drawbacks are the inadequate labor force and limited capital. In addition, the capacity of firms in the areas of management, marketing, sales, communication with and responsiveness to the customers, quality control, and market-sized volume of production is questionable. In short, a willing entrepreneurial culture inhabits the IMC's primary sectors, but the working tools must be better wrought.

Each of the key sectors has experienced cluster development work, and has identified particular constraints and gaps. For instance, the textile jean manufacturers produce volumes too small for the non-boutique buyers who are capable of providing long-term market security and confidence. In addition, the entire sector faces an environmental shut-down because it cannot afford environmentally safe washing equipment. Similarly, the shoe industry also produces in too small lots to satisfy the most stable and best-known buyers, and it cannot reach big markets to promote their wares. The furniture industry suffers a restricted market because of high transportation costs. And the husbandry industry is unaligned in its entire value chain, thus, limiting production. These are the examples of the problems for which the Project will try to find business solutions.

With these findings in mind, the Project has developed an overall economic program of sector competitiveness - **"Novi Pazar: Entrepreneurship that Sells."** The economic program will further build the competitiveness of the IMC's entrepreneurial sectors through sector-wide work on production efficiencies and product portfolios, as well as on assistance in marketing, locating demand and locating investment. The overall objective of the economic program is to increase total exports of assisted sectors by 10% by November 2015.

#### **Summary of the Program's Key Activities**

Many donors have worked in this IMC area and have provided direct support to local businesses. Yet, work on finding demand and markets have not been completed. As the unemployment rate is over

30%, and without many FDI activities in the past, the support to existing businesses has the biggest potential to absorb additional labor.

As USAID will be funding regional development agencies (RDAs), such as SEDA, to work on firm-level competitiveness issues, the Project will coordinate its work carefully. One advantage the Project has is that it can bring foreign business consultants to work on these issues, and will make sure that their work complements to the work done locally. As in all competitiveness work, the methodology calls for identifying gaps and weaknesses that prevent market expansion, and then providing solutions. This will be done so jointly with SEDA, supplementing its existing funding and expertise. The project will ultimately retain foreign short-term technical assistance (STTA) for each sector in order to close identified competitiveness gaps with reliable business solutions. The entire economic program will be demand driven, which is the best way to build competitiveness.

Finally, other technical assistance will be directed to supply-side flaws in the IMC, including a need for serious workforce development. Workforce development is linked to present and future business needs, investment-attraction that will target outside anchor firms or strategic operational partners for the business sectors with which the project will work, and small and medium enterprises (SME) credit schemes from municipal funds.

#### **Partnerships (cooperation with partners and stakeholders)**

During this reporting period cooperation between the Project and IMC Area partner municipalities has been oriented to identify the businesses and economy sectors with the highest potential for innovation and increase of competitiveness. Therefore, in this reporting period the Project had the most intensive cooperation with various representatives of business and scientific sectors, especially:

- Regional Chamber of Commerce and representatives of all key sectors and cluster associations through their participation in a baseline assessment for tailored SLDP assistance to the business sector.
- National Employment Service in initiating the activities related to youth development and employment through establishment of the Youth Development Working Group.
- CSOs Focal Point organization *Sandzak Committee for Protection of Human Rights and Freedom* which implements the project for increased participation of CSOs in the development of local strategies, documents and policies.

#### **Key developments in IMC programs/projects**

- Technical assistance in Asset Management Baseline Assessment was conducted and recommendations provided on the next steps for Novi Pazar and Sjenica. Technical assistance was also provided for a baseline assessment of public utility companies in Novi Pazar and Sjenica, and training provided for introduction of a PUC monitoring system.
- Baseline assessment of business associations aiming at tailoring SLDP assistance to business sector in new job openings and increase of production and export has been conducted.
- Support to the youth development initiatives in the IMC Area.

- Successfully organized Economic Forum with 23 representatives of public and business sectors where SME sector competitiveness was discussed as well as future cooperation of all stakeholders in the process. The Forum, also, was a platform to gather new ideas to be part of the newly developed economic program for this IMC area.

