

10 YEARS OF NALED

CELEBRATING REFORM

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NALED LEADERS

We have the formula for reform
Goran Kovačević, President of NALED Managing Board

Extending fiscalisation will curb the grey zone
Goran Pitić, Chairman of NALED Fair Competition Alliance

NALED has a powerful development tool
Nebojša Zelenović, Member of NALED Managing Board

INTERNATIONAL SUPPORT

NALED values are as important as the results
H. E. Kyle Scott, US Ambassador to Serbia

Next five years crucial for reforms
Michael Davenport, Head of the EU Delegation to Serbia

BFC SEE municipalities-top investment destinations
Christophe Di Marco, Fund Manager at GIZ ORF

REFORMS FOR THE FUTURE

Working with NALED opens doors to the civil sector
Aleksandar Vučić, Prime Minister of the Republic of Serbia

E-government for better administration
Ana Brnabić, Minister of State Administration and Local Self-Government

Without NALED's vision we would not have e-permits
Zorana Mihajlović, Deputy Prime Minister and Minister of Construction



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Bul. Mihaila Pupina 10b, 11000 Belgrade
Phone: +381-11-27-55-110; E-mail: info@ipb.rs
www.ipb.rs

EDITORIAL
aim team

ART DIRECTOR
Jasmina Laković
j.lakovic@aim.rs

PHOTOS
Zoran Petrović

ENGLISH TRANSLATION AND EDITING
Halifax Translation Services
office@halifax-translation.com

WITH SPECIAL THANKS TO
Milica Stefanović, Communications
and Development Director, NALED
Ivan Radak, Public Relations Advisor, NALED

PROJECT MANAGERS

Biljana Dević, b.devic@aim.rs
Aleksandra Ebiš, a.ebisi@aim.rs
Ljiljana Knežević, lj.knezevic@aim.rs
Nataša Trifunović, n.trifunovic@aim.rs
Lidija Carević, l.carevic@aim.rs

OFFICE MANAGER
Svetlana Petrović
s.petrovic@aim.rs

EDITORIAL MANAGER
Neda Lukić
n.lukic@aim.rs

FINANCIAL MANAGER
Dragana Skrobonja
d.skrobonja@aim.rs

EXECUTIVE DIRECTOR
Maja Vidaković
m.vidakovic@aim.rs

GENERAL DIRECTOR
Ivan Novčić
i.novic@aim.rs

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Facsimile: +(381 11) 2450 122
E-mail: office@aim.rs
www.aim.rs

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KEY PILLAR OF SERBIA'S TRANSITION



Since 2006, when it was founded, to date, NALED has been a unique public-private association living its mission to the full: proposing reform solutions arising from the dialogue between civil society and the public and private sectors, continuously contributing to the economic development of the country

Looking at NALED today, with nearly 250 members, over 70 realised projects, the support of domestic and international communities and the ambition to grow into a unique driving force of the reforms in South-East Europe, it is not easy to single out every person who has devoted themselves to a decade of successful work. An agile team, the creativity and expert support of the members and experts gathered around NALED, the wholehearted support of international community that helped NALED continue expanding its field of work, the support from the government and politicians who have recognised the strength of the concept, and even the critics who have challenged its achievements, have made this civil, public and private partnership become a key pillar of Serbia's transition into an efficient market economy and highly-ranked investment destination.

One of the key factors of NALED's success is that it has built a platform for dialogue in which the interests of all key social stakeholders are taken into account. Instead of adopting the laws that have no backing in practice, instead of involving the businessmen who do not consider wider social repercussions of proposed solutions, instead of marginalising the role of civil society, NALED has painstakingly worked to build a culture of communication, comprehensive problem analysing and seeking solutions that are acceptable to

all. Just as importantly, it has managed to spawn enforceable, sustainable solutions.

Serbia is still a country where many a law remains just a dead letter, where there are still numerous conflicting procedures, which is burdened with the inefficiency of public administration, corruption and shadow economy. Yet, it is simultaneously showing a completely different face: building permits are issued in eight days here, it is ranked 59th on the World Bank's Doing Business list, its 34 municipalities and towns are officially recognised by investors as good investment opportunities, and it can boast a number of other solutions, big and small, that matter much.

NALED has started by supporting local economic development – a goal on the agendas of many governments that, having bigger fish to fry, have never managed or wanted or bothered to pursue with due focus. Today, the municipalities that have improved their organisation with NALED's support have created environments where the domestic and foreign businesses can grow, where the progress is tangible not only for the business community but also for the citizens to whom the economic development has brought a better quality of life.

Even that segment of the public that

keeps missing the philosophy of this organisation knows that the government is four years behind with the adoption of some regulations, that 70 % of regulations are adopted under an urgent procedure – and even without the statutory public consultations, that 86 documents are required for a maternity leave, and that only 18 % of those caught working in the black economy actually get punished. NALED does not only remind the public of these oversights, illogical practices and absurdities but also constantly and systematically measures, quantifies and promotes the problems that the citizens, the businesses and the local governments face on a day-to-day basis, and proposes simple and effective solutions.

Community and association – this has always been and remains the key to NALED's growth from a good idea and a small, dedicated team to a credible, committed and creative partner of the Serbian government in its ever-growing tasks.

The issues are many and many are the players who can help build a more competitive, more prosperous and a better prepared Serbia for the global competition. What sets NALED apart from everybody else is its rule never to criticise without offering a solution.

In its 10 years of existence, NALED has never pointed out a problem or criticised without offering a solution as well

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NALED LEADERS

The National Alliance for Local Economic Development (NALED) is an independent association of companies, municipalities and civil society organisations working together to create better living and working conditions in Serbia. NALED is led by responsible business men and women, successful mayors and experts from the civil sector selected by the Alliance Assembly to represent the common interests of its members before government institutions and general public. They work in NALED's management bodies on voluntary basis and are ready to put their knowledge, resources and reputation at NALED's disposal to help its sustainability and mission to serve the welfare of the entire society.


GORAN KOVAČEVIĆ

President of NALED Managing Board
and CEO of Gomex

NALED is the first organisation to truly succeed in consolidating and synchronising the work of the private and public sectors and to ensure that its main objective is comprehensive and commonly accepted: to create a business-friendly environment that will provide a better life for all Serbia

Two important facts make NALED a notable organisation. NALED has chosen the right issues to deal with and has formed an efficient team that has the right skills to create concrete proposals – says Goran Kovačević, the newly elected President of NALED and CEO of Gomex.

What sets NALED apart from other organisations? What does a non-member need to know about your organisation?

- NALED has attracted companies with substantial professional capacities, local governments that have a fresh take on old issues and successful civil society organisations. It has also presented its ideas to decision-makers who no longer see NALED as a competitor but rather

WE HAVE THE FORMULA FOR REFORM

as a partner. This fact alone marks a huge step forward in the development of our society and our country because it opens many reform perspectives for us.

To achieve success in any undertaking, you must have the will, the knowledge and the means to accomplish your goals. NALED has responded successfully to these challenges and has become very efficient as a result. This level of efficiency, which is based on commitment and professionalism, is what NALED is known for and what sets it apart from other civil society organisations. Persistence is another key element: if an institution closes its doors to us, we don't see this as a reason to give up, but as a challenge. And finally, the concepts of partnership and alliance are motivating factors for us. We are all happy to be here and each member is given the opportunity to be heard and to proudly declare that he or she contributed to concrete reforms. We do not concern ourselves with individual interests but with the common good.

How does NALED formulate and implement reform initiatives?

- NALED forms its initiatives after consulting a wide circle of individuals with relevant expertise. These may be NALED members, external associates, partner organisations (domestic and foreign) or anyone with the required know-how. For instance, companies operating within a specific sector facing a specific issue or those badly affected by changes in regulation are notified in good time and invited to propose concrete solutions. We have also formed expert working groups such as the Fair Competition Alliance, the e-Government Alliance and the Food Safety Alliance to further increase our operability and efficiency. Information collected in this way is sent to the Executive Office expert team who then conduct further analyses to devise an initial proposal which is then re-examined and debated before becoming a joint initiative.

Proposing a solution is not easy, knowing that the solution will have an effect on thousands of people, all with varying interests. On the one hand, you need to be aware that every solution brought forth is bound to be met with the dissatisfaction of certain interest groups; on the other hand this is not a reason

To achieve success in any undertaking, you have to have the will, the knowledge and the means to accomplish your goals. NALED has responded successfully to these challenges and has become very efficient as a result



to refrain from taking action but should serve to ensure that your approach is cautious and nothing but professional.

Which of NALED's results in the last 10 years would you like to single out as most important?

- Indeed, NALED has accomplished some important results over the last ten years – from consolidated tax collection and other simplified bureaucratic procedures to the certification of local governments and the introduction of electronic building permits. We would especially like to underline the Programme for Countering the Shadow Economy. Shadow economies are a form of cancer that eats away at impoverished countries. While steady employment maintains structure in society, we know all too well that shadow economies create environments that prolong poverty. This is a chronic disease, one that cannot be eliminated overnight. However, all public stakeholders have expressed their willingness to tackle this issue permanently, and not just ad hoc.

Although I have mentioned a few of our programmes, I think that NALED's biggest

success lies in altering the relationship between public authorities and business. NALED is the first organisation to truly succeed in consolidating and synchronising the work of the private and public sectors and to ensure that its main objective is comprehensive and commonly accepted: to create a business-friendly environment that will provide a better life for all Serbia. This is the first time in its history that the Government of Serbia has formed two working groups with the civil sector, which has concrete tasks and jobs to complete and contributes to faster decision making.

How difficult is it to motivate state bodies into action and explain to decision-makers why the measures you propose are beneficial for society as a whole?

- Generally speaking, motivation alone is not a problem. People are very quick to grasp the benefits of many proposed measures. The problem lies in implementation. After the first wave of enthusiasm, many begin to realise that changes will affect their habitual way of doing things and could jeopardise individual interests. In this regard we are

no different from any other country. There is always a fear of the new, and a deep-seated belief that the old way of doing something is better. This is where a well-prepared project comes in handy.

A good project has to anticipate potential problems and how to resolve them. And when there is enough political will present in the establishment, success is inevitable. Personally, I am quite surprised

at how quickly the electronic issue of building permits has been implemented, which just goes to show that we are not as bad as we think we are. This reform has revolutionised the work of administration, proving that civil servants are capable of adapting to new trends and technology despite the fact that many had not even begun using e-mail until recently. This experience also demonstrates that the coming reforms are quite enforceable.

What are NALED's key reform goals in the next few years?

- Our society has experienced some very turbulent times. Many mistakes have been made for both objective and subjective reasons and as a result the goals have become crystal clear.

We have to form a strong public administration that will deal professionally with problems affecting people and businesses. We have to reform public enterprises to make them efficient publicly owned companies, rather than allowing them to drain the state budget. We have to create a business environment that will encourage the general public to start their own small, but success-



ful businesses. We have to strengthen our institutions, especially the judicial system, so that they can guarantee the full and timely protection of individuals and companies in accordance with their rights guaranteed by the Constitution. I have said “have to” four times because I think this is no longer a time to discuss, but to act.

Innovation also needs to be intertwined with each segment of business. If we wish to become an equal member of the European family, and not some destitute cousin from the countryside, we need to speed up progress. The only way to achieve this is to be innovative and find our own unique way of functioning that will catapult us onto the market.

One of the main goals of our organisation is to successfully implement the National Programme for Countering the Shadow Economy. The second important goal is to develop e-government as a tool for improving public administration and boosting competitiveness. We want to develop new services, introduce an e-payment option, replace paper with e-documents, form a network of institutions and ensure that they exchange information, eliminate old-fashioned counters, introduce an electronic fees and charges registry, develop the existing e-space system for drafting spatial planning documents (a vital part of the process of

issuing building permits) and to move our Business-Friendly Certification Programme into the electronic domain. In short, we need to improve communication between the public, private and civil sectors and base our development on three pillars – responsibility, transparency and efficiency.

What will be the strongest challenges for NALED and the Serbian civil sector generally in future?

- The challenges will be both external and internal. For some time, we have been living in a drawn out global economic crisis. This is a very connected world where disturbances on one continent affect all others. If the global economy is developing, we too are going to have an easier time.

Internally, a lot hinges on political and overall social stability. We are going to have to make some tough decisions. Many companies will disappear, many people will lose their jobs. We have to be wise and decisive in implementing the necessary

measures in the shortest time possible with the fewest number of transition victims. Solutions of all kinds are possible and the civil sector needs to be cautious and assist in optimising funds. The burden should be equally distributed among all interest and social groups and we must never forget that economic efficiency must remain connected to humanity at all times.

Where do you see NALED in 10 years?

- I see NALED as a well-oiled, problem-solving machine; a place where various stakeholders gather to contribute to future goals and activities by providing expertise. I see it as a responsible partner to state structures and a guardian of entrepreneurial freedom.

The time has come for the civil and private sectors to take over from the state in certain aspects, aiding the country in taking more than one step at the time, all in society’s best interests. We have already demonstrated that this is possible in Serbia. A ‘free market’ is frequently mentioned these days, often in a negative context, and it is usually accompanied by the idea of a planned, conflict-free society. History has proven this to be a utopia. NALED has to defend the right of every individual to work and make mistakes. The right to make mistakes is a fundamental right. Not so long ago, people were burned alive for claiming that the Earth was not flat. In those times this idea was considered fundamentally wrong.

I see NALED as a well-oiled, problem-solving machine; a place where various stakeholders gather to contribute to future goals and activities by providing expertise. I see it as a responsible partner to state structures and the guardian of entrepreneurial freedom



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NALED HAS CHANGED BOTH US AND SERBIA

The first three presidents of NALED's Managing Board agree that NALED's greatest successes were to become a partner of the Serbian Government in implementing reforms, to raise the awareness of the public and decision-makers about the importance of dialogue, and to harmonise the interests of different parts of society

All three agreed very quickly to run NALED, which you would certainly not expect from people standing before an organisation that was brand new at the time, with no major projects or stable funding, and without the trust of the institutions of the state that it sought to change.

They say it was not easy, but they are proud of that decision. They influenced NALED, but perhaps more importantly NALED had an influence on them, and achieved exactly what it wanted to in the whole of society – to raise awareness about the necessity of dialogue and consensus on the path to the reforms that will move this country forward.

Each of the three marked different epochs in the development of NALED, from its independence, through achieving its first great result, to the moment when NALED became a partner of the Serbian Government and the National Assembly in the implementation of reforms.



PREDRAG MIHAJLOVIĆ, VIOLETA JOVANOVIĆ and VLADAN ATANASIJEVIĆ

FIRST MEETING

For Predrag Mihajlović, first President of the Board of Directors (2007 - 2008), one day was enough for him to accept the position. “A young man is always ready for new challenges, but what mattered was the fact that I had experience of working in certain organisations. We formed a Steering Committee and chose Violeta Jovanović as the first director. And NALED started with one person and no office. The first job was to convince USAID to enable us to stay with them for a few months until we found our feet. When I think of that period now, it's nice to see that the Executive Office has more than 20 people and that NALED has grown into an organisation that is very

well thought of by all,” says Mihajlović.

Later, together with Managing Board Vice President Toplica Spasojević, Mihajlović personally approached banker Vladimir Čupić to persuade him to take over the reins of NALED.

“At first I wondered what these people wanted from me; what I was supposed to do here. Since there was no similar organisation in Serbia or the entire region, the idea became extremely interesting and I accepted the engagement”, says Čupić, who served as president of NALED in the period from 2009 to 2013.

The third President, Vladan Atanasijević, already had experience with NALED as a member of the Board, so for him the transition to the presidency was easy.

“Our society is progressing as NALED progresses. The fact that people from NALED have become members of the government indicates that there is an understanding of the importance of dialogue at the highest level” - Predrag Mihajlović

“I saw NALED as an opportunity to have an influence on changes in Serbia without having to be politically active, because that always turned me off”, says Atanasijević, NALED’s president from 2013 to 2015.

BEST MOMENTS

For Mihajlović, the most beautiful part of the job was watching the organisation grow along with the number of NALED members and staff. Their commitment was responsible for all the good work that was done.

“I’ll never forget when we were starting. I was working at Komercijalna Banka and Violeta would come to see me once or twice a week. Whenever the phone rang I’d know something was needed again. But there was a great pleasure in seeing such excellent people joining NALED, people who have knowledge and a lot of positive energy”, says Mihajlović.

For Čupić, the memories are ones of friendship and willingness to work together in solving problems. “There were no pre-ordained solutions and there were serious discussions about what was best, in which direction to go, how to act. There were different opinions and the discussions were sometimes harsh, but when you take a stand you hold your ground”, says Čupić.

The third president highlights positive energy in the Executive Office as the best



part, the enthusiasm and quality of people who, from his perspective, are the promoters of a new culture and approach.

THE HARDEST THING WAS...

While their attitudes towards the importance of the organisation and its results are similar, the three former presidents have completely different experiences regarding the most difficult moments in conducting NALED. For Čupić, the hardest thing by far was making a decision on the Reformer of the Year.

“We needed to evaluate the performance of individuals in a way that included some and excluded others, while not being biased. Bearing in mind NALED’s impact, maintaining independence was perhaps the most complex job. It involved politics, the separation of competencies, expertise and clear results in a zone that is policy par excellence

and has always been thankless”, says Čupić.

For Atanasijević, criticising the government was not hard or a problem, because he applied the principle that presenting the facts would lead to conclusions by itself. On the other hand, attacks against the association presented a problem. “What bothered me was that in these attacks one could see a fundamental misunderstanding and placing NALED in completely the wrong context”, says Atanasijević.

The hardest decision for the first president was to leave NALED. But he thinks this decision was a good one, because he believes in the importance of new people with new energy joining the organisation.

THE BEST RESULTS

“NALED’s greatest accomplishment is its success in becoming a partner of

“NALED has the capacity to expand its activities beyond the borders of Serbia. It seems to me that it is the only organisation that can expand outside the country, and as such the future of the association is linked not only to Serbia, but also to the regional and wider European concept “ - Vladimir Čupić



PREDRAG MIHAJLOVIĆ



VLADAN ATANASIJEVIĆ

the government in reforms. NALED has managed to position itself well, and its achievement is that it is engaged and accepted. The tasks entrusted by the State can be completed in a high quality manner”, says Atanasijević, adding that he believed that NALED would one day provide ministers to the Serbian government.

From Mihajlović’s perspective, understanding the importance of dialogue is the greatest success. “Our society is progressing as NALED progresses. The fact that people from NALED have become members of the government indicates that there is an understanding of the importance of dialogue at the highest level”, says Mihajlović.

For Čupić, the root of all results lies in NALED’s determination for every idea that is made public to be substantiated with analysis and facts. He names expanding the certification programme of municipalities with favourable business environments to the countries of the region and adopting the National Programme for Countering the Shadow Economy as two of the association’s best accomplishments. The most important thing overall for Čupić is that NALED has managed to reconcile the interests of different sections of society, because “when you set up the way NALED did, you see that there’s a lot more common interests than competing ones, even though they generally do not coincide”.

CHALLENGES

“In my opinion, NALED is like a blue chip company, which means it has the ability to operate well both in good and bad conditions. As a carrier of positive ideas, NALED has a future for the next 10 years or even longer, until we achieve a perfect business environment, and that will take time”, says the first president.

According to Atanasijević, the biggest challenge for NALED will be to remain unbiased and to defend itself against attacks on data integrity. His predecessor, on the other hand, does not expect serious challenges.

“NALED has the capacity to expand its activities beyond the borders of Serbia. It seems to me that it is the only organisation that can expand outside the country, and as such the future of the association is linked not only to Serbia, but also to the regional and wider European concept. I would not underestimate the possibility of further growth at all. This depends on the interest of the state itself”, says Čupić.

AFTER NALED

Čupić outlines three ways in which he changed during his time at NALED. “The amount of effort and work invested in

what we achieved together showed me that you can achieve much more if you have a serious approach. On the other hand, I became in a way much more aware of the fact that there are so many different interests in society and how they can harmonise. Thirdly, if you have good people with you, the sky is the limit”, says Čupić.

“Working in NALED changed me just with the fact that I entered into a completely different sphere of activities that were not related to my business. I now know much more about the need for private-public partnerships to create a better business environment. I gained breadth in my ideas of what is needed for the process to come to life”, says Mihajlović.

“I think that in the process of education we are all missing this important part on the importance of personal responsibility for the common good, and that’s something I came to see as necessary through my work at NALED. In order to make the whole environment change for the better, you must devote yourself without personal gain. The culture of working for a common goal is something that we all need and this is what NALED gave me the most”, concludes Atanasijević.

“NALED’s greatest accomplishment is its success in becoming a partner of the government in reforms. NALED has managed to position itself well, and its achievement is that it is engaged and accepted. The tasks entrusted by the State can be completed in a high quality manner” - Vladan Atanasijević



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IN FOCUS



LEADING THE WAY, 10 YEARS LATER

Dr. Ana S. Trbović
President of NALED
Advisory Board

NALED has turned the Serbian business community into a grass-roots organisation, an active partner to both local and central governments. The visionary in charge of our team of hundreds of hardworking experts, business people and

administrators is American Steven Rosenberg, whom we have adopted here.

I recall a bakery owner providing some of the most valuable policy recommendations that NALED later incorporated into what has now become known colloquially as the Grey Book. Small business owners, this baker included, have been given a voice through NALED and have participated in many campaigns since, recognising that an expert organisation would be able to translate the challenges they face in their work into policy measures, granting them a spot at the government table.

NALED advocacy has ranged from the provision of expert panels to witty, satirical marketing. And it is working. The guillotine has come down on such things as the infamous company name display fee and other significant red tape has been done away with, while public services (especially permits issued in construction) have become more transparent and efficient. Notably, big business is now advocating an improved business climate, as are municipalities across Serbia, both big and small.

Mayors have also embraced reform. Space that was once taken up with their portraits now contains vital information on available infrastructure and workforces, to attract investors. As we continue our battle with the administrative obstacles facing businesses, our proverbial sleeves remain rolled. The goals: thin out the Grey Book, climb the international business ranking polls, win over investment opportunities and increase employment.



SUPPRESSING THE GREY ECONOMY — OUR PRIORITY

Aleksandar Ružević
Member of NALED Managing Board and
CEO of Coca-Cola HBC Serbia

Coca-Cola HBC Serbia is a proud member of NALED, which is the undisputed leader in promoting dialogue between the private and public sectors today, and is one of the

leading authorities in monitoring regulatory activity and measuring the performance of the public administration. This organisation has never been one that merely points out the deficiencies of the system, but one that also proposes and encourages constructive solutions. As a member of NALED's Managing Board, I am particularly proud of this fact and I'd like it to remain that way as we move forward.

I believe that everything we have done so far has made a major contribution to reforms in Serbia and to reducing the administrative burden on the economy. This is proven by Serbia's ranking on the World Bank's Doing Business list, which is now the best in the last nine years. Through the Grey Book alone, from the first edition to this day, 76 administrative procedures have been improved, that's an average of a dozen per year. But there is still a lot of work to be done, primarily in the field of finance. The National Programme for Combating the Grey Economy is a priority for us as a member, because it covers a series of measures such as more efficient sanctions against all forms of the grey economy, incentives for business start-ups and relaxing the administrative burden, but it also contains measures to raise public awareness of the importance of inclusion in the fight against the grey zone. I think the further education of the Serbian public and their active involvement is needed to create a competitive and positive working environment, and to add value for all stakeholders in this country's economy and society.



ESTABLISHING SOCIAL HARMONY

Dragan Đuričin
President of NALED Supervisory Board
and CEO of Deloitte d.o.o.

Unlike many NGOs criticised for their funding formats and possibly for promoting other people’s interests, NGOs often figuratively referred to as the “white blood cells” of society, NALED is actually a “red blood cell” bringing oxygen - hope - to the state, to local governments and to the public in gener-

al. NALED is a highly constructive NGO whose mission is to promote and facilitate local economic development.

In other countries, transition from socialism to capitalism lasted for eight to twelve years, countries that transformed into developed economies over a decade ago. In Serbia transition has now lasted for a quarter of a century and is still in progress. By running away from a trap known as mid-level economic development in the 1990s, Serbia fell into another trap – transition. Unfortunately for us, we failed to find a shortcut to capitalism but have entered a complicated maze which has been the result of various omissions, failures and inactivity. In times where there is a very large output gap, high unemployment rates and growing debt, maintaining political stability becomes a delicate issue. A weak economy and an isolated society are the ideal breeding grounds for retrograde politics; Serbia may well enter into a dangerous transition process which ends up being a long road, not to capitalism, but from socialism to socialism.

In conjunction with law and ethics, the economy is one of the main pillars of any society. If the economy does not function properly, social superstructure has no future. In situations such as these, politics is reduced to populism and the bidding of time between successive elections. Having only good political vision is not enough for sustainable and inclusive economic development. Economic life is manifested at the local level, where laws and institutions are not of the greatest importance. Rather, intelligent investment and purposeful production take precedence. For investors (existing and new, domestic and foreign) to properly express their activism they need to have a similar, or perhaps a better environment, in comparison to those in their immediate surroundings. NALED’s mission is to develop a recognisable and attractive investment environment.

If I had to single out one of NALED’s achievements, it would be establishing harmony between state authorities, who pass systemic laws, and the interests of business owners and local governments, who are to implement them. This is a two-way dialogue that curbs the influence of ‘institutional (or positional) intelligence’ which devises solutions that are inadequate, yet often justified by various laws or simply changed at will.



TOGETHER FOR A BETTER LABOUR LAW

Ernst Bode
Member of NALED Managing
Board and General Manager
of Messer Tehnogas AD

It is greatly satisfying if one can see that with common effort it is possible to make a difference and change things for the better. Actually, one of the least expected reforms in Serbia was the amendment of the Labour Law. But the

arguments of businesses and organisations, with NALED being the most persistent and most convincing among them, were that a more flexible labour market was extremely important for Serbia: for businesses to be more competitive, for employees by creating more workplaces, and therefore for the entire country as an investment destination. All this convinced the decision-makers to dare to take a first step that has undoubtedly already yielded positive results, despite all the apocalyptic scenarios that were painted by some interest groups.

Making an amendment to a law might seem like an easier job than resolving tens or hundreds of complicated procedures. Every year in its Grey Book, NALED offers 100 solutions for cutting red tape. So far, more than 30 per cent of those recommendations have been accepted and this is a major achievement. Today, businesses can pay deductions from their staff’s salaries to a single account, cash revenues do not have to be paid into the bank account every day, the documentation for pregnancy leave is reduced by two thirds and employment booklets have been abolished. These are only a few of the tangible pieces of evidence testifying to the usefulness of NALED’s initiatives aimed at easing unnecessary constraints on companies and thereby improving the business environment in Serbia. This finally enables businesses to flourish, creates workplaces and is improving people’s living standards after a quarter of a century of delays. The organisation’s success stems from its persistence and proactive behaviour, combined with constructive criticism and the ability to provide solutions rather than standing on the side-lines and just complaining. Like the most successful countries in the world, Serbia should not allow itself to ignore people who are willing to take responsibility and contribute to positive change, as there is still so much more to be done for Serbia to start closing the gap on the world’s leading economies, including most of the European Union.



BEST SOLUTIONS FOR THE ECONOMY

Stanka Pejanović
Vice President of NALED Managing Board and Director of Gorenje Belgrade

It is my great honour that since 2015 I have served as Vice President of the Managing Board of NALED, an organisation that has been working successfully for ten years on improving the business environment in Serbia through institutional reforms.

In its work to date, NALED has taken great strides towards improving the business climate in Serbia, precisely because all those who need predictable business conditions – businesses, local governments, and citizens themselves – participate actively in the work of the organisation.

We must all work in partnership on finding the best solutions to create economic conditions that can ensure the sustainability of our businesses, which is in the interest of the economy, but also of society as a whole. NALED is precisely the organisation that implements the improvement of legislation in all areas of doing business in an efficient, transparent and accountable manner and as a partner of the Government. Thanks to joint efforts and constructive proposals, NALED has been directly involved in the implementation of reforms since 2014, which represents an additional responsibility and obligation of engagement through NALED for all of us members.

As a unique organisation in the country and the region, NALED attracts new members each year, which contributes not only to strengthening the organisation but also to the quality of activities on further reforms aimed at improving the business climate in Serbia. NALED is a leader in promoting dialogue between the public and private sectors, and I believe that it will remain so in the future.



HEALTHY INITIATIVES IN HEALTHY SERBIA

Vesna Živković
President of NALED Executive Board and General Director of Inpharm

NALED is a unique association that promptly addresses the most important topics and seeks to find suitable solutions as quickly as possible. It implements integrated, tested and

successful models from the most advanced countries. It points out the real problems of the economy and examines the practices of state institutions, ensuring that the problem NALED is tackling will be treated from all sides and resolved in such a way that it will really be accepted by all structures. This is made possible because apart from participating in establishing regulations, NALED takes the process to its conclusion, ensuring tools for implementation and training staff, so that this regulation can really come to life (an excellent example was the introduction of e-permits).

NALED has in this way seriously challenged the familiar paradigm in Serbia – by which we have good laws that are not enforced. For me that it is the greatest contribution of NALED. Objectively addressing problems and fully implementing change shows that NALED has already become an essential factor in accelerating economic development and will certainly continue to be so in future.

In my sector of work, the field of healthcare, we have launched the “Health Initiative” project, which has brought together all relevant institutions and the businesses to address the issue of financing in healthcare, primarily at the local level, to jointly reach solutions for improving conditions for doing business and making full use of our possibilities. This initiative and project should result in more efficient and better treatment of citizens with legal security for the participants in the process. It will also result in more responsible behaviour in a dedicated spending of budget funds, ending the accumulation of debt that has lasted for decades and been occasionally extinguished like a fire with no essential solution.



THE RIGHT PLACE FOR LOCAL GOVERNMENT

Vladan Vasić
Member of NALED Managing Board and Mayor of Pirot

Ask what NALED is and the answer is easy. It is the largest association of successful companies operating in Serbia, local governments that want to be successful and civil society organisations.

Ask what NALED does and the answer is also easy – it fights for an overall improvement in the economic environment, for doing business and for life in Serbia, for a more efficient state, for more employment.

Through NALED, local governments can exchange experience, lead a dialogue with the central authorities, be aware of many donor programmes and have contact with embassies... What is most important for local governments is that with the help of NALED they can become certified as business-friendly. This means they will improve their internal capacities, check their urban and planning documents, communicate more effectively with potential investors, adopt a development strategy, improve their website, establish industrial areas etc. The certificate they can get today has a regional significance. To distinguish yourself from the others, to improve yourself – this is a challenge for everyone!

The team that works at NALED is something extra special. With Violeta at the head, it forms a rare example of a good, synchronised, dedicated team that wins every game that it starts. It does not forget the former, respects the current and attracts new members, infecting them with the spirit of NALED, and promoting the successful.

I have said this from my viewpoint, as leader of a local government that is a member of NALED. As the mayor of a certified and recertified municipality at the national and regional levels, as a proud member of the Managing Board since 2013. Yes, it might be from a personal point of view, but I haven't exaggerated anything. Join us too!



PARTNERS OF THE STATE ADMINISTRATION

Vojislav Genić
Member of NALED Managing Board and Public Sector Director at SAP Central Eastern Europe

Working in the countries of Central and Eastern Europe, I have had the opportunity to meet a lot of people who hold positions in local communities. I have been surprised by the enthusiasm I have met for the economy and economic

development. Even the smallest communities have an administration that understands the need for good, regular partnerships and cooperation with companies. One example is SAP and the relationship between a small German village back in the 1970s and what was then a start-up company. Today you should go to Walldorf and see how one of the richest municipalities in Baden-Württemberg looks.

By getting to know the leaders of our local government I have seen that many of those that yesterday were static pillars of administration and bureaucracy are today the leaders of development. Though often working with limited resources, these people have a vision and a desire to move things. In areas where these trends exist, you will certainly find companies that are operating well, developing long-term plans, employing satisfied people and returning part of their profits to the development of the local community.

The chances for prosperity are not measured today in terms of the size or position of cities and municipalities, but rather in the mutual relationships between people, companies and local governments. Where there is understanding and harmony of interests, the local community develops, and citizens want to live and prosper there.

Is that a formula for a better life? I believe it is.

This is precisely the mission of NALED. In the 10 years of its existence and thanks to its members, NALED has succeeded in showing that this is possible. Today we are an organisation without precedent.

In the next 10 years, I see NALED as an interlocutor, advisor and equal partner of the state administration. We want to make use of the vast experience of our members, local and foreign companies, associations, municipalities and cities, and to place it at the service of development. We want the good practice of our members to be a model on which we will advance Serbia. By equally developing every town and every local community, we want to ensure that Serbia is a better place to live.



GORAN PITIĆ

Chairman of NALED Fair Competition Alliance and President of the Managing Board at the Societe Generale

The issue of competitiveness has to be one of the priorities of any government agenda, especially this new one, since it is crucial for the regional 'game'

"...Because there is no successful economy without it, here or anywhere else", says our interviewee Goran Pitić, Ph.D, when we put it to him that he is "the staunchest advocate for higher competitiveness of Serbian products and fair competition".

For twenty odd years, Pitić has been focusing on raising competitiveness and fair competition. He was the first chairman of the government Competitiveness Protection Council and today he is again on the front line of this fight in his capacity as chairman of the NALED Fair Competition Alliance.

When we asked him what his motives were for becoming chairman of this Alliance, which works with the government to combat the grey economy, he said:

EXTENDING FISCALISATION WILL CURB THE GREY ZONE

- This is an issue I have been dealing with for many years now, both academically and professionally. I have been fighting the grey economy and promoting competitiveness and fair competition. And I am doing so again. The issue of competitiveness has to be one of the priorities of any government agenda, especially this new one, because it is crucial for the regional 'game' and for Serbia to utilise its potential. This triangle of competitiveness, innovation and entrepreneurship, along with good education, helps the social system and raises and creates new values. I am also personally motivated, and at NALED this is a segment that requires additional energy, knowhow and expertise.

What are the greatest challenges in implementing the National Programme for Combatting the Grey Economy: political will, resistance from institutions, implementation of regulations, lack of funding or something else?

