

# **Regional and Rural Development to Serbia Phase I**

## **The Evaluation Report**

**by Dragiša Mijačić, Jasna Žarković and Dr Vesela Vlašković**

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**Swiss Cooperation Office Serbia  
Embassy of Switzerland**

**Regional and Rural Development to Serbia  
Phase I**

# **The Evaluation Report**

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## **PREFACE**

The evaluation was carried out by InTER experts: Dragiša Mijačić (Team Leader), Jasna Žarković (Regional Development Expert) and Dr Vesela Vlašković (Rural Development Expert). The evaluation team wishes to thank Swiss Cooperation Office Serbia and project staff from NIRAS for facilitating the evaluation process and for ensuring that all necessary interlocutors were available, logistics were in place and that the field visits were professionally organized. The evaluation team would also like to thank representatives of national and regional stakeholders, as well as project beneficiaries for sharing their insights and views on cooperation within this project intervention.

The evaluation mission was carried out from February to June 2018.

**Disclaimer:** The views and comments expressed in the evaluation are the responsibility of InTER, and do not necessarily reflect the opinion of any other party, including Swiss Cooperation Office Serbia / Embassy of Switzerland in Serbia, NIRAS, project stakeholders or beneficiaries.

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## LIST OF ABBREVIATIONS

AAES	Agricultural Advisory and Expert Service
ADA	Austrian Development Agency
DAS	Development Agency of Serbia
DCC	Danube Competence Center
DMO	Destination Management Organization
EU	European Union
EQ	Evaluation Question
GIZ	Gesellschaft für Internationale Zusammenarbeit GmbH
GoS	Government of Serbia
IMC	Inter-Municipal Cooperation
InTER	Institute for Territorial Economic Development
IPA	Instrument for Pre-accession Assistance
IPARD	Instrument for Pre-accession Assistance for Rural Development
LAG	Local Action Group
LEADER	European Union initiative for rural development ( <i>in French: Liaison Entre Actions de Development de l'Economie Rurale</i> )
LGU	Local Government Unit
MED	Municipal Economic Development in Eastern Serbia
MEI	Ministry of European Integration
MoA	Ministry of Agriculture, Forestry & Water Management
MoE	Ministry of Economy
MoT	Ministry of Tourism, Trade & Telecommunications
MPA	Ministry of Public Administration & Local Self Government
NARD	National Agency for Regional Development
PSC	Project Steering Committee
PSD	Private Sector Development
RDA	Regional Development Agencies
REDASP	Regional Economic Development Agency for Sumadija and Pomoravlje
RDAPPR	Regional Development Agencies of Podgorina, Podrinje and Radjevina
REG	Regional Economic Growth
RRDS	Regional and Rural Development to Serbia
SARRA	Serbian Association of Regional Development Agencies
SCO	Swiss Cooperation Office
SCTM	Standing Conference of Towns and Municipalities
SDC	Swiss Agency for Development and Cooperation
SLDP	Sustainable Local Development Project
SWG	Regional Rural Development Standing Working Group in South Eastern Europe
ToR	Terms of Reference
UNOPS	United Nations Office for Project Services

## EXECUTIVE SUMMARY

The report provides findings, conclusions and recommendations that arrived from the evaluation of the Swiss Agency for Development and Cooperation's (SDC) project Regional and Rural Development Support to Serbia (RRDS) - Phase I.

The objective of the evaluation was to assess achieved results and identify lessons learned from the implementation of the Phase I, and provide recommendations for the further interventions. In particular, the core of the evaluation assignment was to: Assess the achievements of the current project phase and lessons learnt; Support NIRAS with recommendations allowing the project to consolidate and sustain its major achievements for the remainder of the current phase; and Support SCO Serbia with recommendations for the second and last project phase of the RRDS project.

The evaluation has been carried out by the Institute for Territorial Economic Development - InTER, from February to June 2018.

**Project Description:** The project document was designed with purpose to support development in Serbia at sub-national level (regional, local or community level) by applying place-based approach in functional spaces in regional and rural development, as well as by stimulating horizontal and vertical governance processes that included multi-stakeholder policy coordination among key national, regional and local stakeholders in Serbia. The project focuses to selected geographies with the intention to generate models of best practices and learning examples that can be translated into national policy, and that can inspire and motivate different development actors to act on behalf of their communities and geographies.

Geographically, the project covers 28 municipalities in four administrative districts (Srem, Macva, Kolubara i Sumadija). The Phase I of the RRDS project cover period 2015 - 2019, with the budget of CHF 3,699,590 million. RRDS has been implemented under the SDC Mandate Agreement for Project Implementation, signed with NIRAS (Poland/Denmark).

**Conceptual Framework:** Regional disparities in Serbia are among the highest in Europe. However, the Strategy for Regional Development in Serbia has expired in 2012 and the new one has never been adopted. The necessary changes of the Law on Regional Development have also not been adopted yet. After the 2014, the new government shifted its focus from balanced regional development to the development model primarily based on subsidies to foreign direct investments. As a consequence, the government changed the institutional framework, merging NARD with SIEPA and establishing DAS that has been more focused on investment promotion than on regional development. According to this shift, the Ministry of Economy reduced their competencies in regional development. On the other side, the government created the Ministry without Portfolio that should be in charge of regional development yet their role was not clearly defined.

Regarding rural development, in 2014, GoS adopted a new Agricultural and Rural Development Strategy 2014-2024, the National Development Programs 2015 - 2020, while in 2015, the European Commission allocated 175 million EUR for supporting Rural Development Programme in Serbia under the IPARD. In forthcoming years the most intensive work in rural development in Serbia will be focused on creation of local action

groups, designing and implementing local development strategies through LEADER approach (Measure 5 of IPARD).

**Key Findings:** Key Findings of the report examines the overall performance of RRDS project, summarised under the headings of Relevance, Effectiveness and Efficiency.

**Relevance:** The project design was pretty ambitious in a given time framework, especially the Phase I that was too short for such intervention. Vertical logic of the project has been vague, with unclear links between outputs, outcomes and impact. One of the major comments of the project design is that it did not clearly explain models of “functional spaces” and “place-based approach”, which was crucial for later utilisation and promotion of those concepts among policy actors, key stakeholders and project beneficiaries.

The project has been relevant to rural development, both at the national and local/regional level. The project intervention has come at the right time for MoA and provided tailor-made support to rural development policy. The relevance of the policy-related component for regional development at the national level has been lost during the project implementation, since the circumstances has changed at the policy level. Concrete mitigation measures of the policy component were taken rather late, during the final year of the Phase I. The project provided technical assistance and financial support relevant to development needs of regional and local beneficiaries gathered in the Partnership Initiatives.

**Effectiveness:** The project has achieved good results in rural development, especially in terms of supporting accreditation processes for IPARD programme and cooperation between MoA and SCTM that led to better coordination between AAES and LGUs. Results in rural development are less tangible, especially at the policy level, mainly due to lack of government interest to response and actively participate in the project activities related to this sector.

The project has supported creation of five multi-stakeholder Partnership Initiatives, consisting of partners from public, private and civil sector, gathered together to work on development challenges in their respective territories. In order to solve development needs in targeted geographies, the Partnership Initiatives have been supported by grant projects from the Fiduciary Fund. Nevertheless, the core idea of the grant projects was to generate lessons learned and best practices that would be used by policy makers in (re-)designing territory-sensitive regional and rural development policy in Serbia. Since most of the grant projects are in the implementation phase, it is too early to assess their effects to policy development.