### Key challenges

In this reporting period the biggest challenge was to identify and develop an over-arching economic program that will balance and include the needs of all local partners with newly established project criteria. Furthermore, the recent change of the local coalition in power in the City of Novi Pazar that took place in March, may bring some changes that will require investing more efforts in elaborating new project criteria.

## 2. PROCESSES

Activities	Subject	Date	Number of participants	Next Steps
<b>Coordination Group Meetings</b>	Agreement on activities related to business sector development	12/19/2012	4	✓ Eco Forum in February
<b>Working group meetings</b>				
<b>PUC Monitoring</b>	Presentation of PUC Monitoring system in Novi Pazar	10/12/2012	10	✓ Selection of PUC for introduction of the system
	Presentation of PUC Monitoring system in Sjenica	10/12/2012	7	✓ Selection of PUC for introduction of the system
<b>Tourism Development</b>	Elaboration of further activities on RTO establishment	11/01/2012	10	✓ Organizational and management structure agreement
<b>Business sector meetings</b>				
<b>Business Sector Development</b>	Baseline assessment for tailored SLDP assistance to business sector	12/19/2012	9	✓ Eco Forum to be organized in February
	Baseline assessment of SME sector	02/06/2013	3	✓ Eco Forum to be organized in February
02/08/2013		6		
<b>Economic Forum</b>	Development of new economic program for IMC area	02/22/2013	23	✓ Development of the NPC Concept Note

<b>Trainings</b>				
<b>Youth Development</b>	Youth Entrepreneurship	10/1-2/2012	96	Group 484
	Youth Internship	10/31/2012	20	Group 484
<b>PUC Monitoring</b>	Introduction to PUC Monitoring system	03/21/2013	12	✓ Next steps agreed
<b>Presentations</b>				
<b>Presentation of analysis and recommendations of Standardization of non-financial services to SMEs</b>	Presentation of the analysis, findings and recommendations	10/04/2012		Implemented by RARIS
<b>CSO Focal Point Public Debate</b>		10/31/2012		CSO Focal Point
<b>Regional Biomass utilization Closing Conference</b>	Present the Study on Regional Biomass Utilization	11/13/2012	55	n/a
<b>CSO Focal Point Conference</b>		11/30/2012		
<b>CSO Focal Point Public Debate</b>		02/05/2013		CSO Focal Point
<b>Career Guidance Mobile Team Promotion in:</b>  <b>Sjenica,</b>  <b>Tutin</b>  <b>Novi Pazar</b>		02/07/2013 02/08/2013 02/06/2013		

# Sustainable Local Development Project

## Nis-led IMC Area Report

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### 1. EXECUTIVE SUMMARY

#### **Description of IMC specificity**

The Nis-led Inter-Municipal Cooperation Area (IMCA), comprised of the municipalities of Doljevac, Gadzin Han, Merosina and the cities of Leskovac and Nis, is oriented towards agribusiness and food processing activities. Unemployment in the Nis-led IMCA is high and outmigration is severe. The economy of the IMCA is characterized by a diversified processing industry, mainly led by Nis and Leskovac (*food processing, machine industry, metal industry, textile industry, chemical industry and construction materials*). A project highly important for the IMCA, as well as the wider region, is agriculture development. As a result of the collaborative dynamism in the IMCA all partners have agreed that the area should be a center of agribusiness and food processing. As a result, the Project, in partnership with the Berman Group, has assessed the needs and potentials of agriculture producers and food processors along with local government resources availability and potentials for agribusiness expansion in the IMCA. The Agricultural Department of Nis and the LED office of Leskovac have good agronomic capacities and advocate agribusiness as the key sector of future economic growth. Also, LED Office in Nis will be one of the key partners and drivers of the newly proposed program. With **the proposed New Criteria Program “Grow South”**, the Project is anxious to further examine and support activities centered on growing the IMC’s food processing sector by expanding the markets and capacities of existing processors, attracting new processors to the IMC territory and helping producers organize themselves into efficient value chain vendors to the region’s processors. The specific objective of the program is to increase the IMC’s dollar value of processed food products sold by at least 15% by November, 2015.

