



Report and Conclusions of II Forum of Offices for Local Economic Development of Sumadija and Pomoravlje



October 15th-17th 2010, Ivanjica

II Forum of the Offices for Local Economic Development on the territory of Sumadija and Pomoravlje is organized under the auspices of the Regional Agency for Economic Development of Sumadija and Pomoravlje (REDASP). It is held in Ivanjica, at the "Hotel Park", in the period October 15th-17th 2010.

Participants of the Forum were the representatives of the local self governments as well as the representatives of the Offices for Local Economic Development from 10 municipalities / cities from Sumadija and Pomoravlje region: Arandjelovac, Batocina, Cuprija, Despotovac, Knic, Kragujevac, Paracin, Raca, Svilajnac and Topola.

Forum had two objectives set, the achievements of which was envisaged through interactive workshops approach and participation of all (total 23):

- Decentralization of the servicing support for the sector of small and medium enterprises and entrepreneurship (herein after SME sector) through coordinated operation of the Offices for Local Economic Development of the local self governments of the Region of Sumadija and Pomoravlje
- REDASP founders attitude defining against the Regulation of Conditions, Criteria Definition, and Accreditation Form for the businesses of regional development as well as accreditation suspension prior to accreditation period termination.

Forum objectives are achieved through realization of the expected Forum results:

- Evaluation of Effectiveness completed of annual implementation of the principles adopted within "Report and Conclusions of the I Forum of Offices for Local Economic Development of Sumadija and Pomoravlje region"
- Presentations and common thematic workshops participation of all Forum participants; identified objectives at local and regional levels regarding different models of support development for the SME sector
- Platform defined for further coordinated operation of the Offices for Local Economic Development regarding the SME support on the territory of Sumadija and Pomoravlje
- Joined efforts and dialogue resulted in the adoption of the common attitude of the REDASP founders regarding the Decree of Regional Development Agencies Accreditation In the Republic of Serbia
- Principles and elements adopted by the REDASP founders and management that would serve as a base for future sustainability of the Regional Agency.

Participants' activities in the Forum were divided to the presentation and the workshop. The former included following presentations:

- "Activities in-between two Forums"
- "Regional Strategic Planning – OLEDNETWORK portal presentation"
- "SMEE significance for local economy development"
- "Local Economic Development Offices operations in-between two Forums Presentation" – Representatives of ten offices of Šumadija and Pomoravlje.

Second part of the Forum was devoted to two simultaneous workshops: former for the local self governments management representatives; and the latter for the offices for local economic development representatives.

Work with the representatives of the offices for local economic development (herein after OLED), within the workshops: "Enhancement of Local Business Environment – Identification of obstacles and measures" and "OLED role in SME support – Identification of obstacles and measures", was closely related to the Forum first three set results.

Work with the Managements Representatives within the workshop: "Regulation of Conditions, Criteria Definition, and Accreditation Form for the businesses of regional development as well as accreditation suspension prior to accreditation period termination and the REDASP sustainability" was closely related to the last two set results of the Forum.

Workshops with the representatives of both the management and the OLED of Sumadija and Pomoravlje region, generated following results, reflected into:

1. Identified problems and obstacles in programme implementation in the field of SMEE sector support;
2. Recommendations adopted for overcoming the obstacles faced by the local self/governments and the OLED in the process of the SMEE support provision;
3. OLED minimum of the set of services adopted for SMEE sector support.

Workshops with the Representatives of the Offices for Local Economic Development

Results of the first phase of the workshops' activities: ***"Problems and Obstacles in the Implementation of the Programme of the SME Sector Support"***.

Programme 1: TECHNICAL-PERSONNEL BUSINESS SUPPORT

1. Unresolved personnel-organizational issues of the local economic development activities
2. Lack of competent human resources necessary for the SMEE sector support
3. Inadequate space for the technical/personnel support provision
4. Inefficient and vague relationships between the administration and business community along with the low level of business community confidence into the local self-government
5. Inefficient communication of organizational units of local self/governments
6. Lack of data base
7. Political instability

Programme 2: BUSINESS CLIMATE ENHANCEMENT

1. Unrecognized significance of the OLED for the processes of communication development between administration – business community
2. Incapacity of subsidies programme development due to the shortage of finances
3. Increase of local taxes rates as a coercive measure to fill local budgets
4. Other administrative procedures related to the SMEE support activities
5. Non-functional industrial zones and unsolved land property-legal relations
6. Poor utility infrastructure
7. Insufficiently successful privatization
8. Local government marginalized regarding the SME sector legislation - bottleneck operations

Programme 3: ENTREPRENEURSHIP PROMOTION

1. Insufficient involvement of the entrepreneurs in the structure of the local self-governments decision making – no entrepreneurs in the municipal councils
2. Non-existence of the local mechanisms for entrepreneurship promotion support (Internet portals, brochures, catalogues, guides...)
3. Lack of assets for economy capacities promotion (fairs, study visits...)
4. Insufficient knowledge of local economic resources
5. Lack of assets for inter-municipal and inter-regional economy cooperation

Programme 4: FINANCIAL SUPPORT MEASURES

1. Minimum representation of the program budgeting principle
2. Lack of budget
3. No system of SMEs informing and training on available funding programs
4. Dysfunctional regional guarantee fund

5. Non-compliance of legal regulations at national level related to incentive programs at the local level
6. Insufficient level of resources, non-transparent and uneven distribution of funds for SMEs support from the national level
7. Unavailability of EU funds

Results of the second phase of the workshops activities are ***"Recommendations for Overcoming Limitations Faced by the Local Self-Governments and OLED' related to the support provision to the SMEs "***.