- The Ministry of Finance understands and is determined to set aside enough competent resources to take part in the

project. The second thing is participating in coordinating and consolidating certain activities. This requires changes in the way things are done and in the organisation itself. There will be resistance, because this requires a serious improvement of work coordination; not only in the inspections, but in other services too. Regulations will have to change too, to motivate employers to transfer their business from the 'grey' to the 'white' economy. This will require a serious recalculation in the Ministry of Finance. Then there is the issue of income tax. However, there have to be tough sanctions along with stimulating measures. It is of vital importance to have good coordination of all participants in this process, and that's why NALED plays an important role.

Which National Programme measures are going to be the most effective? Which ones is it most important to implement?

- There are several goals and measures that need to be attained and implemented. First and foremost, there is more

All services, but above all customs and inspection, must be able to conduct risk analysis based on the data stored in the online fiscal system

efficient inspection supervision and improving the fiscal system. Activities have already been agreed upon and we expect fiscalisation, or rather its expansion, to have the biggest effect. This entails introducing online cash registers and having more cashless payments. Crucial activities are being carried out - from changing the old and implementing new regulations to the government's receipt lottery. Only 20 per cent of the entire economy has been fiscalised.

In terms of inspection supervision, certain regulations will be changed and harmonised and we shall have a consolidated inspection supervision web portal. Work is also being done on risk analysis. All services, but above all customs and inspection, must be able to conduct risk analysis based on the data stored in the online fiscal system. It is similar to the workflow of the author-ised organisations (for countering illegal trade), which is already in place and is applied to cigarettes and tobacco. The same will be done for coffee, alcohol, meat, baking products and possibly for oil too. The system entails harmonising the work done by inspectors, the police, customs and all other authorities responsible for combatting illegal trade. This is the activity plan that NALED devised in agreement with the Ministry of Finance.

The Alliance for Fair Competition brings together 20 of the biggest taxpayers in the country. Some say that, for this reason, the Alliance should not participate in devising the National Programme. Why is it important for businesses to be part of this process and how would you respond to the critics?



- It is perfectly natural for lawmakers to cooperate with law abiders. It is in both of their best interests.

The contribution provided by these and other companies is invaluable, because the government and businesses have the same interest - to create the same conditions for everybody who stimulates the economy so that most of them can operate in regulated conditions and thus ascertain their level of competitiveness.

NALED has an active role in implementing these measures. Does this mean that the state is willing to delegate some of the work to other associations and the civil sector, and why is this good news?

- Generally speaking, it is important in the period ahead for the government to signal as clearly as possible that any organisation not directly involved in

government affairs, like agencies or regulatory bodies, are welcome to participate if they share a common interest. An isolated government cannot accomplish results if it doesn't involve those entities that can contribute with their initiatives and ideas, and that have the capacity and willingness to get involved in implementing projects like this one.

What would signal to you that the Programme has been successful and that NALED's effort has paid dividends?

- There are several signs already. There is a fear over whether the capacity of the state can follow the numerous measures in the Programme, both in terms of legislation and in an organisational sense. I already have a feeling that my decision to join this team makes sense, because the willingness and readiness to face the problems and search for solutions have already been validated.

It is perfectly natural for lawmakers to cooperate with law abiders. The contribution provided by companies is invaluable, because the government and businesses have the same interest



OLIVERA PAPIĆ

President of Fair Competition Working Group for Raising Awareness and Head of Corporate Affairs and Marketing, Moj kiosk Group

Raising the awareness of citizens about the harmful effects of illegal business is not an easy task at all, because it implies a series of activities that need to be implemented in continuity, and to be done over a longer period of time

This process is often only identified with the fiscal lottery that is only one segment, but what is most important is the continuous education of citizens about the problem of the grey economy and the responsibility of every individual, and not just state institutions and individual companies that operate in such an environment. It is necessary to explain everything that the grey economy includes, why it is important to take proper receipts, what we lose as citizens if we do not take them, and everything that we will all be able to improve if we regularly take fiscal receipts, how much and the way in which

EDUCATION OF CITIZENS ON GREY ECONOMY IS CRUCIAL

the grey economy impacts on the future of our youth and our children. It is also important to remind citizens that issuing and taking fiscal receipts is primarily a legal obligation.

In the National Programme for combatting the grey economy are envisaged activities related to comprehensive citizen education, the education of children, Prize games that would, in an interactive way, enable the inclusion and integration of citizens, state institutions, the media and companies around the same goal, and that really yields results, which has been confirmed by the positive examples of many countries. Given that prize games always have a limited deadline, it is necessary for that to be preceded by a phase of education that would also be continued after the Prize games. It is extremely important that these activities impact on all other measures that are conducted, because raising the awareness of citizens brings savings in money and in work on all other activities and, most importantly, yields long term results.

The success of raising awareness with regard to combatting the grey economy depends on the implementation of all of the aforementioned activities together; there lies the key to success.

I am really optimistic, because the plan that has been made is a product of the professional experience of experts from NALED and state institutions, as well as member companies of the FCA Alliance and, as such, it has the support of the most important institutions, which will enable its successful implementation.

It is important to remind citizens that issuing and taking fiscal receipts is primarily a legal obligation



VLADIMIR TIPSAREVIĆ

Vice-president of Fair Competition Alliance and Corporate Affairs Manager, JTI

As a socially responsible company, JTI was involved in drafting and implementing the National Programme for Countering the Shadow Economy, which is focusing in particular on improving inspection work

As a socially responsible company, JTI was involved in drafting and implementing the National Programme for Countering the Shadow Economy, which focuses in particular on improving inspection work. The greatest challenge in implementing this programme will be to ensure continuity and consistency in applying the envisaged measures. This mostly depends on how resolute the government is in supporting the Programme's implementation, and we can say that for now everything looks encouraging. I am referring to the new government deciding to make the fight against the shadow economy one of its priorities, as the Prime Minister mentioned in his exposé, and the tangible results of their engagement so far. According to the data from the first eight months of this year,

SUCCESS WILL DEPEND ON GOVERNMENT DECISIVENESS

revenues from VAT, excise and profit tax have increased by 20%.

In terms of the Law on Inspection Oversight, we expect to see matching proposals for the harmonisation of sector laws in October. We presume that this process will be very challenging, but we also hope that the Coordination Committee will help with the harmonisation process, and that the government will remain consistent in supporting the law's implementation.

One of the best strategies for the state is to invest in countering the shadow economy, because this will not only ensure higher public revenue, but also increase trust in the Government to enforce the rule of law and a fair market



DRAGAN LUPŠIĆ

Vice-president of Fair Competition Alliance and Communications and Legal Affairs Director at Coca-Cola HBC Serbia Ltd.

As a member of the NALED and the Fair Competition Alliance, Coca-Cola HBC Serbia will participate actively in implementing the National Programme for Countering the Shadow Economy

For Coca-Cola HBC Serbia, active participation in the Fair Competition Alliance demonstrates our genuine commitment to improving the business conditions in a market in which we have been operating for 49 years. Our company is very much committed to conducting a constructive dialogue with the competent bodies and business organisations, to create a competitive and enabling environment and provide value for all. I believe that as

NATIONAL PROGRAMME FOR A FAIR AND COMPETITIVE MARKET

a leader we have the possibility and experience to contribute to the recovery and improvement of the domestic market.

The National Programme for Countering the Shadow Economy is a range of measures that include effective sanctions against all forms of the grey economy, making it easier to start a business and easing the administrative burden, but also measures for raising public awareness of the need for engagement in the struggle against the grey zone. Although some of the measures are restrictive and others are incentives, they all require genuine partnership between the state, business and the civil sector, and perseverance and commitment for results to be visible as soon as possible.

The National Programme defines 69 concrete measures for countering the grey economy which on the one hand include incentives for responsible business and on the other hand better inspection and sanctions for illegal work

LOCAL GOVERNMENTS NEED STABLE FINANCING



TIHOMIR PETKOVIĆ

Mayor of Užice and one of the first members of NALED

We can always count on NALED's support for our development projects. NALED will continue to be an integral part of expert groups that will analyse and propose changes to laws regulating the development of local governments

As we were concerned about the prospect of a reduced city budget, the City of Užice was one of the most active participants in the dialogue about amendments to the Law on Local Government Finance. There was a risk of our current budget revenue being cut annually by a quarter, which is close to 450 million Dinars. This would in practice do the most damage to local governments with fully regulated and above average economic activity.

Užice has been a NALED member since the Alliance's inception. How important is this for you?

- I am very satisfied with the fact that both the City of Užice and I personally



have been part of NALED since its very beginning. In the last 10 years, NALED has earned the reputation of being a respectable association that has achieved serious results. Unlike many similar organisations in Serbia, NALED has always promoted new and important measures, tackled burning issues and engaged experts of varying profiles to resolve them.

What do you think of the new Law on Local Government Finance?

- In a valiant effort to prevent the adoption of the wrong amendments to the Law on Local Government Finance, we turned to NALED on several occasions. We firmly believed that NALED was the right organisation to contact. Together with SKGO, NALED played a crucial role in persuading the ministry to abandon its initial amendments to the Law and to adopt amendments that were much more realistic and more acceptable to local governments.

I understand that it is very important to come up with a sustainable financing format for towns and municipalities in the next few years. This can be done only if we accept the fact that towns and municipalities are key partners in this endeavour. To start with, we need to change the negative image that local authorities have in the media, which portray them as irrational and hindering state reforms. For the most part this is simply not true. We also need to be cautious in our intention to reduce charges and fees borne by businesses. Local governments still have to perform their duties and for that, they need stable funding sources. It is not realistic to expect towns and municipalities in Serbia to continue funding themselves mainly from money collected from property tax

Local governments and ministries need to join forces to come up with the best possible proposals - under the watchful eye of NALED, as always.

Like all other local governments we have several development projects and we believe that NALED will help us with their implementation, primarily through enabling contacts with state institutions, foreign embassies to Serbia, chambers of commerce and potential investors

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NEBOJŠA ZELENOVIĆ

Mayor of Šabac and member of NALED Managing Board

The innovative and capable city administration has applied 21st century tools and has been able to fulfil its objectives with ease, preserving its long established reputation as a commercial hub for this part of Europe

We are putting a lot of effort into being recognized as the first choice for investment. As a bridge between the government and local authorities, NALED is a channel that enables two-way communication and a specific framework where our strategic goals meet government development strategies.

How do you see the future of Šabac as one of the most prosperous cities in Serbia, and what is the role of NALED in achieving your strategic goals?

- Šabac has always been a city of merchants and entrepreneurs. In its heyday in the 19th century, it was a major trading city between Europe and Serbia because of its excellent geographical position. Šabac quickly became the most

NALED HAS A POWERFUL DEVELOPMENT TOOL FOR LOCAL ADMINISTRATIONS



advanced city in Serbia in a period that was very open to trade and the transfer of knowledge between East and West. Our mission today is to achieve that status again by using the tools and technologies of the 21st century.

NALED has helped us achieve that goal. I can say that NALED is a crucial contact point and very important in our work. **What was the importance of the NALED certification program for improving the work of the local administration?**

- NALED's certification program is a powerful development tool for

local administrations. Following an investment-friendly philosophy and with strong NALED support, we have simplified our administrative procedures significantly: we've opened a "one-stop-shop" for investors, improved our contacts with local, national and international business communities, and made tax incentives. The results are apparent - today, Šabac has a high influx of foreign investment, including companies from Japan, Italy, Germany, China, and others. Education and hard work are paying off.



Cities like companies must be competitive, to attract businesses and meet the criteria for an investment-friendly city

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DAVID LYTHGOE

President of NALED Ethics committee and Director of Halifax Consulting

Most people will behave honestly if they think others will. But if they expect the law will not be enforced, they will accept criminal behaviour without complaint even if they are its victims, and no amount of policing will help

A recent article in The Economist began: “It is easy to forget that even the most trivial commercial transactions rely on small acts of trust. Laws encourage good behaviour, but states lack the resources to force everyone to be good all the time. Trust keeps society running. Just ordering a pizza requires faith that the dough will be well made, that the pizzeria will not abuse the customer’s credit card information and that the delivery man will not abscond with the cargo. More complex partnerships, of the kind that make long-run economic growth possible, require much higher degrees of trust.”

It is not easy to quantify things like trust, but if we compare, say, the number of police officers in a country with its wealth, we find a clear correlation. People who

CULTURE EATS STRATEGY FOR BREAKFAST

OR WHY IT’S A LONG ROAD TO MORE ETHICAL BUSINESS

trust each other grow richer, and low-trust societies “waste piles of time and money defending vulnerable stores of wealth”.

Serbia’s GDP per capita takes 35th place among the countries covered. And trust? Well, when did you last hear someone say: “My competitors are well connected, but since I offer a better product for the price, I am confident of winning the contract”?

The problem with trust is that it is hard to build. Trust depends less on the rules and systems of society and the people that populate it, more on its organisational culture, whether that organisation

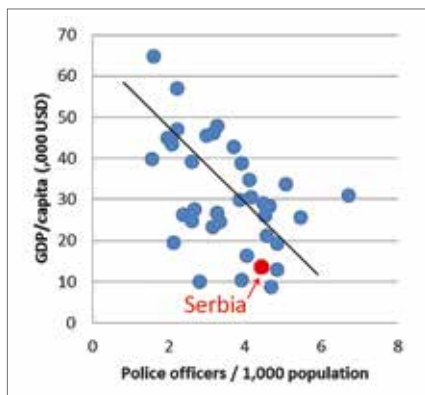
is a company or a state. Culture depends on a shared history, and the expectations people draw from it about how others will behave. To change a culture, you must change people’s expectations.

Most people will behave honestly if they think others will. But if they expect the law will not be enforced, they will accept criminal behaviour without complaint even if they are its victims, and no amount of policing will help. When they are tempted to use corrupt methods, they will say, “If I don’t, someone else will”.

You can train people to behave correctly, but their training will remain theoretical if they expect others not to follow it. You can educate children to be honest, but if they hear another story from their parents, they will become cynical and reject all civic education as false.

Can expectations be changed? They can, on three conditions.

The first condition is total commitment from top management. If the CEO is against, or even lukewarm, change will not happen. Senior leaders must be seen to be leading the change, and they must do so convincingly, perceptions are all-important.



You can train people to behave correctly, but their training will remain theoretical if they expect others not to follow it

Secondly, enforcement of the law must be massively prioritised, with cases of breach of trust being prosecuted rapidly, effectively and publicly. High profile offenders must be an early target to avoid cynicism – “Is this just one more publicity stunt that will make a scapegoat of some small fry?” The hammer must fall on both public and private sector actors together since it takes both to funnel public money into private pockets. Targeting either one on its own will look unfair and will fail to change attitudes.



Thirdly, public awareness campaigns must capture people’s imagination and give them hope. They must be maintained and repeated for long periods. Such campaigns are proven to work: few in Western Europe now complain about a smoking ban in public places, even though people said “it could never work here” in every country.

NALED’s “Ask When” video series has shown it can master the art of public awareness when the government is ready for change. A similar campaign could galvanise anti-corruption efforts and induce ethical behaviour in business. As an organisation that groups private, public and civil sectors, NALED is uniquely placed to generate trust through debate and publicity.

But only if the first two strategic conditions are met. When these are right, change can happen if we are aware that it is the whole historic public/private business culture that must be changed before it eats the strategy. This takes commitment and perseverance. A new history must be built. With the right conditions, our children may want to return to work in a prosperous Serbia in 20 years’ time. You are part of this culture: what are your expectations? Will they?

WE HAVE ESTABLISHED THE FIRST NATIONAL CSR STANDARD



NEVEN MARINOVIĆ

Director of Smart Kolektiv and one of the first members of NALED

In all of its work NALED has focused on how to best use that synergy to unify the resources of all sectors and use them for the good of everyone.

In its essence this is very close to the concept of corporate social responsibility, and that became the focus of NALED in 2012 when the first process of CSR certification was launched in cooperation with Smart Collective and the Trag Foundation. In this way, the first national standard of corporate social responsibility in Serbia was established, for all companies wanting to improve their procedures and processes in accordance with legal and ethical responsibility. This pioneering venture brought great experience for all of us who were involved in its development, and it brought companies a different view of corporate social responsibility, based on an integrated management approach.

NALED has understood from the beginning that cooperation between the business and other sectors is indispensable for the creation of sustainable communities and a better environment for citizens

With this experience, we were this year able to jointly launch the first national index of responsibility. Its aim is to create a national list of socially responsible companies based on objective criteria that will allow as many companies as possible to assess their socially responsible practices.

Positive experience with the CSR standard enabled us to jointly launch the first national index of responsibility with the aim of creating a national list of socially responsible companies


NATAŠA SEKULIĆ

President of the E-Government Alliance and IBM Country Leader for Serbia, Montenegro, Macedonia and Albania

Serbia has begun digitalisation of the state administration and it is my belief that this trend will continue in future, benefiting both businesses and the general public

“It is important that Serbia develop e-government in the shortest possible time, making administrative procedures as efficient as possible and cutting the cost of managing information. For both businesses and the public, the development of e-government implies faster, more transparent, comfortable and affordable communication, which boosts competitiveness and economic growth”, says Nataša Sekulić, President of the e-Government Alliance in NALED and IBM Country Leader for Serbia, Montenegro, Macedonia and Albania.

Following the success of the Fair Competition Alliance, NALED has formed a similar alliance of companies focused on e-government.

E-GOVERNMENT IS ONE CONDITION FOR A SUCCESSFUL ECONOMY

Could you tell us more about this initiative and what your expectations are?

- The e-Government Alliance is an expert working body of NALED, bringing together 24 of the most relevant companies in ICT and other industries who have the capacity and knowledge to support the government and line institutions in establishing electronic registries and e-services. I expect the Alliance to accomplish its strategic goals that are focused on cutting administrative costs for businesses and the public, increasing the efficiency and transparency of the public administration, combating corruption and boosting Serbia's level of competitiveness.

Why is e-government such an important topic for businesses?

- Efficiency, transparency, lower costs, competitiveness – these are all

key words that are clearly defined in the Alliance's strategic goals. They are the foundation and an absolute necessity for businesses. This is both our present and our future within the world of mobile technology, where new business models are created daily. This is why e-government and m-government are prerequisites for a successful economy, a successful state and a higher standard of living.

The new Minister of State Administration and Local Government, Ana Brnabić expects e-government to be fully functional within two years. Do you think that this plan is manageable, and what do you consider to be a success for the e-Government Alliance?

- Serbia has instigated the digitalisation of the state administration and it is my belief that this trend will only continue in future, primarily benefit-

Our short-term priority is to make e-signature, e-document and e-payment fully functional as a condition for any electronic service. NALED and the e-Government Alliance are ready to provide expert support to the government

MOBILE PHONES INSTEAD OF COUNTERS



JASMINA VIGNJEVIĆ

Government Affairs Manager
at Telenor Serbia

Both Telenor and NALED are celebrating 10 years of successful operation in Serbia. NALED was among the first to recognise the importance of e-government, and in cooperation with IBM experts it has produced a credible study that should serve as a basis for further development of e-government in Serbia



ing both businesses and the general public but it will also be beneficial to the state administration itself. In this respect, each step forward will significantly raise the quality and availability of public services and in turn boost the competitiveness of our country. This is what we consider a success. Whether e-government will become fully functional within two years primarily depends on the reach of the Action Plan for Development of e-Government for 2017 and 2018, which is currently being drafted. Either way, the e-Government Alliance will dedicate its abilities towards implementing it.

We see the establishment of the e-Government Alliance as an opportunity for businesses to use their know-how and inventiveness to help the government in its efforts to reform the public administration. The Alliance can help digitalise the data and the procedures, and minimise paperwork, queuing and expenses for our citizens.

People today want services to be available to them at all times, wherever they are. It makes me happy that the Alliance recognises m-government, the optimisation of all e-services for mobile devices, as one of the priorities. As many administrative services require payment of administrative fees, e-service needs to provide an electronic payment system to replace traditional paper proofs of payment, so that all services can be fully realised electronically.

Telenor is a mobile operator, our bank deals exclusively with electronic transactions, we operate in 13 countries and we can draw upon that experience, so I believe that we have the capacity to contribute to the e-Government Alliance and in cooperation with NALED help modernise the public administration.





INTERNATIONAL SUPPORT

NALED was established in 2006 under the auspices of the President of Serbia and the US Ambassador. Its first projects were realised with the support of the US Agency for International Development (USAID). Over the years an increasing number of donors from various countries throughout the world started to recognise it as a partner in reforms. In the past ten years NALED has realised over 70 projects focusing on improving business environment and capacity building in public administration with the support of numerous international organisations and institutions such as GIZ, USAID, SDC, EU Delegation, Open Society Foundation, World Bank. NALED's partners are also the embassies of the USA, Great Britain, Finland, Canada, Denmark, India, Israel and many others.



STEVEN ROSENBERG

Former director of USAID MEGA project and founder of NALED

Serbia has excellent development potential. It is located at the crossroads of South Eastern Europe, has a hard working, reasonably priced and educated work force and a government that appears to be committed to adopting many of the reforms called for by NALED

The original idea of NALED was to form a public-private partnership that could serve as a voice for the business community, local government and civil society as there was no such voice in existence. These groups, acting alone, had found it very difficult to convince the central government to adopt the reforms needed to enable Serbia to successfully compete in the 21st century. Many such groups were, and I believe still are, controlled by political parties; making them hesitant to challenge the decisions of party leaders - even when those decisions are not in the interest of their members.

Could you tell us a little bit more about its beginnings: how and why NALED

OVER-POLITICIZATION THE KEY OBSTACLE FOR SERBIA

was established, who participated in its founding, what kind of support it received, what were its first steps?

- The two people who played the most important role in NALED's founding were Mijat Damjanović and Violeta Jovanović. Dr. Damjanović convinced the initial members to join NALED. His excellent reputation as a public administration reform specialist was key to providing NALED with the credibility to attract its initial base of support. Violeta Jovanović was NALED's first executive director. She took NALED from being an organization largely run out of USAID's Municipal Economic Growth Activity (MEGA) project to being an independent organization supported by its members and activities.

The first major project led by Dušan Petrović was the 'business-friendly municipality' certification program. Another early initiative, managed by Dušan Vasiljević, was the organization of seminars and roundtables concerning pending legislation that affected local government and the business climate. These first steps were devised and supported by MEGA. Both these initiatives were successful and helped cement the credibility of NALED as an organization that could play an important role in promoting local economic development.

Was it hard to introduce such a revolutionary idea in Serbia, and are there any similar organizations in other countries in the world?

- It was difficult at first to get people to believe that such an organization could work or function. But this effort had a lot of credibility from the start, as it was managed out of MEGA, the successor to Serbia Local Government Reform Program (SLGRP), another USAID-funded project implemented by DAI. Our staff in both these projects had an excellent reputation of being helpful and providing meaningful support to municipalities and the private sector. That goodwill carried over and gave people a willingness to see if NALED could be similarly successful. As it happened, success breeds more success and more interest from people. I am not aware of similar organizations from other countries.

What was your vision for NALED at the beginning, back in 2006 when you were leading the USAID MEGA program, and how much does it differ from what NALED is and stands for today?

- My vision for NALED was basically the way it turned out, except I didn't imagine it would be as successful. Part of the reason for its success is the government's

The two people who played the most important role in NALED's founding were Mijat Damjanović, who convinced the initial members to join NALED and Violeta Jovanović, NALED's first executive director

willingness and desire to listen to other voices in society, besides political parties. In Serbia most of the organizations that represent civil society and the business community are political party-oriented. Creating an independent voice that the government can listen to and get feedback from on various proposed activities was revolutionary, so a lot credit goes to the current government.

Could you ever imagine that people from NALED would become ministers in the Government of Serbia? Do you consider that good for NALED and its future?

- I didn't directly think they will become ministers, but it is not surprising to me given the quality of the team. What's surprising to me is that this government acted so wisely and is obviously trying to widen its leadership base to obtain input and support for its activities from all segments of society, and not just political parties. This is an important step for organizations such as NALED and the Standing Conference of Municipalities, and for the parties and the governing structure of Serbia.

Why do you think it is important that the public, private and civil sectors work together on fostering economic development? Is that dialogue and cooperation functional in developed countries, what are the key challenges for its sustainability?

- It is very important that the public, private sector and civil society work together because, as I mentioned earlier, these economic development activities can only be

BIOGRAPHY

Steven Rosenberg is an attorney with 35 years of experience in municipal governance. He worked for the city of New York serving as General Counsel of the city's economic development agency. He also served as Chief of Party for five USAID-funded public administration reform projects in Central and Eastern Europe and Director for DAI's democracy and governance projects in the CEE region. He is responsible for successfully implementing several innovative practices including Business Improvement Districts, Citistat and the National Alliance for Local Economic Development.

successful when there is support from local governments and business institutions and each have a role to play. By working together, they can understand each other's limitations and interests and work towards a common point of view that is beneficial for all parties.

Such dialogue and cooperation is functional in developed countries. For example in the USA, we have an active Chamber of Commerce, a very active Conference of Mayors and other organizations that are able to represent the interests of their members. As long as organizations like NALED stay relevant and look out for and promote the interest of their members they will continue to be sustainable.

What is the role of NALED and other civil society organizations in society? What are the biggest threats and challenges for CSOs and how can they be overcome?

- Groups like NALED are advocates for local government, businesses and civil society organizations, which they represent. By pulling together resources and their political clout, these organizations are capable of accomplishing much more than they would on their own. So as long as NALED is able to play that role, it will survive and flourish. A key challenge to its sustainability is if the government stops listening to such organizations and including them in their deliberations.

I hope and trust that with the election of Ana Brnabić, as Minister of State Administration and Local Self Government, the Government of Serbia will again provide for the direct election of mayors. I also believe that coalition agreements should be made public as they deal with the disposition of public property



**ALEKSANDAR
GROUP**

NOVI SAD



You led one of the most successful USAID projects that worked on fostering local economic development in Serbia. What are your impressions of Serbia and the development potential that we have? And what are the key obstacles for doing business in our country?

- In my opinion, Serbia has excellent development potential. It is located at the crossroads of South Eastern Europe, has a hard working, reasonably priced and educated work force and a government that appears to be committed to adopting many of the reforms called for by NALED.

The key obstacle for making progress is the over-politicization of the various institutions in the country. Most institutions are controlled by one party or another and, when the elections are over, the various assets of the country and municipalities are divided up among the political parties. Coalition agreements are made. Jobs and contracts are awarded based on party affiliation, not competence.

One of the flagship initiatives you started with NALED is the business-friendly

certification of municipalities, which has become regionally recognized by institutions and local governments in South East Europe. How do you see this program, why is it important for municipalities in Serbia and beyond? Is it all about the certificate or about the process of certification?

- The business-friendly municipality certification program is important because it provides municipalities with a standard against which they can measure the way their local government functions and understand what they need to improve to be more attractive for foreign and local investment. Economic development was not a local

government function until the last 10-15 years and so local governments didn't have the capacity to promote local economic development. Municipal leaders knew that they had to do something, but didn't know what to do. Thanks to NALED, local governments now have the information on what they need to do and specifically what help can be provided to help them be, and stay, business-friendly.

The region is competing for investments internally, as well as globally. Potential investors are attracted to communities where the local and central governments assure them of honest and timely actions. The business-friendly municipality program gives investors certainty as to how they will be treated while providing municipalities with guidance as to what they need to do to make their municipality more attractive to investment.

Recently we had elections in Serbia and new local leaders are in place. You have observed our local elections from 1998 to 2009. Do you have any thoughts about how we elect our local officials?

- One critical action that I believe that the government should take is to reinstitute the direct election of mayors. In the 2002 local elections, mayors were elected for the first time directly by their citizens but this right

The role of NALED will evolve as the needs of its members change. As long as it stays in touch with its members' needs and is responsive to them, the organization will continue to develop. When members focus on their own individual interest and try to take advantage of the organization, or if a political party should take over its leadership, its effectiveness and role will diminish

was taken away for the following election. As such, these mayors aren't accountable to the citizens but to the political parties that selected (and can fire) them. Corrupt behaviour has been tolerated because to report it would lead to the collapse of a governing coalition. I hope and trust that with the election of Ana Brnabić as Minister of State Administration and Local Self Government, the Government of Serbia will again provide for the direct election of mayors.

I also believe that coalition agreements should be made public as they deal with the disposition of public property.

What do you see as NALED's greatest achievement?

- The effectiveness of the staff speaks for itself. The organization has become a respected interlocutor with the government and a recognized voice that the government considers when deliberating various legislative and policy matters.

What is the future of NALED, in what areas should it grow and develop? Should it ever change?

- The role of NALED will evolve as the needs of its members change. As long as it stays in touch with its members' needs and is responsive to them, the organization will continue to develop. When members focus on their own individual interest and try to take advantage of the organization, or if a political party should take over its leadership, its effectiveness and role will diminish.

Being its "creative father", what would be your message to NALED on its 10th anniversary - what would you like to say to its members and partners and people working in the Executive office?

- In conclusion, I would like to say how impressed I have been with the work of the staff and executive board and the willingness of the government to see

NALED as a partner. This bodes well for the future of Serbia and for the governments' ability to work in partnership with NALED and other groups that represent the interests of civil society and the business community.

A lot had to be done to get NALED underway but its actual success occurred after I left. People like Violeta Jovanović, Jelena Bojović and Ana Brnabić deserve the lion's share of the credit for seeing this institution become relevant and meaningful. I may have been there at its birth but they are the ones who brought the baby to adulthood, and I am very proud of them and this organization.

I wish you all well. NALED is a model throughout the region and other countries can learn a lot from it. I look forward to hearing about your success in the future and I hope I am able to come by soon and visit you to see at first hand a lot of the progress you've made.



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H.E. KYLE SCOTT

U.S. Ambassador to Serbia

Over the years, NALED has grown into a leading institution in Serbia and the region. Its ability to unite local self-governments, SMEs, and civil society makes it one of the key forces behind Serbia's reform achievements, and makes NALED an important partner for U.S. Government-supported economic growth projects

On the occasion of the tenth anniversary of NALED, we spoke with H.E. Kyle Scott, U.S. Ambassador to Serbia, about the U.S. Government's track record of cooperation with the Government of Serbia in supporting key reform initiatives through various USAID programmes and NALED's pioneering model of public-private partnership, which became instrumental in supporting Serbia's economic growth. "We know that challenges remain and that businesses are still concerned about complicated and unpredictable administrative and regulatory requirements," says Ambassador Scott. He also emphasises NALED's efforts to create space for collaboration in addressing these constraints, whether through their working bodies or through

NALED VALUES ARE AS IMPORTANT AS THE RESULTS

the Parliamentary Economic Caucus that NALED and the International Republican Institute developed, as the sort of fora Serbia needs to address these challenges.

NALED emerged in 2006 as an initiative in the framework of the USAID MEGA project, and today it has grown into an independent organisation with significant results in the improving of the business environment in Serbia. How do you see this path of NALED and its contribution to the development of our country, as well as the contribution of the U.S. government to reforms?

- NALED has indeed grown into a leading institution in Serbia and the region. Over the past ten years, NALED has pioneered a model of public-private partnership to support economic growth that has yielded impressive results. NALED's work in Serbia to track the cost of doing business and suggest ways in which the government could remove administrative obstacles to doing business have been foundational to the Serbian government's reform efforts.

The values that NALED exemplifies

through its work are as important as the successes that NALED has achieved. NALED is committed to including all stakeholders in the reform process, including local self-governments, SMEs and civil society. The U.S. Government recognises these values as being key to Serbia's efforts to improve the business environment. That is why NALED is an important partner for U.S. Government-supported economic growth projects.

NALED, together with USAID's Business Enabling Project and USAID's Sustainable Local Development project, initiated the resolving of a series of systemic problems – para-fiscal charges, a non-transparent regulatory process, delays to the introduction of bylaws, the slow issuance of building permits, a lack of the use of PPP models and many others. To what extent are you satisfied with the results of these projects and how can you motivate the competent institutions to finally resolve some of these problems that have been shown for years?

- The U.S. Government has an excellent record of cooperation with the Government

NALED's work in Serbia to track the cost of doing business and suggest ways in which the government could remove administrative obstacles to doing business have been foundational to the Serbian government's reform efforts

of Serbia and other key stakeholders in supporting key reform initiatives.

For example, our work with the Ministry of Finance on para-fiscal charges, or non-tax fees, was grounded in an excellent survey that NALED completed at the outset of USAID's Business Enabling Programme to determine the impact these charges were having on businesses. We learned that these charges create a huge amount of unpredictability and uncertainty in business operations, which contributes to low levels of investment. Thanks to NALED's analysis and our joint outreach and advocacy efforts, the Government of Serbia abolished 138 para-fiscal charges imposed on businesses in the fall of 2012. The Government of Serbia also drafted legislation to require Ministry of Finance approval for any new charges and limit the amount of these charges.

We know that challenges remain. Businesses are still concerned about complicated and unpredictable administrative and regulatory requirements and see them as a constraint to doing business. But NALED's efforts to create space for collaboration in addressing these constraints, whether through their working bodies or through the Parliamentary Economic Caucus that NALED and the International Republican Institute developed, provide the sort of fora Serbia needs to address these challenges.

An important milestone in cooperation between NALED and USAID is also the two-year project to strengthen the competitiveness of Serbia. This project has contributed to the Government of Serbia and NALED forming the Coordination Body and Expert Group to combat the grey economy, which together devised the first comprehensive strategy document for solving this problem. Does that represent a milestone in strengthening dialogue and cooperation between the public, private and civil sectors in Serbia?

- The adoption of the National Programme for Countering the Grey Economy by the Government of Serbia is an important step forward in tackling one of the most serious constraints on Serbia's



economic growth. USAID's annual business survey found last year that businesses see the shadow economy was one of the issues that had the most negative impact on their operations. By NALED's estimation, the shadow economy siphons eight million euro from the Serbian budget every day. So we were proud to support NALED's efforts to take this major issue on, and we have been extremely pleased with the efforts the Government of Serbia has made to address this issue.

The establishment of the Coordination Body and the development of a National Programme for Countering the Grey Economy in less than one year is a remarkable success. The creation of the Fair Competition Alliance by 15 of Serbia's largest businesses, aimed at assisting the government in defining and implementing concrete measures to address the shadow economy, is also a model that should be considered for future reform efforts.

American investors occasionally complain about complicated administrative

procedures in Serbia and the slowness of the administration. Do you also have that impression? What is the prerequisite in order for us to see more U.S. investment?