#### **Summary of Program’s Key Activities**

The overall objective of the “Grow South” program aims to support the establishment of business networks enhancing cooperation in agriculture production, processing, distribution and marketing in order to increase high value sale of agriculture products. The following activities are planned and ongoing:

- **Food Processing Support Center “FPSC” in Nis.** To complement services and functionality of the center, the Project will work on: a) study on external demand for IMCA processed foods and potentials for meeting the demand of the market including analysis of supply side capabilities of producers and processors to meet the demand of the market. The results of the study will serve as a basis for proposed activities; b) model of operation of the FPSC for support to integrated value chain efficiencies and cooperation between the regional food processors and local producers. The activity directly relate to upgrading the services of the Department of Agriculture and Rural development in Nis; c) design of a web portal with associated software/mobile application for FPSCs business networked services provision and outreach and d) piloting cooperative agreement/s for increase of food processing and sale.
- **Support to development and promotion of strategic sites for inflowing investments.** The Project will support activities regarding the suitability of selected property sites for inflowing

investment of agribusiness processing that is of strategic value to the region. Activities will target analysis on investment potentials (both greenfield and brownfield), selection of targeted sites, FDI capacity building, design of IMC's marketing concept and actual investment-business attraction.

- **Regional Water Supply System "Pusta reka"**. The Project has already supported the development of a Feasibility Study which will enable the "Pusta reka" water system project to be eligible for the EU funding. A regional water system, designed to supply the users in the field of economic and non-economic activities in the municipalities of Doljevac and Bojnik (non-IMCA partner), is partially constructed. Lack of complete infrastructure of the water system means that only 2/3 of settlements in Bojnik and one settlement in Doljevac have access to a water system, which again, suffers from severe deficiency of clean water.

#### **Partnerships (cooperation with partners and stakeholders)**

Over the course of the reporting period, the Project has (re) established cooperation with the following, stakeholders for driving and implementing the proposed program:

- The Project re-established a partnership with the Department for Agriculture and Rural Development of the City of Nis through coordination meetings with newly elected city officials charged with agriculture and rural development (city councilor, assistant to the mayor, new Head of the Department of Agriculture).
- Established cooperation with food processors, local business associations and agriculture producers for the purposes of assessing the needs and brainstorming on definition of the proposed program.
- Regional Chamber of Commerce in Nis has provided SLDP with databases and report of business sector stakeholders in the region, sector outline and export oriented companies. Also, RCoC's Center of excellence and innovation was of great help during the assessment of ICT situation and potentials for support to the sector industry's growth.
- The National Employment Service, in activities related to youth development and employment through cooperation on projects related to young entrepreneur business mentoring and an internship program for youth.
- Public Utility Companies in Nis and the municipality of Bojnik for driving water project system.

#### **Key developments in the IMC programs/projects**

- The Project technical support will be provided to Merosina and Gadzin Han municipalities in organizing the effort for commercialization of the brownfield sites related to agriculture-food producing and processing sector (DP Vocar, Zemljoradnicka zadruga "Zaplanjka) along with one site in electro industry sector (ELID company). Particularly, the support will envisage legal basis in case studies and intermediation-advocacy affairs with the Ministry of Regional Development and Local Governments and the Ministry of Agriculture. The Project will work with Nis's team on piloting a methodology for Brownfield utilization, already developed by the Project.
- Conducted Working group meeting for regional water system "Pusta reka" and activities on development of Feasibility study started. The document will be drafted by first week of July 2013 and delivered to IMC partners by August, 2013.
- Selection Panel for selection of the best business ideas within the Youth Entrepreneurship program was held. Ten candidates have been interviewed and their business ideas evaluated.

Six business start-ups ideas have been selected and recommended to Erste Bank and their consideration for provision of funds to support these ideas.