The project has also established the Policy Platform that gathers actors from national and regional/local level, primarily consisted of stakeholders that are somehow engaged in the project implementation. The Policy Platform should intensify their plenary sessions and extend its membership to other key stakeholders that are relevant to those two sectors (regional and rural development).

**Efficiency:** At the strategic level, the project has been managed by PSC, consisted of representatives of SDC, MoE, MoA, DAS (formerly NARD), SCTM, MEI and 3 RDAs that are participating in the project. At the operational level a well-established international consortium led by NIRAS, and a project team with strong competencies and skills manage the project. Nevertheless, all members of the project team are engaged on a part-time basis, which



affects efficiency in project delivery, responsiveness to key stakeholders and project beneficiaries, as well as visibility of the action. This issue was recognised by NIRAS as well. The project team has also been supported by a number of non-key international and local experts that are engaged to deliver specific tasks.

The budget is split between three outcomes, where the largest share of the budget is allocated for the Fiduciary Fund. Financial records are showing a significant budget under spending, since only 36.45% of the budget allocations were spent by October 2017.

The project has been implemented timely, without major delays. Due to a complexity of the project action and sequencing of the intervention, the grant projects were constrained by short duration of the award contract.

**Conclusion:** RRDS is the only project in Serbia that supports both regional and rural development, providing support to national authorities and regional/local level development actors. This has been a new development initiative, implemented in sectors and geographies where SDC did not have a strong history of cooperation. On the other side, the project design was pretty ambitious in a given time framework, especially the Phase I that was too short for such intervention. The project goals and objectives are related to changing attitudes of policy makers and governance practices, which are processes that take time, and cannot be achieved by a single intervention. Therefore, Phase I should be primarily considered as a foundation of processes and interventions that will come later.

During the Phase I RRDS project achieved numerous results at national and regional/local level that provides a good base for the next implementation period. Launching of the Phase II gives an excellent opportunity to make the necessary changes on the vertical project logic, and to re-structure the project team with full time engagements that will lead to more result-oriented achievements.

In its nature, RRDS is an intervention focused on learning. This segment should be more strengthened in the Phase II, especially in terms of identifying and promoting case studies, best practices and lessons learned in implementing development interventions and territorial policies (both regional and rural). Models of best practices in multi-stakeholder cooperation achieved through implementation of grant projects should also be thoroughly studied and presented to the policy arena.

**Recommendations:** The evaluation proposes two types of recommendations, ones related to immediate response for finalising the Phase I (till January 2019, with extension to October 2019), and those referring to the Phase II of the project starting October 2019.

***Recommendations to the end of the Phase I:***

- #1 To provide support to strengthening internal governance mechanisms within the Partnership Initiatives.
- #2 To extend the implementation of the grant projects awarded by the Fiduciary Fund, where possible to the end of 2018.

- #3** To strengthen horizontal cooperation between the Partnership Initiatives. The Partnership Initiatives should also look for synergy with other relevant development initiatives in Serbia.
- #4** To create mechanisms within SCO/SDC in Serbia for institutional cooperation and exchange of information between Swiss-funded projects in Serbia.
- #5** To extend membership in the Policy Platform. To develop a plan for organising plenary sessions of the Policy Platform to the end of the Phase I.
- #6** To invest more capacity in learning from case studies and best practices.
- #7** To strengthen communication, information dissemination, promotion of the project results and visibility of RRDS.
- #8** To revise the project document, especially its vertical structure.
- #9** To allocate more human resources to project implementation.

***Recommendations for the Phase II:***

- #10** To keep the same project areas in the Phase II.
- #11** To provide institutional and tailor-made support to the Partnership Initiatives.
- #12** To support creation and capacity building of at least one LAG in Serbia.
- #13** To redesign the Fiduciary Fund.

## INTRODUCTION

This report provides findings, conclusions and recommendations that arrived from the assessment of the Swiss Agency for Development and Cooperation's (SDC) project ***Regional and Rural Development Support to Serbia (RRDS) - Phase I***, implemented by the consortium of partners composed of NIRAS (Poland, Denmark), Polish Rural Forum (Poland) and Partner Solutions (Serbia).

The project focuses on delivering interventions that enable Local Government Units (LGU) and other partners to access EU & national funds and lead their own development. The resources prompt democratic decision taking at local level on investment priorities that lead to the provision of more quality services to citizens and the private sector. Geographically, the project covers 28 municipalities in four administrative districts (Srem, Macva, Kolubara i Sumadija).

The request for the external evaluation has been determined within the Terms of Reference (ToR – provided in Annex 1), followed by the Contract signed between SDC and the Institute for Territorial Economic Development (InTER), which has been chosen to be a service provider for this assignment.

It should be emphasized that evaluation is not a fault-finding mission. It was instead designed to derive external independent opinion on the project's performance, achievements so far and possible areas of improvement. It also gave an opportunity for SDC and RRDS implementation team, beneficiaries and stakeholders to reflect on the project design and structure, how it was implemented, the lessons learnt and to understand the levels of achievement of the first project phase through an external evaluation.

The external evaluation was carried out from February to June 2018.

## OBJECTIVE OF THE EVALUATION

The objective of the (external) evaluation is to assess achieved results and identify lessons learned from the implementation of the Phase I of RRDS project, and provide recommendations for the further interventions. In particular, the core of the evaluation assignment was to:

- Assess the achievements of the current project phase and lessons learnt;
- Support NIRAS with recommendations allowing the project to consolidate and sustain its major achievements for the remainder of the current phase; and
- Support SCO Serbia with recommendations for the second and last project phase of the RRDS project.

The main stakeholders of the evaluation are:

- SDC Serbia;
- NIRAS;
- National level partners: Ministry of Agriculture, Forestry & Water Management (MoA), Ministry of European Integration (MEI), Development Agency of Serbia

(DAS), Standing Conference of Towns and Municipalities (SCTM), regional and rural networks, etc.

- Beneficiary Regional Development Agencies (RDA): Regional Economic Development Agency for Sumadija and Pomoravlje (REDASP), RDA Srem and RDA of Podgorina, Podrinje and Radjevina (RDAPPR);
- Regional and local stakeholders and local governments as beneficiaries of project initiatives.

## SCOPE OF WORK & METHODOLOGY

The scope of the external evaluation is organised around Evaluation Questions (EQ) provided in ToR (see Annex 1), which are gathered around relevance (5 EQ), effectiveness (17 EQ), efficiency (8 EQ), lessons learned and recommendations (6 EQ).

The assignment was carried out by InTER team: InTER experts: Dragiša Mijačić (Team Leader, Professional Evaluator and Territorial Development Expert), Jasna Žarković (Regional Development Expert) and Dr Vesela Vlašković (Rural Development Expert). Backstopping was provided by NIRAS, which provided assistance in scheduling meetings with key stakeholders in beneficiary regions and transport, as well as by InTER core staff that provided assistance in editing, proofreading and design of the report.