- A more business-friendly environment could help to attract more foreign – and particularly U.S. – investors to Serbia. Once they begin to operate here, U.S. companies generally praise the hard work, dedication, and loyalty of their Serbian staff. Companies also benefit from Serbia's location as a country that borders the European Union and that is implementing economic reforms as it moves toward EU membership. We support these reforms and we are working with the Government of Serbia, with local and municipal governments, with civil society, and with businesses to promote a more transparent business and regulatory environment. We also have programs to support improvements to the rule of law in Serbia, so that businesses and citizens can see faster and more enforceable legal proceedings.

Implementing these reforms can help Serbia attract American companies. And U.S. companies are good partners.

The road toward economic growth and rising employment opportunities for Serbia's people is filled with obstacles and opportunities. I hope that we can navigate this path together to ensure a brighter future

American companies often bring with them new technology, high labor and environmental standards, and good corporate practices.

One of the initiatives launched by NALED with U.S. companies is the development of e-government in Serbia. Why is it important to develop e-government as soon as possible?

- New technologies bring new opportunities for progress. With e-government, Serbia can benefit from time savings, increased transparency and efficiency, and reduced corruption and paperwork. Ultimately, e-government and electronic services will mean an improvement of the business environment in Serbia and an improvement for individual consumers as well.

You have not been in Belgrade for a long time, but you would certainly have already noticed the major differences in economic development between different local communities in Serbia. In your opinion, how can these differences be systemically mitigated?

- There is no simple or easy answer about how to overcome differences in economic development – not in Serbia and not in the United States. This is a challenge that every country faces.

I see the Government of Serbia undertaking some important changes that can help to narrow the differences in development: fiscal consolidation and structural reforms, investment in infrastructure, and introduction of e-government. These efforts can help to improve the overall business environment and to connect different parts of Serbia and the region. These are necessary prerequisites for economic growth and for attracting new investments.

I know the Government and NALED are also working with local governments to prepare them for potential investors, to make local administrations more business friendly, and to ensure necessary licenses can be issued quickly and efficiently.



USAID has also worked for nearly 10 years now to support local governments in their efforts to foster economic development in their communities by leveraging their comparative advantages – whether these are natural resources, educational institutions, or their geographic location.

In your opinion, what will be the key challenges for Serbia in the period ahead when it comes to advancing the business environment? What are your recommendations?

- I understand that citizens are looking for more jobs, higher paying positions, and an improved standard of living. People expect that reforms will lead to economic growth. They want to see improvements and I know they want to see them more quickly. I also know that economic reforms are complex, difficult to implement, sometimes painful, and results are rarely quick.

The Government of Serbia has begun

the necessary fiscal and structural reforms that Serbia needs to spur long-term economic growth. I hope it continues that process despite inevitable difficulties. The fight against corruption, which is a drag on the economy and a significant obstacle for legitimate businesses and investors, is also not over. It is one of the key challenges for the Serbian economy, and it must be tackled if Serbia wants increased economic growth and progress towards EU accession.

I believe we share all desire the same result: economic decisions based on market principles, free of corruption, and strengthened by respect for the rule of law, which will lead to economic growth and rising employment opportunities for Serbia's people and her youth. The road ahead is filled with obstacles and opportunities. I hope that we can navigate this path together to ensure a brighter future.

The fight against corruption, which is a significant obstacle for legitimate businesses is one of the key challenges for the Serbian economy, and it must be tackled if Serbia wants increased economic growth and progress towards EU accession



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MICHAEL DAVENPORT

Head of the EU Delegation to Serbia

The European Commission has recommended opening a further chapter – on bringing Serbian public procurement into line with EU standards, a crucial step in tackling corruption. Beyond that, Serbia is working on its negotiating position for a number of other chapters, so I am confident that we will see further movement in the next few months

Accession talks are unlike any other negotiation. It is a win-win interaction, as the EU strongly supports Serbia in adopting and implementing the rules and regulations that, along with our shared values and history, are the foundation of the European Union. Polls show that Serbian citizens want to see reforms that will modernise the Serbian economy and create a fairer society.

Serbia has entered the process of EU accession negotiations and now wants to intensify these negotiations as quickly as possible and open all negotiating chapters. What is needed to accelerate this process?

NEXT FIVE YEARS CRUCIAL FOR REFORMS

- Serbia has made good progress in the negotiations, opening four chapters since December 2015. This is a very good start. There now needs to be a stronger focus on implementing reforms under those chapters – for example, on improving the accountability of public finances, implementing commitments in the dialogue between Belgrade and Pristina or moving forward on measures to reduce the backlog of old cases in the Serbian courts. The European Commission has recommended to Member States the opening of a further chapter – on bringing Serbian public procurement into line with EU standards, which is a crucial step in tackling corruption. Beyond that, Serbia is working on its negotiating position for a number of other chapters, so I am confident that we will see further movement in the next few months.

The accession process is all about taking that modernisation forward. And this is supported by considerable EU

financial assistance in the form of grants, around €200 million per year, which is mainly devoted to helping Serbia adopt EU standards in areas such as food safety, water quality or judicial efficiency, where there is a direct impact on business and on citizens' quality of life.

NALED is a regular contributor of information on improvement or the lack of improvement in the business environment in our country for the EU report on Serbia's progress in the accession process. How useful is this information for the European Commission?

- NALED's work on improving the planning legislation in Serbia has made a big difference in an area of great interest to current and potential future investors. What is especially important in NALED's work is the capacity to combine experience and expertise from the civil sector, private business and government. The European

Serbia has the EU's full support for the accession process, which needs to involve civil society to the maximum possible extent. The media will also play a key role by providing a forum for informed debate

Commission and the EU Delegation are entrusted by EU Member States with monitoring all matters relevant to the accession negotiations and producing an annual report. So having a variety of reliable official, public and media sources is enormously helpful in steering the negotiating process forward. Issues can be spotted and addressed early on, and energies and time focused on priorities. NALED is well placed to support this effort.

It seems that the accession process is progressing, and that the expectations of the economy, local authorities and civil society in Serbia, in terms of EU funds, are ever increasing. How can efficiency be improved in terms of the absorption and use of money?

- Serbia makes good use of EU funding, as is clear from the most recent report from the European Court of Auditors. To be even more efficient, Serbia needs to boost the capacities of its institutions, to have mature and well-prepared programmes, and an effective and motivated workforce involved in the implementation of EU funds. A high priority in the period ahead will be to ensure qualified personnel are in place to manage the EU programme for agriculture and rural development (IPARD). I recently visited the teams at the Ministry of Finance that are responsible for implementing EU-funded programmes under the supervision of the EU Delegation. They are doing a great job.



What are your expectations in terms of the political and economic direction of Serbia in the next five years, and how important will be it for civil society organisations like NALED to participate in routing the European path of our country?

- The next five years will be crucial for implementing reforms and preparing for accession. I would like to see full implementation of the Action Plans for chapters 23 and 24 and the independence of institutions like the judiciary well entrenched. It would also be good to see the Brussels agreement between Belgrade and Pristina being implemented by both sides, enabling further steps to be taken towards comprehensive normalisation – which

is the goal established under Serbia's negotiating framework for EU accession. I would also like to see progress with the adoption of environmental legislation – and its implementation through a well-coordinated programme of infrastructure investment. This will determine the speed of Serbia's accession to the EU. Serbia has the EU's full support for the accession process, which needs to involve civil society to the maximum possible extent. The media will also play a key role by providing a forum for informed debate. The latest good economic news, which shows that growth is broad-based and here to stay, shows clearly that Serbia is on the right track.

Having a variety of reliable official, public and media sources is enormously helpful in steering the negotiating process forward. Issues can be spotted and addressed early on, and energies and time focused on priorities. NALED is well placed to support this effort


JEREMY LANG

Head of the Department for International Trade, British Embassy to Serbia

Effective, efficient and transparent local government benefits business, which in turn precipitates stronger overall development across a country as a whole

The British Embassy has recognised NALED's extraordinary capacity to create an efficient platform for improving the business climate in Serbian municipalities and in Serbia in general, which is reflected in the better ranking of our country on the World Bank's Doing Business list. "They are one of the greatest champions in this area, and in my opinion their success so far is remarkable," says Jeremy Lang, Head of UK Trade and Investment at the British Embassy in Belgrade. He also points out that British expertise in public-private partnerships can be useful to Serbia. "We have many consultants, project managers and contractors with experience in small and big PPP initiatives who could be of use when it comes to PPP in Serbia."

Mr. Lang, you come from a country that has a long tradition of local government.

PROGRESS ON THE DOING BUSINESS LIST REQUIRES MORE THAN REFORMS ON PAPER

More than three centuries ago, Montesquieu wrote that this characteristic of the UK prevents despotism in your country. Those local governments are asymmetrical-ly organised for historical reasons. How do they affect economic life of the UK today?

- Apart from preventing despotism, local government has a huge impact on the economic wellbeing of any country. It is enormously beneficial for a country to have effective and empowered local government, such as that of the UK. Ultimately, businesses deal mostly with local governments; that's where most of the decisions about permitting and planning are made. This is exactly why it's so important for the prosperity of Serbia's citizens to have strong, transparent and accountable local government.

How would you assess the efforts of NALED aimed at strengthening local government and the business conditions for the private sector?

- Since its founding 10 years ago I think NALED has provided a good platform for local governments to improve their attractiveness and show that they're open for business. A lot of effort is being invested into making it more attractive for companies to do business in Serbia. There is still much work to be

done. That is why we began cooperating with NALED on their work to improve the business environment. They have been one of the main champions in that field, and I think they have achieved some notable success so far.

London and the UK represent one of the world's main financial and stock exchange centres. It can often be heard that British companies seek better corporate governance and reporting to justify larger investments in Serbia. How can our economy and our state make progress in this area, so as to attract British capital?

- Sound corporate governance and good management really make a difference to a company's success or failure. Good managerial structure, practice, and transparency are fundamental to ensuring that a company runs effectively and with proper accountability. Good corporate governance ultimately helps companies to self-regulate and prevent collapse or mitigate risks. Serbia can make progress in this area through a real commitment to sound corporate governance in state-owned companies - something that the British Embassy Belgrade through the EBRD is supporting in EPS - and through developing better regulatory structures.

Local governments have a huge influence on the economic welfare of a country. Countries like the UK with efficient and strong local governance benefit greatly from it

When an investor from the United Kingdom appears at a local government in Serbia, what should be explained to them first and what should they be offered first?

- UK companies should be aware that in general local governments in Serbia are undergoing reform of their public administrations, including capacity building and development of infrastructure, local by-laws, and the quality of citizen-oriented services, to name a few. Since the capacities of local governments vary quite a lot, the level of progress in reforms may vary considerably too.

We at the British Embassy understand this, and in most instances so too do UK companies. But the British Embassy and my team in the Department for International Trade can provide assistance should they encounter any issues with local governments in Serbia.

NALED, together with the Government of Serbia, has formed a working group to improve the position of our country on the World Bank's Doing Business list. The British government supports this process and the initiative to implement tangible

Serbia should commit to creating sound corporate governance in public enterprises. This is something that the British Embassy in Belgrade supports in EPS in cooperation with EBRD

reforms in four of the 10 areas assessed by the World Bank. Why is it important for our country to make progress on this prestigious international ranking list?

- I think you have the answer in your question: because the rankings are prestigious, and it matters to foreign businesses and investors where Serbia ranks. That said, it is not only about the ranking itself. Once a potential investor is interested, what matters is whether the reforms exist only on paper for the WBDB list, or whether those reforms actually allow companies to do business without administrative burdens. That's why we're supporting NALED which, due to its structure and unique position, is very well placed both to coordinate the different stakeholders and to implement the reforms in a way that is beneficial to both the state and the private sector.

What is the UK's experience when it comes to PPP?

- The UK Government is firmly committed to modernising the delivery of its public services. In the UK, the public expects to receive the best value for money coupled with the highest quality of service and PPP is a process which has been extensively adopted by the UK Government to satisfy this need. Through the development of well-designed and well-maintained facilities, it has provided consistency in delivering value for money. Some 11% of public expenditure in the UK is now delivered under PPP-based contracts. These contracts are based on long-term partnerships between the public and the private sectors. Serbia can learn from the British example, and we'd be happy to continue to help municipalities to access British expertise on PPP projects.





H.E. NARINDER CHAUHAN

Indian Ambassador to Serbia

Indian companies are looking at privatization opportunities in Serbia including in agro-machinery and pharma. At the same time, NALED has done a lot in the last decade to improve the business environment, growing ties between business leaders of India and Serbia and contributing to the traditionally good relations between Belgrade and New Delhi

India-Serbia bilateral trade and investment flows are unfortunately still below potential so far, but there are signs that bilateral economic exchanges will grow in the coming years as businesses on both sides identify major partnership opportunities.

Name three concrete reasons that spurred your interest in cooperating with NALED?

- We have recognized NALED's goal to improve the business environment through institutional reforms and its active engagement and cooperation

TRAINING IN INDIA IS VERY USEFUL FOR SERBIAN OFFICIALS

with businesses, local governments and citizens. The Embassy and NALED have steadily built up cooperation, disseminating information about Indian business events to NALED members and their participation. Then NALED is active in facilitating meetings of visiting Indian businesses with Serbian companies. We have also successfully cooperated in spreading the word on the Indian Technical & Economic Cooperation Programme (ITEC), of which many NALED members have availed themselves.

What is the Indian Government's motive for offering free training to civil servants and NGOs in Serbia, and why is continuous education important, especially in the public sector?

- The civil service is the backbone of a state and the continuous improvement of professional knowledge and skills is a formal requirement for all civil servants. In Serbia's case, this goal includes effectiveness and efficiency in the process of EU integration.

How can your country help Serbia to develop e-government? What can e-government do to change the work of the administration, and how has it improved the competitiveness of your country?

- Every country has to define its own vision for e-government depending on its priorities, resources and circumstances. India's flagship programme, Digital India, aims at transforming India into a digitally empowered society and knowledge economy by leveraging IT as a growth engine of the new India. Government services are available to citizens electronically and the focus is on providing high-speed internet services and making services transparent and available on a real time basis.

India can play an important role in developing e-government in Serbia. We can share the vision, approach, strategy, implementation methodology and management structure needed for developing and evolving e-government. Signing a bilateral MoU on IT & Electronics will

India can play an important role in developing e-government in Serbia. We can share the vision, approach, strategy, implementation methodology and management structure needed for developing and evolving e-government

ALL SERBIAN MUNICIPALITIES KNOW ABOUT COURSES IN ISRAEL

ensure enhanced cooperation in the field of e-government. Serbian nationals can benefit from the ITEC training.

What does our country need to improve to attract more investment from India, and what sectors hold the greatest potential for FDI?

- While India-Serbia bilateral trade & investment flows are still below their full potential, there are signs that bilateral economic exchanges will grow in the coming years as businesses on both sides begin to identify major partnership opportunities. Indian companies are looking at privatization opportunities in Serbia including in agro-machinery and pharma. Sectors for enhancement of bilateral trade include retail medicaments, metals, petroleum, bio-technology, agro and agro-chemical, petrochemicals, personal care, ayurveda and herbal products, among others.

ICT and renewable energy are also sectors with a potential for joint projects. Other potential sectors for Indian FDI can readily be identified as pharmaceutical, chemicals and fertilizers, waste management, agro and agro-processing, power, construction and infrastructure, or mining and metals. Economic delegations from Serbia could visit India to familiarize themselves with the Indian market and invite Indian industry to invest in Serbia.

In the coming months, we look forward to an exchange of high level visits and the robust participation of Serbia at 'India- Europe29' Business Forum, GRAM 2016, and Vibrant Gujarat 2017.

I'm very proud of the fact that the Embassy and NALED joined hands already from the establishment of the organization. We took an active role in most NALED initiatives, such as the Ambassadorial team's initiative dedicated to promoting the investment potentials of certified municipalities. We appreciate very much NALED's support in distributing invitations to various courses we provide, such as agriculture, women's empowerment, entrepreneurship and innovation, and clean tech. NALED is the key point in making sure information on the course reaches every municipality in Serbia.

There are also Serbian companies representing Israeli IT companies, agriculture technology as well as apparel and jewelry. However, we have few investments in manufacturing such as Strauss Adriatic's acquisition of Doncafe and the Foundry of Precise Castings - LPO Ada in the ownership of Bet Shemesh Engines.

NALED's contribution in cutting red tape and improving the business environment through Business Friendly Certification has earned great respect



H.E. ALONA FISHER-KAMM

Israeli Ambassador to Serbia

The main Israeli investors came following the democratic changes in 2000. Overall investment reached around €1 billion over the years and is mainly focused in the real estate sector which made us the top investor in this sector in Serbia

from our side. For instance, real estate investors immediately felt the benefits of the e-construction permitting system NALED has implemented together with the Ministry of Construction, Transport and Infrastructure. We notice a trend of expansion in developing retail parks outside Belgrade, which is a good sign for more balanced urban development.

However, the gap in the current trade balance and the potential is huge, so we plan to put more effort into organizing special missions and delegations of businesses, and we see NALED as a valuable partner in these initiatives.

NALED is the key point in making sure information on courses reaches every municipality in Serbia



CHRISTOPHE DI MARCO

Fund Manager at Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

The certification of municipalities is the first regional project that encourages competition among municipalities for new investment and sets new standards

BFC SEE aims to create a favourable business environment through efficient administration, transparent local government, solid infrastructure and a partner relationship to the economy. Certification is carried out on the basis of clearly defined criteria and based on good examples of certification in Serbia.

The GIZ Open Regional Fund for the Modernisation of Municipal Services has supported the expansion of the BFC SEE programme from Serbia to other countries in the region. How do you assess the success of that programme, bearing in mind that is one of the few that exist in this region?

- BFC SEE is a unique initiative for fostering business friendliness in the region. The programme includes 20 institutions and organisations from

BFC SEE MUNICIPALITIES TOP INVESTMENT DESTINATIONS

five countries and today more than 60 municipalities are improving their business environment through the programme.

The quality of their services to businesses has been acknowledged by the Financial Times, which ranked BFC SEE certified municipalities among the top destinations for investment in Europe. This is one reason why this year Montenegro joined the network and Albania officially expressed its interest in joining. We are very proud to have done this together with our partners.

Thanks to the BFC SEE network, the positive experience of Macedonia with e-permits has been replicated in Serbia, and now in other countries as well. How do you motivate governments of the region to support such

projects that are aimed at improving the conditions for doing business?

- The key element for motivation is the proven success of such programmes. Moreover, we have taken the initiative of proposing a Regional Working Group on Business Friendliness under the SEE Investment Committee. This Working Group will further support BFC SEE and develop other initiatives aimed at improving the business environment.

BFC SEE partners and NALED, as the Technical Secretariat of the BFC SEE Network, are fully acknowledged by ministries and the Regional Cooperation Council as the driving forces for fostering improvements in business conditions in the region. GIZ ORF MMS is committed to supporting further initiatives proposed in this frame.

The Regional Working Group on Business Friendliness will further support BFC SEE and develop other initiatives aimed at improving the business environment in this region

THE BFC SEE PROGRAMME HAS ESTABLISHED A CHANNEL OF TRUST AND COOPERATION IN THE REGION

In the context of long-term cooperation on local public sector development projects and increasing investment at the national level, one of the major issues preventing project implementation is the lack of a good local business environment. The local community has the final word on any investment. If the investment process is not synchronised and well structured, there is little chance of projects being realised.

Business Friendly Certification South East Europe (BFC SEE) is a unique programme for improving the quality of services and information local governments provide to businesses and investors. The programme is implemented by a regional network of 20 institutions and organizations from 5 countries including ministries, chambers of commerce, an association of municipalities, development agencies, CSOs and universities.

The BFC SEE programme offers a unique system that solves all the key problems in the realisation of investment

projects in an integrated way. Furthermore, by adopting the principles of BFC, powerful indirect effects of the transformation of local government into carrier of economic diplomacy are created even at the national level. Investors want security and a guarantee that individual locations provide maximum support for their business ideas. BFC provides support not only to potential foreign investors, but also eases business administration significantly for domestic entrepreneurs.

The acceptance of a project is certainly determined by its quality and the support of GIZ, but also the great effort and kindness of the NALED team in terms of providing professional and technical support. The decision to join the project was also certainly made easier because NALED had already achieved significant successes in Serbia. There has been a high level of cooperation with NALED since its inception, and a channel of mutual trust and the exchange of information leading to the further improvement of the project



SASA DREZGIĆ

Deputy Minister of Finance of Croatia
and President of the Regional
BFC SEE Network

The final word on any investment comes from the local community. If the investment process is not synchronised and well-structured, there is little chance of projects being realised

in the region have been established.

Within the BFC SEE programme we have seen significant success at the regional level in a relatively short time. To date, 26 local authorities have been certified, and more than 60 are in the process. It is certainly a step forwards in the development of the project in the direction of acceptance and incorporation into national institutional systems and regulations to ensure the involvement of all local governments, and an approach towards the stated terms of the level of a favourable business environment. Both the institutional framework and knowledge created in the context of regional cooperation must receive adequate support from the governments of Southeast Europe.

26 certified municipalities in the SEE region cover a total of 15,440 km² of territory, providing a high quality service and business-friendly environment to approximately 2 million people and 105,000 businesses



FINANCIJE

PODRŽAVAMO EKONO
RAZVOJ SRBIJE





REFORMS FOR THE FUTURE

As an independent private-public association, NALED is one of the Government and Parliament's interlocutors in defining regulatory priorities. Through its participation in 20 working groups tasked with drafting the legislation and cooperation with the National Assembly's Economic Caucus, which was founded by NALED, it has given an important incentive to improving the regulatory framework for doing business. As a leader of the Expert Group for Combating Black Economy, NALED has taken part in the drafting of the first national programme containing 68 measures to solve the problem of illegal trade and informal employment. As a coordinator of the Joint Group for improving Serbia's position in the World Bank's Doing Business report, and having introduced e-permits, NALED has helped Serbia rank among the top 50 world countries by the ease of doing business.


ALEKSANDAR VUČIĆ

Prime Minister of the Republic of Serbia

The Government is open to the idea of including the civil sector in its administrative work and unburdening the administration, which is the trend in the developed world. NALED is a positive example, having developed the e-permit software with help from donors and then handed it over to the state. This was a great help, and other organisations are certainly able to contribute to the common good in the same way

“The Government of the Republic of Serbia is fully committed to its fight against the shadow economy and continues its work on improving Serbia’s ranking on the Doing Business list”, says Aleksandar Vučić, Serbian Prime Minister. “The exceptionally positive results, measurable both through budget revenues and through Serbia’s rating on a list that is highly respected by investors, were achieved by interdepartmental cooperation and clear action plans. We now want to apply this positive experience to solving other economic problems.”

WORKING WITH NALED OPENS DOORS TO THE CIVIL SECTOR

At the end of 2014, the Serbian Government and NALED established two joint bodies – the Expert Group for the National Program for Countering the Shadow Economy and the Joint Group for Improving Serbia’s Position on the World Bank’s Doing Business List. How do you assess the results of this cooperation, bearing in mind that both groups quickly developed institutional guidelines both for combating illegal business operations and for improving the procedures that are assessed by the World Bank and of interest to potential investors?

- The Government of the Republic of Serbia is fully committed to its fight against the shadow economy as one of its priorities. We have now become effective in creating measures for solving concrete problems. It took us one year to develop and adopt the National Program for Countering the Shadow Economy with 68 measures aimed at establishing better control over illicit payments, encouraging companies to do business using legal payments, improving the fiscal system and raising the awareness of citizens on the harmful effects of the shadow economy. We have a

concrete action plan that distributes the roles clearly and above all gathers various institutions in a team that is now working together on the task. It is exactly this that has provided the basis to apply the positive experience from this interdepartmental cooperation on solving other economic problems. The results are evident – in the last year’s final quarter, unregistered work had decreased by 5% compared to the previous year, each month we record another 15% of newly registered entrepreneurs and a lot of illegally traded excise goods have been seized. The results were confirmed in the latest Fiscal Council report which projected that the fight against the grey zone will bring an additional 40 billion dinars to this year’s budget. We continue to apply the National Programme, the first task force meetings were held, and by the end of the year we can expect the beginning of a large public awareness-raising campaign, to be followed by a fiscal bill lottery.

The same applies to the Joint Group for Improving Serbia’s Position in the World Bank’s Doing Business List. Last year Serbia jumped 32 places to 59th position, and this

In the final quarter of last year, unregistered work decreased by 5% compared to the previous year. Each month we record another 15% of newly registered entrepreneurs. These are only some of the positive results recognized by the Fiscal Council in its report



year we continued improving and came among the top 50 out of 189 listed countries, in 47th place, which is a recognition of the reforms we are enacting. We advanced most by introducing the issue of electronic building permits, in the field of property registration and starting a business.

Why did you decide to include NALED in policy making? What encouraged you to choose NALED when there are many organisations in Serbia that offer suggestions and think their solutions are the best?

- This Government wants a broader cooperation with the civil sector, we want as many professionals as possible to take part and contribute to the common good. The suggestions that we received from NALED were followed by concrete proposals for solutions, amendments to regulations and the time frame within which such measures could be put in place. This was what we needed because the ministries do not always have the capacity to tackle all issues. They pointed out problems and practical examples that are more easily identified by businesses and local government than by the central administration, and this exchange of information and experience

certainly helps the Serbian Government to make its measures even more effective. The civil sector must think and operate in this way because this will be of great help in making reforms quicker and more effective.

The National Program for Countering the Shadow Economy demands joint and coordinated work from a great number of state institutions. How can we motivate these bodies to actively work for a long period of time on implementing the proposed measures? Where do you see the window for the private and civil sectors to help so that the National Program can effectively be applied this year? Are you certain that the National Program will achieve one of the objectives, to return a billion euros to legal payments within five years?

- To coordinate the activities aimed at curbing the shadow economy we have appointed a team in the Government responsible exclusively for that task. When it comes to results, this year we have 80 billion dinars more in tax revenues than planned, a good part of which is due to our fight against the grey economy. Our goal is to reduce the grey economy's part in Serbia's GDP to 26.5%.

Moreover, we have established a Coordinating Body led by Dušan Vujović, the Minister of Finance, and it is exactly this body that, with support from the Task Force, will make sure that the everyone involved continues to work actively on implementing the programme, and I will be the one to increase their tempo if necessary.

We have devised a regular reporting

This Government wants a broader cooperation with the civil sector, and with as many professionals as possible. NALED's suggestions were followed by proposals for concrete solutions. This was of great help to us because ministries do not always have the capacity to tackle all the issues

mechanism on the implementation status of the National Program so we can have a high-quality way of keeping track of our efforts.

Businesses and the civil sector are here to make suggestions and provide field data once we start changing the regulations, and this will contribute to our ability to make those regulations really applicable in practice. Presenting new solutions to the wider business community and the public may also be helpful in better understanding why we change regulations and what those changes will bring.

You invited two people from NALED Managing Board to the Government of Serbia – Ana Brnabić and Branislav Nedimović, which was seen by NALED as a positive signal from Nemanjina Street that there is willingness to let the voice of other sectors of society be heard. What motivated you to appoint these people as ministers?

- The results achieved by Ana Brnabić and Branislav Nedimović in their careers are respectable and incontestable. They have proved themselves to be operational in implementing their ideas and above all proved their creativity, which is something that we need in the Serbian Government. I wanted to give them the opportunity to prove that the solutions they advocated to issues that they criticized us for are really applicable. If they succeed in doing so, I am certain that this will motivate many other people from various spheres of our society, who may have hesitated to take part in politics and reforms, to do so in future. This is the message that I want to send out. The public administration is not a closed system that cannot be changed and where nothing can be done. Quite the opposite.

In your exposé, NALED recognised a large number of initiatives that it has been advocating for years – the development of e-administration, relieving the administrative and para-fiscal burden, establishing a public administration academy,



introducing a more predictable funding system for local government, developing a registry of public procedures, improving the analysis of the effects of laws etc. Does the public administration have the capacity to implement all these ideas, or has the time come to task the civil sector with some of the tasks and reforms so that the process can be accelerated?

-It is up to ministries to make the final decision on the public interest of amending certain regulations and dispel doubts over whether this is a matter of general or someone's personal interest, but certainly in some cases the civil sector can be included in the work and unburden the administration. This is the trend in the developed world, and if we want to come closer to the largest European countries, we must use their positive experience. NALED too is a positive example, having developed the e-permit software with help from donors and then handed it

over to the state. This was a great help and other organisations are certainly able to contribute to the common good in the same way.

What other reforms have been planned where you expect other sectors to make an active contribution and in which you would include them through task forces that have demonstrated the value of dialogue between stakeholders?

- One of the large reforms needed for us to become more competitive and make the lives and work of our citizens and entrepreneurs easier is the development of e-administration. We have a basis to start from, and now is the time roll up our sleeves with help from the business community and the IT sector in particular and provide as many services as can be delivered electronically and that do not need your presence at the counter.

I wanted to give the opportunity to Ana Brnabić and Branislav Nedimović, who were members of NALED, to work in the government and demonstrate that the solutions they advocated are really applicable. If they succeed in doing so, I am certain this will motivate many other people from various spheres of our society to take part in politics and implementing reforms



MILLENNIUM
TEAM

Experience, Knowledge, Technology

Vojvode Stepe Street 390, 11 000 Belgrade, Serbia

Phone: +381 11 3098 332

Sava Centar D-30, Milentija Popovića Street 9

11 000 Belgrade, Serbia

Phone: +381 11 313 95 09

Email: office@millenniumteam.rs

www.millenniumteam.rs

Founded in 2003, the Company Millennium Team, realizing a continuous growth, has developed into the regional leader in the area of civil engineering construction, special works, consulting, and construction engineering.

Knowledge, experience, and the state-of-the-art construction machinery have positioned Millennium Team at the very top of construction firms in this region. Its activities include:

- Construction and designing of hydro-technical facilities – water supply networks, storm water and fecal sewers, reinforced-concrete trunk sewers, pumping stations, drinking water treatment plants, and sanitary and industrial waste water treatment plants;
- Construction and designing of HVAC, heat power, process, and gas installations for facilities for processing oil and gas, international and main product lines, gas pipelines and oil pipelines for transportation, main and regional district heating hot water pipelines;
- Carrying out of works on the construction of railroad lines, railroad line plants and facilities; construction of road infrastructure; construction and rehabilitation of urban and regional landfills;
- Special works: drilling under roads and railroad lines by applying the method of pipe embedment, drilling under surface by the method of horizontal directional drilling (HDD), drilling and putting up of geothermal probes; lowering of the level of ground waters by drilling drainage wells and using needle-punched filters; renting and driving of steel sealing partitions with Larsen profiles on the occasion of construction of roads and canals, protection of foundation pits, building structures on water courses, landfills and waste dumpsites, walls for protection against noise, hydro-technical facilities, construction of petrol stations for putting up overall tanks.




ANA BRNABIĆ

Minister of State Administration
and Local Self-Government

Implementing the electronic data interchange system will reduce the amount of paper used by five million sheets a year

Minister Ana Brnabić's list of priorities includes amendments to the Law on Local Self-Government, finding the right solution for allocating competences between the state and local authorities, and boosting inter-municipal cooperation.

After 10 years in NALED, could you tell us how working for the Alliance has changed you personally?

- The huge energy of the entire organization and its positive approach to changes during those ten years, along with NALED's very visible contribution to reforms in Serbia have instilled a lot of self-confidence in me. This has helped me in accepting this serious and responsible position as Minister for State Administration and Local Self-Government at a very sensitive time. Allow me to give you a more concrete answer to your question. Because of my experience, I can say that I am ready to make Serbia a better place for living and doing business through my work in the government.

E-GOVERNMENT FOR BETTER ADMINISTRATION

What sets NALED apart from other organizations?

- People in NALED are highly professional and have a lot of energy to change things for the better and move forward, which is why they have managed to do many good things and accomplished a lot. I am glad to see that this effort has been recognized. There are two things that set NALED apart in my opinion: instigating a dialogue among businesses, state, local governments and civil society, and providing constructive criticism.

The E-Government Alliance was formed and a strategic framework for the advancement of e-services in Serbia was devised in cooperation with foreign experts while you were at NALED's helm.

In the government you are now directly in charge of developing e-government. What will be the greatest challenges in this task?

- In short, the greatest challenges will lie in simplifying complicated procedures, combating the shadow economy, modernizing the administration to be at the full service of citizens and businesses, and definitively establishing the Public Administration Academy. We are going to fight these challenges by af-

firming the good governance concept, which implies reaching a high level of efficiency of the existing procedures and optimizing the administration's work, while being mindful of the rights of our citizens who will use these services. By doing so we will reduce costs and save time for both citizens and business people while the state will substantially curb opportunities for corruption.

Do you think that the plan mentioned by the Prime Minister, for all relevant institutions to be fully networked in one year and exchange data in real time, will be implemented? Do you already know which administrative procedures will be the first to transit from the old-fashioned counter to electronic form?

- Six state institutions, which dispose of 80% of the data contained in official records, have launched a tender to procure electronic data interchange software.

We are talking about information that is exchanged between the Central Registry of Mandatory Social Insurance, the Pension and Disability Insurance Fund, the Tax Administration, the Interior Ministry, the National Employment Office and the Ministry

In the last ten years NALED has been trying to build a position as a constructive partner to the government and I expect this to continue. As long as the criticism is constructive, I will continue to accept it, and to perceive NALED as a partner to the Serbian government

of State Administration and Local Self-Government. Implementing this system will reduce the amount of paper used by five million sheets a year. I expect the system to be in use in six to eight months. In the following two years, you can also expect to see the implementation of e-signature and e-payment, the launch of a web portal that will make the inspection services more efficient, connecting all the inspection services into a single system, and work on increasing security in doing business. Already, our citizens don't have to acquire a number of documents by themselves, including birth certificates, citizenship certificates, and certificates of residence, as this is now done by state bodies on their behalf.

Electronic building permits became fully operational in less than six months. What does that tell us about the potential of e-government, considering that implementing the e-permit system did not cost much, and yet it has reduced opportunities for corruption and, equally important, has revolutionized administrative work?

- The implementation of the e-building permit system has created a foundation for the further development of e-government. This is a good example that demonstrates how it is possible to simplify and modernize procedures used by citizens and businesses



with a relatively small amount of money and in a short period of time.

With the help of appropriate training, local clerks are very quick to adapt to this new, more efficient way of working, and this is at the core of the public administration reform - namely, changing civil servants' attitude and approach to citizens and businesses, or rather turning the state into a real service provider. Training civil servants is crucial for modernizing the administration, and this is something we are going to work on a lot, because we need to be the instigators of change.

