

CONCLUSIONS AND RECOMMENDATIONS FROM THE FIRST FORUM OF THE LOCAL ECONOMIC DEVELOPMENT OFFICES OF SUMADIJA AND POMORAVLJE

Regional Economic Development Agency for Sumadija and Pomoravlje (REDASP) organized the First Forum of the Local Economic Development (LED) Offices, which was held from 2 to 4 July 2009, on Tara mountain, in the Hotel Omorika. The participants of the Forum were representatives of the local self-managements and representatives, i.e. coordinators of local administration organizational units which deal with the matters of local economic development, from eleven municipalities/cities of Sumadija and Pomoravlje: Arandjelovac, Batocina, Cuprija, Despotovac, Jagodina, Knic, Kragujevac, Paracin, Raca, Rekovac and Topola.

The main goals of the Forum were: 1) to strengthen the bonds between the Regional Economic Development Agency for Sumadija and Pomoravlje, on the one hand, and the local managements' organizational units in charge of the local economic development, on the other, and 2) to set the preconditions for horizontal flow of information i.e. experience exchange within the region, related to encouraging and managing the process of local economic development.

The expected results of the Forum referred to: 1) defining programmes of cooperation between REDASP and LED offices in Sumadija and Pomoravlje region; 2) defining measures of support to LED Offices in the domains of capacity building, technical modernization and regional networking and 3) defining co-financing and ownership relation of the municipalities towards REDASP, as well as the common stand about the position of REDASP and the municipalities as founders, in the light of bringing the Law on Regional Development.

The results came out from the group engagement in workshops, using methods of discussion, brainstorming and focus groups. Three workshops with the following topics were held:

- "Defining the standard set of activities of LED offices"
- "Identification of the needs and modes of improvement of LED offices"
- "Sustainability of REDASP and evaluation of satisfaction with its work"

RESULTS OF THE WORK ON THE FIRST FORUM OF THE LED OFFICES – RECOMMENDATIONS

Within the scope of the first topic “Defining the standard set of activities of LED offices” the three essential components of successful functioning of LED offices were processed and defined fields for classification of implementation programmes:

Position of LED offices in the organizational structure of local administration

Conclusion – recommendation:

Modes of organization of LED Offices within the organizational chart of local administration are defined as follows:

- 1. officer/office closely cooperating with compatible offices and departments** (municipality with up to 20.000 citizens)
- 2. independent office/department** (municipality with 20.000 – 50.000 citizens) and
- 3. independent organizational unit responsible directly to the executive body and assembly** (municipality with over 50.000 citizens)

Jurisdiction of LED Offices

Conclusion – recommendation:

The scope of jurisdiction of LED offices includes the following activities and functions:

- Counseling function
- Marketing and promotion
- Collection of data and creating data bases
- Supporting local entrepreneur community
- Maintaining contacts with potential investors
- PCM, strategic planning and implementation of strategy

Channels of communication

Conclusion - recommendation:

Elements of improvement of the quality of communication channels between LED offices and local administration management are:

- Direct communication of LED office with the mayor (once a week and when required),
- Regular monthly plans, and work reports accordingly,
- Regular annual plans, and work reports accordingly,
- Establishing mechanisms which fully support good work results.

Target fields of LED offices' programmes of implementation

The Regional Economic Development Agency for Sumadija and Pomoravlje directly supports LED offices in preparation and implementation of programmes within the following fields of intervention:

SME

Programme 1 – Technical and HRD support to business

Programme 2 – Improvement of business environment

Programme 3 – Business promotion

Programme 4 – Financial support measures

Investments

Programme 1 – Promotion of investment potentials

Programme 2 – Economic infrastructure development

Programme 3 – Active policy of attracting the investments – stimulation measures

Rural

Programme 1 – Rural economy

Programme 2 – Stimulation of improvement of agricultural production

Programme 3 – Improvement of life quality in the village

Tourism

Programme 1 – Promotion of tourist potentials

Programme 2 – Tourist infrastructure

Programme 3 – Development of tourist services

Programme 4 – Development of rural tourism

Human Resources

Programme 1 – HR management

Programme 2 – Institutionalisation

Programme 3 – Mechanisms for financing and informing HR

Within the scope of the second topic “Identification of the needs and modes of improvement of LED offices”, the three basic domains were identified:

Technical resources of LED offices

Conclusion - recommendation:

- Facilities provided in accordance with the number of employees and defined jurisdiction
- Adequate technical support with computer equipment for office and field work
- Utilization of specialized software for project development and management
- Work vehicles

LED offices network

Conclusion - recommendation:

- Horizontal networking of LED offices
- Vertical networking of LED offices and REDASP
- Designed Web portal of LED offices network
- Unification of visual identity and promo material
- Organization of forums and similar gatherings

LED offices' competences

Conclusion - recommendation:

- HRD Management
 - Promotion of life learning principle
 - Knowledge of capital market
 - Market research and entrepreneur associations
 - Business plan development
 - Knowledge of organic production
 - Modes and advantages of associations
 - Industrial zone development and management
 - Logistic support in activities related to organization of work of business incubators
 - Tourist potential promotion
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Within the scope of the third topic “Sustainability of REDASP and evaluation of satisfaction with its work”, the following themes were processed:

“REDASP sustainability”

Conclusions - recommendations:

1. The stand of the founders towards the matter of co-financing
 - Financing of operational activities of REDASP by the municipalities of Sumadija and Pomoravlje, should be based on, as up to now, the Contract which clearly and precisely defines services provided by REDASP to all municipalities on annual basis, and which will be realized quarterly during the year;
 - Concerning the amount of finance which municipalities pay to REDASP, it was concluded that in the forthcoming period of time, the amount should remain as 30% of REDAP budget;
 - According to the principle of solidarity in the circumstances of reduced transfers to municipalities, at the next Assembly of founders, reduction of amount for financing REDASP will be concerned (the mode of quarterly transfer should remain the same according to the Contract).

2. The role of REDASP and position of the territory regarding EU funds

The role of the regional development institutions, such as the Regional agency, the founders and owners of which are the local managements, is to be the role of a coordinator, and decision-making about distribution of funds should be lowered from national to regional level. Regional agency should be a link with EU funds.

One of the conclusions of the Forum is the attitude about positive effects which could be produced by the potential decentralization of the future EU funds.

3. The Law on Regional Development – influence on the status of REDASP and its founders.

In accordance with the forthcoming Law on Regional Development, one of the conclusions of the Forum is that the Law should not question or change the status and ownership relations of the municipalities toward the Regional Agency.

Evaluation of satisfaction with REDASP work

One of the results of work at the Forum is analysis of questionnaires for local self-management representatives, about the level of satisfaction with cooperation with REDASP. The analysis refers to 11 questionnaires filled out by all municipalities –

participants of the First Forum of the LED Offices of Sumadija and Pomoravlje, the fundamentals of which are included in the conclusion of the Forum. According to the results of the evaluation, the Regional Economic Development Agency for Sumadija and Pomoravlje has very successfully contributed to solving social and economic problems in the municipalities of Sumadija and Pomoravlje. The Agency has performed its role of the actor and coordinator in the process of strategic planning with excellent results. The needs of the municipalities for REDASP services are mostly reflected in using information and consulting services, while the benefits gained from cooperation with REDASP are mostly defined as "attracted projects" and "improvement of capacities of local self-management", and in the domain of other sectors and local organizations as "improvement of quality of work", "improvement of managerial capacities", "realization of international networking", "improvement of local networking" and "technological improvement".

Conclusions from the First Forum of the LED Offices

In the concluding session of the Forum it was determined that all goals and expected results of the First Forum of the LED Offices were achieved. It was agreed that all future forums should be thematic, i.e. referring to one defined field of intervention and, within it, the programmes of implementation of LED offices.

Municipalities of Sumadija and Pomoravlje came to a common conclusion that the regional Economic development Agency for Sumadija and Pomoravlje, as a direct support to local self-managements in initiation and implementation of economic development programmes, can have a significant impact on the future development of the region.

In the light of bringing the Law on Regional Development, the First Forum of the LED Offices brought constructive conclusions which should be considered by the relevant institutions on the local, regional, national and international levels.

Final conclusion

The results of work of the First Forum of the LED Offices of Sumadija and Pomoravlje are to be forwarded in the form of recommendations to the EC Delegation, the Ministry of Economy and Regional Development, SKGO, international donors, NALED, Ministry of State Administration and Local Self-Management, as well as to all municipality/city mayors of Sumadija and Pomoravlje.