The evaluation methodology included using different qualitative and quantitative instruments for analysing primary and secondary data collected through various stages of the assignment. In principle, evaluation performance was carried out in five phases: (1) inception phase; (2) preparatory phase; (3) field work; (4) analysis and reporting; and (5) discussion of the evaluation results

### *Inception Phase*

In order to ensure the most effective approach for the evaluation, an initial briefing session was held at the Swiss Cooperation Office Serbia (SCO) with key staff responsible for management of the project, including Ms Ursula Läubli, Director of SCO, Ms Priska Depnering Deputy Director, Mr Petar Vasilev, National Program Officer for Governance and Ms Milica Stojanovic, Junior National Program Officer. During the briefing session, the objectives and expected results of the evaluation were discussed in details, as well as the timeline and deadlines, list of key stakeholders and interlocutors, reporting structures, etc.

### *Preparatory Phase*

During the preparatory phase a review of project documents and reports was carried out that had been provided by SCO/SDC, as well as other relevant publications, legislative acts, etc.<sup>1</sup> As a result of this phase, the evaluation team made a list of assumptions that were later verified through interviews with SCO/SDC, NIRAS, key stakeholders and beneficiaries.

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<sup>1</sup> List of project documents reviewed is provided in the Annex 3

### ***Fieldwork***

The fieldwork was organised with purpose to collect primary data that will help in checking preliminary hypothesis and assumptions determined during the previous phases. Besides, the fieldwork mission was used to check attitudes and perceptions of key stakeholders and project beneficiaries over the project implementation and achievements. During this phase *tête-à-tête* and group interviews were organised with key interlocutors at national, regional and local level, as well as with the SCO/SDC staff and NIRAS team. Interviews were held in Belgrade, Ruma, Kragujevac and Loznica. In total, 35 people were interviewed during this phase.<sup>2</sup>

### ***Analysis & Submitting the Evaluation Report***

After the fieldwork, the evaluation team carried out analysis, where findings, conclusions and recommendations were extrapolated by triangulation of data collected from primary and secondary sources. In this phase the evaluation report was drafted and submitted to SCO for comments. The final evaluation report will be submitted after receiving feedback from SCO.

## **LIMITATIONS**

There is no significant limitation that affected the evaluation mission. A minor limitation occurred in inability to reach a few key interlocutors, either due to staff changes (i.e. the former director of RDA of Podgorina, Podrinje and Radjevina) or due to lack of availability (i.e. director of DAS and representatives of MoE). Nevertheless, those limitations have not influence the quality of findings in the report.

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<sup>2</sup> List of interviewees is given in the Annex 2.

## PROJECT DESCRIPTION

### BACKGROUND

The project document was designed back in 2014 with purpose to support development in Serbia at sub-national level (regional, local or community level) by applying place-based approach in functional spaces in regional and rural development, as well as by stimulating horizontal and vertical governance processes that included multi-stakeholder policy coordination among key national, regional and local stakeholders in Serbia. The project focuses to selected geographies with the intention to generate models of best practices and learning examples that can be translated into national policy, and that can inspire and motivate different development actors to act on behalf of their communities and geographies.

### PROJECT STRUCTURE

The project goal and the outcomes are presented below, while the whole vertical structure of the project, goals, outcomes and outputs, are provided in the Annex 4.

**Project goal:** local governments access additional financial resources to deliver on their competences; the resources prompt democratic decision taking at local level on investment priorities (within national priority sectors agreed with central government) and lead to the provision of more quality services to citizens and the private sector.

**Outcome 1:** The Ministry of Agriculture and Environmental Protection, Ministry of Economy, Public Policy Secretariat, DAS the SCTM, LGUs and other relevant institutions share and drive a common vision of rural and regional development based on the concept of functional spaces and promoting bottom up innovation; Parliament, Ministries, State Agencies approve new regulatory framework, strategies, programmes and action plans reflecting the new vision.

**Outcome 2:** At least three combined regional and rural development initiatives inspired by the new vision demonstrate country wide the feasibility and usefulness of the functional spaces approach while fulfilling EU funding criteria and increasing Serbia's EU funding absorption capacity.

**Outcome 3:** The models of regional and rural development inspire policy makers, and LGU stakeholder to apply for EU regional and rural development pre accession funding to (co-) fund their own initiatives.

Distribution of consultancy days per outcome is the following: 599 days for the Outcome 1, 1,650 days for the Outcome 2, and 355 days for the Outcome 3.

## GEOGRAPHY

The project covered two functional regions:

1. Sremski district and Macvanski district, and
2. Kolubarski district and Sumadijski district.

The project territory included territories of 28 LGUs: Sid, Indjija, Sremska Mitrovica, Irig, Ruma, Stara Pazova, Pecinci, Sabac, Loznica, Bogatic, Vladimirci, Koceljeva, Mali Zvornik, Krupanj, Ljubovija, Valjevo, Osecina, Ub, Lajkovac, Mionica, Ljig, Kragujevac, Arandjelovac, Batocina, Topola, Lapovo, Raca and Knic.

## TIMEFRAME & BUDGET

The total budget for the first phase, 2015 - 2019, of the Regional Rural Development Serbia Programme is CHF 3,699,590 million.

This includes the Fiduciary Fund of CHF 1.62 million, which will be utilized to co-finance selected regional and rural development initiatives in the targeted territories.

**Table 1:** Breakdown of the budget by the Outcomes (in CHF)

Total Budget	Outcome 1	Outcome 2	Outcome 3
3,699,590	713,264 (19% of the total budget)	2,735,061 (74% of the total budget)	251,265 (7% of the total budget)

Source: The Project Document, p.32

## IMPLEMENTATION MODALITY

The project has been implemented under the *SDC Mandate Agreement for Project Implementation*, signed with NIRAS (Poland/Denmark) as the lead partner of consortia with FAOW - Polish Rural Forum (Poland) and Partner Solutions (Serbia).

### Project Management

The project team has been consisted of:

- Mr. John Gallagher, Team Leader (part-time engagement, with 330 consultancy days);
- Ms. Irina Slavković, Deputy Team Leader (part-time engagement, with 480 consultancy days);
- Mr. Branislav Milić, Rural Development Expert (part-time engagement, with 330 consultancy days);

The Team Leader & Deputy Team Leader were responsible for day-to-day internal management of the project, and they were supported from within the project by an administrative staff member.

NIRAS Warsaw Office was in charge of the overall project management, financial management and quality control, through the following staff:

- Mr. Jacek Niewiadomski, Project Director;
- Mr. Tomasz Łuczyński, Project Manager;
- Mr. Claus Jørgensen, NIRAS Quality Control & Business Integrity Manager, and
- Mrs. Anna Gałaj, Project Financial Controller.

### *Project Steering Committee*

The Project Steering Committee (PSC) is in charge of the overall management of the project, comprising of representatives of Swiss Agency for Development and Cooperation, Ministry of Economy (MoE), Ministry of Agriculture, Forestry and Water Management (MoA), Development Agency of Serbia (DAS), Ministry of European Integration (MEI), Standing Conference of Towns and Municipalities (SCTM), and three RDAs from the two project targeted regions.

The specific responsibilities of PSC included:

- Strategic decision making;
- Monitoring of overall implementation progress;
- Approval of annual work plans;
- Approval of Phase I completion report.

Agendas, minutes, translations and interpretations for PSC members were distributed after each meeting.