When can we expect the Public Administration Academy to be established, and do you know what the Academy will look like

and what kind of training it will provide?

- The Academy that will educate civil servants is a brand new development in the Serbian public administration, geared towards obtaining new know-how and encouraging civil servants to progress in their careers. Our Academy will use France's experience, and our French colleagues have offered to help us at all stages of the project.

After finding an interim solution for amendments to the Law on Local Government Finance, you now have to devise a format that will be sustainable in the long run. What is the best funding format for Serbia? Are there any examples from Europe or the rest of the world that we can copy?

One of the coming priorities will be the full implementation of the Law on Administrative Procedure that will make the everyday lives of people in Serbia much easier. The Law brings more obligations for civil servants and expanded rights for citizens in terms of processing their requests

- It is crucial that we find a sustainable and transparent way to finance local government, and the reform will not stop at the new amendments to the Law on Local Government Finance. The reforms must keep up with the Ministry of Finance's initiatives for eliminating problems with parafiscal charges through the Law on Administrative Fees and Charges. We will be a good partner in this endeavour. My goal is to create a functional model that will support the effort of local governments to launch development projects and encourage them not to spend most of their budgets on current expenditure.

Networking between inspection services, data exchange and risk analysis are expected to be the crowning achievements of the Law on Inspection Supervision. When is the e-inspector system going to be fully implemented, and what can we expect from it?

- Capacity is always a problem. Increasing the number of inspectors is both necessary and financially sustainable because they will reduce the shadow economy and boost budget revenue. In addition to this, we need to provide proper equipment for them and complete the centralized information system called 'e-inspector' through which inspectors will be able to exchange company data that will later serve as the basis for risk analysis and risk categorization. We have already started training inspectors who have begun supervising unregistered business entities for the first time ever, which in turn diminishes the shadow economy and increases the number of newly registered companies and new jobs.

From your position as minister, you probably have a better insight into NALED's potential and future. How do you see NALED in the future?

- I expect NALED to continue to critically and constructively consider all issues that are important for improving the general, economic and legislative environment in Serbia, and to remain independent while being a strong partner to the government in creating change. I believe that the experience that the Alliance has today will help it foster the critical spirit that is its vital essence and that at the same time it will be constructive in its actions. This is the paradigm that NALED functions on, and for me personally this is an action format that I support.

DIALOGUE IS THE BEST ROUTE TO QUALITY REGULATIONS

The task of the National Secretariat for Public Policy is to ensure that the government's policies are mutually consistent and of high quality, achievable in accordance with financial possibilities and consistently enforced.

In both of these areas, good practice means high quality communication and consultation with the private sector, i.e. all of those who can contribute to higher quality policies and regulations from their own perspective. Several associations are particularly active in this field, and NALED's contribution certainly stands out, supported by its members' insight and its analysis.

There are numerous examples of high quality cooperation with NALED, primarily in the domain of improving the business environment. We can emphasise cooperation on preparing and monitoring the programme for improving Serbia's rating on the World Bank's Doing Business list, as well as programmes for reducing the grey economy.

The role of the Secretariat for Public Policy, as an expert body of the Government, is to consult NGOs to identify policy recommendations for solving problems in the public interest



JASNA ATANASIJEVIĆ

Director of the National Secretariat for Public Policy

The National Secretariat for Public Policy was established in 2014 to harmonise the creation of public policy and assure a high quality regulatory environment

ADVANCING GLOBAL BREAKTHROUGH



DEJAN VUKOTIĆ

Director of AOFI

AOFI is an agency that supports development and promotes the competitiveness of Serbian SMEs and entrepreneurship

Which services and what kind of support do you offer to the SME sector?

- There are several services under the AOFI portfolio that allow us to support SMEs. In the area of financing, we provide direct lending, guarantees and factoring services. In insurance, we provide ST insurance against commercial risks and are currently developing MLT insurance services. Numerous successful Serbian export companies have used the Agency's services so far, including Pestan, Umka, Tigar, Agrotrading, Foodland, Gosa, Drenik, Termomont, and many others. Thanks to these companies and our joint activities, the volume and the security of our export and the visibility of Serbian brands have been significantly increased. This is why we can confidently say that AOFI's services are well recognized by SMEs.

AOFI's mission is founded on boosting exports by Serbian companies through funding and insuring export-oriented projects, and cooperating with similar institutions from Serbia's trading partners with the aim of increasing the competitiveness of domestic businesses.

What are the Agency's most important tasks?

- AOFI is the official export credit agency of the Republic of Serbia, established for the purpose of export promotion and the development of foreign economic relations. Our aim is to create a strategic improvement in operating conditions for Serbian exporters and to promote exports from the Republic of Serbia in general. As a government instrument to improve the competitiveness of exporters in foreign markets, AOFI has recognized that providing support SMEs is crucial in achieving one of its strategic aims, fulfilling the adopted strategy for SMEs and contributing to the overall goal of the Government.

The global financial crisis has worsened conditions for the already vulnerable SME sector in Serbia, but by setting a good policy framework in which SMEs can operate, the Government has provided economic benefits through a range of business support instruments, the problems they address and the way the instruments are delivered.

Which are the greatest problems of export-oriented SMEs?

- 2016 has been proclaimed as "The Year of Entrepreneurship" and the Government has adopted a strategy to support the development of SMEs, entrepreneurship and competitiveness for the period from 2015 to 2020. Despite the importance of the role of SMEs, which is even more pronounced in times of crisis, they face huge difficulties in financing their work and maintaining liquidity. It is of great importance for Serbia to secure the development of the SME sector, as this will also determine the further course of Serbian integration into the European Union.

In our experience, our key tasks are to ensure proper communication with clients, understand the day-to-day obstacles they meet, provide straightforward access to services and offer them the most suitable solutions



ZORANA MIHAJLOVIĆ

Deputy Prime Minister and Minister of Construction, Transport and Infrastructure in the Government of Serbia

In my ministry, I always give an opportunity to young and educated people working in jobs for which they are overqualified to demonstrate their potential on large-scale projects. Our ministry also gives out “The Person of the Year” award with the view of publicly commending people who are very good in their job

“It’s been nine months since the system of electronic issuance of building permits has been implemented. I can confidently say that it is functioning well and that building permits are now issued within a week on average. I also have no problem with admitting that without NALED’s vision and support, we wouldn’t have been able to do such an important thing for our country.”

What swayed you towards agreeing to NALED’s initiative to include electronic issuance of building permits in the Law on Spatial Planning and Construction from 2016? Why did you choose NALED?

WITHOUT NALED’S VISION WE WOULD NOT HAVE E-PERMITS

- For me, NALED is an unusual group of people who got together to try to do something tangible and good for our country, something from which our citizens would benefit. Why did I use the word “unusual”? Because, unfortunately, there aren’t many people who would want to do something concrete for their own country, town, street or family. On the other hand, there are a lot of people who only talk and criticize without ever offering a solution. That’s why I chose NALED. Because I saw in them similarities with the way I implement policies.

Before I came to this ministry and before the amendments to the law were made, the waiting period for a building permit was three or even four years, and I don’t even want to talk about corruption. That’s why, together with NALED and with the help of the German and Swiss governments and USAID, we carried out an analysis of a similar system in Macedonia, a country that ranks 10th in the world considering the time needed to issue a building permit. We wanted

to have such system here too and I am happy that we now do.

What does the reform of the building permit system mean to you in terms of boosting Serbia’s competitiveness and how did the staff adapt to the new work regime?

- A long waiting period for building permits was, for years, one of the main reasons why the business environment in Serbia got such negative remarks. On the basis of this criterion alone, the World Bank placed us at the number 178 out of 196 countries on its 2014 “Doing Business” list. Thanks to the reform of the building permit issuance system, Serbia jumped from the 91st to 59th place on the “Doing Business” list in one year alone. I expect further progress to be made this year too. Our administration has demonstrated that it can and wants to learn, that it can change and can use new technology. In June 2016, we issued 48% more permits than in June 2015.

Another record was broken in July this year when we issued a total of 1,301 building permits, which is 2% more than the previous record from the month before. The value of the planned construction works in the first seven months of 2016 is 35% higher relative to the same period last year

You have been also cooperating with NALED in the Joint Task Force for Improving Serbia's Ranking on the World Bank's "Doing Business" list, which has accomplished notable results. What new input could the civil sector and businesses provide in implementing reforms?

- Prime Minister Aleksandar Vučić formed a special task force that I manage and whose duty is only to work towards improving Serbia's ranking on the "Doing Business" list. NALED is also a member of this task force. We have defined clear indicators, stipulating how procedures should be implemented in practice and how all of that affects business perception. Today, we have a well-defined programme with clear guidelines, something that every ministry or institution should have in order to contribute to better environment for doing business. We have regular consultations with businesses and have been holding workshops where we analyse the current situation in the segments covered by the "Doing Business" list. This helps us quickly spot and solve practical problems.

Together with NALED, you have launched an interesting initiative: for local self-governments to consider gender equality and supporting women in their economic empowerment when planning local budgets. Why is this an important step in changing the way local self-governments work?

- As a president of the Coordination Body for Gender Equality, I wanted this issue to be included in the local budgets because women should not be considered



untapped potential in society. A gender-responsible budget is now mandatory and 28 budget institutions already have a gender equality component. Our plan is for all local self-governments to apply this. Gender-responsible budgeting does not imply having one budget for women and one for men, but it means every local self-government should analyse the way in which funds are spent and then adjust the budget so that it meets the needs of both women and men.

The Reformer of the Year Award is one of the very few awards that you are proud to talk about as a recipient. Why is this award important to you, and how

important is it for local officials and civil servants to be publicly acknowledged and valued, aside from ministers?

- The Reformer of the Year Award, which I received from NALED, is recognition for the entire team who worked on reforming the building permit system. This award also speaks about the importance of building permits for the overall business environment, economic growth and increasing the construction industry's share in the GDP.

Ministers are very much in the public eye, but it is the civil servants who do the job, and that's why it is important to have a system in the administration that recognizes skilful and diligent individuals.

If, for instance, a town allocates most of its subsidies to cattle breeding, the end users of these funds will be mostly men because men are usually engaged in that segment. But if part of the money goes towards vegetable growing, where women are dominant, then we create an environment where everybody has the same access to resources


BRANISLAV NEDIMOVIĆ

Minister of Agriculture and
Environmental Protection

A labyrinth of complicated procedures and a host of charges get in the way of modern business, which is why they need to be reduced to an acceptable level. The state has to serve its citizens

Farmers will soon have their own call centre, where they can get all the information they need from the state authorities. They are currently quite uninformed. In talking to them I came to realise that they don't know anything about the opportunities they have at their disposal, or the funds and subsidies available to them - says Serbia's new agriculture minister, adding that farmers will be able to hear about procedures for subsidies and loans.

What is the most important thing you learned in NALED that you can now use as a minister?

- It is difficult to single out just one thing from working with top experts at NALED. Working for the Alliance has

UNREGISTERED LABOR IS ONE OF THE GREATEST THREATS TO THE NATIONAL ECONOMY

made it possible for me to gain good insight into the problems that are hindering our economy: complicated procedures, and unnecessary paperwork that complicates the lives of ordinary citizens and businesspeople. We really have to reduce this jungle of regulation to an acceptable level and make it easier for people. If I had to choose one thing that I took with me from NALED, it would be an uncompromising ambition to reach this goal and be part of an administration that will be of service to all citizens.

One of the last initiatives you launched at NALED before becoming a minister was combatting unregistered work in agriculture by introducing vouchers for seasonal workers. Although your Ministry is not directly responsible for this, do you know when the government will pass a law to regulate this?

- The next agricultural season is definitely important when it comes to legalising seasonal work. Unregistered workers and the grey economy are the biggest threats to national economies. Apart from the workers themselves not having their basic rights, companies that hire unregistered workers are putting themselves at risk because these people are usually unreliable. No good worker would accept such working conditions. If this continues, companies will be able to get a mediocre workforce at best, which limits their chances of success from the start. The point of the new law is to create a framework that would facilitate a partnership between workers, employers and the state.

What agricultural projects are you planning and can NALED help you with them?

- NALED has actually initiated many

Our priority for the coming period will be developing fruit and vegetable production and processing capacities. Prime Minister Vučić has expressed his strong support for this segment of the economy. The agriculture budget will have more money available for all sorts of grants and subsidies, and the Ministry will provide special funds for encouraging investors in these sectors

I WILL USE THE NEW KNOWLEDGE AND EXPERIENCE I GAINED IN NALED



VUK RADOJEVIĆ

Provincial Secretary for Agriculture,
Water and Forestry

Apart from Ministers Ana Brnabić and Branislav Nedimović, another NALED official, Vuk Radojević is now working in the public administration as the Secretary for Agriculture, Water and Forestry of the Province of Vojvodina

projects that can completely change the way the state administration works. e-Government is undoubtedly one such project. When it comes to agriculture, e-government will enable farmers to file subsidy applications online and to receive them if they meet the requirements. This has not been possible until now. Once we simplify procedures and the state starts providing clear and precise support, I am confident that investment in agriculture will see strong growth.

Where do you think NALED will be when your term expires in four years?

- When my term expires, I am confident that NALED will be in a position from which it will be able to see an efficient state administration, much better than at present, while having played a crucial role in making it so.

I became the president of the municipality of Bečej in 2012, and in the following year we became members of NALED. As a result of NALED's advice, the municipality of Bečej is today much closer to an authentic and professional service provider for its citizens than before 2012.

Last year I was bestowed with a great honour when I was elected to be a member of NALED's Executive Board. The experience that I gained from working for the Alliance, the knowledge I acquired, and the contacts I established with successful individuals and renowned experts give me a qualitative advantage in my work which would be difficult to gain in any other job. My priorities are to attract local and foreign investors into Vojvodina's agriculture, first and foremost into the processing sector; then to arrange the canal network, the drainage and a regional system for irrigation; thirdly to provide incentives for registered small and medium-sized agricultural hold-

ings to intensify agricultural production and to build mini-processing capacities.

I would like to convey my sincere congratulations for the 10th anniversary of NALED, wishing them a lot of success in the future and the imminent accomplishment of joint goals.

I am confident about the quality of our future cooperation and the Alliance's assistance in resolving the issues that are plaguing Serbian agriculture and that need a decisive response


DUŠAN VUJOVIĆ

Minister of Finance of the Republic of Serbia

The new law on para-fiscal charges, expected by mid-2017, aims to collect and order hundreds of charges presently scattered over dozens of laws, ensure their full transparency and predictability for all businesses, as well as provide a platform for rational use and efficient management of public resources

We have had an excellent cooperation with NALED in surveying and processing information on close to 500 fees and charges that served as a basis for conceptualizing and preparing this law. NALED also provided significant inputs for the preparation of the new law on financing local governments (cities and municipalities) drafted last year and had a lead role in reviving the efforts to fight shadow economy in a pragmatic and organized way.

How do you see the future model of financing municipalities through taxes and non-tax levies charged locally?

I'M CONVINCED THAT THE NATIONAL PROGRAMME FOR COUNTERING SHADOW ECONOMY WILL BE A SUCCESS

- A comprehensive realistic approach to reforming sub-national finance is crucial. We have learned the hard way that this problem is much more complex than we thought. Good empirical work and clear concepts were not sufficient to secure ownership at the local level. Political economy issues tend to dominate the public debate and must be adequately addressed in an open and transparent way, early in the process.

Our intention to introduce multiple changes in the local finance law turned out to be too much. The benefits of proposed horizontal reforms (to reward good revenue performance, eliminate/curb taxes hurting the business environment, and promote greater equality across municipalities), could not match the strong opposition to redistributing revenues between the republic and local level. Moreover, local governments were not ready to embrace rule based para-fiscal charges although they knew that excessive charges drive investors

away and undermine new job creation.

Lessons learned will help us better prepare the new law on para-fiscal charges expected in mid-2017. The law will clearly define the types of charges presently scattered over dozens of laws, specify due amounts by sector, location and taxpayer, periodic indexation rules, payment and control arrangements.

How would you rate cooperation with NALED and can the Ministry of Finance count on "burden sharing" in future projects and, if so, under which conditions?

- NALED has helped us by recording and documenting citizens' and SME complaints. Like a mirror, this enabled us to see how things really are. They also helped us identify and systematise almost 500 fees and charges that served as basis for preparing this law. NALED provided significant inputs for the preparation of the new law on financing local governments.

It is difficult to estimate the level of the shadow economy in Serbia. Based on partial and imprecise information we have, including the results of targeted tax audits in recent years, the size of the shadow economy appears to be quite large, well beyond the acceptable levels of around 10 to 15 percent of GDP

Looking forward, based on its demonstrated comparative advantage, NALED could help us introduce natural resource statistics recently launched through a World Bank initiative. That would provide a more reliable and comprehensive basis for assessing fees and charges in the future in line with best world practice and the effects on national wealth.

The Ministry, the Tax Administration and the Customs Administration have a key role in the implementation of the National Programme for Countering the Shadow Economy. Do you expect the grey area transactions to be reduced by more than three per cent of GDP in the next five years, as envisaged by the programme?

- Indeed, our concerted efforts are aimed at detecting, monitoring and reducing (fighting) the shadow economy. Reducing the scope for shadow economy, by e.g. providing incentives for non-cash payments, is an important element of that strategy. At this time the main sources of risk fuelling the shadow economy range from smuggling, illegal re-export activities and reimbursement of VAT, to improper accounting practices and manipulations of books. The problem is exacerbated by the fact these activities are done both by mafia-criminal structures in unregistered companies and formal sector employees in legally registered companies. I am convinced that the state can raise the level of public awareness regarding the negative consequences of the shadow economy, improve the inspection system, and more effectively prosecute crimes and infringements. NALED, which played a key role in the development of the National Programme, should continue to support its implementation.

WE SHOULD ALL FIGHT AGAINST GREY ECONOMY

The shadow economy is a problem for the whole society, not only for the Tax Administration and other state bodies. However, combatting the shadow economy is one of the Tax Administration's priorities. There is no security or future in shadow economy, as it only benefits individuals who are working to the detriment of everyone who funded from the state budget, including Serbian citizens.

Hence, we have to join forces to actively get involved in fighting the shadow economy, each in our respective fields. Educating taxpayers, promoting the necessity of financial discipline and raising the tax-paying culture while, at the same time, increasing the awareness of our citizens about the importance of paying taxes and adhering to regulation, are all important aspects of this fight.

NALED's contribution to combatting the shadow economy is especially important because of their local presence where the problems and the effect of the state's anti-shadow economy measures are the most visible.

The Tax Administration has been regularly communicating with NALED and numerous professional associations. Such meetings are contributing to better understanding of tax regulation and improving mutual communication while focusing on the most important issues in this field



DRAGANA MARKOVIĆ

Director of Republic of Serbia's
Tax Administration

NALED has recognized the Tax Administration as one of the institutions crucial for the successful implementation of the National Programme for Shadow Economy and for improving Serbia's ranking on the Doing Business list



VLADIMIR MARINKOVIĆ

PhD, Deputy Speaker of the Serbian National Assembly and President of the Economic Caucus

Anybody who employs people and pays wages and taxes in this time of crisis and turbulence is a hero worthy of the highest respect

The Economic Caucus has brought together the parties in power and those in opposition in the National Assembly. By working together they have demonstrated that they do their job conscientiously and responsibly, to the benefit of the economy and everyone in Serbia. They have also shown that by debating passionately they have only one goal in mind, and that is for Serbia to progress economically, since economic progress is a condition for overall social development.

The Economic Caucus was formed in November 2014 on the initiative of NALED and IRI, as the first voluntary, informal parliamentary group of the National Assembly that opened the door to businesses, local governments and civil society to improve the regulatory framework for doing business. Why is

THE ECONOMIC CAUCUS HAS MADE PARLIAMENT MORE EFFECTIVE

this initiative important and unique?

- I think the establishment and work of the Economic Caucus has contributed to the effectiveness of the National Assembly both in a qualitative and a quantitative manner, and has made the draft laws regulating economic issues more applicable in practice. The Economic Caucus has managed to achieve the impossible – to gather MPs from both ruling and opposition parties in the parliament and make them forget their differences and political alliances to work together on accomplishing goals of the highest importance for the country. As MPs, we have demonstrated huge responsibility and political will to work together with our partners from business associations to adopt the best possible laws that will promote new investment, new projects and new jobs. In the last 18 months of our work, we have had over 40 meetings, met with many businesspeople and representatives of local governments with the goal of better understanding their needs and showing that the state has improved its attitude towards the business community.

What are the most important achievements of the Economic Caucus, and have they met your expectations?

- The most important result achieved by the Economic Caucus is the fact that MPs (who are also members of the Caucus) have demonstrated that it is possible to reach consensus in Serbia about issues that are crucial for the country's development and future, and that economic growth, investment, and entrepreneurial incentives should not come second to political and special interests.

The Economic Caucus has submitted 97 amendments to various draft laws, of which 90 were accepted. In this way we have improved the Law on Planning and Construction, Law on State Survey and Cadastre, Law on Conversion, Law on Inspection Oversight, Law on Enforcement and Security, Investment Law, Energy Law, Law on Fire Protection, Advertising Law and many others. It is very important for us to enjoy the support of NALED and the IRI, especially when it comes to matters of organisation, analytics, research and empirically proven solutions, which all together has helped us devise good proposals that are in the best interests of the state and the business community.

The main motto of the Caucus is economic patriotism - focusing on adopting the most advanced laws that will contribute positively to the development of a market economy, competitiveness, human skills and knowhow

A NEW FRONTIER FOR NALED LIES IN STIMULATING ENTREPRENEURSHIP

For me, NALED is a platform for substantive dialogue on critical policy and reform issues in Serbia, and also a professional organisation that provides important policy advice to the Government and the international community

NALED is unique and can bring together all forces: politicians, civil society, academics or the international community around issues, and there are very few organisations in Serbia that have the ability to do this.

For us, NALED's greatest achievement is its contribution to improving the business climate in Serbia. In particular, the role NALED has played in driving the process of reforming the Law on Construction Permitting and Planning, which was a major drawback for Serbia's investment climate.

NALED's role in driving this debate has been extremely important.

I believe that Serbian politics will not change fundamentally in the coming decade, so a platform and organisation that can play a convening role will remain relevant in Serbia. However, the new frontier for NALED lies in entrepreneurship: changing the way private enterprises and the general public see entrepreneurship and private initiative as a critical factor in driving Serbia's future growth. NALED's role in removing barriers to entrepreneurship and stimulating it may be really critical.



TONY VERHEIJEN

World Bank Country
Manager for Serbia

NAŠA FORMULA ODRŽIVOG RASTA I RAZVOJA

U rečima:

Zadovoljan zaposleni i zadovoljan kupac +
Tržišna prilagodljivost +
Operativna sposobnost +
Finansijska uspešnost +
Povećanje ekološkog učinka +
Trajna posvećenost lokalnoj zajednici =

Pirot & Tigar Tyres

**Growing
together**



Tigar Tyres

U brojkama:

3200 zaposlenih; **300** miliona evra investicija tokom poslednjih 10 godina;
2000 različitih artikala u **8** brendova; **306** miliona evra prihoda u 2015.


NATAŠA MARKOVIĆ

General Manager, Galeb Group

Like many girls, they fantasized about becoming fashion designers or ballet dancers one day. Today, they express their creativity and ideas as industrialists

The challenges and innovation they deal with on a daily basis have made them grow fond of the metal processing industry and discover an attraction for the “black gold” business. During their studies, both got involved in Galeb, a company founded 40 years ago by their father Radoslav Veselinović, at a time when private entrepreneurship did not even exist. Their intention is to advance the company’s operations and prepare their descendants for running the family business one day.

Metal industry and women - seemingly incompatible. Still, it seems that the two of you are doing more than fine. What is it like for you and how do you manage to find your way around?

- Nataša: Ever since we were little girls, we were somehow involved with work. We were aware of the benefits that effort and work can bring. First, we started

SISTERS IN A FAMILY BUSINESS

helping our grandparents who were beekeepers and then we progressed to operating a forklift, unlike other girls around us.

In time, we got to know the ins and outs of this business and everything became easier. Our engineers are working on innovations, and it always comes as a surprise to us to see what can be done with a piece of sheet metal and other production elements that our company uses.

Aleksandra also remembers their childhood being very atypical: “We studied in Italy and like everybody living abroad we couldn’t wait to come home to Serbia. But we were not privileged and spent our summer breaks working in production or administration. Once you go through all of that, all other jobs seem much more feminine” - says Aleksandra.

It can be more difficult for women to handle certain situations in business because they have to balance between family and work. What is your experience?

- Nataša: When you are involved in a family business, you are in it from a very young age. Aleksandra and I have the support and help of our partners and


ALEKSANDRA JOVIĆ

Member of the Board, Galeb Group

that means a lot to us. In any case, the fact that we are women doesn’t make any difference whatsoever. We are aware that the livelihoods of many families depend on how well our company does, and we always try to act responsibly. Of course not everything goes according to plan all the time, but with compromise and a little bit of improvisation you find time for everything.

How do you think the state should support the development of entrepreneurship in Serbia, and how do you evaluate NALED’s engagement in this?

- Aleksandra: We do hope that the state will give priority to domestic entrepreneurs. I think we are on a good path and that entrepreneurs should be given more incentives. The state should support domestic companies that regularly pay their taxes and fund the government, and help them to overcome market problems. Our company is becoming more and more export-oriented and we are competing with multinationals, so it means a lot to us when the state backs us up. NALED has a good foundation, and we expect to feel the effects of its work in practice too.

EXPERT SOLUTIONS FOR A CLEANER ENVIRONMENT



FREDERIC AUBET

General Manager of CRH Serbia

CRH Serbia has a dedicated sector with many years' experience in the treatment and production of alternative fuels from sorted municipal waste. Our experts also offer solutions for environmental protection in the petrochemical and tyre industries

What in your view is the role of NALED and what are your expectations?

- NALED is for sure one of the most influential business associations in Serbia. We consider the role of NALED as a medium to promote best practice and the interests of businesses, local governments and citizens in Serbian society. NALED should also continue its strong support to Serbian government in the process of European integration.

On the other hand CRH Serbia is an active member of NALED's Fair Competition Alliance, because we want to contribute with our experience and expertise to the efficiency and quality of NALED initiatives.

In August 2015, the Irish company CRH completed its acquisition of the Novi Popovac cement plant. This takeover was part of a global deal for CRH to acquire certain assets from Lafarge S.A. and Holcim Ltd, at a total price of €6.5 billion. Here we talk to Frederic Aubet, General Manager of CRH Serbia.

Mr Aubet, can you briefly introduce CRH to our readers?

- CRH is the leading international group in the field of building materials, employing 89,000 people at almost 3,900 operating sites in 31 countries worldwide. With a market capitalisation of €24 billion (in August 2016), CRH is the largest company in the building materials industry in North America and the second largest worldwide. The Group has a leading position in Europe and an established strategic position on emerging markets in Asia and South America.

With two concrete plants in the vicinity of Belgrade, in Krnjača and Dobanovci, CRH Serbia is also present on this market, while its fleet of almost 20

ships exploits, transports and sells sand and gravel of different size fractions all over Serbia.

How do you see CRH Serbia's operations at the moment and its position in the market?

- Serbian operations are very well developed, with a strong market position in three business areas: cement, ready-mix and aggregates. As the number two player in a consolidated Serbian market, CRH Serbia delivers robust performance with very well located and resource-backed assets, and with a strong local management team.

On the other hand, the construction industry in Serbia has been in crisis for several years. I am optimistic and want to think that the economic measures taken by the Government, as well as key projects that have been announced (Belgrade Waterfront, Corridor X, XI), will have a positive impact on the market and an incipient recovery in the construction industry. We are already seeing some improvements.

The CRH Serbia cement plant lies in Central Serbia, in the village of Novi Popovac near Paraćin, 160km south of Belgrade. The annual capacity of the plant is 1,350,000 tonnes of cement and binder


BRANISLAV ČURIĆ

Director, Tigar a.d.

Relieving companies by converting debt is in the interest of the state, staff, investors, owners, local governments and the broader community

The decision taken by the Serbian Government on the conversion of debt into equity represents one of the most important events in Tigar's recent history. A former global giant, Tigar had amassed a debt as the result of poor management that exceeded the value of its assets by RSD two billion.

What are the main reasons for the recent debt conversion?

- The issues that we are facing today stem from earlier times, when poor management culminated in early 2013 in accumulated debt owed to banks and suppliers, suspended production, unpaid wages and uncertified accounts. Then a change of management took place and a new business policy was launched. The debt exceeded the value of the company's assets which is why on 1 June 2015, a carefully drafted reorganisation plan was put into force. Tigar AD's liabilities were two billion dinars higher than the value of its equity.

A TIME OF GREAT CHANGE

What does the conversion of debt, recently approved by the Government of Serbia, mean for the company?

- The Serbian Government has recognised and, I believe, properly evaluated all action recently taken to stabilise export-oriented companies that are socially important, including Tigar. It is my hope that this move will be a signal to other creditors to consider it as an option, because debt-to-equity conversion can be made at any time while the pre-drafted plan is being carried out, by all creditors and not just by the state. This relief is in everyone's interest. In return they receive a modern, self-sustaining company recognised by its staff and the local community, business partners, investors, and I would especially emphasise owners - a stable and efficient company, one worth investing in.

Will the products of all three production units be marketed equally, how and on which markets?

- Our main product is rubber footwear, with a 75% share of exports in sales, mainly to the extremely demanding

markets of Western Europe and Canada. Entering the Russian market is a challenge that awaits us, as does cooperation with new customers that occupy important distribution positions on the global market. We are also striving to further strengthen the Tigar brand on domestic and regional markets.

Our Technical Rubber division is confronted by a reduced market share. In response, we have reorganised this unit and it will soon begin developing new products.

Our third production division, Chemical Products, is currently operating at reduced capacity in rented premises and is servicing the system's internal needs and the region's mining industry.

In spite of current circumstances, Tigar has remained true to its commitment to be a socially responsible company, and in this regard we regularly support our local and wider community to the best of our ability. Our aim is to ensure that the name Tigar remains synonymous in future with good quality and continuity, as it has for the past 80 years.

Breaking into new markets requires modernising production capacities and acquiring new know-how and technology. So in 2015 a mixed production factory was built, financed by company funds

ROADS ARE LIFELINES



PREDRAG ĐURĐEV

Secretary General of AMAS

Social responsibility gives meaning to our development and plans in raising traffic culture

At 95 years old this year, the Automobile and Motorcycle Association of Serbia is a renowned organization and a member of many international institutions with which it shares the same goals: for traffic to connect people and regions, and for everyone involved to be safe.

AMAS is a regional leader in evaluating roads in Serbia, the region and much of Europe. How would you describe your work?

- The engineers from our Motor Vehicle Centre have developed devices that enable our specialized vehicles to detect and record everything above and below the asphalt, road signs and traffic lights, to spot defects and to assess the quality of roads in all weather conditions. So far, we have recorded over 3,000 km of roads in Serbia, and several thousand in Holland, Ukraine, Russia, Moldavia and Slovenia through EuroRAP, the European Road Assessment Programme, of which we are an active member.

AMAS is monitoring the construction of corridors in Serbia carefully, and is happy to report that a great deal of progress has been made on this large, state project over the last four years

You are known as a socially responsible institution. Do you involve local authorities in your CSR activities?

- Each local government is different and our social responsibility programme recognizes this. We have carried out many activities like providing safe solutions for disabled people and facilitating better mobility for them. Soon we will offer a range of tools and guarantees in road assistance, insurance, vehicle maintenance and the like. Without sustainable traffic, there is no sustainable mobility between cities and regions and no sustainable trade, tourism, economic and even local development. Considering that this is one of the conditions for opening the pre-accession chapters, our social responsibility is very clear to us.

NALED has launched a programme to combat the shadow economy which significantly impedes the work of AMAS. What should be done to eliminate the negative effects of the shadow economy in Serbia?

- The quality of the AMAS operations centre and rapid road assistance has been highly rated by the FIA (International Automobile Federation) and internationally recognized clubs with which we have cooperation agreements. There are many examples of our name, logo and road assistance being misused. This often jeopardizes the people's safety, disparages AMAS and ruins the country's reputation. We are very clear about it. We will fight for compliance with all state laws, demand better inspection by the authorities and strictly adhere to fiscal and tax policy in this sector.

As a member of NALED, could you share your experience and rate our cooperation?

- We have seen a lot of positive energy in NALED's management, which spills over onto their members. This energy should be used as yet another driving force on the road to success, helping us to accomplish joint goals easier and faster.


ZVONKO OBRADOVIĆ

Director of the Serbian Business Registers Agency (SBRA)

Starting a business has become even easier in Serbia thanks to this year's reforms made by the SBRA and the Tax Administration

The Agency's main task was to carry out a comprehensive reform to create a completely new and simplified business registration system so as to remove barriers to doing business and to encourage and promote investment and new jobs. The main goals of the reform were easier and faster business registration, a reduced grey market, greater market transparency, better business statistics and information for policy makers, net savings for the government, a self-supporting system, consistency for users and European compatibility.

SBRA took over company registration eleven years ago when it was founded. Do you think it has lived up to expectations?

- Until the establishment of the

THE MOST TRUSTED AGENCY

SBRA, procedures of company registration took on average 53 days; since the Agency's inception this waiting time has been reduced to just 10 days. In terms of the starting-a-business indicator, Serbia ranks 65th on the World Bank's Doing Business list which covers 189 countries. The SBRA issues a certificate of incorporation and a tax identification number within 24 hours. By filling out just one registration form, a company is simultaneously registered with the SBRA and the consolidated taxpayer registry, completing a procedure that had been conducted by a local unit of the Tax Administration and that usually took 5 days.

Since the one-stop-shop registration system was introduced in 2009, starting-a-business procedures have been greatly improved. I am very proud to have been the first recipient of NALED's Reformer of the Year Award for my contribution to the implementation of this advanced system. In recent months, the SBRA has

additionally consolidated the administrative procedures for company registration and created e-registers as single, centralized databases.

How many registers does the Agency have in its portfolio and why are they important?

- From the entrepreneurs and electronic financial statements registers to the registers of financial leasing, pledges on movable property and rights, the media and the non-profit sector registers, the SBRA currently manages 20 databases.