- SLDP provided technical support to the municipality of Merosina in applying two recommendations related to increasing the awareness of citizens and legal entities on agricultural subsidies and establishing a register of most burdensome administrative procedures and rationalizing the deadlines for completing business related administrative procedures.
- Conducted (March-May 2012) analysis of labor supply and demand (with the National Employment Service), surveying 5,500 companies in all SLDP partner IMC Areas to support youth employment planning. 245 companies from the Nis-led IMC Area participated in the survey and preliminary results discussed in July 2012 with relevant IMC stakeholders. Final survey results, both national and IMC presented to the IMC Area in November 2012. The presentation was attended by 45 participants representing the Youth Employment Working Group, Youth Offices, IMC local governments and the Ministry of Youth and Sports.
- CSO focal points – closing conference with the title “IMC cooperation for joint project initiatives in future” was conducted by the CSO consortia partner, Education center in Leskovac.
- In partnership with the Berman Group, the Project assessed the needs and potential of agriculture producers and food processors along with local government resources availability and potential for agribusiness expansion in IMC. Meetings on information on resources, potential and needs held with 46 local stakeholders representing public and private sector.
- Successfully organized Economic Forum with 43 representatives of public and business sectors-gathering agriculture producers and food processors. The Local Economic Development Office and Department for Agriculture in Nis have presented the agribusiness and food processing oriented IMC program. The attendees were in agreement with the proposed idea and have discussed further need based initiatives in regard to production and processing of food. Also, in terms of inflowing investments in the subjected sector, Head of LED office in Nis invited to join efforts for preparation of the investment site. Discussed and generated ideas served for newly proposed IMC program.

### **Key challenges**

In this reporting period the biggest challenge was to identify committed partners for new criteria projects, due to a rivalry between the city of Nis and Leskovac which threatens cooperation. Through coordinated visits to IMC partners, the Project managed to identify a model, in Nis, that it believes will be successful in growing the food processing industry - the success of this initial model will then draw similar industries in Leskovac to follow the Nis example.

## **2. PROCESSES**

<b>Activities</b>	<b>Subject</b>	<b>Date</b>	<b>Number of participants</b>	<b>Next Steps</b>
<b>Coordination Working Group meetings</b>	IMC coordination and Working group meeting regarding planned	03/21/2013	4	Follow up – introduction of NCP approved

	NCP initial activity for analysis on demand and supply in agriculture – food processing sector			activities for FY13
<b>Working group meetings</b>				
<b>Economic Forum</b>	IMCA Economic Forum – business, public sector stakeholders	02/19/2013	43	✓ Drafting New criteria program ✓ Approving NCP
	Media representatives		5	✓ n/a
<b>Berman Group &amp; SDLDP –</b>  Assessment meetings on business developmental needs and usage of local government resources available	Merosina and Doljevac business and local public stakeholders	01/15/2013	15	✓ Economic Forum
	Nis business and local public stakeholders	01/15/2013	13	✓ Economic Forum
	Gadzin Han business and local public stakeholders	01/16/2013	8	✓ Economic Forum
	Leskovac local public stakeholders and EU Progres staff	01/16/2013	10	✓ Economic Forum
<b>Regional agribusiness center - Green Zone</b>	IMC coordination and Working group meeting – organizing the effort throughout development of supply and demand analysis for agriculture-food processed products	03/21/2013	6	✓ Processing surveys – statistical data on basics in agriculture sector ✓ Processing surveys among food processors and business/agriculture associations STTA's visits & meetings with public and business sector stakeholders (agriculture-food processing)
<b>Regional water system "Pusta reka"</b>	Initiation of development of the Feasibility Study – agreement on roles and responsibilities and time frame	03/22/2013	4	✓ Site visit and meetings planned for first week of April ✓ Delivery of final version of the Feasibility Study ✓ Entry of Feasibility Study into SLAP data base
<b>Brownfield Development – BF</b>	Introduction of BF activities and Manual for practitioners with newly elected City of Nis officials including LEDO staff	03/21/2013	3	✓ Decision on sites to be followed by Manual ✓ Decision of site and type of SLDP support in strategic site to resolve