# CONCEPTUAL FRAMEWORK

## REGIONAL DEVELOPMENT IN SERBIA

Regional disparities in Serbia are among the highest in Europe. Recognising this as an important issue, Article 94 of the Constitution of Serbia (2006) stipulates that the Government of the Republic of Serbia should take care of balanced and sustainable regional development, according to the Law. The GoS has adopted the 2007-2012 Strategy for Regional Development and the Law on Regional Development of the Republic of Serbia (adopted in 2009, amended in 2010). According to the (amended) Law on Regional Development, Serbia was territorially divided into 5 regions according to NUTS 2<sup>3</sup> classification.

In terms of the institutional framework, the GoS has created the National Council for Regional Development, consisting of all ministries and government agencies whose work relates to regional and local development. Ministry of Regional Development<sup>4</sup> was created with responsibilities of designing and monitoring regional development policy, as well as the National Agency for Regional Development (NARD), which was in charge of implementing regional development policy. With support of the European Union and a few bilateral donor agencies, a number of Regional Development Agencies (RDA) were established across Serbia. RDAs were established as a multi-stakeholder, primarily inter-municipal agencies with mission of supporting socio-economic development issues at NUTS 3 (in Serbian: *okruzi*) territorial levels.<sup>5</sup> As a part of the legislative framework for regional development, GoS adopted a system for accreditation and financing of RDAs. Until today GoS has accredited 15 RDAs.<sup>6</sup> Accredited RDAs in Serbia established the Serbian Association of Regional Development Agencies, called SARRA (in Serbian: *Srpska asocijacija regionalnih razvojnih agencija - SARRA*).

In early 2010s, the necessity to change the legislation and strategic framework for Regional Development Policy in Serbia was recognised. In that regard, as a part of IPA funds, European Union provided support to GoS in drafting the National Plan for Regional Development and Regional Development Strategies for four NUTS 2 regions in Serbia.<sup>7</sup>

Nevertheless, following the results of elections in 2012, the new GoS Cabinet of Mr Ivica Dacic (2012-2014) showed much less interest in regional development policy compared to the previous one. This was reflected in the fact that GoS and its Ministry of Regional Development (and Local Self-government) never adopted the National Plan for Regional Development and Regional Development Strategies. On the other side, in this period, Government of the Autonomous Province of Vojvodina has adopted the 2014-2020

<sup>3</sup> NUTS - Nomenclature of territorial units for statistics is the official division of the EU for regional statistics.

<sup>4</sup> Ministry of (Economy and) Regional Development was first time created in 2007 as a part of the (second) Government of Dr Vojislav Kostunica (term 2007-2008). Following the 2008 elections, the new Government of Dr Mirko Cvetkovic (term 2008-2012) also had a Ministry of (Economy and) Regional Development.

<sup>5</sup> RDAs covered either one, two or in a few cases even three NUTS 3 regions. There are a few RDAs that cover functional spaces across NUTS 3 regions, such as SEDA from Novi Pazar or RDA Panonreg from Subotica.

<sup>6</sup> List of accredited RDAs is available here: <http://ras.gov.rs/en/useful-links/regional-agencies>

<sup>7</sup> Excluding the Regional Development Strategy for Kosovo (and Metohija) which has been considered by GoS as a part of Serbia proper.

Vojvodina Regional Development Strategy. Although it was necessary and planned to happen, there were no changes of the Law on Regional Development as well.

The following GoS Cabinet of Mr Aleksandar Vucic (2014-2016) went further in diminishing the regional development policy in Serbia, when competencies of regional development were reduced to the level of a Sector within MoE. The new government shifted its focus from balanced regional development to the development model primarily based on subsidies to foreign direct investments. During the term of this government, NARD was merged with Serbia Investment and Export Promotion Agency (SIEPA), establishing DAS.

The following GoS Cabinet of Mr. Vucic (2016-2017) further reduced MoE's competencies in regional development, reducing the sector to the level of a unit. The current GoS Cabinet of Ms Ana Brnabic created a Ministry without Portfolio in charge of regional development (and coordination of public enterprises). Nevertheless, this Ministry without Portfolio has been mainly focusing on village (community) development by supporting co-operatives. The Ministry without Portfolio also did not show any interest in creating measures for regional development or continuing the work on drafting the new Law on Regional Development, or preparing the National and Regional Strategies on regional development. The Ministry without Portfolio does not have institutional links with DAS (which retains strong institutional links with MoE). Besides, the Ministry without Portfolio did not show interest to participate in the RRDS project.

To conclude, the Strategy for Regional Development in Serbia has expired in 2012 and the new one has never been adopted. The new Law on Regional Development has also not been adopted, or drafted. The institutional framework has also been changed, with unclear role of the Ministry without Portfolio in charge of regional development and a limited role of MoE.<sup>8</sup> DAS has been more focused on investment promotion than on regional development, while RDAs are trying to survive through state subsidies and grant support. Nevertheless, regional disparities in Serbia have remained to be among the highest in Europe.

## RURAL DEVELOPMENT IN SERBIA

According to the OECD definition,<sup>9</sup> rural areas in Serbia account for about 75.1% of the country's territory encompassing almost half of the total population (49.9%). Rural areas are characterized by a diversity of landscapes and biological features, rich cultural heritage and natural resources. They are also characterised by a high degree of depopulation.

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<sup>8</sup> Although MoE has limited competencies in regional development, they continued to implement their programs related to regional development, and those are (Law on the Budget of the Republic of Serbia):

- Program for development of local and regional infrastructure;
- Program for development of business zones;
- Program for development of business infrastructure;
- Program for support to balanced regional development (with two measures: Support to accredited RDAs for providing standardized set of services to LGU, and Support to LGU for preparation of good quality project proposals and co-financing membership fees to RDAs);
- Program for Development of Drina region (area-based program).

<sup>9</sup> Rural areas defined according to the OECD criteria at municipal level.

Agriculture is among key sectors of Serbian economy and represents a driver for development of rural areas. For instance, in 2016, agriculture accounted for 11.9% of GDP, which was 2.4% higher than in 2015. According to the Serbian Statistical Office, in 2016, there were 680,000 people employed in agriculture or 21% of the total labour force in the country. Serbia has a fertile arable land, good climate and natural conditions for agriculture and agro-food processing.

Agriculture is especially important for rural areas. Nevertheless, this sector is facing challenges to restructure, to harmonise with the EU standards and to increase productivity and competitiveness. Besides, the process of harmonization of national legislation with the *Acquis Communautaire* in the area of food safety, hygiene, environmental protection and animal welfare, requires significant financial and human resources, time and a continuous political commitment.

Since 2009, Serbia has adopted 34 laws and over 120 bylaws that created a legislative framework for agriculture and rural development. This legislative framework has also been harmonised with the EU requirements and the rules outlined by different international organizations such as the World Trade Organisation or the International Union for the Protection of New Varieties of Plants.

In 2014, GoS adopted a new Agricultural and Rural Development Strategy 2014-2024, which was a requisite for receiving EU funding in this sector. Besides the Strategy, the Ministry of Agriculture, Forestry and Water Management (MoA) also prepared the National Development Programs 2015 - 2020, with more specific measures for implementing the Agriculture and Rural Development Strategy.