The information platform for the unified procedures of issuing electronic building permits which began operating this year is the most complex one.

This system links over 1,100 state institutions and close to 5,700 clerks processing various cases and issuing consents and permits. The SBRA is responsible for the functioning of the entire system, while NALED is one of the main project partners.

The SBRA is one of the most transparent institutions in the country because of the availability of its vast archives and for having one of the most visited web sites. Business people have said that they have most trust in the SBRA

LOOKING FORWARD TO NEW CHALLENGES



RASTKO PETAKOVIĆ

Senior Partner, Karanović
& Nikolić legal practice

Our mission is to make our clients comfortable with the local legal environment. When our clients need simplicity, we make the law simpler. When they need more sophisticated products, that is what we provide

on developments in competition law in the region. There have been ups and downs over the years, but it is getting better and we are looking forward to new challenges.

Is it easy to prove competition infringements on the market, and how is that usually done?

- It depends on a number of factors, but in most circumstances a case is started when an injured party files a complaint to the Commission. The authority then has a number of tools at its disposal. The best remedy for companies is compliance – they need to be aware of the law, risks and opportunities, and they must have a solid strategy and legal advice. There are literally millions of reasons for that.

Competition law is one of the areas that have been harmonised with EU law for many years now, and the authority is well known for its activities, antitrust investigations in particular. The Commission for the Protection of Competition has also strengthened its capacity to do more complex economic analysis and it has a deep understanding of many different industries.

Congratulations on your recent promotion to Senior Partner at Karanović & Nikolić! What does this title mean to you personally, and how do you anticipate it will affect your future work?

- Congratulations on this jubilee edition! It's an honour to be a part of it. And thank you. The title means a lot to me personally – it comes as recognition of years of hard work and dedication, but it also carries a great deal of responsibility. Our firm has achieved a lot over the last twenty years, thanks to the vision and leadership of our founding partners, so this means high expectations of us, the new generation of partners at the firm.

Massive technological advances and tectonic changes in global business and politics are affecting our clients. We know we need to be on top of these trends, to anticipate changes and help our clients transform the challenges into opportunities

Karanovic & Nikolic is known for its many foreign clients. In which way does your firm help foreign investors come to Serbia?

- In practical terms, we help our clients by giving advice that easily fits on a screen of your average smartphone, but also matches the volumes of papers you normally come across while working with London or New York firms. And so, while we can't fix Serbian purchasing power or the unemployment rate, we can make these jurisdictions more familiar to foreign investors. We truly believe this makes a difference and attracts large players to this region.

Are you satisfied with the performance and efficiency of the Commission for the Protection of Competition?

- Yes, for the most part. I believe the Commission needs to be praised for the progress it has made in recent years. Interestingly, the Commission celebrated its tenth anniversary in April this year, and in November we will be publishing our tenth annual publication





NALED TEAM

The expert team of NALED Executive Office involves 24 employees, who take on all organization's activities, guided by common goals and needs of members from all three sectors of society. The Office has provided significant contribution in developing prominent initiatives and mechanisms for monitoring the quality of regulations and encouraging reforms, such as the Grey Book, Business Friendly Certification, Calculator of business expenses, Registry of para-fiscal charges, By-Law Barometer, Regulatory Index of Serbia. NALED's team strives to ensure additional support of the international community for the organization's activities and mission, thus multiplying the contributions provided by members and giving strong tailwind to reforms.

2006/07

NALED was founded in mid-2006 as an innovative platform for public-private dialogue within USAID MEGA project. Its first steps were supported by the President of Serbia at the time, Boris Tadić, and U.S. Ambassador Michael Polt. By the end of 2007, NALED appointed its Managing Board, established the Executive Office, and launched the Business Friendly Certification program.



2010/11

The internal capacities are strengthened with new staff and the Executive Office now employs 15 people, while membership reaches the number of 150. The German Government decides to support further expansion of business-friendly certification program into the countries of South East Europe (BFC SEE). The Certification programme, Quarterly report on regulatory reform status, Calculator of local fees and expenses and By-Law Barometer make NALED a strong authority in measuring the performance of public administration and monitoring of legislative activity.



2008/09

Following a series of successful conferences and round tables, NALED positioned itself as the leader in the promotion of dialogue and cooperation between the private, public and civil sector. It started the "Out of the Maze" campaign aimed at cutting the red tape and prepared the first Grey Book of regulations which will mark NALED's future development. In late 2009, NALED instituted the "Top Reformer" award.





2012

After five years of independent work, NALED reached full stability, building a network of partners in the country and abroad. With the support of Think-Tank Fund, Policy Team was established within NALED, systematically working on improving regulations and achieving incredible results. The Government eliminated 138 para-fiscal charges and shortened the procedure for maternity leave at the initiative of NALED and USAID, with RTS giving tail wind through national media campaign.



2014

The Government appointed NALED and its Fair Competition Alliance to lead the Expert group for developing the first National Program for Countering Shadow Economy. Also, NALED was appointed as the Coordinator of the Joint group for improving Serbia's position in the World Bank's Doing Business report. Cooperation with Brussels was established and NALED became one of the contributors for the annual EU Progress Report on Serbia. In late 2014, NALED and IRI established the first Economic Caucus in the National Parliament.





2013

During 2013, NALED launched and implemented 15 projects for municipal capacity building and improving the regulatory environment for doing business worth million euros. USAID and NALED launched a two year Competitiveness Support Project for countering shadow economy and brownfield revitalization. The Government accepted 80% of Grey Book recommendations which were included in the Strategy for the Development of Entrepreneurship and Competitiveness. Violeta Jovanović received the “World of Differences” Award from the International Alliance of Women in USA, for preserving cultural heritage of Serbia through women empowerment



2015



NALED became actively engaged in the resolving of systemic issues that greatly affect the citizens and businesses: construction permits, shadow economy, healthcare, abandoned factories. With the support of German and Swiss governments NALED developed the software for issuing electronic construction permits. By the end of the year the Government adopted the National program for countering shadow economy and a two-year Action plan. With expert support of NALED, the Economic Caucus submitted 69 amendments for improving regulations.



2016

NALED becomes the key partner of the Government and the Parliament in defining regulatory priorities, and provides direct support in drafting and implementing regulations governing the business environment. In April 2016, the e-permitting software was handed over to the Government of Serbia. NALED has ensured its successful implementation by providing training and technical assistance to more than 5,000 public officials in cooperation with the Ministry of Construction, World Bank and EU Progress. These reforms helped Serbia leap to 47th position in the World Bank Doing Business report 2017.





VIOLETA JOVANOVIĆ

NALED Executive Director

Few people initially expected this amalgam of Serbian defiance and American pragmatism to survive, and perhaps even fewer believed it would set a precedent for the sustainability of donor-driven organizations

NALED's creative father was Steven Rosenberg, a visionary leader and former director of USAID's MEGA programme, which sparked economic growth and mobilized municipal leaders by introducing the concept of local economic development to Serbia in a big way. NALED emerged within MEGA as an innovative membership platform that was designed to support development at the local level .

With such an unusual name and structure, the organisation could easily grab public attention, but was also faced with misunderstanding of its mission and purpose, and with disbelief that it would be successful because it brings under one roof those who normally don't go together – businesses, municipalities and citizens, all of

NALED TEAM KEEPS WINNING MEDALS FOR SERBIA

whom now needed to voluntarily gather around the shared task of improving the business environment in Serbia.

NALED initially had the enthusiastic support of the then U.S. Ambassador and of the President of Serbia, who signed a declaration of support to NALED in March 2006. They pledged the MEGA programme to serve as an incubator and provide support to define the programme outline, start an office and create a Managing board – aiming to strengthen the organisation and capacitate it to find its niche in the diverse market of business associations.

And before we knew it, it was no longer possible to put off the obligation of making the organisation independent, so as of January 2008, ready or not, NALED began to function on its own, in a rented office in Belgrade's Skadarlija Street, with as many as thirty members, most of who remain active and loyal to NALED to this very day.

It seemed to me then, as its first and only employee, that NALED was

mission impossible, and that I was the conductor of an orchestra that had to sound harmonious and trained even though it had no musicians and no instruments. But what we did have was a powerful idea and a unique concept of cooperation between the public and private sectors that clearly leads us to a vision of a different Serbia. We disregarded the inevitable suspicion in the community and placed ourselves at the service of the public interest, convinced that NALED's magic formula would yield the desired results.

Our programme and reform priorities are the common denominator of all our members, which reflects the strength of NALED – our allied membership unmistakably places key economic issues on our policy agenda, and also helps in seeking applicable and compromise solutions that are diligently filtered and agreed upon by our members from the private, public and civil sectors.

Our allied membership unmistakably places key economic issues on NALED's policy agenda, and also helps in seeking applicable and compromise solutions that are diligently filtered and agreed upon by our members from the private, public and civil sectors

We want Serbia to be a better place for citizens and businesses alike, and we do not hesitate to get to grips with the most demanding systemic deficits in the business environment to help realise that goal. And this is where we are different. We are not barren critics but agile and constructive partners, ready to roll up our sleeves and help solve major problems at the local and national level.

That's why it is a rare privilege for me to serve as the coach of the NALED team that keeps winning medals for Serbia in the contest for a better business environment. Introducing electronic building permits, cutting paperwork for maternity leave and eliminating red tape in 70 administrative procedures, eliminating 138 parafiscal charges and improving the position of Serbia on the World



Bank's Doing Business list – these are just some of the results that we have accomplished thus far thanks to the support of 250 members who have

proven that success goes hand in hand with responsibility, and that the common interest can and must be ahead of the individual's.*



We had met with the exceptional professionalism and expertise of the NALED team at the very beginning of our cooperation. Unbelievable enthusiasm had brought together local self-governments, domestic and foreign companies, state institutions, with one mutual goal - to improve and achieve the best possible business environment.

We wish NALED all the best for its 10th anniversary and we look forward to our future cooperation.



www.mojkioskgroup.rs



NALED'S BIRTH ENVIRONMENT



PROF MIJAT DAMJANOVIĆ

PhD, NALED's first coordinator

NALED's role is to raise and maintain awareness among all relevant political and economic players of its constant commitment both to current and future challenges

On the threshold of the new millennium, at a time when we are leaving behind us the dreary memories of the 20th century's last decade when one socio-pathological event followed another in the Yugoslav/Serbian state and society (ideological and political disorientation, ethnic animosities, brutal wars, unstoppable economic decline, raging inflation, citizens being robbed by fraudulent bank pyramid schemes, the rotting of society in general, high social risks and universal criminalisation, mostly young people escaping to the "big wide world" searching for more certainty and better opportunities in life) and then, at the start of the 21st century's first decade after the controlled implosion of the FRY and the short co-existence of the

State Union of Serbia and Montenegro, Serbia was faced with the reality of the constitutional establishment of its own national identity proclaiming essentially the autonomy of Kosovo and Metohija within the sovereign Serbian state, only to have it rapidly followed by Kosovo's unilateral declaration of independence, turning this constitutional arrangement – not unexpectedly – into an agony for the European and wider international community.

At this crossroads in time, it was only in the second half of the 20th century's last decade that the categories, position and roles of social movements, civil society and non-government organisations started to emerge in the Serbian political and public vernacular, spurring further debates on the state and the prospects of realistic social pluralities, their primary interests, articulations and aggregations. Their key activities focused on affirming the lega-

cy and values of developed democratic countries, economies and societies, strengthening their own institutional capacities and increasing the productivity of their mutual cooperation, awakening state universities that had been out of global/European modernisation trends for too long, essential fixing of the compromised, quasi-popularised 'partyocracy' that has shown its front and flipside in the institutions of legislative, executive and administrative power and in other public institutions and organisations. This was of course the time where numerous life issues became topics for discussion, topics that were overlooked, neglected for too long, and yet related to the affirmation and protection of human rights and freedoms violated because of national, ethnic, religious, professional, generational or gender differences.

A strong incentive for the affirmation of civil society and the non-govern-

It should be pointed out that the results of the Serbia Local Government Reform Programme (DAI 2001-2006, in cooperation with PALGO Centre and SKGO) were also very important for the planning and affirmation of this project

ment sector has started here with the project initiatives that originated in the West (primarily the USA, Great Britain, France, Italy, Switzerland, Sweden and Norway) primarily with the help of governments and subsequently of private funds and foundations. Most of the programmes and projects that were offered focused on three significant and interconnected areas: the organisation and functioning of the state and public administration and governance, regional development and local government. For the first time, work on realistic and sustainable strategic plans and programmes was begun, attempting to remove the bad relics of the near and distant pasts: deep and barren politicisation, inadequate professionalization of administrative staff, obsessive centralisation of the political and economic systems, the absence of continuous processes of systemic rationalisation, and the attempt to overcome the tired merit-based modernisation of institutions and organisations of the state, the economy and society.

It was these and similar deficiencies that we wanted to gradually remove



by establishing and effectively operating the National Alliance for Local Economic Development (established in 2006 under USAID's Municipal Economic Growth Activity (MEGA) project, implemented by the Urban Institute). The main goals of the Alliance, listed in its founding acts, are better cooperation, better communication and understanding, more effective cooperation between businesses (especially foreign partners) and the government and better performance of the domestic economy and local government. Naturally, it was expected that this would primarily encourage faster and better results from domestic economic agents. Undoubtedly, these goals would be easier to achieve through closer, more diverse and more fruitful cooperation between the

government, economic players and a competent civil sector. NALED's role is to raise and maintain awareness among all relevant political and economic players of its constant commitment both to current and future challenges. These expectations are linked to the provision of inputs on the national and local levels, through competitive support to interested cities, towns and municipalities.

NALED's quantitative and especially qualitative growth over its first ten years has certainly lived up to the expectations of its imaginative creators and industrious teams of key players, who are successfully handling both the expected and the unexpected temptations of the new development circumstances, both at national and international levels.

HIGH-LEVEL SINERGIES

They are smiling, young and fast walking, but move as one. These 24 are the heart and soul of the NALED Executive Office Team, which designs and implements all of the organisation's activities, with the support of the Managing Board and members



They know best what is needed to successfully organise up to 100 business events and expert conferences per year, to keep all members informed about regulatory issues, to gather opinions and suggestions for improving the business environment, to create solutions acceptable to all three sectors of society and to convince the decision-makers that their implementation is in the best interest of citizens and businesses.

The NALED Executive Office consists of four teams - Regulatory Reform, Local Development, Communications, and Finance and Administration. In the course of 10 years of work, 73 projects have been implemented in cooperation with international donor institutions, which has contributed greatly to the sustainability of NALED, since 70% of the organization's budget comes from donor-funded project activities.

Creativity, persuasiveness and perseverance are their trump cards, the key to NALED's success, and they are very proud of their results.

Adis Berberović

Legal affairs and contracting advisor

Adis is said to be the funniest in the office. He interprets regulations in the call centre for electronic permits, providing information and advice on how to acquire building permits. "As people say, there are no stupid questions, only stupid answers, but we try to give smart answers," says Adis, adding: "It is great here. I do not intend to change my job and I plan to be happy!"

Jelena Bojović

Policy director

What I like most at NALED is the work I do, because every day we make small revolutions. Sometimes I find it hard to overcome the volume of communication throughout the day and it often happens that I keep quiet for hours in the evening, although nobody actually believes me when I say that, because everyone knows me as someone who talks a lot. Before going to bed, I have to compile a "to do list", because without that I can't sleep. I think I would leave NALED only if the people with whom I love to work also left.

Slobodan Krstović

Economic analyst

After six years at NALED, I can still say that I have a dynamic job that is challenging and stimulating. There is always something new and always something you can learn. Every day is a new challenge and that's the beauty

of it, it's not just a phrase. Sometimes it is a problem to follow everything that is happening, but we manage.

Tatjana Volarev

Programme coordinator

I have been working in NALED for two years on the design, implementation and management of projects, coordination of teams and

The Conference room of NALED is filled with the best discussions on important laws and the birthday celebrations of the staff. Sports are not something they're all accustomed to, but it is known that Stanojević is best at basketball, Radak at football and Krstović at volleyball. Ivana and Dragana (or maybe Dragana's mom) make the best cakes, Marie and Dunder sing beautifully. They are proud parents of 19 children. They speak five languages; the most difficult to master was German, although until recently they shared an office with a German, Hans Estermann, who is NALED's first retired employee. They are 35 years old on average. The visionary who always leads this extraordinary team to victory is an extraordinary lady, Violeta Jovanović, Executive director of NALED.



cooperation with partners, contracting and much more. I like the people who work here; they are professional and we get along.

Senka Anđelković

Regulatory reform assistant

I help with the coordination of the Joint Group for the improvement of the position of Serbia on the World Bank's Doing Business list, with a focus on construction permitting. Sometimes it is difficult to master large areas in a short time, but the feeling is very nice when all the challenges are overcome.

Nataša Paunić

Call centre assistant

At NALED I am in charge of coordinating issues on electronic permits. No day at work is the same. The issues are diverse. There are "seasonal" questions that may be predicted, but it is generally very interesting to work in the call centre.

Once a year, the Executive Office team leaves Belgrade to a beautiful town in Serbia where they can make plans for the coming year in peace. Even that event is no guarantee that you will succeed in finding them all together in one place. In this sense this article lacks Ana Radosavljević, who is looking after little Vuk, her third child. Marko Marić and Ivana Bogosavljević-Cikić, who are working tirelessly on the certification of municipalities with a business-friendly environment. Dragana Ilić, who is currently implementing e-government... or is she fighting against the shadow economy... or taking care of food safety? Also missing is Vladimir Dunder, who is driving the director to a meeting again.

Milica Anđelković

Project assistant

I help with the planning, implementation and statistical analysis of NALED's various projects. I communicate every day with the representatives of local governments and enterprises in Serbia, as we strive to create a better environment for economic development.

Jovana Ćirić

Communications assistant

I came five years ago as a trainee and I can see the difference as we are now significantly more recognised as an organisation. It's nice to work here; it's dynamic and sometimes stressful, but I would not change it...

Ivan Radak

Public relations advisor

Before while I was working as a journalist, this job was not appealing to me, but now I'm glad I got a chance to see what it's like on the other side. This is a very useful change in my career, because my four and a half years at NALED have provided me with the opportunity to perceive the problems of our society in a much better manner.

Milica Dobrašinović

Public relations assistant

Since the media regularly follow NALED's achievements, and there are many of them, I could follow what was happening in the organisation even during my maternity leave. Now I have come back, I see how much I missed all of this, colleagues, the atmosphere etc.

Milica Stefanović

Communications and development director

I've been here since the very first days and brochures. The most interesting part of my job is devising the strategy for organizational development, getting the members involved and initiating reforms in Serbia. The least interesting are technical jobs, such as writing hundreds of letters and invitations, but this is also something that needs to be done.

Višnja Račić

Membership development manager

Given that the role of NALED is becoming ever more important, the circumstances in which we are working on the development of membership are easier, but in our country the importance and role of the civil



sector in society has not been sufficiently recognised and still needs much work. The job is demanding, because NALED has 250 members and that requires great dedication and commitment.

Irena Đorđević

Trainee

I was lucky to get selected for an internship in NALED through the Young Talent Fund. I think maturity, knowledge of English, communication skills and efficiency singled me out from the other candidates.

Biljana Milutinović

Finance and administration assistant

Everything concerning the payment of invoices and administration is my duty, or if necessary - and that happens often - I do everything else. We are a small team that does impossible things.

Marko Stanojević

Finance and administration director

I have been in NALED for a very long time and I'm happy to be part of this team. The atmosphere is something that holds all of us together here, though it is true that we are in a constant battle against time, of which we never have enough for the job, the family and for ourselves.

Stefani Kostić

Administrative assistant

I often say as a joke that we are like "Transformers", because in addition to our regular duties, we transform very quickly when we need to do something new and big. Then we all give our best and in the end we are happy with the results.

Vladimir Milutinović

Procurement and event assistant

I am responsible for the organisation of events, which are very frequent in NALED. There is an equal amount of work in the office and in the field. Every job is a new experience, but everything will be easy from now on after the celebration of our 10th birthday has passed.

Sonja Dedić

Construction permitting assistant

As an architect, I work on the interpretation of the Law on Planning and Construction. The opportunity to come to NALED sounded like a great challenge. It was risky but certainly not wrong.



FASTER BANKRUPTCY PROCEDURES



Photo by Miliča Rašković

DUBRAVKA KOSIĆ

Lawyer, Kosić Law Office

The draft amendments to the law on bankruptcy and receivership propose a range of new institutions and solutions that have not previously existed in Serbian regulations. The most important changes affect payments and the position of creditors and assessors

related to sales procedures, after harmonization with national standards, should have a positive effect on the course and efficiency of the bankruptcy procedure. Shortening the deadline for submitting and voting on a reorganisation plan should help avoid prolongation of the procedure that most often postpones a bankruptcy.

After a long time searching for solutions that did not in practice provide any positive effects, the proposed amendments are expected to contribute significantly to a more efficient bankruptcy procedure but also to have positive effects in other areas.

During the public consultation it is expected that improvements to the proposed solutions will be proposed that will further enhance their efficiency.

advokatska kancelarija
Kosić

As part of the regulatory reforms whose aim is to contribute to the revival of the economy through more efficient and practical procedures and regulations, a public debate on draft amendments to the Bankruptcy Law began last week. As part of its contribution to improving the business environment, NALED has had an active role in preparing the draft through its membership of the working group.

The draft amendments to the Bankruptcy Law provide for a number of new institutes and solutions that do not exist in current Serbian regulation of the bankruptcy procedure, even though they are common in other countries. Examining the regulations and experience of other states and relating it to the specifics of our domestic environment has led to solutions that will bring the bankruptcy procedure back to the aims upon which it was originally based. The amendments aim to create a more efficient procedure, to improve the position of secured credi-

tors and to implement the strategy for resolving non-performing loans previously adopted in agreement with the IMF.

The most salient amendments relate to the position of secured creditors who will have the right to an active role in the bankruptcy procedure through participation in its bodies. Particularly important is the right of secured creditors to undertake, independently and for a certain period, the sale of assets on which they have a lien and to participate in a board of creditors. Their position is also improved through the right to participate in deciding on issues of interest to the bankruptcy debtor, for example a lease. Besides this, other amendments are proposed that allow the debtor to make payments while his account is blocked. While waiting for the adoption of a law that regulates the position of authorized assessor, the latter's position in the bankruptcy procedure is improved, which should make the procedure more transparent. Amendments

In working to improve the business climate, NALED has played an active role in drafting the amendments to the law on bankruptcy and receivership through its participation in a working group. This has been the case for many systemic laws of importance to business: planning and construction, survey and cadastre, investment, charges for use of public goods etc



DUŠAN VASILJEVIĆ

Deputy director of the USAID Business Enabling Project

The first joint venture of the USAID Business Enabling Project (USAID BEP) and NALED was the comprehensive recording of para-fiscal charges and the targeted elimination of many of them

When we entered into this venture, the term “para-fiscal levies” did not exist in our public discourse, but there were existing problems that our businesspeople had with hundreds of fees, charges and other contributions. The Annual Survey of 1,000 companies by USAID BEP confirmed what we knew on the basis of consultation with industry: para-fiscals are a priority problem.

NALED brought together a team of experts who rolled up their sleeves and did pioneering work: an audit of hundreds of non-tax levies, with analysis of each of them: their legal basis, amount and, most importantly of all, an assessment of their justification. It is no wonder that we often return to the results of this analysis today as the most authoritative

HOW WE CHANGED SERBIA

source of data on the system of fiscal charges in our country. The same document also includes recommendations for changes in the regime of these non-tax levies (different calculation method, correction of the amount or their removal). We could have stopped at that, but we didn't. We also included the problem of para-fiscals at the centre of the campaign “Ask when”, of which RTS became the media sponsor. The Government's response to the question “When” came quicker than we'd hoped: in 2012, 138 problematic charges were abolished. Apart from that, the Law on the Budget System was amended, by which some of the systemic measures recommended by our initial analysis were carried out. That was the best news for the economy that year.

The next year, we worked on some more good news for the economy: in cooperation with other business associations, we dealt with amendments to the Labour Law. That was delivered as the best news for the economy in 2014. Together we put a lot on the line - the reform of the issue of building permits - an area where many before us had lost a lot. The result: electronic building permit delivered, as the best news for the economy in 2015. And today we are working together on other important matters. There'll be more on that when we deliver.



ĐORĐE VUKOTIĆ

Lawyer, consultant and NALED External Associate

When I got a call from NALED in early 2011 to cooperate on the development of the Grey Book and the Quarterly Report on the status of reforms in Serbia, this seemed to me to be a logical continuation of work on the guillotine of regulations

At the same time, a dilemma was imposed: to what extent was I expected, by participating in the preparation of reports and recommendations for improving the business environment, to actually lobby the regulatory body in the interests of NALED members? I was quickly convinced that there was no room for any reservation, and subsequent long-term cooperation merely confirmed that NALED's management and those in favour of legal reform have never represented the interests of their members at the expense of public interest. More than that - they are genuinely hooked to the intoxicating feeling of general usefulness, so on a number of reforms the government was helped voluntarily, which is rare behaviour in the market of consulting services.

The absence of one-sided lobbying

GENERAL INTEREST AHEAD OF THE INDIVIDUAL

positions from NALED in representing the interests of members is probably the result of its specific and diverse membership structure, i.e., the need to balance between the often (seemingly) conflicting interests of businesses and local governments, which makes NALED a unique and desirable partner of the state that is able to offer viable and concrete solutions to systemic problems, such as para-fiscal charges, the shadow economy or the issue of building permits. The reform of procedures for issuing building permits marks the implementation of the most drastic and definitely the bravest possible scenario of reforms implemented on NALED's initiative. The procedure is simplified and costs for investors are reduced, while the ominous announcement that this would result in lower revenues for local governments proved to be unfounded, because the scope of the legal construction increased.

Thanks to its continuous and consistent operations in the past 10 years, NALED has deservedly garnered awards for its work and results. What is great is that political actors (including the opposition) read NALED reports and use them in gauging their performance, because that can only result in the acceleration of reforms. I'm glad I was a pretty active external collaborator as part of the NALED team for regulatory reform, and I hope that the team will be stronger, for the benefit of all of us who live and work in this country.



BRANKO RADULOVIĆ

Professor at the Belgrade Faculty of Law
and NALED External Associate

I have had the opportunity to follow the development of NALED through a long-standing relationship, from a newly formed association of local governments and a handful of companies, to something that is now commonly referred to as regulatory watchdog - a well-established organisation that closely monitors the impact of regulation on the business environment, identifiable beyond the borders of Serbia

One of the strongest impressions from several projects I've worked on is that NALED does not think in a conventional manner. Ideas developed by NALED and its associates as by-law barometer or registry of para-fiscal charges are original. I myself had the pleasure of working with NALED on one of these original ideas - the Regulatory Index of Serbia. The initiative to develop tools to monitor the quality of the regulatory environment, as well

WE MONITOR HOW THE STATE ENACTS LAWS

as many others, came from Jelena Bojović. Soon after several conversations, the first contours of the future RIS appeared. We tried to look at all the steps in the process of preparation, adoption and implementation of regulations. The intention was for the indicators not to be based on perceptions, but to be measurable and verifiable. We also wanted to ensure, as with other NALED endeavours, such as the "Grey Book" that we were constructive while pointing out the weaknesses of the regulatory environment, and that we also didn't launch a project that would have below average results. NALED went a step further with the initial idea and developed the online RIS, which allows simple analysis of various aspects of the regulatory environment. Serbia has abundant room for improvement, both in the preparation and implementation of regulations. However, according to the new and yet unpublished RIS, there has been visible progress, especially in reducing the backlog of enforcement. I'm sure that at least part of this improvement can be attributed to NALED.



ŠTA JE TO KALKULATORI?

Kalkulator je jednostavni on-line alati za predviđanje i obračunavanje troškova poslovanja u lokalnim i regionalnim Srbiji. To omogućava da se jednostavnim načinom, preko unosa modernih obračunskih elemenata (poput zarada, troškova i opsega usluga) procijeni javna tokme u kojoj lokalni sektor prikladan i održivost prijev.

U interpretativne primjerke Kalkulatori obračunavaju troškove i određuju troškove poslovanja, a u potpunosti lokalni sektor poslovanja – lokalne jedinice.

KOJE TROŠKOVE OBRACUNAVA?

Ovi Alati obračunavaju troškove poslovanja u lokalnim i regionalnim Srbiji, a u potpunosti lokalni sektor poslovanja – lokalne jedinice.

- Lokalna komunalna usluga za odvoz otpada i čišćenje
- Naknada za korištenje građevinskog zemljišta
- Uvozna porezna opterećenja, Kalkulatori obračunavaju i lokalne porezne opterećenja lokalne samouprave u Srbiji i usponu od najmanje prihoda lokalnih jedinica u odnosu na lokalne jedinice u Srbiji.

KO JE KREIRAO KALKULATORI?

Kalkulatori su razvijeni u okviru projekta koji se odnosi na lokalni sektor poslovanja (NALED) uz podršku USAID-a i fonda za ekonomski razvoj. Inicijativa je podržana od NALEDA-ovog partnera, od strane privrednika koji su iskazali na predviđanje troškova i obračunavanje poslovnih troškova lokalnih jedinica i lokalne.

NALED

NALED
NACIONALNI ALATI ZA
POSLOVANJE U SRBIJI

NEPORESKI I PARAFISKALNI NAMETI U SRBIJI 2014

NALED

STRATEŠKI OVIJA ZA RAZVOJ I UPRAVU U SRBIJI
2016-2020

Kako do dobrog projekta

JPP
Javna preduzeća
partnerstva

SINERGIA

EVROPSKA UNIJA NA VIDIKU

SINERGIA

Razvojno poslovno okruženje

RI!
REGULATORNI INDEKS

REGULATORNI INDEKS (RI) je periodični izveštaj koji prikazuje regulatorni indeks za poslovanje u različitim sektorima Srbije. RI daje pregled kako Vlada i lokalne jedinice u Srbiji upravljaju i sprovođenju projekata koji imaju uticaj na privredni sektor. Pored opširnih informacija, RI daje i pregled na ekonomski indikator poslovanja i uticaja na lokalne jedinice regulatornog procesa koji je neposredno uticaj. RI omogućava lokalnim regulatornim tijelima da se osvrnu na 11 indikatora.

REGULATORNI INDEKS	INDIKATOR
1. Izdatci za regulaciju	1.1. Izdatci za regulaciju 1.2. Izdatci za regulaciju
2. Javna preduzeća	2.1. Javna preduzeća 2.2. Javna preduzeća
3. Poslovanje u Srbiji	3.1. Poslovanje u Srbiji 3.2. Poslovanje u Srbiji
4. Javna preduzeća	4.1. Javna preduzeća 4.2. Javna preduzeća
5. Poslovanje u Srbiji	5.1. Poslovanje u Srbiji 5.2. Poslovanje u Srbiji
6. Poslovanje u Srbiji	6.1. Poslovanje u Srbiji 6.2. Poslovanje u Srbiji

ri.naled.rs

Stara Pazova

EVROPSKI FOND ZA REGIONALNI RAZVOJ

Eastern Serbia

NEW investment destination

ISTOČNA SRBIJA

USAID **NALED**

National Program for Countering the Shadow Economy

Decembar 2014

invest in SRPSKA

INVEST IN SERBIA
HARVEST PROFITS IN OŠAČI WEST-BACHA DISTRICT

NALED

Izveštaj za I i II kvartal o poslovanju regiona
2016

KAPACITETI ZA LOKALNI EKONOMSKI RAZVOJ U VOJVODINI

2014-2015

NALED

NALED SIVA KNJIGA 8

Priručnik za lokalne jedinice o poslovanju u Srbiji 2014-2015

USAID **NALED**

Nacionalni program za suzbijanje sive ekonomije

Decembar 2014



 **NALED** WITH COMPLIMENTS





INVESTMENT DESTINATIONS

More than 100 cities and municipalities take active membership in NALED, covering 70% of Serbia's territory. Of this number, 34 local governments managed to acquire the Business Friendly Certificate, meaning they have established a continuous open dialogue with businesses, specialized offices trained to work with investors and entrepreneurs, the planning and strategic documents, investment locations and transparent policies of local fees and charges. Cities like Ruma, Pirot, Leskovac, Stara Pazova, Pančevo and Šabac went a step further, obtaining the regional BFC SEE certificate and positioning themselves among top investment destinations in South East Europe.



GORAN CVETANOVIĆ

Mayor of Leskovac

Although Leskovac has already achieved a lot, they are never satisfied since there is always room to improve the work and efficiency of the local administration

The past decade has been marked by rapid development and prosperity for Leskovac. This is not only a result of new investment, but also of innovation and of the city's participation in many projects.

The City of Leskovac recently received recognition from NALED for its contribution to improving the business environment. What did Leskovac do to deserve this prestigious recognition?

- Since my team and I took over, we have tried to develop Leskovac as a city with a good business environment. This has been shown by Jeanci, Health Actavis, Jura, Mita, Fungo jug, Cukljenik and many other companies expanding their production in our city.

The City of Leskovac was among the first to approach the certification process in 2008, when we signed a Cooperation Agreement on the Business Friendly Certification Programme. From that day

GREEN ZONE TO CHANGE THE LOOK OF THE SERBIAN MANCHESTER



to this, we have worked continuously to meet the criteria for the City to receive that coveted certificate. Creating an attractive and favourable business "climate" does not mean only providing financial incentives to investors, although the City of Leskovac has done a lot to provide financial support to both domestic and foreign investors. In addition, we hold regular meetings with business people and try to solve their problems to ease their operations.

With the help of the Serbian Government we have already bought two bankrupt companies, DP Jugekspres and DP Sintetika, for which we set aside 70 million dinars. We have made them available free of charge to the Korean company Jura and the Turkish company Jeanci, which plan to expand and hire workers.

One of the attributes of Leskovac mentioned among investors is the reorganisation of city institutions and the creation of an efficient administration. What has specifically been done on that front?

- Implementation of regulatory reforms and the full implementation of the electronic registry of administrative procedures, as well as implementing the practice of issuing documents ex-officio a year before application of the "integrated procedure" - these are the best indicators of the organisation of the administration in our city. In this way we saved the economy 2.9

million euros annually in direct and indirect costs. In addition, the projects System 48 and E-Diaspora also function flawlessly.

You were the first in Serbia to apply the regional management of solid communal waste through a private-public partnership with the Austrian company Porr - Werner & Weber. What are the results of this project?