<b>Youth development - Business Serbia program, selection panel session</b>	Evaluation panel of applications submitted by young entrepreneurs who applied for a credit with Erste bank	03/10/2013	6	<ul style="list-style-type: none"> <li>✓ Evaluation report with recommendation for awarding credit, delivered to Erste bank</li> <li>✓ Erste bank – approval of applications and credit</li> </ul>
<b>Out of the Maze/ local Grey book – GB in Merosina municipality</b>	Presentation of the experts' drafted report and discussed ways and appendixes for applying recommendations out of the local GB	10/31/2012	5	<ul style="list-style-type: none"> <li>✓ Sending final report followed by annexes</li> <li>✓ Adopting – applying of both recommendations in daily work of local government administration work</li> </ul>
	Experts assistance provided to WG for implementation of local GB recommendations for: information on agricultural subsidies and registry of most burdensome administrative procedures and deadlines for completing business related administrative procedures	10/08/2012	9	<ul style="list-style-type: none"> <li>✓ Presentation of drafted report and annexes</li> <li>✓ Drafting report and annexes</li> </ul>
<b>Trainings</b>				
<b>Presentations</b>				
<b>Labor skills survey results</b>	<b>Round table</b> - Presentation of the results of the labor gap skills survey and discussed measures for employment on an IMCA level	11/30/2012	45	Working Group to initiate actual development of the IMCA action plan for employment
<b>Survey on inter-municipal partnership information and provision of quality of services to the citizens - GfK</b>	GfK – presentation of the survey results to the IMCA stakeholders	12/07/2012	11	Sending material (PPT, survey results reports on a local and IMC level)

# Sustainable Local Development Project

## Vranje-led IMC Area Report

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### 1. EXECUTIVE SUMMARY

#### **Description of IMC specificity**

Vranje-led Inter-Municipal Cooperation Area (IMCA), comprised of the City of Vranje and smaller municipalities of Bujanovac, Presevo and Vladicin Han, all face the problem of small investment potential and general underdevelopment; especially, in terms of economic growth potential. The IMCA's top priorities relate to economic and environmental problems caused by a lack of hard and soft infrastructure for business attraction and environmental protection. The City of Vranje is the IMC area's leader – it is systematically pursuing a long term strategic goal of investment attraction on the back of its favorable location near main road arteries, history of SME success in shoe, textile and furniture industries, and a deliberate decision from several years ago to acquire and convert military land (110 ha) into investment-grade, industrial land. The Projects' IMC Coordinating Committees have witnessed and considered this activity, and the other municipality members are now inspired to examine and similarly develop capacity for attracting inflowing investments. In the light of economic focus, the Project, in partnership with the Berman Group, has assessed the needs and potential for investment attraction. The Vranje led IMC area New Criteria Program **"Invest in Corridor 10"** focuses on investment attraction. Specific objective of the IMC program is to create at least 1,500 new jobs in the IMC area through at least five new inflowing investments in green-or brown-field sites by November 2015.

#### **Summary of Program's Key Activities**

The overall objective of "Invest in Corridor 10" program is to create employment opportunities in the IMCA through strengthening of regional competitiveness for inflow of new investments. The Project will supply a full range of necessary technical assistance, including consulting on investment promotion, targeting investors who fit the IMC's profile of assets, training local business and government to present the best sales package for the IMC area, and working to fill investors' needs gaps, such as for adequate trained labor and prepared investment sites.

Examples of specific activities, some of which have already been identified by the IMC's Coordinating Committees, are as follows:

- Work force development and alignment with investor needs: The Project will provide technical consultancy to ensure that actual and likely inflowing investors have an adequate workforce to employ.
- Assist in development and implementation of Corridor 10 Investment Marketing Program industrial zone development in various municipalities (and brownfields): The project will provide technical assistance on conceptual design of sites matched to suitable investors, and will support site development and preparation.
- Technical assistance and training about the best practices for managing industrial parks and industrial zones.

In line with new IMC projects is the industrial zone "Bunusevac" in Vranje. The Project provided funds for development of a Cadaster-Topographic Plan which served to joint efforts of the city of Vranje and EU Progress in developing technical documentation for construction of bypass route

which will directly connect the industrial zone “Bunusevac” and Corridor 10-highway. In parallel, the Project will provide support to development of a main project design for traffic with associated infrastructure within the industrial zone site set for Geox – shoe manufacturer and Ditre Italia-furniture manufacturer.