In January 2015, as a part of 2014-2020 financial framework, the European Commission allocated 175 million EUR for supporting Rural Development Programme in Serbia under the Instrument for Pre-accession Assistance for Rural Development (IPARD). IPARD has two objectives, three priority axes and nine measures<sup>10</sup> out of which GoS selected six measures that will be supported by IPARD in Serbia:

**Measure 1:** Investments in physical assets of agricultural holdings;

**Measure 3:** Investments in physical assets concerning processing and marketing of agricultural and fishery products;

**Measure 4:** Measures in the field of agriculture, environmental protection, climate and organic production;

**Measure 5:** Preparation and implementation of the local development strategies (LEADER approach).

**Measure 7:** Diversification of agricultural holdings and business development;

**Measure 9:** Technical assistance;

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<sup>10</sup> [https://ec.europa.eu/agriculture/enlargement/assistance/ipard\\_en](https://ec.europa.eu/agriculture/enlargement/assistance/ipard_en)

So far, the European Commission accredited Serbia for Measure 1 and Measure 3. The first Call for Applications for Measure 1 of IPARD was launched on 25 December 2017, while the first Call for Measure 3 was launched on 30 March 2018.

For the purpose of RRDS project it is important to mention the Measure 5 that supports implementation of local development strategies through LEADER approach. LEADER is a rural development instrument that applies territorial approach and multi-stakeholder cooperation and coordination with intention to strengthen social capital and networking, promote better local governance, improve infrastructure, stimulate employment and diversification of rural economies, development of the service sector in local communities and the level of nurturing of cultural heritage, as well as to improve competitiveness and innovative responses to old and new rural problems. In forthcoming years the most intensive work in rural development in Serbia will be focused on creation of local action groups, designing and implementing local development strategies through LEADER approach.

## KEY FINDINGS

### RELEVANCE

The RRDS project was designed back in 2014, in an intensive consultative process that included a large number of stakeholders from national and regional level, among others line ministries (MoE, MoA), government agencies including NARD (later known as DAS), SCTM, RDAs, relevant research institutes and policy centres and many others. This consultative process was supportive to the overall relevance of the project to selected target groups and beneficiaries. The project was created to support policy coordination and policy development at the national level, and to stimulate socio-economic development processes at the regional and local/community level in targeted geographies. The core of the project is to support application of functional-space approach in rural and regional development, and to stimulate governance mechanisms that foster horizontal and vertical multi-stakeholder coordination between key public, semi-public (i.e. SCTM or RDAs) and non-public actors (private sector and CSOs). All these principles are also in line with the contemporary European practices in fostering territorial cohesion and place-based development.

It is important to mention that the project was prepared in a specific period when GoS was creating legislative framework and institutional structures for both topics of interest to this intervention: rural and regional development. As discussed in the previous chapter on conceptual framework, at the time of preparing this project, GoS, MoE and NARD were engaged in drafting the new Law on Regional Development and preparing the National Plan/Strategy for Regional Development. Nevertheless, even in 2014 it was clear that GoS was pulling out from designing a new regional development policy, leaving all processes related to this sector in a deadlock. However, the final version of the project document did not foresee those processes as a risk,<sup>11</sup> which was later reflected in the lack of appropriate mitigation measures to react in those circumstances. As a result, **relevance of the project intervention to regional development, especially of its policy-related component at the national level, has been inadequate.** As a consequence, implementation of the project activities led to moderate achievements of expected results related to regional development at the policy level, and involvement of MoE in project activities has remained marginal.

Although the issue of relevance to the policy component of regional development has been recognised by NIRAS and SDC in the early phase of project implementation, **concrete mitigation measures were taken rather late, in late 2017 and early 2018** when NIRAS and SDC finally took steps to make corrective actions that led to necessary changes of the project Logical Framework.

As said before, regional imbalances in Serbia are among the highest in Europe, therefore any support to development initiatives at community, local and regional level is relevant to improving socio-economic conditions. Nevertheless, the core of this project intervention is in promoting innovative approaches in regional (and rural) development through applying a functional spaces and/or place-based approach in selected territories, as well as in identifying

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<sup>11</sup> In the Logical Framework of the Project Document among external factors it was assumed a potential risk in lack of commitment by the line ministry to prepare and adopt new Law on Regional Development (pp. 52). Nevertheless this assumption was not followed appropriately and mitigation actions were not taken in time.

best practices and lessons learned from implementation of those intervention and transferring them into place-based regional development policies at the national level. In other words, according to the Programme document, the purpose of RRDS intervention is not to do any kind of work on regional and rural development (including interventions which gathers partners from public, private and civic sector), yet to apply a specific methodological instrument of functional spaces/place-based approach that should generate models of best practices that will be incorporated into a nation-wide regional and rural development policy. Therefore, **relevance of supporting initiatives that focuses on regional development after excluding a policy component in this sector remains questionable.**

Contrary to regional development, **the project has been highly relevant to rural development.** The project intervention has come at the right time for MoA and provided tailor-made support to rural development processes, especially in regard to IPARD accreditation. MoA recognised the relevance of the RRDS project and rightly embraced the opportunity to get the necessary support in transitional processes of changing legislations, procedures and institutional setting related to rural development.

The RRDS project has been **relevant to the Strategy of Development of Agriculture and Rural Areas of the Republic of Serbia for the period 2014 – 2024.** One of the key strategic objectives of this Strategy is “efficient managing of public policy and improvement of institutional framework for development of agriculture and rural areas”, which is relevant to the Outcome 3<sup>12</sup> of the project. The RRDS project has also been **relevant to the IPARD Programme of Republic of Serbia for the period of 2014-2020**, especially in terms of providing support to capacity development of rural development actors, including capacity to design and apply LEADER approach in Serbia.

Although mentioned in the project document among key stakeholders, **RRDS did not manage to create substantial involvement of the Ministry of Public Administration and Local Self-government (MPA) and the Public Policy Secretariat of the Republic of Serbia.** These two actors were consulted during the preparation of the project, yet they have not been engaged in the project implementation. Having in mind their importance to public administration, LGUs and policy coordination, **it is necessary to find mechanisms to include them in the implementation of the Phase II.** As mentioned earlier, the Ministry without Portfolio in charge of regional development has also not been involved in the project implementation, and they should also get engaged in this initiative.

**The overall quality of project design has been vague, which also influences the relevance of intervention.** Besides, re-design of the Logical Framework did not bring (substantial) and necessary changes of the project logic. Nevertheless, **launching of the Phase II of this intervention will be a great opportunity to go through the project design again and revise it appropriately.**

The project design has ambiguous vertical structure that links impact and outcomes. In other words, the project was designed in a way that **achievements of outcomes will not lead to achievement of impact.** While the impact is focusing on LGU abilities to assess additional

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<sup>12</sup> RRDS Outcome 3: The models of regional and rural development inspire policy makers, and LGU stakeholder to apply for EU regional and rural development pre accession funding to (co-)fund their own initiatives.



financial resources for provision of better quality services for citizens and private sector, the outcomes are mainly dealing with issues of innovative policy design, policy coordination and generation of best practices in regional and rural development. Furthermore, territorially, impact is focused on changes at the local level (LGUs) while outcomes are designed on intervention that primarily tackles national and regional level.