- First we built the "Zeljkovac" regional sanitary landfill and recycling centre, with which we solved the long-standing problem of a lack of a suitable landfill. The rural local community in Jablanica District can now dispose of its waste in a legal and safe manner. It is worth noting that after expiry of the 25-year contract, all buildings, equipment, machinery and vehicles will remain the property of the City of Leskovac. With all of this we have significantly raised the level of hygiene in the city and greatly relieved the budget, and in doing so we have also maintained an appropriate level of the cost of services for our citizens.

What are the plans for further preservation of a clean environment in the City of Leskovac?

- Environmental protection must be a priority of every local government, and it has always had an important place in our programme. The campaign of cleaning "wild" rubbish dumps, and landscaping public

All requests of investors that have the status of an 'investment of local importance' are treated as a priority and resolved under urgent procedure

areas led to our cleaning more than 130 wild dumps and disposing of more than 3,000 tonnes of garbage. The construction of a water treatment plant in Bogojevac has been completed, worth a total of 10.4 million euros, for which the EU granted IPA financial support. In the period ahead

we plan to invest all of our strength and available resources to build a city collector and enable this facility to start working.

The German sock manufacturer Falke opened a factory in Leskovac last year. This investment envisages the employment of around 600 workers - how is it developing?

- The City of Leskovac strives to improve the business environment through constant reform of the city administration. One of the incentives the City offers investors is benefits when leasing construction land under public ownership. The City of Leskovac can make available or lease vacant plots at a price beneath the market value, or release construction land without charge for an investment project that will promote local economic development. We are aware that the key to the development of any city lies in a stable business environment with a stable economy, and that's why we will continue to strive in the coming period to create better conditions for the influx of new investors and to keep existing ones.

What incentives does the Leskovac offer existing and new investors?



- Between the two world wars Leskovac grew from a small provincial town into a modern industrial city. Due to its dynamic development and numerous textile factories, it gained the nickname “The Serbian Manchester”. Recalling this past motivates us and gives us the strength to strive and work to ensure our children live in a better environment and a more beautiful future. One of our priority projects will be the development of the Green Zone, the largest greenfield site on our territory covering a total area of 97 hectares, with 57 hectares equipped with infrastructure.

Without developed infrastructure there is no developed city. That's why we've recently invested a lot in the construction and reconstruction of roads and streets in the centre of town and on the outskirts, but also in the villages. We will soon start construction of the town square, which will give the centre of Leskovac a completely new and modern

look. We are just waiting for the full completion of the new market, in which the city has invested 130 million dinars, and we hope that the newly-built dog home will soon be able to receive its first “residents”. Our plan also includes connecting 17 settlements to the sewage network via an ORIO programme. Employment is the lifeblood of every city. And despite a fall in the number of unemployed by over three thousand in the past three and a half years, we are not satisfied. That's why we expect swift completion of the factory being built by the company Jura, where thousands of new workers will be employed. Domestic investors are also a priority and for them the doors of the city's administration are always open.

We will also continue to invest in education and rewarding young talent, because we want to ensure a bright future for young people and a city in which they will be able to work, live decent lives and establish their families.

In cooperation with the National Employment Service, the City of Leskovac implements numerous active employment policy measures, including subsidies for starting a business and creating new jobs



MILAN A. NEDELJKOVIĆ

PhD, Mayor of Vračar

A gastroenterologist and cardiologist by profession, current municipal president Dr Milan Nedeljković promises that he is going to “implant stents” into all the “clogged” municipal projects and initiatives, to eliminate all “congestion”, restoring the municipality of Vračar to a healthy functioning state

Although he has only been mayor for a couple of months, Dr Nedeljković has decided to do his job less in the office and more among the local population in an effort to get better acquainted with his constituents and their problems. He has visited many parts of the municipality, and has made a lot of promises. Most importantly, he has kept the promises given to the oldest members of the community - the pensioners.

What would be your priorities as Mayor of Vračar?

- I am definitely not going to be just

VRAČAR'S SYMBOLS RISE AGAIN



an office-bound mayor; I will rather stay in regular contact with citizens. My team and I have spent the last two months visiting all the local nurseries, elementary and high schools, and retirement associations. People living in our municipality regularly come to my office to talk about their problems and give their suggestions and proposals, all with the goal of improving the lives of people in Vračar.

Some of our priorities are the construction and revitalization of infrastructure, the reconstruction of the Kalenić outdoor market, extending Bora Stanković Street to make enough room for a yard entrance and fence around the St. Sava Temple, and building a ‘musical fountain’ as part of a new park in Slavija Square. Next year, we are going to finish drafting a project for redesigning the square in front of the Belgrade Drama Theatre.

Do you have a good team to help you fulfil all your promises?

- The team I manage is made up mostly of young professionals who are very capable, and includes Gordana Basta and Dr Uglješa Mrdić.

I would definitely not have made such promises if I did not trust them or myself. I am proud to say that I've

already fulfilled one of the promises made to the retirement community here, which was to organize trips, film screenings and visits to exhibitions for them. If we have managed to fulfil this promise, I see no reason why we shouldn't fulfil all the others we've given.

The citizens of Vračar are especially interested in the Kalenić outdoor market?

- As far as Kalenić market goes, we intend to redesign it while preserving its original spirit and tradition.

The renovation of Kalenić will be carried out in four stages. The first is already going according to plan and should be finished by the year's end; in the second stage we will build a closed hall; the third stage will see repairs to the space between the two gates; in the fourth stage we will replace the old stalls with new ones, revitalize the stone part of the market and build a garage.

We are also going to work on other infrastructure projects in Makenzijeva Street and Južni Bulevar, and reconstruct and revitalize cultural, judicial and health facilities. I should also mention that as a result of these and other projects, we are going to have around 1,500 new parking spaces.

This will be really useful not only to people living here but also to those working in Vračar.

You are also improving local schools. Did your academic background prompt you to do that?

-I am first and foremost a doctor. When I enter a hospital room, I do what is most important for the patient: to save his life if possible.

I accepted to become mayor on one condition - that I be allowed to continue to practice medicine. I completed my education in Serbia, earned a PhD from our local university and I now teach at the same university. So I am very familiar with the situation in our education system. This is the reason why I have visited elementary and high schools and other educational facilities at the very beginning of my term. I wanted to get to know the situation and talk to teachers, pupils and parents.

What do you expect from the cooperation between your municipality and NALED?

- In the medical world we publish our papers and magazines in electronic format. Likewise I expect that municipal documents, signatures, payments, and archives will also be available in

BIOGRAPHY

- Born 15 September 1957 in Belgrade.
- Professor of internal medicine and cardiology at the School of Medicine, University of Belgrade (since 2013).
- Associate member of the Medical Academy of the Serbian Medical Society (since 2013).
- Head of the Outpatient hospital of the Cardiology Clinic of the Clinical Centre of Serbia (since 2003).
- National Coordinator of the Cardiology Society of Serbia in the European Society of Cardiology.
- President of the Cardiology Society of Serbia (2011-2013).
- In March 2015, initiated the establishment of the American College of Cardiology Consortium Chapter of Serbia and the Republic of Srpska. He was also nominated as the first governor of the Chapter in San Diego.

electronic format. This means that our municipality will have an extensive electronic database that will benefit citizens. This database will enable the fast transfer of all important data among municipalities in Serbia. Here an innovative organization like NALED can be of great help.

Our municipality has had a service centre for quite some time now where trained clerks have provided fast and efficient services to our people. The most important municipal services are located in one place and there are no counters, partitions or glass windows. Our efforts to improve life in the municipality are on-going, and together with our citizens we continue to implement our vision of Vračar as a European municipality. This means that we have the same goal, which is for every person in Vračar to enjoy a quality of

life that is up to European standards, comfortably, politely, and fully.

Looking back, do you think you have made a good decision?

- In the last few months, I have become acquainted with all the municipal structures and the financial and economic situation. I have had great help from my skilful associates and friends, especially Dr. Nenad Dordević. As such I think I made a good decision.

This is how I see it: if a man with chest pains comes to my office, I would do an x-ray of the blood vessels in his heart. I would notice that he had several constrictions and proceed to implant stents into the blood vessels of his heart to ensure that he continues to live and work. This is just an illustration of what I've found in the municipality and what I still need to do here.

ŠABAC: BEST INVESTMENT DESTINATION IN SE EUROPE

Just like people, cities have “talents” and potential, but who will work hard to make the best out of what is naturally inherited? The main advantage of Šabac is therefore a well-organized system that takes care of investors

The citizens of Šabac have a bigger influence on local decision making than in some other cities, with some key innovations in terms of public finance and administration beginning with them. The city authorities want to empower them to take even more control over the quality of life in our city.

CUSTOMER SERVICE

Šabac has a high quality industrial zone, but that alone is not an advantage in itself. Many other cities in the world and in our own country have industrial zones. People from Šabac, an ancient trading city, know what it means to care of your customer - and this is what they do best. From the first moment someone makes the decision to invest in Šabac, the city will do everything



to make it work. So Šabac offers true partnership and support. That's why it's little wonder that it met BFC SEE standards.

PARTNERSHIP WITH NALED

NALED has helped Šabac not only to form an attractive business environment, but also to reorganize its public system. They are working together on a project for public pharmacies that should optimize this field and introduce a series of improvements leading to a more efficient system. Finally, the cornerstone wherever Šabac is involved on a local or national level is the ambition to offer the best possible service at the lowest possible price. Simple logic always gives the best results.

FUTURE PLANS

With NALED, Šabac takes that process even further and encourages people to create strong initiatives that support the wellbeing of the whole community.

Finally, the key to Šabac' success is understanding that large investment follows people, not vice versa. Investment is the result of a good work ethic and attitude - not their cause. That's how things work: you don't need money to do your very best for something you believe in - money comes as a consequence. If everyone in the city works as hard as they can for the mutual benefit, then there will be more citizens who would enjoy life in the city, and consequently more investment. That is what is happening now in Šabac and the results of this approach are already visible.



IN SABAC YOU ARE ALWAYS AHEAD

Wastewater treatment facility

1

CITY OF NEW IDEAS



Stimulative investment environment

- First city in Serbia with ISO 9001:2000 certificate about quality and efficiency of local administration
- ONE STOP SHOP administration - all documents and information on one place
- E-government
- City of culture and rich heritage
- City of creative industries
- City with strong development



2

CITY ON EXCELLENT POSITION

87 km

Belgrade

68 km

Novi Sad

60 km

Airport Nikola Tesla



Connection with Bosnia and Herzegovina and Corridor 10



Ruma - Sabac - Zvornik Railway



Enclosed by Sava and Drina rivers



City with a strong push towards development...



3

NORTHWEST WORK ZONE



EXCELLENT ROAD NETWORK AND RAIL CONNECTION



600 ha OF INDUSTRIAL LAND WITH ALL UTILITIES

INVESTOR CAN CHOOSE THE SIZE AND POSITION OF THE PLOT



4

EASTERN INDUSTRIAL ZONE

330 ha of industrial land

25 companies



Located on Sava waterway

2000+ workers

Administration building

INDOOR AND OUTDOOR STORAGE SPACE

All utilities in place (Power, water supply and sewage)

Road network

5

FREE ZONE

243 ha

of industrial land in Free zone

5.000 m²

Production-storage hall

14.000 m²

of open storage space

Customs terminal

INDUSTRIAL RAIL TRACK THAT IS PART OF THE SERBIAN RAILWAYS NETWORK

ALL UTILITIES IN PLACE (POWER, WATER SUPPLY AND SEWAGE)

FISCAL BENEFITS:

- VAT exemption for carrying the goods into Free zone, as well as for goods-related transport and other services
- VAT exemption for goods and services transactions in the Free Zone
- VAT exemption for transactions of goods between two users of the Free Zone
- VAT exemption for production users regarding fuel consumption
- Exemption from certain tax burdens for foreign direct investment



ČEDOMIR JANJIĆ

Mayor of Zrenjanin

Even before becoming a member of NALED and obtaining its certificate, Zrenjanin was giving full service to its citizens. But the local authorities want to further improve their efficiency and availability

For many years now, Zrenjanin has received growing interest from new investors who see the city as a place worthy of starting a business. Even more importantly, existing investors are planning to expand their facilities substantially because they are satisfied with the current conditions and the business environment.

The City of Zrenjanin is a prominent member of NALED and a business-friendly municipality. Was the certification useful for the administration, and which certification criteria helped you the most in improving your business climate?

- Several years ago, the City of Zrenjanin, along with seven other cities, was certified as a business friendly munic-

BETTER ROAD INFRASTRUCTURE GUARANTEES NEW INVESTMENTS



ipality by NALED. The certification process helped Zrenjanin's promotion first as a municipality and later as a city with a favourable business climate, and with updating our databases and offer to investors. The certificate has also helped us to promote our city and create the conditions for a faster, more efficient and more reliable local administration. Among other things, we have also formed a business council and several other bodies.

The numerous awards that we've received for our good business environment are a testament to this.

Zrenjanin is one of the recipients of the award for an exceptional contribution to the implementation of laws and reforms in Serbia. Which criteria were most important for winning this award?

- This award comes from the work we did when we actively participated in preparing and using the software for

electronic issue of building permits.

We have also provided information and experience that helped us get this project off the ground. It is important to mention that, even before we started issuing electronic building permits, we had an electronic records office and an organized electronic work system. Our staff was already in the 'electronic' mind-set, so this was nothing new to them.

You are also one of the five cities in Vojvodina to be recognized as the most attractive investment destinations in Europe. Did all these important awards translate into greater interest from investors?

- Of course it did, though I have to admit investors showed a lot of interest even before that. Last year we signed contracts with 13 investors, and the first of them was realized not so long ago. The Italian Tecnostructure, a part of the Edil Steel Group and a leader in steel structures, opened a production facility worth EUR

Last year, we signed contracts with 13 investors, and we have several others in the pipeline. It is very important for us to see that existing investors in our industrial zones are happy and that some of them are even expanding their facilities - like Draexlmaier which is currently employing 3,500 people

3.5 million with the prospect of investing a further EUR 6 million.

We have several other investments in the pipeline, and it is very important for us to see that existing investors in our industrial zones are happy and that some of them are even expanding their facilities. We are also happy to see that the biggest employer in our city - Draexlmaier - which has over 3,500 staff here, is building a new production facility. These facts are the best validation of our quality as an investment location.

How can the local administration and business environment in Zrenjanin improve even further?

- We are really trying to expedite every part of the work done by the local administration. We want a fast and efficient local government that serves its citizens. Among other things, two years ago we changed the working hours of our Service Centre so that our citizens can use its services in the afternoon and on Saturdays. Of course, our local administration and its departments are at the full disposal of investors too.

Zrenjanin has its Fast Response Office where investors can obtain information about a desired location, location permits, building permits and exploitation permits. This office also provides comprehensive information to domestic and foreign investors, and information and assistance in resolving any utility or other problems.

In that context, what do you think of the new Law on Local Government Finance and its effect on Zrenjanin's development?



- I think that this law will not significantly affect the functioning of our city. We support both the Serbian government and the Ministry of State Administration and Local Self-Government in adopting this law, and we are going to compensate for the budget cuts by saving more in the local administration, public enterprises and public institutions.

Zrenjanin has an exceptionally good geographical position. Can we say the same about the city's infrastructure?

- We are only 50 km from Novi Sad and 70 km from Belgrade. We really want better transport infrastructure, and we hope that the main road to Novi Sad will be reconstructed soon. We are also happy to hear Prime Minister Vučić and Minister Zorana Mihajlović announcing the construction of a so-called "fast road" connecting Belgrade to Zrenjanin, because this

road will definitely raise Zrenjanin's appeal compared to other areas.

The city is surrounded by four rivers and a canal. Do you think that Zrenjanin is financially able to take care of the environment properly, particularly when it comes to water resources?

- The city of Zrenjanin has no authority or any exclusive right to manage its water resources. Rather, Vojvodina Voda does. We are really not capable of maintaining our waterways properly, and I don't think that any local government is, but we are certainly interested in cooperating with the provincial and state authorities when it comes to taking care of our rivers and canals. We are also willing to form a public-private partnership, and we are looking for a partner that would offer us the best possible terms and conditions for implementing a wastewater treatment project on the town's territory.

Zrenjanin has its Fast Response Office where investors can obtain information about a desired location, location permits, building permits, and exploitation permits



alone
we can do
something
WITH YOU
WE CAN DO
EVERYTHING

City Municipality of Stari grad • 11000 Belgrade • Republic of Serbia

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Грadska Општина
СТАРИ ГРАД



OFFICE FOR
LOCAL ECONOMIC
DEVELOPMENT
OF MUNICIPALITY
STARI GRAD

**DRAGAN TOŠIĆ**

Mayor of Bečej

With its 44,000 hectares of fertile arable land, good infrastructure, excellent geographical location and efficient administration, Bečej municipality has great potential for economic development

The municipality is doing everything to create good conditions for new investors: from administrative concessions to improving the infrastructure, revamping the town, landscaping the river banks and developing tourism.

What do you think is the greatest potential of Bečej's economy and how will it be developed?

- Bečej is primarily a developed agricultural municipality with some 44 thousand hectares of arable land. Its economy isn't lagging behind either, as it has a great potential for the development of tourism. The infrastructure works were started during the term of the previous Mayor, now the Provincial Secretary, Vuk Radojević. A ring road around Bečej was built and over 20 kilometres of streets and

A MUNICIPALITY WITH GREAT POTENTIAL



roads were asphalted, including the Bečej-Bačko Petrovo Selo road, which was in a very bad condition, the "soya" road that runs through the industrial park, and so on. Bečej's industrial park spreads across 437,4 hectares and is home to many companies. Around 484 million dinars have been invested in its infrastructure: we have trebled the electricity supply, improved the gas supply and installed a new sewerage system. We plan to build another road that will run through the industrial park. Since 2012, over 300 million dinars have been invested in agricultural infrastructure. We have invested a lot in the supply of safe drinking water. To improve the economy, trade, transport and tourism, we plan to build a wharf on the river Tisa. We have had some meetings about it with the Ministry of Construction, Transport and Infrastructure. All this is an ongoing process.

Have you introduced e-government? Are there special concessions for investors or do you use other ways to attract them?

- Parts of e-government are functioning. We are particularly proud of the electronic issue of building permits, which earned us NALED's recognition as the most efficient municipality in Serbia with a success rate of 87,87 percent. We have done a lot to attract investors. In addition to what I've already mentioned, we have contributed, and we still do, to opening new job positions by bringing in foreign investors. KWS, the internationally acclaimed company that develops innovative seeds, has opened a centre here, the most modern one in Eastern Europe. Joining it are the French Quivogne and the Hungarian Multitest, our own Sojaprotein, Linde Gas Srbija, Knott Autoflex, and many small and medium enterprises. We often talk to

We are particularly proud of the electronic issue of building permits, which earned us NALED's recognition as the most efficient municipality in Serbia, with a success rate of 87,87 percent

potential investors, the municipal administration has both the capacity and the experience, and we will fight for every new job and for keeping the old ones.

How much does environmental protection matter

to the municipality? Have you any specific projects lined up?

- Our annual budget for environmental protection in 2016 is 66,5 million dinars. In addition to our daily responsibilities, we have successfully solved the problem of the unsightly town landfill. We plan to eliminate all unregulated dumps. We have replaced much of the old or broken public lighting with new lighting technology and energy-saving bulbs. Of course, none of this would have been possible without the financial support of the government. We have excellent communication with the Prime Minister and the Government of Serbia, all ministries and the public enterprise



Roads of Serbia. Cooperation with the Government of Vojvodina and provincial secretariats is constantly improving, and our task is to continue working hard and delegating good projects. We haven't had a break since 2012. The reconstruction of the central town square is under way, this is a capital project valued at 111 million dinars and funded under a credit arrangement. We have other plans that I'm sure we are going to realise – concludes Dragan Tošić, Mayor of Bečej.

You have recently (30 September) had your first "Open Door" day, i.e. direct consultations with your fellow citizens. Can we say that the muni-

pality's goals are the same as the citizens' when it comes to development?

- Generally speaking, the citizens were most interested in roads, filling potholes, repairing or asphaltting local roads and streets, fixing small bridges, but some of them addressed the work of the Social Services Department. I am pleased with the turnout and very glad that we shared the same thoughts as our citizens regarding certain initiatives and issues. In fact, some people suggested that we should repair specific streets and roads not knowing that we had planned to do it. Generally speaking, most of the questions and suggestions that the citizens had can be solved.


SRĐAN KOLARIĆ

Mayor of Čukarica

Inspired by large-scale urban projects, Čukarica's government has launched its own projects to use its untapped potential and bring benefits to the municipality and beyond

Some of Belgrade's most attractive city sites lie in this municipality. Ada Ciganlija, Košutnjak and Hipodrom (the horse racetrack) are unparalleled. The municipal authorities intend to focus on improving and revitalizing these places in an effort to make the district more appealing to live and work in.

What investment potential does Čukarica have?

- Čukarica offers a new lifestyle that is a fusion between modern and traditional, business and family. Lying only a couple of kilometres from the city centre, Čukarica has decided to utilize a new development potential called "Makiško Polje" (the Makiš Field), as the backbone of future development, inspired by the Belgrade Waterfront project.

There are also other natural assets including Ada Ciganlija, Košutnjak

THE MAKIŠ FIELD CAN EMPLOY MORE THAN 10,000



and Hipodrom which are all part of the tourist, sports, and recreational offer here. The Lipovička and Sremačka forests are beautiful locations with exceptional opportunities. We are aware of this potential and we are directing all our energy towards creating a good business climate that can attract the capital required for the municipality's development and a higher standard of living for our citizens. In the last two years, which is how long my staff and I have been running the municipality, we have been developing the transport and utility infrastructure as the necessary foundation for future investment.

Could you tell us a little more about current and pending infrastructure projects in your municipality?

- The new business zone Makiško Polje is a project for which we have high hopes. Only 5km from downtown Belgrade, covering 1,165 hectares of land, we have formed a zone that stretches from Čukarička Padina to the Ostružnički Bridge, along the left side of the Belgrade-Obrenovac road. This is going to be a modern, urban complex worthy of a metropolis.

The business zone is about 10km long, while its northern part is planned for residential facilities. The entire zone can employ over 10,000 people, the most

important benefit for us at this moment. Good transport infrastructure, links to the town centre and other parts of Belgrade, and links to rail, river and air transport are the advantages of Makiško Polje. With a population of over 200,000 and a steady birth rate of which we are very proud, we have to think three steps ahead and ensure that future generations have the best possible life. To that end, the municipality has launched large-scale infrastructure projects, like the construction of the Ostružnica sewerage with a wastewater processing facility that will improve the utility services in the peripheral parts of our community. A balanced development of every single part of Čukarica is our priority and that's what we are focusing on.

What benefits can you offer to investors in your municipality?

- Our task is to provide services that would result in an environment conducive to economic growth, and to ensure smooth operations of the companies here. We have opened an office for entrepreneurs, which gives advice to business people planning to launch or develop their companies. The ISO 9000 certificate and the fact that we are constantly improving the local administration's services are both proofs of the quality of our work.

Good transport infrastructure, links to the town centre and other parts of Belgrade, and links to rail, river and air transport are the advantages of Makiško Polje. With a population of over 200,000 and a steady birth rate, we have to think three steps ahead



FIRST IN EUROPE WITH SYSTEM 48 FOR COMMUNICATION WITH CITIZENS

Indija is by far one of the most attractive municipalities for investors - the substantial number of international investors is proof of this. Indija has a long tradition of innovation and entrepreneurship, having always been the first in the region to implement new initiatives and projects. An effective, approachable administration and comprehensive infrastructure give the municipality its competitive advantage.

The municipality of Indija is the first municipality in Europe to implement System 48, which forms the foundation of communication between citizens and businesses on one side, and local government and public enterprises on the other. What has been your experience using the system?

- So far very positive. By implementing System 48, the administration has become more focused on service to its citizens and, most importantly, has been dealing with their issues on a daily basis. The principle is very simple – when you call in to report a problem, it is promptly forwarded to the relevant municipal body, which then has 48 hours to investigate it. They can either solve it immediately or inform the person who enquired if the problem cannot be solved on the spot. We have successfully dealt with many problems in this way.

For the entire system to work in the public interest, we are merciless when it comes to fighting corruption and protectionism. We demonstrate this every day and our citizens can see and appreciate it. This is also important for the investors with whom I talk on a daily basis. They are able to recognise very early on just how fast we are and how much energy we invest in doing our job properly

What methods has the municipality been using to develop efficient communication between citizens, businesses and the administration?

- Direct communication is crucial for good relations and understanding. In three months since I've taken office as the municipal president, I've spoken with over 500 of my fellow citizens. Our approach is to become a problem-solving service provider for citizens. Our approachability and readiness to dedicate our time to each one of them individually is what sets us apart from our predecessors. Apart from direct communication, our citizens have access to free legal assistance in dealing with almost any problem. The service counters in the municipal building are a great example of contemporary administrative organisation, a one-stop-shop for all documents.

What is the greatest advantage of cooperating with, and being a member of, NALED?

- As an aspiring perfectionist, I expect NALED to help us make our municipal administration an even better service provider for our citizens, and not only for them, but also for investors willing to invest in our municipality. It is a well-



VLADIMIR GAK

Mayor of Indija

The citizens of Indija are free to contact the President's cabinet whenever they want, and to receive answers to their questions. We are here not only to reply to their questions, but also to help them and dispense advice on how to overcome their problems

known fact that Indija has one of the most developed industrial zones and infrastructure in the region. The number of international investors who do their business in Indija are proof of the municipality's investment appeal. Recently, the Indonesian company Indofood opened its first European facility in Indija. We are currently negotiating with several investors and we expect to sign several agreements signalling the construction of new production facilities. We try to provide the best possible conditions for normal operations to every investor that comes here. As a well-respected organisation, NALED can further help us to create an even more efficient administration and an even better reputation among investors.



VLADAN KOCIĆ

Mayor of Rakovica

Rakovica is currently developing a 140-hectare industrial and commercial zone near the Belgrade bypass, an exceptional location for investors seeking to provide services for 2 million consumers in the Capital or to export products to the CEFTA region via Corridor X

In the wake of the transition period, Rakovica needed to come up with new potential for development, especially since this area had once been a large industrial centre. To achieve this, Rakovica required a strong municipal authority as well as an active approach to creating an environment favourable to new investment.

What is your approach to local economic development?

- We realise that Rakovica will only experience growth today if we start thinking strategically, developing internal capacities and preparing concrete projects. We have drafted strategic documents such as the Municipal Development Strategy, the

BELGRADE BYPASS A GREAT OPPORTUNITY FOR INVESTORS



Градска Општина
РАКОВИЦА

Action Plans for Improving the Position of the Roma People, the Local Employment Action Plan, and the Strategy for Management of Public Property, and have pinpointed both the issues and potential of our municipalities, at the same time setting guidelines for developing various segments.

To what extent has cooperation with NALED improved the local administration's efficiency and the availability of information to the local population, or attracted new investors?

- NALED played a huge role in transforming our local government. As a result we now have a quick response office and an entrepreneurs' office, and we can now issue building permits electronically. Our cooperation with local companies is also very successful. We are at the disposal of potential investors, helping them navigate through complex administration and assisting them in realising their investments.

We have received positive feedback on the way our administration is organised and on its efficiency. We are now much more user-friendly for our community because we operate in such a time-saving way.

Another positive outcome of our collaboration with NALED is the Job Search Club in Rakovica, where accredited

experts from the National Employment Service offer training to the unemployed. Through our cooperation with NALED, we have also had the chance to communicate with other local governments, i.e. to exchange experience to increase capacity and improve services.

What are the municipality's immediate plans to create even better conditions for its economic development?

The municipality of Rakovica plans to offer 140 hectares of land near the Belgrade bypass (which runs through Rakovica), for the construction of a business and commercial zone. We are currently drafting a detailed regulation plan for Rakovica and the Bypass Project (which is presented in a government publication entitled A Guide for Investors - The Belgrade Edition). There is also a project available for the construction of a sports and recreation complex on Lake Resnik, which we plan to offer investors. Rakovica municipality has organised several events to attract tourists. The most significant of these is the Rakovica Carnival, the only even of its kind in Belgrade and a favourite among tourists. Our goal is to turn Rakovica into a popular tourist and investment destination; to refurbish and modernise what was once a highly developed industrial zone.

Belgrade's largest retail park has opened its doors in Rakovica while Lidl, the supermarket chain, is currently building in this area. All this speaks volumes about Rakovica's ability to be a good host to investors

HEART OF THE TEXTILE INDUSTRY SEEKING NEW INVESTORS



Novi Pazar Municipality is located in south-western Serbia, and has direct routes leading to Montenegro, Bosnia and Herzegovina and Kosovo and Metohija. It is 265 km from Belgrade and has a population of approx. 110,000. It spans an area of 739 km², and is divided into 99 populated areas with one urban centre

Strategically important to the town of Novi Pazar is the planned construction of a motorway via Pesteri, a mere 25 km away and the construction of an airport in Ladevci, which is 100 km from the town. Following the implementation of the One-Stop-Shop for Business Support and the Issuance of Building Permits Project, the local authority is now better coordinated and more efficient and numerous processes have been simplified.

KEY SECTORS

There are over 40 textile production companies in this area that together have a total production capacity of over 20 million pieces and employ 12,000 workers. Approximately 50 companies are engaged in footwear production, producing roughly 120,000 pairs per year and employing over 3,000 workers. The furniture production industry is significant and some of the largest furniture companies in Serbia have headquarters in Novi Pazar.

It is important to mention that, apart



from passenger transportation, cargo transport is also well developed in this area, with over 3,000 cargo transport vehicles registered.

The potential for tourism in this town is extensive thanks to numerous natural attractions and a rich historical heritage. This location is attractive both in terms of transportation and tourism due to its close proximity to Mount Kopaonik, the Pester Plateau, Mount Golija and Lake Gazivode, various local facilities which provide superb dining, open summer gardens, a town square, a rich cultural and historical heritage under the protection of UNESCO, as well as several spa centres with natural spring water, guaranteed to attract tourists in high numbers.

INDUSTRIAL PARK

The 45-hectare industrial park in Novi Pazar offers various opportunities for collaboration for green and brownfield investments (39 plots, to be exact) as well as the leasing of commercial property.

The industrial park is located in a suburban area, alongside the Belgrade – Podgorica route, 2 km from the town centre, and includes the required infrastructure.

WHY INVEST IN NOVI PAZAR?

Novi Pazar has taken the process of preparing for the arrival of new investors very seriously by creating a commercial environment similar to that of the more developed neighbouring regions. Today, the investment conditions in Novi Pazar are far better than they were in recent times and we have had success in spreading the word to various contacts, i.e. companies, both domestic and foreign.

- Sound geographical position
- One-stop-shop for business support and issuance of building permits
- Regional industrial centre
- Proximity to other markets (Montenegro, Macedonia, Bosnia)
- Exempt from paying local utility fees
- Qualified workforce
- Subsidies ranging between EUR 5,000 and 10,000 per new worker, minimum workers hired - 50
- Long tradition in textile, footwear and furniture industries
- University centre
- Industrial park
- Future Belgrade-Adriatic motorway
- Future airport in Ladevci
- Natural resources for production of organic food
- Export-orientated economy
- Huge potential for tourism development with a rich cultural heritage



MILOŠ VUČEVIĆ

Mayor of Novi Sad

Our coming projects will have a strong effect on the city's development, especially its economic and tourist potentials

Thanks to its well developed IT sector, good conditions for healthy food production, processing industry, tourism, free zones, and e-government, Novi Sad is a city investors like.

This is your second term as Mayor of Novi Sad. In which industries do you see its future?

- In the past few years, the city has positioned itself as one of the most important centres of software and video game production. It has been supporting the development of IT companies for many years now.

Novi Sad has created good conditions for the development of organic agriculture, fruit and vegetable production and the food processing industry. A heavy emphasis has been placed on this field of production and on the development of tourism.

We are equipping the industrial zones

NOVI SAD IS OPEN FOR BUSINESS



along the E75 highway and expanding the capacity of the customs free zone.

A great deal has also been done to modernise the work of the local administration and the development of e-government, and we are also participating in the Smart Cities project.

Culture and tourism are increasingly being viewed as an important economic potential. What is the situation in Novi Sad?

- We are proud that our City has won the European Capital of Culture 2021 award. The bidding process started ten years ago and what is most important is that in the last stages of our campaign we made a maximum effort to succeed in winning this important title. We represented our city and our country in the best possible way.

Something that preceded and heralded this prestigious award is the fact that Novi Sad recently adopted a Strategy of Cultural Development. This shows that we are ready to allot funds to this

field and regard them as investments.

Our coming projects will have a great effect on the development of the city, especially its economic and tourist potentials.

In Novi Sad, the SNS is currently in power at all four administrative levels. What are the advantages and disadvantages of this?

- We intend to establish cooperation and coordination with no bureaucratic or political conflicts and full agreement on the priorities. People voted for us to be united around the projects that are beneficial for Serbia and will contribute to its general welfare. I hope I will never again hear that Belgrade is to blame for everything as an excuse for negligence and incompetence. Our goal is to be united, to achieve the best possible results and to ensure that the living standards of the people of Serbia show continual growth. It means that we have all the necessary conditions to "find a way, not an excuse."

The Novi Sad economy is getting back on its feet and after several decades. Two multinationals, Lear and Delphi, have opened production facilities and plan to employ some 5,000 people. Creating new jobs is our primary and most important goal

HAPPY INVESTORS ARE OUR AMBASSADORS



A city open to commerce, Sremska Mitrovica has attracted large-scale investment primarily in industries such as the automotive industry, shipbuilding, wood-processing and food processing - especially with recent investments made by Mitros Fleischwaren



Sremska Mitrovica was industrially developed during the last century. After a period of stagnation, economic life has returned through large-scale investment projects.

When the City launched the idea to develop its industrial zones in 2006, we encountered numerous challenges. Now, ten years later, we are in a position to offer investors an industrial zone fully equipped with utilities and access roads, with planning documents in green and brownfield investments. A strategic document has been prepared on sustainable and

rural development, as well as large-scale projects on infrastructure, e.g. the R-103 regional road, underpass and the regional road through Lacarak, which will serve not only to connect the industrial zone and speed up the movement of goods, but will also make daily commuting easier for the people of Mitrovica.