#### **Partnerships (cooperation with partners and stakeholders)**

- Local Economic Development Office in Vranje - will be a leader by example and skills set, and individual municipalities will experience the synergies gained from working together to attract investment to the region. The LED Offices and technical staff from Bujanovac, Presevo and Vladicin Han municipalities are also key partners. In addition, LED Office in Bujanovac is closely cooperating with the Agency for Development of Bujanovac and Presevo and thereby, direct involvement of this agency into new program activities is expected as well.
- The Project continues its partnership with the EU Progress project. This includes coordinated co-funding efforts for the above listed environmental initiatives and the Project’s funding of the development of a cadaster-topographic plan which compliments Vranje and EU Progress’ efforts to develop technical documentation for the construction of a bypass route for the industrial zone “Bunusevac” and Corridor 10-highway.
- The Project intensified communication with the shoe cluster association “Kostana”. A shoe cluster business improvement and growth may be a part of a planned New Criteria Project thus this is to be discussed and defined with the focus group over the course of the IMC program implementation.
- The Project established partnership with the Agency for Privatization-Center of Bankruptcy, to better coordinate brownfield initiatives in the IMCA.

#### **Key developments in the IMC programs/projects**

- The Project is working with a task force for the “Bunusevac” industrial zone on developing the main project design of road traffic, with associated infrastructure, within the locations set for Italian investors: Geox shoe manufacturer and Ditre Italia furniture manufacturer.
- Project technical support will be provided for asset management related to brownfield sites in Vladicin Han (“Mehanizacija”, “Delises – land in Lepenica and Zitoradje”). These sites could be commercialized and ready for investors in reviving traditional or establishing new processing businesses. Also, support will be provided to Bujanovac municipality, depending on the status of brownfield sites. Among these sites, a prospective public private partnership can be formed at the “Bujanovacka Banja” site, first agreement must be reached with the relevant Ministry to support bankruptcy procedures led by the economic court. Furthermore, the Agency for Privatization-Center of Bankruptcy has informed the Project that technical assistance in specific brownfield site in Vranje may be necessary, this will be determined in the coming period.
- SLDP provided technical support to the municipality of Vladicin Han in applying two recommendations related to increasing the awareness of citizens and legal entities on agricultural subsidies and establishing a register of most burdensome administrative procedures, and rationalizing the deadlines for completing business related administrative procedures.
- Supported youth development and employment opportunities through career guidance, youth services networking and youth coordinator certification processes and activities in order to stimulate youth employment through direct cooperation with entrepreneurs in the IMC Area and professional diaspora.

- In partnership with the Berman Group, the Project has assessed the needs and potential of local businesses along with local government resources availability as well as potential for business attraction in the IMCA. Prior to Berman Group visits, the Project assessed the need of the shoe cluster association “Kostana”. Pre-assessment with the Berman Group in Presevo municipality was not realized due to politically oriented protests, held on a day of the assessment.
- Successfully organized an Economic Forum with 19 representatives of public and business sectors. The Local Economic Development Office and the Assistant to the Mayor in Vranje have presented IMC perception in business attraction and type of support that could be considered by the Project. This presentation was based on the pre-assessment held before the Economic Forum itself and was considered for development of new criteria program.
- Handover of the abovementioned Cadaster-Topographic Plan completed. This plan will serve for development of main project design for bypass route connecting Bunusevac industrial zone with the Highway.

### **Key challenges**

In this reporting period the biggest challenge was to communicate the assessed needs, to be addressed by proposed IMC New Criteria Projects, to local stakeholders. Also, because of recent political events in Presevo, it was not possible to bring in business stakeholders to the Economic Forum. The Project hopes that once the economic benefits of New Criteria Projects become evident Presevo stakeholders will naturally gravitate to successful initiatives.