According to the project design, RRDS is a peculiar development project that focuses on introducing and applying a new paradigm for territorial cohesion that will later be included into regional and rural development policy in Serbia. Therefore, RRDS is not a regional and/or rural development project that focuses on a particular geography in Serbia, it is an intervention that aims to create models of best practices and lessons learned from activities that support vertical and horizontal multi-stakeholder governance mechanisms. Nevertheless, the evaluation shows that **lack of understanding of the project concept among the key stakeholders and beneficiaries.**

**The project document did not clearly explain the terms “functional spaces” and “place-based approach”,** which are cornerstones of this intervention. Although jurisdictional entities are more efficient for implementing development policies, the essence of “functional spaces”<sup>13</sup> is to go beyond administrative boundaries. In other words, by definition functional spaces do not necessarily coincide with administrative entities (regions). The heart of “place-based approach”<sup>14</sup> is to create and foster multi-stakeholder governance mechanisms that are focusing on integrative development issues in “functional spaces”. This is opposite to sector-based approach that focuses on a particular sector. The two concepts have not been well explained in the project document, neither appropriately used during the implementation.

It is **difficult to justify the rationale behind identification of two functional regions from the project document as “functional spaces”.** The project document determined two functional regions that will be subject of the intervention: 1. Srem and Macva; and 2. Kolubara and Sumadija. However, there is no explanation or methodology that can explain how these regions were identified as being functional. Macva (central Serbia) and Srem (Vojvodina) have different development patterns with not so many functional links. Srem is functionally more connected with development of Belgrade and Novi Sad, while Macva has more functional links with Kolubara.<sup>15</sup> Same applies with the other functional regions that participate in this project: Sumadija is functionally more connected with Pomoravlje than with Kolubara.<sup>16</sup>

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<sup>13</sup> A functional region/functional space is a territorial area characterized by high frequency of intra-regional economic interaction, such as intra-regional trade in goods and services, labour commuting, and household shopping (Karlsson C., Olsson M., The identification of functional regions: theory, methods, and applications, Ann Reg Sci 40: 1 – 18, 2006).

<sup>14</sup> Place-based approach is a method of governance in functional spaces, characterized by adaptation of universal guidelines for regional policy to the specificities of individual cities and regions by bringing together the objectives of the public, private and civil sector or the reconciliation of economic, social and environmental development goals (Mariusz E.M, Kociuba M., Place-based Approach to Regional Policy, Monographs of ERSA Poland, pp.9-10).

<sup>15</sup> For instance, Municipality of Osecina from Kolubara District is a member of the RDAPPR that mainly cover Macva District.

<sup>16</sup> Similar as above, REDASP is RDA that covers municipalities from Sumadija and Pomoravlje, not Kolubara.

**Implementation of the project did not adequately utilise the concept of “functional spaces” and “place-based approach”.** RRDS did not support any initiative that operates in two functional regions determined by the project document, yet arrangements of cooperation between districts, creating new “functional spaces” such as Macva and Kolubara for the project related to development of honey production, or Sumadija and Srem (!)<sup>17</sup> in case of the DMO project. Regardless of the relevance in determining functionality of those territories, any beneficiary that was located outside of selected four districts was considered as ineligible for participation in the project action. This is against the core principles related to the place-based approach in functional spaces. In addition, almost all grant projects from the Fiduciary Fund are fostering sector-based approach, such as honey production, wine and fruits, energy efficiency or tourism. This is also against the core principles that are promoted by RRDS project.

**Timing and sequencing of the intervention has not been well designed in the project document.** RRDS is a new SCO/SDC project initiative that is designed for two horizontal sectors (regional and rural development) and which is implemented in areas of interventions where SDC has no previous history of cooperation. Therefore the project design should not be over ambitious, especially not in the Phase I. The Phase I was planned to last from November 2015 to January 2019 (39 months), including the reporting period. Determined timeframe is rather short to establish effective bottom-up Partnership Initiatives that characterise multi-stakeholder participation and transparent governance practices, which are able to prepare and implement grant projects that will be models of best practices in using place-based approach in functional spaces. The project could achieve better results if sequenced in a way that Phase I supported the Partnership Initiatives in strengthening governance mechanisms and trust building through quick wins, while Phase II to be more focused on development interventions that can be supported by the Fiduciary Fund.

**The grant projects proposed by the Partnership Initiatives and supported through the Fiduciary Fund scheme are relevant to national, regional and local strategies.** The Project Steering Committee (PSC) had a final role in approving the project applications, which was also beneficial in terms of relevance of selecting interventions. The grant projects supported by the Fiduciary Funds are in the sector of wine, fruit and honey production, tourism, energy efficiency and empowering women in rural areas. Some of those projects are spin-offs of interventions supported by other actors (such as DAS in case of the wine project in Sumadija or EU/ADA support to the predecessor of the Bicycle Tourism project in Srem). The energy efficiency project in Srem is in line not only with national, but also with the Provincial strategies. The project on improvement of socio-economic empowerment of women in rural areas of Sumadija and Kolubara is in line with **the Strategy of Development of Agriculture and Rural Areas of the Republic of Serbia for the period 2014 – 2024** and **the National Strategy for Gender Equality 2016-2020**. Two grant projects in the sector of tourism: Destination Management Organization (DMO) in Srem and Sumadija/Pomoravlje,

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<sup>17</sup> The cooperation between Sumadija and Srem is efficiency-driven, those two districts have no functional links whatsoever.



and Development of Bicycle Tourism in Srem are **relevant to the Law on Tourism,<sup>18</sup> and the Tourism Development Strategy of the Republic of Serbia for the period 2016-2025.**

**Relevance of the project has been strengthened by the work of PSC,** which takes corrective measures in project implementation comparing to the country context, as well as to the needs of target groups and beneficiaries.

**Relevance has also been strengthened by the work of the Rural and Regional Development Policy Platform** (hereinafter: the Policy Platform). The Policy Platform gathers key stakeholders with the aim to support their horizontal and vertical cooperation in order to share and drive a common vision of rural and regional development based on the concept of functional spaces and promoting bottom up innovation. The project prepared a ToR for the Policy Platform, which foresees regular Platform meetings (one-day events), capacity building activities tailored to the needs of the Platform member(s) and study tours to Switzerland and Poland. ToR also drafted a 3-year action plan, outlining timing of main activities. **The Policy Platform so far organised only two meetings** (excluding the Project kick off meeting), all of them in 2016,<sup>19</sup> while there was no meetings in 2017 or in early 2018. The study visits to Switzerland was organised in 2016, while the study visit to Poland was in 2017. The project also organised several capacity building activities for the Platform members, supporting MoA, SCTM, DAS, SARRA and RDA RARIS from Zajecar.<sup>20</sup>

## EFFECTIVENESS

**RRDS contributed to development of internal procedures for operating structures that led to accreditation of IPARD in Serbia.** This has been among the greatest achievements of the RRDS project in the Phase I, especially at the policy level. Implementation of RRDS came into the right moment when MoA needed technical assistance to finish the IPARD accreditation process. On the other hand, design of RRDS was flexible enough to enable tailor-made support to MoA that was necessary in this process. MoA was also eager to embrace the opportunity that was provided by RRDS and acted proactively. As a result, the IPARD accreditation process that had been in a deadlock for so many years was finally pushed further, so Serbia received a green light to start with IPARD programme that is very important for rural development. Besides IPARD, RRDS did not focus on developing capacities for accessibility and absorption of other EU or national funds.