In 2010 we were certified as a business friendly municipality and now we are in the process of acquiring a regional certificate for South-East Europe. Plenty of foreign investors have opened factories in our city since

then. These are mainly investors from the automotive industry, but they also include the shipbuilding and timber industries. The food industry will now get back on its feet with the opening of Mitros Fleischwaren. Awards and certificates have contributed to this and certainly provide an incentive for us to strive to be better.

Our next step is to further improve cooperation with local investors, to have a real impact on assisting them in receiving certain privileges to help them meet their needs more often, all with the aim of advancing economic development regardless of whether incoming capital is domestic or foreign. Recognition of this kind also provides us with outstanding references that demonstrate to foreign investors that we have an interest in taking care of our community.

In Sremska Mitrovica, both local and foreign investors receive the same treatment and are cared for equally - we aim to provide the best possible conditions for anyone wishing to invest



MILOŠ IGNJATOVIĆ

Mayor of Zvezdara

Zvezdara municipality's priorities include high-profile projects to improve the business environment through infrastructure development, the resolution of communal issues, environmental protection, spatial planning and the overall social development of the area

The municipality of Zvezdara covers 3,200 hectares, is divided into four cadastral municipalities, includes 17 local communities, five open-air markets, 14 primary and 10 secondary schools, three halls of residence for university students and 23 nurseries. The municipality was named after the astronomical observatory and planetarium opened on Veliki Vračar hill in 1887.

As newly appointed Mayor of Zvezdara municipality, how do you plan to create a more efficient administration and better living conditions?

- I was appointed in June of this year. In the last few months, my team and I have been out in the community, talking to as many people as possible, both in our municipal

OUR CITIZENS' NEEDS DICTATE WHAT WE DO



offices and in the public sphere. Communication with our people is our priority, and their needs dictate our future activities. We also have the ability to communicate with our constituents via our service centre, text messages, mobile phones and emails. The municipal administration has adapted to the population's needs, but there is always room for improvement. We plan to improve the quality of services the municipal staff provides to the population through various seminars and training.

What are the development priorities for the coming period?

- The short-term priorities of the municipality of Zvezdara will be to create the conditions and business environment conducive to economic development. We are planning to do this through projects to support social development, infrastructure, environmental protection and spatial planning. In terms of social development, I would like to underline the areas of culture and education to which the municipal authorities pay a great deal of attention.

Our municipality takes care of all of its residents, and we are focused intently on the youngest and eldest among us through

various events and attractions. It is important to us that the public can see progress in motion and that we are able to meet their needs, which is why our goal is to transform our municipality into a full service provider. Thus far, several initiatives that have come from our constituents have been agreed upon and successfully implemented to our mutual satisfaction. The Konjarnik open-air market stands have been relocated and parts of the streets that had earlier been neglected have been paved over.

Zvezdara is one of six municipalities in Serbia to receive the Local Development Champions Award following a competition launched by NALED and RTS. How do you see your cooperation with NALED?

- Of all the competitors, Zvezdara received the highest mark in the category of Citizens' Service for our Volunteer Centre, a centre that takes care of the elderly and other vulnerable groups in our municipality. I see NALED as an important partner in improving local business conditions and promoting public-private dialogue. I am satisfied with our cooperation and I hope to elevate it to a higher level through joint projects and initiatives in future.

As a recipient of the Local Development Champions Award, Zvezdara was recognized as a people-oriented municipality, in a competition launched by NALED and RTS

COOPERATION BETWEEN PUBLIC AND PRIVATE SECTORS IS THE KEY TO INVESTMENT



Because of its close proximity to large cities like Belgrade and Novi Sad, an international airport, two motorways and the Corridor 10 railway, Ruma is considered to be a highly attractive location for domestic and foreign investors.

Ruma was among the first municipalities in Serbia to receive NALED certification. What criteria were most decisive for winning this certificate??

- As a leader in development, Ruma is also one of the very first municipalities that can proudly share the success it has achieved in organisation and in meeting the criteria for obtaining NALED certification. Through this programme, we have been successful in setting clear guidelines on how to achieve a higher level of functionality and efficiency through cooperation with businesses and investors, as this is what improves a municipality's image and raises its profile.

Ruma's efficient local government with a business-friendly certificate, the E-70 motorway, a long tradition in leather and shoe production, the textile industry and in food processing, a cost-effective work force and fully developed industrial zones have attracted Mitas, Albon Engineering & Manufacturing, the Kerring group and many other international investors

You are among the top five municipalities in Serbia that successfully implemented the e-permit system in 2016. To what extent has this electronic system improved your business environment?

- The fact that we have successfully processed 95% of applications speaks volumes about the success of the e-permit system. This is yet additional validation of our work and demonstrates our commitment to creating efficient local administration and our readiness to constantly improve the services we provide to the public and the business community. The presence of numerous investors in our municipality is an indicator that our administration is capable of meeting investor needs and that it is not considered an obstacle but rather facilitates and clarifies the process. The system is stimulating and guarantees potential investors that they will be able to implement their investments in the easiest and most efficient way possible.



SLADJAN MANČIĆ

Mayor of Ruma

The best way for local economies to develop and attract new investment is to cooperate with the business community. The local authorities in Ruma understand that employment, the municipal budget, the town's reputation and most importantly, its standard of living are all dependent on the success of its SME sector and the large companies currently operating in this municipality

What are the development priorities of the municipality in the coming period?

- Our goals are to create a favourable business environment, to ensure constant development and efficient administration. Through the accomplishment of these goals, we strive to create better living and working conditions in our community. I am proud to be the leader of a team that has achieved concrete results in attracting new investment and in positioning Ruma as one of the top destinations for doing business in South East Europe.



NIKOLA NIKOLIĆ

Mayor of Despotovac

Despotovac has concrete plans to revive its mining and wood-processing industries, and to make use of its well-preserved natural potential and cultural heritage to develop tourism and organic farming

Natural resources such as forests, mineral ore deposits, fertile farm land, natural water, and historical and cultural monuments as well as organised tourism are all a solid foundation from which development is possible; they are also great starting points for a municipality to draft development plans

Which economic sectors could be the foundation for Despotovac's economic growth?

- The municipality of Despotovac has several options when it comes to expediting its economic development. These include forestry, mining, the utilisation of waterways, and farming. There is also great potential for tourism in this area due to Manasija, a medieval monastery, and the famous Resavska Cave. There is also the Resava River, Veliki Buk waterfall,

NATURAL RESOURCES ARE OUR PASSPORT TO A BRIGHTER FUTURE



Vinatovača, the largest beech tree forest in Serbia and the Senjski mine which also houses a coal-mining museum. Finally, this region offers such cultural events as the Days of the Serbian Spiritual Transfiguration and JUST OUT, an International Knights' Tournament.

Forests spanning an area over 30 km² in the Gornja Resava region also have tremendous potential for development. It was not long ago that Beljanica, a wood-processing company located in this area employed 250 workers to produce veneer sold on foreign markets. One of only five fibreboard manufacturers in the former Yugoslavia was from the Despotovac municipality.

When we think of Despotovac's long standing mining tradition dating back to 1853 and the huge deposits of high quality dark coal, this municipality has every right to expect that mining will again be an important part of its economy despite the current state of our underground mines. So we have drafted realistic plans and concrete projects to achieve this and to fully exploit this resource.

Fertile land in the municipality's western region deserves our full attention. There are several opportunities to improve farming in this area and to provide incentives to fruit growers who have already achieved sound initial results in the eastern, hilly region of the municipality

As Mayor of Despotovac, what do you think of the new Law on Local Government Finance?

- The suggested amendments to this law will further reduce our municipality's already small budget by around 10 million dinars. But I believe we will be able to compensate from other revenues and that the deficit in our municipal budget will not negatively affect local companies, institutions or service departments.

What is your experience in cooperating with NALED?

- We haven't cooperated enough with NALED in recent years, primarily because of our own lack of initiative and insufficient information on how this alliance works. Following the recent election and formation of the municipal government, we appointed officials that are to become actively involved with NALED and we expect to increase our level of cooperation with this organisation and to achieve concrete results in the following period.

WE'RE OPEN TO ENERGY PROJECTS



In its past Čoka was an exceptionally developed industrial municipality. But recently its development has rather lagged behind. Privatisation has been less than successful and the municipality's potential has not been fully utilised. Still, the local authorities believe that better times are ahead.

You have recently been elected Mayor of this municipality. What are your priorities?

- Raising the standard of living, creating a favourable environment for development, attracting national and international investors, and developing the economy are the priorities. I will be working very hard on during my term. Local government exists to provide

services to the public and to businesses and it is an institution that the people trust. It is therefore, the job of the local authorities to ensure that any investments made in Čoka are used to transform the municipality from a rural into an urban area.

What types of infrastructure projects would boost Čoka's development?

- Projects focused on sewerage and gas pipelines are by far the most important and the capacity of our power grid needs improvement. We also need projects that will help boost supplies to our six local communities, and finally those that can help us obtain EU funding. We also plan to complete the infrastructure of our industrial zone.

What is your view of public administration reform with the aim of transforming and improving the work of the local administration in Čoka, and what more can be done in this regard?

- It is vital to implement reforms that will ensure the local and state administrations become more efficient. Development is a priority for us all and I think that these reforms



STANA ĐEMBER

Mayor of Čoka

The new local government believes that the time has come for Čoka to experience an economic, cultural, educational and an overall renaissance, with an increase in the standard of living of its entire population

should target the administrative capacities of smaller local governments such as Čoka, in terms of education and training, infrastructure development, investment promotion, etc. On the other hand, the people living here are highly motivated to help in every possible way to increase the living standard of our community, and it is precisely this energy that we rely on.

NALED supports local economic development. What is your experience in working with this organisation?

- The municipality of Čoka has just recently become a NALED member and I fully support their work, their experience and the results they have achieved so far which I find to be quite substantial. I also support the programme implemented by the Ministry of State Administration and Local Self-Government with its new minister, Ana Brnabić, at its helm.



Since Minister Ana Brnabić was formerly active in NALED, it is my belief that her ministry is especially equipped to understand the problems faced by small municipalities like Čoka and that our cooperation will be even better


JASNA AVRAMOVIĆ

Mayor of Smederevo

Thanks to NALED, we are now able to provide new, modern and transparent administrative services that are user-friendly and fast; the kind of service that people want and expect from their local government

In previous times, Smederevo was an exceptionally well-developed industrial centre, one that was later victim to a crippling crisis. Now, with the arrival of many new investors, the town's business climate is changing for the better and both Smederevo and its population are experiencing a rebirth, in every possible way.

Four years ago, Smederevo received NALED certification. To what extent have efforts on fulfilling certification criteria actually improved Smederevo's business environment?

- Undoubtedly, this process has contributed to a more efficient administration, the level of transparency of the work conducted by the local government has increased and it has succeeded in involving everyone in fulfilling the conditions of certification, i.e. in becoming a business-friendly municipality. NALED provided us with a framework that we were able to

NALED CERTIFICATE IMPROVED OUR ADMINISTRATION



use to paint a positive picture of Smederevo.

However, despite everything we have achieved so far, there is still a lot of work to be done to create a good business environment.

This year, you joined a group of five cities considered to be the most agile in the country for issuing building permits. What does this mean for you and for potential investors?

- Smederevo has successfully implemented a system for the electronic issue of building permits which brings us closer to our goal of transforming the local administration into a user-friendly, fast and helpful service provider. This is only the beginning, as we plan on turning Smederevo into a national role model in service provision. By electronically monitoring the issue of building permits, we have expedited a rather complicated process and have eliminated the need to provide additional documents, turning it into a transparent and corruption-free process.

It appears that the future of the Smederevo Ironworks is assured for the time being. What other priorities are there for the municipality?

- The importance of the Ironworks goes beyond the limits of the town. The sale of the Ironworks is a matter of national interest, and, if everything proceeds according to plan, China's Hibis Group will not only become the driving force behind the development of Smederevo, but it

will back development throughout Serbia. Not only has the new owner retained all 5,000 staff, but they are in the process of hiring more. Both furnaces are currently operational and the once unimaginable idea of producing 2.2 million tons of steel per year is now a real possibility. Since investments in new production facilities have already been announced, I am confident that Ironworks Smederevo will become one of the most successful companies of its kind in Europe. As Mayor, I believe that this development is the best possible outcome and I am now certain that Smederevo is on its way to becoming one of Serbia's key industrial centres.

Are there any new investments in the pipeline and how does this affect employment in Smederevo?

- Since the beginning of the year, 1,000 people have found permanent employment. We are first and foremost grateful to PKC for this fantastic result, as they alone have hired 800. Hesteel has also employed 300 workers already, either directly or indirectly through third parties. Next we have the Kaizen Company which currently employs 250. There are three sizable projects underway that directly involve the pipeline - the relocation of railway tracks away from the town centre, the reconstruction of a tourist port in the town, and the construction of a cargo port and industrial railway leading to it.

Smederevo is one of very few towns that have three active industrial zones and a new fourth zone under construction, an industrial park covering 84 hectares with the required infrastructure currently being built

INVEST IN SERBIA'S NO. 1 TOURIST CENTRE



Over the past few years and with additional support from the Serbian government, Vrnjačka Banja has streamlined its activities to create a positive investment climate. This has been achieved by providing incentives and subsidies, by creating an efficient local administration (the first in Serbia to issue electronic building permits), and by ensuring that all municipal resources are made readily available.

Vrnjačka Banja is a top quality tourist destination. With over a million visitors and more than 600,000 overnight stays per year, Vrnjačka Banja is the leading tourist centre in the country. The natural springs, 60 hectares of beau-

tiful parkland, its close proximity to Mount Goč and the West Morava River (both of which have development potential), the area's cultural and historical heritage and the many sports and cultural events organised, make Vrnjačka Banja a widely recognised and appealing location for investors. Vrnjačka Banja is the heart of Serbia's health tourism, with 150 years of tradition. Merkur, its central health facility, is a hospital that specialises in diagnostics, treatment and rehabilitation, and is a leader in the health sector.

Vrnjačka Banja has one of the best transport infrastructures in the country. Much has been done to improve parks,



BOBAN ĐUROVIĆ

Mayor of Vrnjačka Banja

Vrnjačka Banja - the heart of Serbia's health tourism, 150 years of tradition, a million visitors and 600,000 overnight stays per year - Serbia's most popular tourist centre

WHY INVEST IN VRNJAČKA BANJA?

1. Easily accessible
2. Exceptional, strategically significant location for tourism development (close access to the motorway and only 40 km from Morava civil airport)
3. Availability of unique natural resources (natural springs, mountains, the Podunavačke Ponds) and many opportunities for their exploitation
4. Over 10 hectares of building plots suitable for greenfield investments
5. Special incentives for investors (municipal authorities can either reduce or waive the land development fee for facilities of special importance)
6. Educated, well-trained workforce
7. Professional and efficient administration
8. Developed educational and research institutions
9. Cultural and entertaining events that attract visitors by the hundreds of thousands
10. Friendly and hospitable local population.

Vrnjačka Banja strives to find responsible and solvent investors who are able to further boost its development and continue the process of modernisation, helping Vrnjačka Banja find its rightful place on the tourist maps of Europe

sport facilities, and schools. There are also several on-going, strategically vital projects that will significantly alter the direction of Vrnjačka Banja's development in the future, some of which include the construction of the National Water Polo Centre, the World Volleyball Development Centre, and the Vrnjački Amphitheatre. Adding to this are projects implemented by foreign investors, like the Vrnjački Water Park and small hydropower plants along the West Morava River.

The successful privatisation of Fontana Hotels, the country's largest hotel chain and this municipality's central tourist facility, is an essential condition for the further development and proper functioning of this region and its population.



PREDRAG VUKOVIĆ

Mayor of Šid

Our aim is to take our cooperation with NALED to a whole new level because we believe it is one of the key conditions for the municipality's modern organisation and faster economic growth, and for attracting projects that will improve the lives of our citizens

The municipality of Šid works intensively on using its natural potential and resources to improve its economic development, strengthen its competitiveness, encourage entrepreneurship, attract investment and raise the standard of living of its citizens

The municipality of Šid has been at the centre of the Balkan migrant route for a long time. How is it coping and how do you see the issue developing?

- In the biggest migrant wave, over 700,000 people have passed through Šid and we coped without any major consequences. Since then, three migrant centres have remained, one of which is in the town itself. Our biggest problem right now is that migrants have been left stranded here by closed EU borders. In cooperation with the Commissariat for Refugees, the

WHAT WE SEE IN NALED IS A MODERN APPROACH TO DEVELOPMENT



Red Cross, public utility companies, the police and other authorities and services, we have managed to keep the situation under control.

What is the biggest development potential of the municipality? Are there any specific investment projects?

- Šid has a good geographical location: it's on the border with Croatia and Bosnia-Herzegovina, next to the Belgrade-Zagreb motorway. The municipality is a vestibule to the European Union. Numerous agricultural holdings, several well-established cooperatives and businesses, respectable processing capacities in flour milling and oil crops are the backbone of crop farming, but modern cold storage businesses and wine cellars show that fruit growing and viticulture are also emerging and expanding. Šid is traditionally associated with the meat industry. The forests, the slopes of Fruška Gora, the rivers and the lakes are good for investing in agriculture, the processing industry and tourism, while historical sites and commercial and tourist events attract more and more visitors.

What do you think of the municipality's cooperation with NALED?

- NALED's active participation in the reform of local government brings a modern, contemporary approach to local economic development. Our aim is to take our cooperation with NALED to a whole new level because we believe it is one of the key conditions for the municipality's modern organisation and faster economic growth, and for attracting projects that will improve the lives of our citizens. We take NALED's advice and we reform ourselves according to our human resources, technological and other capacities.

What do you expect from the new Law on Local Government Finance Act?

- I expect a novel and better organised system of financing of local governments, which takes heed of the needs of a municipality and its citizens. I also expect an organised financial environment in which the transfer and consumption criteria are clearly defined, and which will make local budgets more predictable and secure.

The backbone of future investment is the industrial zone of about 125 hectares, intended for various business activities, equipped with the appropriate infrastructure and with completed project documentation

WE BASE OUR DEVELOPMENT ON FOUR STRATEGIC GOALS



GORAN MILJKOVIĆ

President of Interim Administration
of Bela Palanka

This small municipality, situated on the Nisava River by pan-European Corridor X is currently striving to introduce business-friendly standards and take advantage of its strategic position to promote investment and revitalise its industry. Its mountainous parklands, archaeological sites and picturesque monasteries show that Bela Palanka also has great potential for tourism

- Thanks to NALED's certification programme and our progress so far, the Ministry of Economy has recognised the needs, willingness and desire of the local government to work on improving the standard of living. The Ministry has granted funding for the construction of roads leading to our industrial zone, and for building rainwater drainage systems and repaving existing roads. Furthermore, we were granted 1.2 million dinars for drafting project documents for the reconstruction of a local road.

Until recently, Bela Palanka was an economically underdeveloped region. During the transition period, the municipality accommodated companies in the machinery, construction, footwear and wood-processing industries. Today, this area is ready to open a new chapter of development and is resolved to respond to new challenges.

NALED has recently announced that Bela Palanka has successfully begun issuing electronic building permits. How much has this project improved the business environment and the availability of information to the public?

- Bela Palanka began issuing electronic building permits in early 2016. This has substantially reduced the time needed to acquire these permits and has improved the investment environment in our municipality. I am referring in particular to the local authorities ability to meet deadlines for issuing location requirements to investors. The public is well-informed on how to submit an application for an electronic building permit and on the overall procedure of issuing documents electronically.

What are the strategic development goals of the municipality of Bela Palanka?

- Our strategic development goals can be classified in four groups:

- 1) Infrastructure and environment - construction and maintenance of utility infrastructure in the entire municipality, creating an environment conducive to use of alternative and renewable energy sources and improving EE;
- 2) The economy- creating a favourable investment environment, developing agriculture, entrepreneurship and tourism, including the proper use of all resources;
- 3) Social development - creating a stimulating social environment, one that supports a healthy and fulfilling lifestyle and meets the various needs of the entire population;
- 4) Management - strengthening the local community through a well-developed and organised network of institutions at all levels, and an efficient policy planning system.

Which projects would you single out as being most important?

The priority of the local government is to create all of the required conditions to attract investors and open new factories with the purpose of job creation and raising the living standards of the municipal population



NOVICA JANOŠEVIĆ

Mayor of Kučevo

We are planning to enter the procedure of certification of business-friendly municipalities, as it will improve the town's potential and capacities and make it more visible to potential investors

Kučevo municipality is now adopting the 2017 programme of incentive measures that will implement agricultural and rural development policies and an economic development programme. The incentives for farmers and entrepreneurs will accelerate the municipality's economic development.

Kučevo has a singular geographical position, good infrastructure and a realistic potential for the development of agriculture, tourism and mining. What are the municipality's short- and long-term priorities for attracting new investors?

- Our municipality is in the vicinity of Corridor 7 and we do have a great potential for the development of agriculture, tourism and mining. Kučevo's wood industry, traditionally present here because of our extraordinary natural resources, also has great potential. The municipality is very rich in unused hot springs

A MILESTONE YEAR AHEAD



while the sites for potential wind farms connect to the existing complexes of Romanian and Serbian wind farms. There are numerous potential locations for small hydroelectric power plants, so we see energy as our great potential too. Ours is one of the rare municipalities that pays equal attention to domestic and foreign, current and future investors. The 2017 development plan for Kučevo is being drafted and we are very pleased with the support from the Ministry of Economy. We also have good cooperation with the Development Agency of Serbia, whose instructions we follow carefully with the aim of creating a favourable business environment in the municipality. In fact, we have just started preparations to enter NALED's certification procedure, which will make our municipality more attractive to potential investors and bring a better standard of living to our citizens.

What is the municipality doing to promote its assets and improve communication with potential investors?

- In our preparations for potential investors - from the establishment of the Office for Local Economic Development that is exclusively in

charge of investor relations, to the development of specific procedures, to promotion and marketing - we have drawn from the best practices of the most successful municipalities. With the expert assistance of the Standing Conference of Towns and Municipalities and NALED, we have built an ever-improving system primarily aimed at attracting as many investors as possible. The municipality has an industrial zone, a very good greenfield and brownfield site base such as the barracks near plane trees and Stara Centrala, and we publish A Guide for Investors, which contains all the information that investors need.

When it comes to administrative procedures, how efficient is Kučevo in issuing electronic building permits?

- By the number of applications processed, Kučevo is ranked 16th out of over 160 municipalities, with 102 processed of 106 submitted applications. Our industrial zone spreads over 75 hectares and one quarter of the funds envisaged under the development strategy is allocated for building infrastructure, which is why the efficient issue of building permits is of vital importance to us.

Our existing entrepreneurs and farmers are as important to us as new investors. To empower them, the municipality has already prepared a number of specific actions and programmes

BETTER ROADS — THE MUNICIPAL AND CITIZENS' PRIORITY



НЕГОТИН КРАЈИНА
ОПШТИНА НЕГОТИН



JOVAN MILOVANOVIĆ

Mayor of Negotin

The Negotin brewing and winemaking region, including the best known Rajac and Rogljevo, is an obligatory stop on the tourist wine route through Serbia. The complex has also enticed investors from France and the UK to open wineries with their wine sold on the international market.

Negotinska Krajina, which includes the town and municipality of Negotin, also has major energy resources, with climatic conditions that favour renewable energy like wind and solar. The mighty river that connects the riverbanks of Serbia, Romania and Bulgaria includes us in the EU “Danube Strategy” programme.

Is infrastructure developed sufficiently and are there any projects underway?

- Good infrastructure is necessary for the development of every region, so for the second year in a row we are spending most of our investment funds on improving the road network. We are rebuilding busy streets in town, re-laying asphalt on sections of regional and local roads, filling potholes and expanding our network of district roads.

Good infrastructure is necessary for the development of every region, so for the second year in a row we are spending most of our investment funds on improving the road network

We are extremely satisfied that we have also begun the asphaltting of the road towards the most visited tourist destination, the Rajac breweries and wine cellars.

Nor have we neglected public lighting, having replaced a quarter of all bulbs with modern LED bulbs with a grant from the Swiss Government. We have continued building water supply and sewerage networks, drains and footpaths. We are preparing to rebuild the health centre roof and renovate school buildings and cultural monuments.

I would like to note that even despite such broad investment, the municipal budget has been in surplus for the last two years, and that is thanks to a rational use of funds.

How developed is e-government in your municipality?

- The complete services of the Municipality of Negotin have been available via the e-government portal since 2014. However, as we also offer the possibility of requesting and being issued electronic documents via the municipal website

The Municipality of Negotin is in an important area of transit, with two popular border crossings with Romania and Bulgaria and the international port of Prahovo. As a developed agricultural region, its viticulture and winemaking form a basis for the development of wine tourism

www.negotin.rs, the majority of applications are actually processed this way.

Unlike other municipalities, a large number of your citizens work abroad. What kind of relationship and communication do you keep with them, and are they included in municipal development projects?

- I can note with satisfaction that, in the domain of infrastructure planning, we have excellent cooperation with our diaspora, who have helped with asphaltting village streets and sections of local roads in several local communities, and the construction of water supply lines and sewers. But apart from individual cases we still have no significant investment in production capacities.

**BOGDAN LABAN**

Mayor of Subotica

In addition to having one of the most developed industrial parks in Serbia, Subotica is soon to build a customs terminal to help companies doing business in the free zone

As the largest and most developed city in the north of Serbia, Subotica's greatest potential lies in its agriculture and food industry. But besides this, big international companies have been drawn to its industrial park for many years, among them Siemens, Continental, Calzedonia, Swarovski, Dunkermotoren and Norma. And then there is Lake Palić with its huge tourist potential.

What will be the city's development priorities during your term?

- Our priorities will be to finish fitting out the tourist zone on lake Palić, which came to a halt in 2009, and to create business parks for new plants for the food processing industry in particular and for other industries as well. We are also prepared to subsidise and give incentives to companies that are building their capacities by creating new jobs, and we want to improve our transport infrastructure.

OUR INVESTORS ADVERTISE OUR CITY



Subotica will implement poverty reduction measures and carry out a wide range of activities to help provide a dignified life for every citizen. Furthermore, since improving primary health care is imperative, we shall fund the work and reconstruction of infirmaries and provide equal healthcare conditions for all.

What are the comparative advantages of Subotica?

- Its main advantage is its geographical position, which is good for business. Subotica is located on the pan-European Corridor X and is near the border crossings with EU countries Hungary and Croatia. Our business administration is efficient and investors have the opportunity to work in a free zone. The advantages of a skilled, educated work force and of a number of well-established educational and scientific institutions have been recognised, which is evident in the fact that many domestic entrepreneurs and foreign investors have been investing beyond their initial plans. Among

them are Siemens, Norma Group, Continental, Swarovski, Calzedonia, Leonardo, Dunkermotoren, Metro Cash & Carry, AEG, Tatravagonka, Finat, etc.

As Subotica is close to the European Union, are there any plans to invest in cross-border trade?

- We have earmarked a plot of land in Mali Bajmok industrial park for a new, modern customs terminal. With the support of the Serbian Government, it should be completed in a few months. The terminal will help the business operations of current users of the free zone. We have also agreed with the companies doing business there to build an infirmary and a kindergarten, which should also be helpful.



Subotica is best promoted by its investors such as Siemens, Norma Group, Continental, Swarovski, Calzedonia, Leonardo, Dunkermotoren, Metro Cash & Carry, AEG, Tatravagonka, Finat, etc., as they keep investing beyond their initial plans

GOOD INFRASTRUCTURE IS OUR PRIORITY



Ivanjica is the sixth largest municipality in Serbia and one of the raspberry growing ones. The best investment opportunities lie in the wood, textile and food industries, the strongest ones in this area. Investors can rely on skilled labour and local government support to realise their investments.

Which infrastructure projects are in progress, and which are in preparation?

- The most important infrastructure projects in progress are the reconstruction of a section of the Lučka Reka-Javor pipeline, 1,130 metres long. The value of the project is 174,000 euros. Then the building of the Dialysis Centre in the Health Centre Ivanjica. The value of this project is 23 million dinars and the funds have been provided from the local budget.

I would also like to mention the repair of the Occupational Medicine Unit of the Health Centre Ivanjica, valued at nearly 11 million dinars and the Major Ilić Primary School has been given the funds for a complete overhaul of their building, an investment of nearly 30 million dinars.

When it comes to investing in sports and educational facilities, what are the municipality priorities?

- Preparations have been completed for the construction of a sports recreational centre (a sports hall) near the high school, in which

137 million dinars will be invested. It is also worth mentioning the construction of a building that will permanently house the kindergarten in the Kirilo Savić school complex in Crnjevo. The investment is worth around 70 million dinars.

We also have a sketch design for rebuilding the boiler room in Đurđevak kindergarten and transferring it to pellet heating, for which we need 3,2 million dinars. To pay for the repair of its façade and joinery we need another nine million dinars.

We want to renovate another kindergarten, Zvončica, and for this we need around 26 million dinars. We also plan to install heating in the tennis air dome of Sreten Lazarević Primary School in Prilike, valued at 5.3 million dinars, and to fit out new installations in Nedeljko Košanin Primary School in Dević, for which we need 11.5 million dinars.

Can private developers who want to invest in building expect permits to be issued rapidly?

- In cooperation with NALED we have trained all our civil servants to use our new electronic system for issuing permits. We have received 41 applications via our e-government portal and processed 90 per cent of them, which sends a positive signal to investors.

What is the municipality's greatest tourist potential?



ZORAN LAZOVIĆ

Mayor of Ivanjica

Ivanjica municipality invests most in building and renovating health, sports and educational facilities to improve the quality of life. We also have exceptional tourist potential, primarily on the mountain Golija which was declared a nature park and UNESCO biosphere reserve in 2001

- The Golija Mountain was declared a nature park and a UNESCO biosphere reserve in 2001. In 2000, Ivanjica was declared a spa because of its ideal altitude, pine woods and good winds, meaning that our municipality is good for those who suffer from respiratory diseases. In addition to Golija, our jewels are our other mountains, primarily Javor from which you can enjoy a beautiful panoramic view of our town. Rural tourism is well developed in and around Ivanjica: many households here offer excellent accommodation and food.

Our main tourist sites are St Constantine and Empress Jelena Church, Jeremića House, Kušića Han, the Stone Bridge and the hydroelectric power plant Moravica.

In cooperation with NALED we have trained all our civil servants to use our new electronic system for issuing permits. We have processed 90 per cent of applications


RADISAV ČUČULANOVIĆ

Mayor of Kladovo

The municipality of Kladovo sees its opportunities for development in tourism and agriculture. Success in agriculture requires land consolidation and developing the Ključ irrigation system

Kladovo municipality is good for the development of agriculture because of its good quality soil, favourable climate and water resources. The municipality has around 29,000 hectares of arable land where grain, grapes, fruit and vegetables are grown and bees are kept. Land consolidation, to be carried out with the help of the Ministry of Agriculture and Environmental Protection, would reduce the costs of agricultural production. Besides this, a new irrigation system would solve the problems of drought during the summer months. Kladovo municipality has completed a feasibility study on the development of Ključ irrigation system, showing that it would increase yields, maximise the use of land parcels through crop rotation and consequently improve the

EMPEROR TRAJAN'S MONUMENTS AND FETISLAM FORTRESS ARE OUR JEWELS



regularity of agricultural production for the local and wider population.

Our rich cultural and historical heritage makes this area interesting for tourists. It includes Trajan's Plaque, Trajan's Road to Diana (a Roman *castrum*) and Trajan's Bridge. We have prepared a revitalisation programme for these sites, including the entire Pontes site.

We have prepared project documentation with technical specifications for 12 projects of reconstruction and conservation of the medieval Fetislam fortress under the IPA cooperation programme of cross-border cooperation between Romania and Serbia. The estimated value of the works is 8.5 million euros.

Kladovo municipality is also well known for its hydroelectric power plant Đerdap I. This is the most

important hydropower facility in the country and at the same time a border crossing with Romania. This is where the Archaeological Museum of Đerdap and Đerdap National Park lie with the latter partly on the territory of our municipality, and where many cultural and sports events take place. A port for tourist boats has been added to Kladovo's tourist offer.

To attract investors, the municipality has introduced concessions. For example, we do not charge land development fees for the construction of public buildings in public ownership, for utilities and other infrastructure and for production and storage facilities. The concessions also apply to the underground levels of high-rise buildings, outdoor playgrounds, outdoor sports venues and running tracks.

To attract investors, the municipality has introduced concessions. For example, we do not charge land development fees for the construction of public buildings in public ownership, for utilities and other infrastructure and for production and storage facilities

AGRICULTURE IS OUR PRIORITY



PERICA VIDEKANJIĆ

Mayor of Kula

The municipality of Kula lies in the north-west of Vojvodina and Serbia on high-quality arable land, covering an area of 41,000 hectares. Its greatest potential is therefore in agriculture – not only in primary agricultural production but also in the food processing industry.

The municipality's priority is to support the establishment of farmers' associations, such as cooperatives, to strengthen their production and processing capacities, to start and efficiently complete the PGI process for local products and to invest in educating farmers and local civil servants in how IPA funds are used.

Renewable sources of energy also have potential for development. The strategic advantages of Kula municipality are in its favourable climate, arable land, availability of water for irrigation that, with appropriate exploitation and improved technology, can produce

considerable quantities of raw materials for industry, and biomass energy from agricultural waste.

The municipality is making efforts to attract investors that could provide employment for hundreds of workers and enable local enterprises to offer their services to new companies.

We have invested 90 million dinars from the municipal and republic budgets in the infrastructure of Kula's business park. We have already sold one plot in the business park and expect the investors to start building a production, logistics and distribution centre at the beginning of 2017, confirming the value of our business park promotion.

We take an active approach to solving the problem of young people leaving the municipality. We fund students' scholarships and fully cover bus fares for secondary school students.

We have implemented various projects

The three key objectives of Kula municipality in agriculture are to support farmers' associations, to ensure that local products are granted protected geographical indication of origin and for educating farmers and civil servants in the use of IPA funds

and training courses for young people to build their professional skills, we have organised training for prospective freelancers and provided financial support for young people with good start-up ideas.

We have negotiated with a local secondary school to introduce vocational education that would suit investors' needs, to provide secure jobs for secondary school graduates.