## 2. PROCESSES

Activities	Subject	Month/Date/Year	Number of participants	Next Steps
<b>Coordination working group meetings</b>	Coordination meeting on New criteria project approach	11/22/2012	8	✓ Definition of program/project opportunities for adding jobs – followed by assessment on sectors, demand and business and LGs needs
<b>Working group meetings</b>				
<b>Economic Forum</b>	IMCA Economic Forum – business, public sector stakeholders	02/18/2013	19	✓ Drafting New criteria program
	Media representatives		8	✓ n/a
<b>Berman Group &amp; SLDP:</b> Assessment meetings on business developmental needs and usage of local government resources available	Bujanovac business and local public stakeholders	01/17/2013	13	✓ Economic Forum
	Vladicin Han business and local public stakeholders	01/18/2013	6	✓ Economic Forum

SLDP information meeting on shoe cluster activities and plans	Meeting with members of shoe cluster "Kostana" in Vranje	12/11/2012	4	✓ Assessment meetings with the businesses in the IMCA
<b>Industrial zone development -IZ</b>	Handover of Cadaster-Topographic Plan used for development of main project design for bypass route connecting Bunusevac industrial zone with the Highway	02/14/2013	4	Development of main design for bypass route connecting Bunusevac industrial zone with the Highway
<b>Brownfield Development - BF</b>	Brownfield introductory meeting to newly elected officials and LED staff in Vladicin Han	10/10/2012	5	✓ Follow up on brownfield initiatives and formation of Economic council
<b>Shoe cluster association "Kostana"</b>	Meeting with the members of the shoe cluster association "Kostana" in Vranje at which cluster-business plans and needs for their growth discussed	12/11/2012	4	✓ Detailed assessment on needs of the businesses-members
<b>Out of the Maze/ local Grey book – GB in Vladicin Han municipality</b>	Presentation of the experts' drafted report and discussed ways and appendixes for applying recommendations out of the local GB	10/30/2012	4	✓ Sending final report followed by annexes ✓ Adopting – applying of both recommendations in daily work of local government administration work
	Experts assistance provided to WG for implementation of local GB recommendations for: information on agricultural subsidies and registry of most burdensome administrative procedures and deadlines for completing business related administrative procedures	10/05/2012	6	✓ Presentation of drafted report and annexes ✓ Drafting report and annexes
<b>Trainings</b>				
<b>Youth Employment – Career guidance trainings</b>	Promotion of local mobile team for career guidance in Vladicin Han	01/30/2013		
	Promotion of local mobile team for career guidance in Vranje	02/11/2013		
	Promotion of local mobile team for career guidance in Bujanovac	01/29/2013		
<b>Group 484 – stimulation of youth employment through cooperation with entrepreneurs and diaspora</b>	Seminar on funds for support of academic and science projects	10/23/2012	26	
<b>Presentations</b>				
<b>Survey on inter-municipal partnership information and</b>	GfK – presentation of the survey results to the IMCA stakeholders	12/06/2012	9	Sending material (Ppt, survey results reports on a local and

<b>provision of quality of services to the citizens - GfK</b>				IMC level)
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## **ANNEX H – OVERVIEW OF GRANT AWARDS AND SUBCONTRACTS**