**RRDS also contributed to the quality of IPARD programme in Serbia, especially for Measure 1 and Measure 3** that were accredited for implementation. A consultative process between MoA with SCTM and local authorities organised through RRDS identified shortcomings in Calls for Proposals for IPARD measures and proposed adequate solutions. This approach avoided mistakes that happened in other countries, i.e. Croatia, when they started with IPARD.

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<sup>18</sup> Law on Tourism, "Official Gazette of RS", No. 36/2009, 88/2010, 99/2011 and other law, 93/2012 and 84/2015

<sup>19</sup> The Platform meetings were held on 10 June 2016 and 25 November 2016.

<sup>20</sup> Zajecar is outside of the designated project area.

Taking into consideration EU best practices, **RRDS supported MoA in designing the Regulation on the Preparation of Local Strategies of Partnership for Territorial Rural Development, which is a cornerstone of LEADER approach in Serbia**. This regulation is based on RRDS methodological approach for creating rural/regional partnerships, as well as developing and implementation their planning (**3-steps approach**). This approach includes consultation of stakeholders from different administrative levels with purpose of providing inputs for decision-making process at the national level. The evaluation mission confirmed readiness of stakeholders from MoA, SCTM and RDAs to create functional mechanisms that will ensure sustainability of those consultative processes in the future.

To some extent, **the consultative process between different actors has been supported through the work of the Policy Platform as well**. The Policy Platform gathers different kind of stakeholders that are active in rural and regional development, and that work at national, provincial, district and (to some extent) local level. According to ToR, the Policy Platform organises plenary meetings with its members, provides tailor-made capacity building support to (selected) members and organises study tours to Switzerland and Poland.

At the moment **the Policy Platform does not include all relevant stakeholders that are involved in regional and rural development in Serbia**. The dominating members are public (i.e. ministries and government agencies) and semi-public (SCTM, RDAs) entities, while there are no actors involved from private sector (businesses, business associations, chambers of commerce) or non-profit (think tanks, non-governmental organisations, foundations). Universities and media have also not been included in the work of the Platform. **The Policy Platform should also include donor agencies and multilateral, international and bilateral organisations**, since they have a long-standing experience in working on rural and regional development in Serbia.

Through the tailor-made capacity building support to MoA and its Agricultural Advisory and Expert Service (AAES), **RRDS strengthened cooperation between this ministry and SCTM**. RRDS supported MoA and AAES in preparing **the Regulation on Establishing a Mid-Term Programme of Advisory Service Development for the period 2016-2020**,<sup>21</sup> **the Annual Programmes for Development of the Advisory Tasks in Agriculture for 2016 and 2017**, and provided inputs for preparing **the Rule Book for the AAES in 2017**. In total, 186 advisors from MoA and AAES participated in those activities. Those documents were prepared in close consultation with SCTM that included inputs from LGUs. This was the first time that MoE and LGU (through SCTM) harmonised their policy and programs related to agriculture and rural development. Based on these new procedures, AAES should develop their annual plans in cooperation with LGUs and they should organise at least one workshop in cooperation with respective LGU in which territory AAES is active. The new procedures would lead to better synergy and avoidance of overlapping - as it was the case before. Another indication of increased cooperation between MoA and SCTM is in the fact that those two institutions together with RRDS organised a conference on rural development in Serbia on 23 April 2018.

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<sup>21</sup> "Official Gazette of RS", No 39/16

**The Policy Platform established links between other stakeholders too.** MoA and SARRA established cooperation with initiative to strengthen the role of RDAs in promotion and implementation of IPARD and MoA programs. RRDS also supported cooperation between the Network for Rural Development of Serbia and the National Consultative Body for Support to Wine Producers. RRDS project also supported cooperation between the Association of Wine Producers and MoA, which led to discussion to include wine producers in the MoA Rulebook on Diversification of Agricultural Households.

As a part of the Policy Platform, SCTM received support to carry out **analysis of LGU capacities to work in the sector of rural development**, which should be an analytical base for capacity building program for LGU units in this sector. Through this instrument DAS was supported in developing their **Annual Plan for 2017**. SARRA was supported in preparation of the **Action plan for 2018**. The capacity building component of the Policy Platform also supported RDA RARIS from Zajecar in **promoting of regional branding of Eastern Serbia: ‘Balcanica Superior’** and in **development of the Regional Platform** that will provide support to that branding initiative.

Nevertheless, it should be noted that **the Policy Platform held only two plenary meetings so far, both in 2016, while there were no meetings in 2017 and early 2018**. The Policy Platform is the only consultative mechanism that gathers rural and regional development actions. Besides, the Policy Platform is an important instrument for horizontal and vertical cooperation and coordination of regional and rural development policies. Therefore, activities of the Policy Platform should be much more intensive in the forthcoming period, especially in terms of organising more plenary meetings. RRDS should also provide better feedback on project implementation to the members of the Policy Platform, including information on the status of grant projects, results they achieved, lessons learned and best practices.

**The concept of the place-based approach in functional spaces in creating regional and rural development policies has not been appropriately explained to stakeholders, ether at national or regional/local level.** As it was discussed earlier, this concept was not clearly explained in the project document as well. RRDS is currently preparing (a serial of) policy paper(s) that should explain the place-based policy approach in functional spaces. However, this supposed to be done in the first months of the project implementation, certainly not at the end of the Phase I.

At the interviews with key stakeholders and project beneficiaries held during the evaluation mission the **lack of basic understanding of functional space and place-based approach was confirmed**. In the sector for regional development, national actors (MoE and DAS) did not show much interest in active involvement in the project action, or in changing the regional policy based on inputs received from the regional and local level. On the other hand, MoA has shown much more interest to involve inputs from sub-national level in policy design, especially on issues related to IPARD. However, it is important to mention that the majority of grant projects supported through the Fiduciary Fund are in the broad field of regional development or other sectors (tourism, energy efficiency). Therefore utilisation of results and best practices created through implementation of those projects to MoA will be minimal. Project beneficiaries (RDAs, local actors) see RRDS as an area-based development

programme with a funding mechanism that can be used for their development goals. Among them, the purpose of creating multi-stakeholder partnerships is primarily seen as a requirement for being eligible for applying to the Fiduciary Fund.

RRDS created Guidelines for selection of rural/regional initiatives with application rules and selection procedures. Based on this document, RRDS then released a public Call for Partnership Initiatives from targeted territories. The project selected five partnership initiatives:

1. Development of territorial identity of the Sumadija region by supporting key rural economy sectors, led by REDASP;
2. Initiative for improvement of economic and social status of women in rural areas of Sumadija and Kolubara Districts, led by REDASP;
3. Enhancing production and processing of medicinal and aromatic herbs and berry fruits in the function of stopping the migratory processes and devastation of village, led by RDAPPR;
4. Stimulating use of biomass integrated within the system of regional support to development of renewable sources of energy and energy efficiency of the Srem region, led by RDA Srem;
5. Model of integrated regional development based on consensus and wide partnership of stakeholders from the sector of tourism in Srem region, led by RDA Srem.

In addition, through the Fiduciary Fund RRDS supported one project that does not fall into those five Partnership Initiatives.<sup>22</sup> Overview of the Partnership Initiatives and grant projects is provided in the Annex 5.