Programme 1: BUSINESS TECHNICAL – PERSONNEL SUPPORT

1. Amendment to the systematization of job positions and decision on municipal government organization aimed at precisely defining the role and position of the LED, particularly in support of the SMEs
2. Formulation of local self authorities capacity building programme of business technical support
3. Provision of adequate space and equipment to provide SMEs technical support at local level
4. Creation of an effective mechanism for continuing dialogue between local governments and business community - holding regular meetings of local government and business community
5. Establishment of effective system of communication within the local government (effective internal marketing)
6. Development of standardized databases at local and regional level

Programme 2: BUSINESS CLIMATE ENHANCEMENT

1. OLED positioning as a mediator of the business community and local government
2. Introduction of the programme budgeting principle and project proposal development that would enable the implementation of subsidizing programme at local level
3. Analysis and revision of the method and the model for local budget filling, based on the local taxes increase along with capacities analyzing for all SMEs expenditures decrease at local level
4. Introduction of the system and quality standard in the operation of local self-government and service provision on the principle "One-stop-shop"
5. Preparation of the programme for industrial zones development and improvement along with the development of Geographic Information System (GIS)
6. Local Utility Infrastructure Enhancement Programme implementation
7. Legal aid provision in the case of problematic privatization
8. Intensified inclusion of local self-government in the processes of relevant legal solutions proposing

Programme 3: ENTREPRENEURSHIP PROMOTION

1. Inclusion of the entrepreneurs representatives in the processes of local self-government decision making
2. Development of local mechanisms and tools for entrepreneurship promotion (brochures, portals, catalogues...)
3. Development of the municipal/city economy promotion plan and inclusion in the budget
4. Direct contacts establishment with entrepreneurs, on the principle of site visits, regular meetings and sectoral analysis implementation
5. Needs and capacities surveys for the establishment of business connections of enterprises at regional and inter/municipal levels

6. Organization of the study visits of local governments managements representatives and entrepreneurs from local communities, to EU enterprises and institutions that REDASP has developed cooperation with aimed at the establishment of the commercial and institutional partnership

Programme 4: FINANCIAL SUPPORT MEASURES

1. Introduction of the principle of programme budgeting
2. Budget assets redistribution option survey aimed at SME sector support
3. LED Offices capacities development for SME sector finances support provision
4. Regional guarantee fund filling in accordance with the MoU on establishment of the latter

Results of the last phase of the workshops activities with the OLED representatives are:
"Minimum OLED set of services for the SMEs sector support":

I Business Information:

- Informing on current programme of SMEE support
- Enterprises database utilization and the programme of financing

II Counseling:

- Legal advices
- Business plans preparation
- Registration of enterprises / entrepreneurs

III Business Linking (national and international levels):

- Business meetings organization, individual and group
- Support in fair participation
- Connecting SMEs with credit institutions and donors organizations

IV Training Delivery:

- Business planning
- Legal regulations and enterprises registration

V Surveys, studies and promotional material development:

- SMEE guides development (Registration process, Sources of financial support, Exporting capacities)
- SME sector surveys implementation
- Newsletters for SMEE sector creation

Each offices should develop capacity for offering adopted minimum of services for the SMEE sector support over the period of a next year. REDASP will individually work with each of the local self-governments on the development of adopted model of the SMEE sector support.

Workshop with the Representatives of the Local Governments Management

Workshop envisaged dialogue of the representatives of the local self-governments and REDASP managements. Dialogue topic was current the **Regulation of Conditions, Criteria Definition, and Accreditation Form for the businesses of regional development as well as accreditation suspension prior to accreditation period termination** and its impact on the REDASP sustainability as well as the relations with the founders.

Results of the workshop assumed adoption of the common attitudes reflected in the following conclusions:

- 1) **REDASP is representative institution at the territory of Sumadija and Pomoravlje regarding the regional development operations (represent of the public, private and civil sectors).**
- 2) **Local self-governments, REDASP founders, do approve with the work of agency, achieved results and accordingly support the accreditation process.**
- 3) **Decree on accreditation will contribute to REDASP stability and additionally enhance the contacts with founders.**
- 4) **Decree stands for the clear normative base of the local self-governments to provide and define REDASP co-financing within respective budgets.**
- 5) **Local self-governments REDASP co-financing percentage defined within the Accreditation decree, attainable and realistic.**

Results of the work of the OLED representatives and the representatives of the local self-governments are presented second day of the Forum, when the topic of the next Forum is defined, too: ***Investments Attraction and Support Processes at Local and Regional Levels.***

Report with the results of II Forum of Offices for Local Development of Sumadija and Pomoravlje will be forwarded in the form of recommendations to the EU Delegation to the Republic of Serbia, Ministry of Economy and Regional Development, Ministry of Public Administration and Local Self Government, SKGO, NALED, international donors and presidents of municipalities / cities in Sumadija and Pomoravlje.