**(Deleted)**

## **ANNEX I – STTA CONSULTANTS & DELIVERABLES**



**SUSTAINABLE LOCAL DEVELOPMENT PROJECT STTA DELIVERABLES OCTOBER 1, 2012 - MARCH 31, 2013**

#	TITLE OF ASSIGNMENT	COMP.	DELIVERABLE	LOCATION	DATES	CONSULTANT NAME	EMPLOYER
1	Assessment of potential project in IMCA led by Subotica	1	Report on current status and next steps for establishment of agriculture logistics center in Kanjiza with recommendations for potential SLDP scope of technical assistance.	IMC led by Subotica	09/24/12-12/15/12	Vladimir Pijja	Chemonics
2	Technical support to NES to deliver the report on labor skills gap assessment and recommend active labor market measures and to develop reports for 8 SLDP IMC areas on current state and perspectives of the local labor markets	3	(1) Edited version of the Employer Survey Report published by SLDP and disseminated publicly and through NES; (2) Employers' Survey 2012 presented and discussed with local stakeholders in 8 IMC areas; (3) Reports on current situation and perspectives of local labor markets in 8 SLDP partner IMC areas.	All IMCAs	06/15/12-10/30/12	Mihail Arandarenko	Chemonics
Galjina Ognjanov						Chemonics	
4	Technical assistance to municipalities of Beocin, Sombor, Kikinda, Novi Becej and Kanjiza with the Business Friendly Certification process	2	(1) BFC Action Plan for Sombor; (2) BFC Action Plan for Novi Becej; (3) Sombor Business Attitude Surveys Report; (4) Mentoring of municipalities of Beocin, Kikinda and Novi Becej in the process of collecting and processing data and filling in databases (brownfields, greenfields, prospective investors, available locations); (5) Mentoring of Novi Becej in development of Guide for Construction Permitting and for establishment of economic development council. <u>Sombor was awarded BFC on December 4th, 2012.</u>	IMCAs led by Novi Sad, Sombor and Zrenjanin	03/12/12-11/29/12	Zoran Ilic	Chemonics
5	Technical assistance to the city of Kraljevo and municipalities of Nova Varos and Vrnjacka Banja with the process of Business Friendly Certification	2	(1) Nova Varos Capital Investment Plan; (2) On-the-job assistance to City of Kraljevo and municipalities of Nova Varos and Vrnjacka Banja development of strategic documents (LED strategies), development of the promotion materials, development of the Guide for Construction Permitting and development of the Capital Investment Plan. <u>Nova Varos was awarded BFC on December 31st, 2012.</u>	IMCAs led by Kraljevo and Uzice	03/12/12-11/29/12	Jelena Tanasijevic	Chemonics
6	Technical assistance to municipalities of Merosina and Vladicin Ham (IMCA Nis and Vranje) to implement recommendations from the local Gray book and to increase business competitiveness	2	(1) Established services in LED offices in both municipalities which collect, maintain and disseminate information on available subsidies to farmers; (2) web sites of both municipalities contain databases with existing agri-subsidies; (3) both municipalities will adopt Ordinances on Procedure for Administrative Simplification that will establish process for bypassing the main bureaucratic hurdles; (4) both municipalities have fully implemented protocols which clarify administrative procedures in four processes relating to land acquisition and construction; (5) Report on implementation of local Gray Book recommendations in Merosina and Vladicin Han.	IMCA Nis and Vranje	09/03/12-10/31/12	Dragana Markovic	Chemonics
7					09/03/12-10/31/12	Jovica Damjanovic	Chemonics
8	Regional Dairy Development Plan for Uzice-led IMC area	1	Dairy Development Plan for Zlatibor region	Uzice-led IMCA	10/15/12 - 12/20/12	Senad Hopić	Maxima
9	Technical assistance for development of technical documentation for the reconstruction of the rural water supply system in the municipalities of Tutin and Sjenica	1	ToR for public procurement of services for development of technical documentation for reconstruction, revitalization and modernization of regional water supply systems in the municipalities of Tutin and Sjenica.	Novi Pazar IMCA	07/20/12 - 12/31/12	Goran Trifunov	Chemonics
10	Technical assistance to determine energy efficiency measures for public buildings in Novi Sad and Temerin and to organize conference on energy efficiency of public buildings held in Novi Sad	1	(1) Technical assistance to the energy efficiency working group in IMC Novi Sad to analyze thermal images of public buildings in Novi Sad and Temerin; (2) Keynote lecture on energy efficiency of public buildings on the Conference held in Novi Sad on November 15th, 2012;	Novi Sad IMCA	11/05/12 - 11/30/12	Jovan Petrovic	Chemonics
11	Brownfield Expert	1	Methodology for preparation of Brownfield locations for investors	Novi Sad IMCA	05/30/12 - 09/30/12	Dejan Jokic	Maxima
12	Advisor for infrastructure projects	1	Technical assistance in preparing RFPs for infrastructure projects: technical documentation for the industrial zone in Beocin, feasibility study for water supply system in Pusta reka Dojjevac and technical documentation for construction of service road for Industrial Zone Backi Jarak in Temerin.	Novi Sad/Nis IMCA	01/04/13-05/01/13	Dragana Vasic	Chemonics