By creating a good business environment, the local government and public enterprises are working to contribute to the development of social life. In this regard we allocate significant funds to sport, education and culture, to provide the content that young people want.

The local administration targets investors that can employ hundreds of workers. To cater for their needs, our secondary technical school will introduce a new vocational course

WE HAVE PLENTY TO OFFER

Rich in forestland, waterways, minerals and geothermal springs, this municipality has great potential for development, improvement and attracting new investors



ZORAN JEVTIĆ

Mayor of Mali Zvornik

Mali Zvornik has excellent investment conditions for RES - renewable energy sources, with as many as 27 existing locations envisaged for small hydroelectric power plants.

You are the smallest municipality in the Mačva District, but what are the most abundant resources and the greatest potential of your municipality? And do you have enough personnel and projects to take advantage of them?

- Mali Zvornik Municipality boasts many natural resources, in particular water, forests and minerals. A rich hydrographic network comprises the River Drina and Lake Zvornik, with in excess of 30 watercourses that flow into them with exceptional hydropower. The abundance of forests is also above average, with 53% coverage of the territory, while the most

important mineral resources are antimony, lead and zinc, deposits of granite, limestone and thermal mineral springs.

Apart from the production of electricity, natural conditions have also enabled the development of timber industries, the exploitation and processing of mineral resources, hunting, fishing and spa tourism, while a rich cultural-historical heritage provide the basis for the development of tourism in general. The reconstruction of road and utility infrastructure has improved general conditions for economic development, while the municipality pays special attention to the education of the workforce.

Are there any plans to better promote your city's rich tourist offer?

- Existing tourist facilities will be improved and

new ones introduced. The municipality's role will be to contribute to defining buildings and other things with the status of tourist attractions and making sure they are in order, and to improve tourism infrastructure. We also intend to participate in projects that will see the Municipality of Mali Zvornik presented as an interesting tourist destination.

PROXIMITY TO NEAREST BORDER CROSSINGS

Towards Romania	35 km
Towards Hungary	140 km

POSSIBILITIES OF THE MUNICIPALITY OF ŽITIŠTE

Municipality of Zitiste
 Cara Dusana 15
 23210 Zitiste
 +381 (0)23 821 306
www.zitiste.rs

- favourable geo-transport position for investments, thanks to an international road
- suitable locations for greenfield and brownfield investments
- provision of logistical and technical support to potential investors for the swift implementation of business plans
- good conditions for agricultural production

AN ECONOMIC MIRACLE ONCE MORE



Gornji Milanovac's industry has come through the last decade of transition well, and is one of the most successful in the country. In our municipality the proportion of medium and large firms is much larger than the Serbian average, and we are best known for companies like Metalac, Takovo and Rudnik



Gornji Milanovac is an industrial centre in central Serbia that has been recording a continuous trading surplus for a good number of years. Businesses operating in the municipality mostly export to the CEFTA countries, the Russian Federation and the EU.

As a result of the reorganisation of the municipal administration, Gornji Milanovac now has its own Office for Local Economic Development, which is at the service of investors and also works on removing administrative barriers for businesses. The municipal authorities are also very much engaged in improving the business infrastructure, readily approaching the state authorities as representatives of investors' interests, and fully open to ideas and proposals of potential investors.

The only obligation that investors have here is to become successful. An excellent strategic position, developed infrastructure, political stability, a qualified workforce, expedited issue of permits and a distinctly entrepreneurial spirit have all contributed to the town being dubbed 'an economic miracle' – a tag first given in the 1970s. The municipal authorities are aware that economic development is a condition for the overall development of the community and that their mission is not only to provide services to citizens, but also to support businesses. In cooperation with NALED, the aim is to help coordinate work and the exchange of documentation, thereby creating a more positive business environment. This in turn will raise the capacity of the local government and attract both domestic and foreign investors.

The Ibar highway connects the municipality to Belgrade to the north, and Čačak and the Montenegrin coast to the south, while a regional road connects it to Kragujevac. Corridor 11 runs through the municipality, and once the access road is built, Milanovac will be connected directly to the motorway.

THE CHEMICAL INDUSTRY RECOGNISING OUR POTENTIAL



International investors such as the Cooper Tyres & Rubber Company and Henkel make good chemistry in Kruševac



Among the companies that Kruševac is known for are FAM, a lubricant factory, DS Smith Packaging Ltd, a packaging production company, Rubin, a manufacturer of alcoholic and non-alcoholic beverages, and Tehnogradnja Ltd., a construction company. The city is marked by a strong entrepreneurial spirit, shown by the 5,128 companies registered here.

The local administration fosters partnerships with existing businesses and invests heavily in investment promotion, entrepreneurship development and employment. With an average gross monthly salary of EUR 427 and financial incentives of EUR 1,200 per new job created, Kruševac can offer investors a qualified and experienced workforce under very competitive conditions. In addition to this, the city owns construction land with infrastructure, ready to be taken over by new investors.

Kruševac is NALED certified, as a town whose local government has built a positive business environment, one that has a strategic approach to local economic development and the organisational capacity to provide support to the business community. It has an efficient system for issuing building permits, creditworthiness and financial stability, good infrastructure and reliable utility services, and a transparent policy of local fees, taxes and subsidies.

In addition to a business-friendly environment, the city offers a variety of tourist, cultural, sports and recreational facilities. It offers a number of outstanding medieval monasteries, the widely renowned Kruševačko Theatre, a sports complex, an athletics track and a football stadium built to the highest European standards.

WE HAVE PROVED EFFICIENCY WITH E-PERMITS



MILAN GLUŠAC

Mayor of Vrbas



Vrbas is one of the fastest municipalities in Serbia for issuing building permits, both for commercial investors and private builders

Despite good results in improving local conditions for doing business, the Mayor of Vrbas believes that local governments should be given time to adapt to the latest changes in the regulatory framework.

You recently participated in a NALED working meeting with the Provincial government and its president Igor Mirović. One of the topics was the new Law on Local Government Finance. What do you think of it?

- It is extremely important that the president of the provincial government and his closest staff were prepared to take part in an open dialogue with local government representatives and discuss various topics related to local economic development. When it comes to the Law on Local Government Finance, we believe that we need to re-do the analysis focusing on a municipality's stage of development, and to distribute transfer funds on that basis. We should certainly take care about the transfer of competencies in many fields, because some municipalities find it difficult to finance even current work because of inherited debts.

The Municipality of Vrbas has successfully introduced the unified procedure of electronic issuing of building permits. How much has this improved the overall business environment in Vrbas?

- The speed of processing and issuing building permits is one of the key factors in municipal development, and Vrbas is ranked among the best municipalities for providing efficient service both for residents and commercial investors. Besides high-quality and rapid services, the local government is also working towards certification for ISO9001, 50001 and BSE. In this way we want to guarantee security for investors who choose our municipality. This requires time and energy on the part of all stakeholders who need to join forces and work together on improving the businesses environment and the overall quality of life in the community for the benefit of our citizens.

HEALTHY FRUIT NEEDS PROCESSING FACILITIES



DRAGAN ALEKSIĆ

Mayor of Osečina



A fruit processing facility would create new jobs in the municipality and enable increased sales and the export of organic fruit products

The Municipality of Osečina has considerable resources and development potential. Many of these resources are already being used, but the potential is far from fully utilized. There are plenty of ideas for development projects and concrete plans whose implementation needs a little help and support.

What direction should the municipality's development take and which projects are most important?

- Apart from agriculture, the priorities for development in Osečina are raw material processing and the production of foodstuffs with high added value and export potential. To that end, one particular project that would contribute the most to our development while at the same time boosting employment is the opening of a facility for the production of fruit-based products (fruit juices, marmalades, jams, etc.) that could legitimately be labelled 'healthy' and 'organic' considering the negligible amount of chemicals used in agricultural production in our area.

The production of honey-based products and honey in small packages also carries great potential given the ample honey production that goes on and the potential of the entire region.

Livestock breeding, especially sheep, and the processing of lamb, hogget and mutton also have significant development potential. We have large pastures and over 20,000 head of sheep which, again, is a great development opportunity for this municipality.

Developing the plastic processing sector and establishing links with foreign companies are two additional avenues that carry considerable development potential when we take into account the large range of finished products that this sector produces and the number of people employed.

Which systemic measures would help farmers in Osečina the most?

- Osečina's fruit growers need grants that would help them develop their orchards by strictly applying agro-technical measures and setting up additional hail protection (apart from that provided by their insurance). Also, grants for setting up cooperatives in the form of private or public shareholding enterprises where farmers work together to resolve their issues, set tasks and draft new projects. New infrastructure would further improve rural life and it would be useful if we could open an independent national laboratory in the near future for the quality control of products intended for export.

PREPARING TWO NEW ZONES FOR INVESTORS



BANE SPASOVIĆ

Mayor of Požarevac



Although more and more visitors are coming to see Viminacium, the Ljubičevo horse farm needs restoration to recreate its former glory

Požarevac is the tenth town in Serbia to have completed the registration and updating of its real estate database with the help of GIZ. As a result it has discovered 3,000 new properties eligible for taxation.

In collaboration with the German organization GIZ, you have updated the municipal real estate database. How did this reflect on Požarevac's budget?

- As part of the Municipal Economic Development in East Serbia Project, we were given financial assistance from the German organisation for international cooperation GIZ to ascertain the real situation with registered properties. The project was implemented between March and June 2016. Regarding the project's effect on Požarevac's budget, the collection of property tax in 2015 went up by 21% relative to 2014. In 2014, we collected 133,805,000 dinars in taxes, while, in 2015 that amount stood at 162,003,000. We have continued cooperation with GIZ in 2016 and we expect to finalise activities on determining the real situation with registered property on the municipal territory.

What can be done to further boost the town's economic growth?

- There is a lot of room for further economic development. The town's authorities recently completed a new industrial zone and bought a bankrupt sugar factory that covers 22 hectares of land and has close to 40,000 square metres of commercial property. Our plan is to offer these two locations to investors. A lot more can also be done to improve cooperation with local businesses, an important factor in the local economy. Furthermore, tourism carries huge development potential because we have great tourist locations such as Viminacium and the Ljubičevo horse farm.

FIRST ORGANIC MUNICIPALITY IN SERBIA



RADOSAV VASILJEVIĆ

Mayor of Nova Varoš



The Municipality of Nova Varoš has for many years been one of the rare municipalities in Serbia to work hard at popularising organic farming

Besides its longstanding tradition of food production without the intensive use of pesticides, the municipality of Nova Varoš has important industrial resources, primarily in electricity production and tourism.

Nova Varoš has great development potential and natural resources. Which sectors do you believe have a real chance at faster economic development?

- Tourism, energy and organic food production hold the greatest opportunities to achieve faster economic development in this municipality. There is also industrial potential in wood and plastic processing.

The municipality has ideal conditions for the development of health, youth and sport and recreational tourism, through SRP Uvac, with its beautiful reservoirs, and the local mountains which include the Zlatar spa and the Brijezđa ski resort.

The municipality also has a large supply of water that can be used to produce electricity, and can offer energy production from renewable sources, and at the end of 2013 new facilities were built for pellet production.

Nova Varoš is also called "the first organic municipality in Serbia". How do you see the further development of this profitable branch of agriculture?

- For many years, the municipality of Nova Varoš has worked hard on popularising organic farming. Just look at our participation in the Improvement of Organic Crop Production in the Mountainous Regions of Serbia project, which was funded by the STAR Project of the Ministry of Agriculture, Forestry and Water Management. The first 10 hectares of certified organic production of buckwheat, rye and spelt was grown in this region of Serbia.

EDUCATING WORKERS ACCORDING TO MARKET NEEDS



ZORAN TODOROVIĆ

Mayor of Vlasotince



Employment and infrastructure are the main issues facing the local population, and the local administration is at the disposal of the general public every single day

Over 1,000 people work in the production facilities of Gruner, Elrad, Fiorentino and Manifattura Europea. Elrad and Gruner are currently building new factories and an investor from Bulgaria has just acquired property that once belonged to the Pozamanterija Company. As a result, there are more jobs available in Vlasotince than in the rest of the county combined.

How do you see cooperation between the municipality of Vlasotince and NALED, and how can this cooperation be improved upon?

- The municipality of Vlasotince has been cooperating with NALED for quite some time now, and we are very satisfied with the results. Our goal is to improve the business environment and increase capacities that contribute to local economic development. We can better cooperate by improving local regulations, making it more conducive to a stronger business environment and by providing education and implementing e-government.

What are the priorities of the Municipal Sustainable Development Strategy?

- Four foreign investors have opened production facilities in Vlasotince and together they employ 1,300 workers. Although this is a good result for a municipality with a population of only 30,000, we can still do better. We have therefore been working on improving the investment climate and our e-regulation registry. We are also offering greenfield investment locations while educating our workforce in line with market needs.

Furthermore, we have launched a cooperative education system that will train future industrial mechanics, as this worker profile is in demand in five local factories. We will continue to educate the local workforce according to the requirements of the market. We are also preparing the first development stage of the industrial zone which entails the construction of storm drains, a water-supply grid and new transport roads (including their paving). This will create better conditions for existing and new investors. We are working hard to achieve our vision; to create a strong, advanced community, in line with European standards and open to everyone.

ONE-STOP-SHOP FOR INVESTORS



ROBERT FEJSZTAMER

Mayor of Kanjiža

To better promote its investment potential, the municipality of Kanjiža has established a one-stop-shop in the local administration

Positioned at the crossroads of important transport routes, Kanjiža has always been a place that people not only came to visit, but also came to stay. Since the time of privatisation, Kanjiža has been an interesting destination for both domestic and foreign investors.

Owing to its good geographical position and infrastructure, Kanjiža has a great opportunity to attract investors. Which economic branches have most investment potential?

- The municipality of Kanjiža is located on the crossroads of all kinds of transport routes of exceptional strategic importance. For that reason, we have built a 23-hectare industrial park near the town of Horgoš, which has excellent infrastructure. The traditionally strong economic branches here also present a great opportunity for new investments. These are agriculture, food-processing, construction and tourism. We have ample oil, clay and natural gas reserves, as well as thermal waters. There are also great opportunities in spa and conference tourism, as well as river and riparian tourism.

What is the municipality doing to improve the business environment, making it more attractive to new investors?

- To simplify procedures, to make it easier for investors and to save time, we have established a one-stop-shop which specialises in providing all the necessary information and services, and is more efficient and effective in implementation. The office that services future investors also communicates with other authorities through all stages of the investment process and after. Depending on the size of an investment and its parameters (for instance, new jobs, economic significance), the municipality provides certain incentives for investors, making Kanjiža very attractive to investors.

BFC STANDARD IS THE FOUNDATION OF OUR INVESTMENT PROMOTION



ZORAN ILIĆ

Mayor of Lebane



The municipal development strategy defines the resources to be developed and activities that will lead to higher living standards for the local population

The BFC SEE certification programme gives municipalities clear guidelines on how to create a sound business climate and apply internationally recognised standards for efficient and transparent local administration, and thus become more appealing to investors.

Two years ago, Lebane signed the declaration on joining the regional BFC standard certification programme. What has been done since then to improve the business environment in Lebane?

- The municipality of Lebane views the certification programme as a foundation for the promotion of its investment potential and a means to improve its business environment. In accordance with local municipal standards, the municipality is organised in such a way as to provide comprehensive and efficient responses and support, with the intention of creating a favourable environment and conditions both for existing and future investors.

Which priorities would you single out as most important for further economic development in Lebane?

- Our 2014-2021 development strategy sets our development priorities. We will boost agriculture by increasing production through farm consolidation and by stimulating the production of organic food. Tourism in the region will include existing potential capacities and natural resources, while reviving tourist attractions such as Caričin Grad and the Teodora Visitor's Centre, which are a priority. Attracting new investors, with the aim of job creation is also a significant part of the strategy. SMEs will also be given substantial incentives. Furthermore, we will improve infrastructure while being mindful of the environment and of the need to raise the living standards of our population. These are the clear development plans of our municipality.



BEOČIN

The municipality of Beočin stretches along the right bank of the Danube and the northern slopes of Fruška Gora. It is located in the central region of the Province of Vojvodina, only 17 km from Novi Sad and 80 km from Belgrade. With a total population of approximately 17,000 inhabiting ten towns and villages, the municipality covers an area of 183 km². Forestry is the biggest economic potential in the municipality of Beočin. Of a total of 8,000 hectares of forest, just over 6,500 hectares are situated in Fruška Gora National Park. Apart from a well-developed industry, with the Lafarge-Holcim Company at its centre, Beočin can offer investors a well-equipped industrial zone and good road and river transport routes.

Of Fruška Gora's 17 well-known monasteries, two are located in Beočin and Rakovac. The municipality also includes the Ceptor Conference Centre at Andrevlje. This and the vineyards located on the northern slopes of Fruška Gora are great tourist attractions. They say that two suns shine on the vineyards here - one from above and the other reflected from the surface of the Danube. The wines produced in this area are said to be among the finest in the region.

There are 13 quality wine producers here who have opened their doors to many tourists and, as of late, to cyclists searching for new routes and exploring the area sandwiched between the Danube and Fruška Gora.

The beautiful and powerful Danube, and the close proximity to Fruška Gora National Park provided ample reasons for the municipality to prioritise large-scale tourist projects. These two tourist attractions are also helping transform Beočin into an important tourist centre.



NEW ROADS WELCOME INVESTORS



BOJAN RADOVIĆ

Mayor of Aranđelovac



Aware of the value of good infrastructure in attracting investors, in the last four years Aranđelovac municipality has rebuilt the old Topola - Aranđelovac - Lazarevac highway - 23 km long and worth over €10 million - plus around 100 km of local roads

Aranđelovac is a municipality with exceptional potential for the development of tourism and agriculture. With a good business environment, domestic and foreign investors are happy to come, and the municipal administration does everything it can to make their conditions of work as good as possible.

Aranđelovac has the resources for the development of industry and tourism. What are the municipality's priorities for its future economic development?

- The pillars of Aranđelovac's economic development are agriculture and tourism. The agricultural budget has recently been increased, subsidies have been given to more than 300 farmers and the volume of fruit production has increased. This will remain a priority in the coming years.

In tourism we have recorded a significant growth of visits, Bukovička Spa has regained its previous splendour and status, the 17th century Brvnara Church has been restored and a lot more done. In addition to the most modern hotel Izvor and aqua park, we also have high quality private accommodation and that's why we are optimistic about the development of tourism in the municipality.

Both domestic and foreign investors happily come to our city, and we strive to provide the best conditions for all. We find good infrastructure the most important condition, so in the last four years we have done more than in the past few decades. The old Topola-Aranđelovac-Lazarevac main road covering 23 km has been rebuilt, with a project worth over €10 million. In addition around 100 kilometres of local roads have also been rebuilt. In the period ahead we will continue our excellent cooperation with the relevant ministries.

HIGHWAY TO DYNAMIC DEVELOPMENT



VLADICA DIMITROV

Mayor of Dimitrovgrad



The construction of an industrial zone and completion of the highway from Niš to the Bulgarian border next year will position Dimitrovgrad on the map of Serbia's greenfield sites

The Municipality of Dimitrovgrad is expecting the completion of its Beleš business zone and works on the main circular road around the city.

You recently became Mayor of Dimitrovgrad, which has long been burdened by economic challenges. What are your priorities to improve people's lives?

- The Municipality of Dimitrovgrad is fairly ordered in infrastructure and communal terms, with a wide range of social benefits, but it also faces problems with unemployment and an underdeveloped economy. So the basic priorities are developing industry, agriculture and tourism.

In agriculture, the municipality subsidises investment in commercial agricultural holdings. In tourism it subsidises investment in accommodation and hospitality facilities with the aim of increasing the number of overnight stays and the number of tourist events. Subsidies are for the most part aimed at co-funding investment in fixed assets with the obligation of creating jobs, or subsidising the interest on loans.

Where do you see room for attracting new investors?

- In the last two years we have resolved the property issues around the land of the former socially-owned enterprises and secured some funding from the Ministry of the Economy, so conditions have been created to establish the new Beleš business zone, which will cover five hectares.

The zone is organised into 14 plots, each of 0.2 to 1 hectare. It is directly connected to the highway which is under construction and to the existing trunk road around Dimitrovgrad. The selection of contractors is underway, with a deadline for completion by May 2017. With the construction of the zone and completion of the highway section from Niš to the Bulgarian border the Municipality of Dimitrovgrad will position itself on the map of Serbia's prime greenfield sites.

A SECOND INDUSTRIAL ZONE



ANDRIJA ŽIVKOVIĆ

Mayor of Lajkovac



The Municipality of Lajkovac has great development potential, thanks to its favourable geographical position and proximity to waterways, but also its rich natural resources

The existing industrial zone covers some 105 hectares and is about to be renovated completely. Besides this, Lajkovac is expecting works on the Belgrade - South Adriatic highway to be finished soon and a new industrial zone in Nepričava.

Lajkovac is a municipality with great potential for economic development. What are your plans for the future?

- Our strategic plan is primarily linked to the development of infrastructure projects. These include the completion of the Belgrade - South Adriatic highway (Corridor 11) and the development of a second industrial zone in Nepričava, in the loop of the corridor.

The Municipality's aim is to build and equip the industrial zone, attract new investments from Serbia and abroad and create new jobs, primarily for people who live in Lajkovac.

How would you evaluate the new Law on Local Government Finance?

- Every decrease of transfers from the Republic represents a major problem for every municipality, especially those that are less developed. Compared to the original proposal, this reduction of funds is not substantial, still we will suffer consequences.

The Municipality of Lajkovac will try in various ways to compensate for this difference in the transfer of funds by increasing its own revenue, while ensuring that citizens and businesses are not damaged in the process.

NALED OFFERED THE RIGHT HELP AT THE RIGHT MOMENT



BOBAN JANKOVIĆ

Mayor of Mionica



Thanks to our membership of NALED, Mionica Municipality received directions of inestimable value for attracting new investors

Mionica has been a member of NALED for less than two years but we have already recognised the huge value of what this largest independent private-public organisation can offer - it contributes immeasurably to improving the business environment in small municipalities.

Mionica is a municipality with great potential for developing various branches of industry. What are the municipality's strategic priorities for further development?

- The Municipality of Mionica belongs to the fourth development category. But it has great potential, primarily in tourism as it has the biggest tourist resort in the Kolubara District: Banja Vrujci. This is close to Belgrade, less than an hour away when Corridor XI is opened. Besides Banja Vrujci, our municipality also includes a protected cultural heritage site The Birthplace of Duke Živojin Misić, the Ribnica natural monument and many other cultural and historical monuments. Apart from tourism, the municipality of Mionica bases its future economic growth and development on agriculture. In the next few years we will invest a lot to encourage the development of fruit growing, particularly investment in new equipment.

Thanks to our membership of NALED, we have received guidelines that are invaluable for attracting investors. The success of NALED's expertise is also confirmed by Ana Brnabić, who is the best representative of this organisation. The Municipality of Mionica will continue cooperating actively with NALED in future, because its knowledge, experience and professional support are what we need to lead Mionica to a level that corresponds to its potential.



10 YEARS
SUPPORTING REFORMS IN SERBIA

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NALED MEMBER SHIP

Over the past 10 years, NALED gathered 250 committed and responsible members under the same roof, bringing together most successful domestic businesses, foreign investors, local governments, independent institutions and non-government organizations. NALED members advocate the efficient state administration and e-Government, cutting the red tape, reducing the para-fiscal burden and establishing a level-playing field. As a platform for dialogue between the public, private and civil sector, NALED aligns the views of all three sectors of society, finding agreed-upon solutions in the best interest of the entire community.

NALED BIRTHDAY CELEBRATION



ANA BRNABIĆ
Minister of State Administration
and Local Self-Government

I know what great responsibility lies with those of us who came from NALED to the Government of the Republic of Serbia, because I know how much is expected of us, and I also know that NALED will be our biggest critic. That's what I expect from NALED, just as I expect concrete suggestions for solutions.

The last two years have been a special turning point in the work of the organisation, because we met an openness from the Serbian Government and the National Assembly of the Republic of Serbia that we had not previously experienced and could not have expected. Together with the Government, NALED has formed two important working groups: the Group of Specialists for Combatting the Shadow Economy and the Joint Working Group to improve Serbia's position on the World Bank's Doing Business list. The third major reform element we created together with the National Assembly is the formation of the Economic Caucus, where for the first time a group of MPs from the opposition and the ruling coalition have joined forces to work on amendments to laws that are important for businesses, to create a better business environment.

As for myself and the Ministry of Public Administration and Local Self-Government, our mission will be to create a Serbia without counters but with competent, responsible and efficient personnel in the public administration and local leaders who have all the conditions to realise their vision; an economy that feels the need and duty to pay obligations and comply with regulations and laws under a simple tax system; and above all satisfied citizens. I count on the full support of NALED in carrying out this mission.





BRANISLAV NEDIMOVIĆ
Minister of Agriculture and
Environmental Protection

There are at least three answers to the question of why joining NALED was useful for my local government. The first is that we became a better service to citizens and businesses. We also received international recognition from the Financial Times, which would not have happened if it weren't for NALED. Third, at least one investor who created 700 jobs came to Sremska Mitrovica thanks to the activities of NALED. That's why I can tell all my colleagues that there are always at least three good reasons why they should be part of NALED.

Now, as the minister of agriculture, I will seek help from NALED in establishing a system of food quality control and forming a National Council for Food Safety. We need to make serious reforms in agriculture, but at this moment I see no better partner to the Government of Serbia than NALED and similar organisations. I would like to celebrate our 20th anniversary in the Arena.



MARY BURCE WARLICK
Former U.S. Ambassador to Serbia

You really accomplished so many great things over the past 10 years and it's a great credit to your vision, your dedication and your leadership that there is so much that has been accomplished in terms of improving the business climate and advocating for, and achieving, reforms. NALED's accomplishments over these 10 years have been truly significant in mobilising business, local governments and civil society organisations to work together to improve the business climate in Serbia. Your work with the national government and parliament on regulatory and legislative priorities, improving efficiency, cutting red tape, advancing reforms and economic development in so many ways has been truly profound.

During my time in Serbia, I was honoured to support USAID's assistance to NALED and to participate in some of your initiatives, including the presentation of the Business Friendly Certification to municipalities in Serbia who made great strides in advancing reforms. Once again, you deserve the credit and you deserve to take great pride in all that you have accomplished. I wish you the very best of success as you continue all of this work and more into the next decade and beyond. Congratulations.





KYLE RANDOLPH SCOTT

U.S. Ambassador to Serbia

The U.S. Embassy has supported NALED strongly in the past 10 years and still supports it today, and is very, very proud of the huge success that you have achieved. NALED has proved many times to be a valuable partner of the Government of Serbia and the Serbian people, as well as a champion in important efforts to reform the economy and promote the development at both central and local levels. I am proud of our role in the establishment of NALED and our continued support, but what is more important than our assistance is your job, which brings results and great changes.

Much still remains to be done - the fight against corruption has not yet been completed; the grey economy and para-fiscal charges still represent a significant burden on potential investors. NALED's diverse membership makes this an ideal organisation for working with the new Ministers in these areas. The good news is that in Serbia I see a government, business community and civil society committed to struggle with these challenges. I look forward to continuing our partnership with NALED, the Serbian Government, the business community and civil society to make Serbia an even better place for investment and business in the future. Congratulations NALED in the growth and success achieved over the past 10 years, and I wish you many more years of success.





GORAN KOVAČEVIĆ

President of NALED
Managing Board

Many have asked me why I joined NALED, as someone who has been in private business all his life. I felt that I had to get involved in solving problems and to be engaged in making a better society.

We will achieve key victories in improving the business environment with strong institutions, persistence and creating a business environment in which all people will be able to run a successful business, not just those with above average abilities. The main job is to introduce procedures that will allow people without special skills to start their own small business with two, three or five employees, and I think that this country would be far richer and happier if more businesses like that emerged.

The goal of NALED is a modern Serbia, as an organised state with high international competitiveness. It is clear that our society should not be closed and that the only way to move forward is to open the door to competition. This will be a society in which all relevant information is available when you need it, a society that has an efficient administration and where corruption is the exception, not the rule. These are the systemic rules that need to be introduced.



VIOLETA JOVANOVIĆ

NALED Executive Director

The central place in the story of NALED belongs to our members, all of you who unfailingly put key economic issues on the agenda of the organisation, helping to combine the interests of the public, private and civil sectors, and in that way ensuring we come to the best solution that we can advocate to the government and parliament.

A prominent place is reserved for our institutional partners and donors - the Government of Serbia, ministries, the National Assembly, the Provincial Government, the World Bank, the Delegation of the European Union and other international organisations, institutions of the Regional Network for a Favourable Business Environment, embassies and a number of associates with whom we have achieved very concrete results. At the heart of our story is a small but select team in the Executive Office, which has been listening to the needs of members for years and translates all initiatives and requirements into solutions for a better environment.

There is much that we have managed to achieve together, but our big challenges still lie ahead, in bringing us closer to the vision of Serbia as a society that promotes international cooperation and affirms its own intelligence and power. We have the solutions, we are ready to take responsibility for the tasks entrusted to us by the country, so what remains is to invite you to gather around the idea of NALED and make our platform even stronger for the next 10 years of unity and progress.





Welcome to Lapovo



Njegoševa br.18
Lapovo, Srbija
Pho. +381 34 853-516
office@lapovo.rs
www.lapovo.rs



ON THE OCCASION OF NALED'S 10TH ANNIVERSARY

- For many more summers
- for an even better and more successful business environment
- for the benefit of us all

Congratulations on this important anniversary

Vladimirci municipality
The mayor

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Vladimirci 15225
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Fax: +381 15/513-146
Email:
sovlad@vladimirci.org.rs

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TRAG FOUNDATION
www.tragfondacija.org

Trag is a local foundation which has been providing resources and knowledge for the past 17 years to the people who care about their communities and want to make them better.

Success stories from **more than 200 local communities** are the result of the dedicated work of thousands of active citizens throughout Serbia, all Foundation's employees, and dedicated donors - whose support has helped Trag to invest more than **US\$ 7 million in 1,300 initiatives** launched by local community organizations.

In an effort to revive and promote philanthropic ideas and actions, this year we are celebrating the 10th anniversary of the **VIRTUS** Award for philanthropy.

We would like to invite all companies and individual donors to nominate themselves for this prestigious award during October and November 2016.
www.tragfondacija.org/virtus



Trag Foundation also established a **financial endowment** to support the citizens who are changing our society for the better, first of its kind in Serbia.

Because we care about the future!

The Municipality of Arijelje sincerely congratulates NALED on the occasion of the celebration of 10 years of its existence, with the desire that it celebrates many more successful years.



Office for local economic development
Municipality of Arijelje 53. 31230
Phone: 031 891 918
Email: arijelje@arijelje.org.rs



City Municipality of Lazarevac
Karadjordjeva Street 42, 11550 Lazarevac, Serbia, PAC 214203
Phone: +381 11 8123 191, 8123 128
fax +381 11 8121 067

www.lazarevac.rs



The municipality of Bačka Palanka sends sincere congratulations to NALED on the occasion of the 10th anniversary of its existence and work, with the desire that in the coming period it also records business successes and celebrates many more successful years.



Municipality of Bačka Palanka
Kralja Petra Street 16, 21400 Bačka Palanka, Serbia
www.backapalanka.rs

Office for Local Economic Development: +381 21 210-11-56; ler@backapalanka.org.rs



Municipality of Boljevac
Kralja Aleksandra Street 24, 19370
Phone/fax: 030/463-412; 463-413
Email: kabinet@opstinaboljevac.rs
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City Administration
Kralja Milana 1, 17500 Vranje
kabinet@vranje.org.rs
Tel: 017 402-305; Fax: 421-576



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We congratulate the National Alliance for Local Economic Development on its anniversary - ten years of existence and work. We wish you continued successful cooperation with our municipality.



The City of Čačak
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car suggests you should take a break from driving, street lights go on and off depending on the number of passerbys, traffic lights change colours depending on how heavy the traffic is, your house turns on the air-conditioning an hour before you arrive, drones deliver mail... Everything is smart! Everything is IT! The world has gone DIGITAL!

Ten years ago, business world had a heated discussion about the business vs IT relation and whether IT drives business or whether IT enables business. Today, such debate is completely misplaced. Today, IT is busi-

OUR MISSION

We create **value** for our clients and partners by developing and implementing innovative IT solutions.



Digitalization changed the business model like nothing before.

The Digital Business Platform is the only response to this change or rather to the digitalization of business. And we firmly believe in this! In our case, it is called MIS DIGITAL. Why use the word platform? Because only a comprehensive platform will make it possible for your IT to become your advantage; to bring you victory in the digital world. A platform, or an application or an ERP are not the only solutions. A platform needs to make it possible for your business model to go digital, for your business processes to be described in the form of a model

OUR STRATEGY

MIS DIGITAL

The world has changed! You must have heard this many times, and, yes, it's nothing new. The world has been changing constantly and since the beginning of time. However, the intensity of changes that are happening today is much bigger and faster than ever before. These changes affect us, our lives, the job we do or any job for that matter. Think about these changes....

Today, 'things' communicate among each other. Phones 'talk' to cars and refrigerators, a tennis racket will tell you how well you've played, a T-shirt you exercise in will count how many calories you have burnt, your wrist-watch can reply to your e-mails, your



ness! Amazon or Alibaba, Uber, Air B'n'B... These are the companies that everybody is talking about today. The biggest apartment rental agency doesn't own a single apartment. The biggest taxi company in the world doesn't have a single vehicle. You've heard about this, haven't you? What are these companies actually doing? What is their business? Aren't they really IT platforms that connect the demand (accommodation, car lift) to the supply (apartments, car lifts)? Aren't they actually in the IT business? Yes, to the same extent that a telecommunications company or a 'classical' IT company is. Yes, IT is a business! And business, just like the entire world, is DIGITAL!

OUR VISION

To empower our customers to transform their business via **becoming digital**.



(not images), to facilitate integration of different IT systems used in the company (since no company has just one IT system – and we want all IT systems to 'talk' among each other), to facilitate digitalization of your business logic, to have information systems support everything you do, and to have an intelligent system supporting good decision making based on the real time analysis of your data and processes. Also, this platform needs to ensure, through combining the standard and the stable in the background of your business, and the agile and the flexible in the client segment, that you are ready to react to changes, new demands and challenges. In other words, that you become a DIGITAL ENTERPRISE.

This is why MIS DIGITAL is our strategy!
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