**RRDS invested too much time on identification and selection of Partnership Initiatives, yet not on strengthening cooperation and monitoring of governance mechanisms.** Once selected, the Partnership Initiatives were supported by RRDS with capacity building activities, which included development of their action plans. Nevertheless, the governance mechanisms for the Partnership Initiatives have not been designed. There are also no measures for supporting trust building and sense of ownership among the members of the Partnership Initiatives.

**The Partnership Initiatives are not communicating with each other.** Although the Partnership Initiatives could learn a lot from each other, they do not communicate. The communication mechanisms are not established even in cases where RDAs are coordinating the work of two Partnership Initiatives, such as in the case of REDASP and RDA Srem.

**RDAs and project beneficiaries do not make a difference between the Partnership Initiatives and the Grant Project Partnerships.** The work of the Partnership Initiatives is primarily focused on the Fiduciary Fund, either in preparation of grant proposals, or in the implementation of the awarded projects.

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<sup>22</sup> It is the project: Preparation of two regions, (1) Srem (7 municipalities) and (2) Šumadija with Pomoravlje (13 municipalities) for DMO establishment, defining of tourism space and technical support for entities that sell destinations the targeted regions, implemented by REDASP in cooperation with RDA Srem.

**RDAs are the gatekeepers of the Partnership Initiatives.** They have had a crucial role in selection of topics and partners of the Partnership Initiatives. They also had a leading role in the preparation of the grant projects, later in their management. Since LGS are founders of RDAs, they dominate in the Partnership Initiatives, especially in those managed by RDA Srem.<sup>23</sup> However, the Partnership Initiatives also gather associations of wine, fruits or honey producers, or women associations, and they have an important role in the project implementation.

At the time of selecting the Partnership Initiatives, **SDC/NIRAS could try to explore different options on this issue, giving a chance to at least one Partnership Initiative to be run by other actors (private sector, business associations, clusters or NGOs).** This would create an opportunity to compare different governance approaches in running the multi-stakeholder Partnership Initiatives, which will lead to better identification of lessons learned and best practices. This option could be explored more during the Phase II of the project.

**Lack of ownership and proper governance mechanisms has negative effects on sustainability prospects of the Partnership Initiatives.** It is also important to mention that the Partnership Initiatives are not discussing neither applying to other funding mechanisms, which also affects their sustainability. Partnerships that were not awarded with the grant project did not sustain to exist.

**High budget allocation of the Fiduciary Fund created a rent-seeking behaviour of beneficiary RDAs and project beneficiaries,** which influenced internal selection of partners, topics of interventions and governance mechanisms, as well as internal selection of project ideas that will be submitted for funding. In other words, the main intention of established project partnerships was to receive funding from RRDS.

Besides, **the Fiduciary Fund did not bring added value in supporting the Partnership Initiatives.** The procedures established by the Fiduciary Fund are similar to many other area-based or sector-based projects that are operating in Serbia, including the RRDS project area.<sup>24</sup> The added value of RRDS project supposed to be multi-stakeholder cooperation through place-based approach in functional spaces, which goes beyond sectors and include planning, coordination and implementation of interventions that are not exclusively supported by the Fiduciary Fund. The evaluation did not find evidence that this purpose of the RRDS project will be achieved in the Phase I.

The project supported seven grant projects through the Fiduciary Fund, where six of them are part of five Partnership Initiatives.<sup>25</sup> The grant project on DMO establishment is a special case since it not part of any Partnership Initiative. This grant project has been managed by REDASP, and covers territories of Srem (7 LGU) and Sumadija & Pomoravlje (12 LGU). RRDS approved one more grant project related to establishment of the Centre for Sustainable

<sup>23</sup> The Partnership Initiatives led by RDA Srem are established on the ground of their sector-based Inter-municipal Working Groups.

<sup>24</sup> Overview of development programmes and projects active in the RRDS project area are available in Annex 6 and Annex 7.

<sup>25</sup> Two grant projects were awarded to the Partnership Initiative on Development of territorial identity of the Sumadija region by supporting key rural economy sectors (one supporting wine producers and another supporting fruit producers), while other Partnership Initiatives were awarded by one project.



Development and Support to Energy Efficiency, yet the lead partner (RDA Srem) rejected to sign the grant contract due to limited time for project implementation. It is noted that **majority of selected grant projects are sector-based**, with exception of the project “Improvement of Economic and Social position of Women in Rural Areas of Sumadija and Kolubara Districts”, implemented by REDASP. It was discussed earlier that supporting sector-based projects is against key principles of a place-based intervention.

Sectors that are supported by RRDS are similar to the ones covered by the SDC-funded Private Sector Development (PSD) and, to some extent, SDC/GIZ-funded Municipal Economic Development in Eastern Serbia - MED (in the sector of wine producing). **There was no synergy between RRDS and PSD, or transfer of sector-specific experience and best practices.** There is a potential overlapping between those two projects, especially in the tourism sector. Besides, there is a fear of a project-centric behaviour of implementing agencies when seeking partnership with policy makers. Recognising this issue, NIRAS and PSD Zlatibor organised a coordination meeting in Ljig, where possible synergies and potential overlaps were discussed. There is a need to continue with this practice and create permanent consultative mechanisms between SCO/SDC-funded projects. On the other hand, cooperation between RRDS and MED is better, since they organised a joint study tour to Switzerland. MED also participated in the RRDS event where they shared lessons learned and best practices in promoting good governance principles and inclusion of citizens in decision-making processes. Moreover, RRDS and MED share a project team member (Branislav Milić), which also contribute to synergy between those two projects.

**Efficiency demands for utilising the Fiduciary Fund allocations prevailed over effectiveness in achieving development objectives on which ground the Partnership Initiatives were created.** In other words, more attention was given to implement grant projects in a limited timeframe, than to create sustainable Partnership Initiatives with clear governance mechanisms and strong ownership that will lead to collective action in solving socio-economic problems in functional spaces. The first three grant projects were approved at PSC meeting held on 13 June 2017, two proposals were approved during September 2017 and the remaining two on 23 November 2017. Grant Contracts were signed soon after the approval of the projects. Nevertheless, all Grant Contracts are due till 31 August 2018. In the best-case scenario grant projects will last slightly more than a year, and in the worst-case scenario less than nine months.

**RDAs contributed to efficiency of RRDS project, especially in terms of utilising the Fiduciary Fund.** They are well-established organisations in their respective territories with strong project management capacity. Capacities of REDASP and RDA Srem are especially strong, while capacities of RDAPPR are slightly weaker.<sup>26</sup> This was especially important in circumstances with serious time constraints for implementing the grant projects.

**RDAs have good capacity in mobilising development actors** that comes from different localities of a respective region. They are especially successful in mobilising LGUs on their

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<sup>26</sup> RDAPPR has been relatively (recently) established and therefore their capacity is weaker than the other two RDAs that participate in this project. RDAPPR has changed three directors in relatively short period of time. Moreover, all staff of RDAPPR has been seconded by the founding LGS, which also affected their operations.

territories. This is due to the fact that RDAs are established by LGUs so their work is closely coordinated with local authorities. By mobilising LGUs in development initiatives RDAs are also securing co-financing for the grant projects. However, there are also examples when the private sector gathered together and secured co-financing, as it was the case with the honey producers from Macva and Kolubara.

During the evaluation assignment all grant projects supported through the Fiduciary Fund have been under implementation. Thus, it was early to assess their effects, especially medium- and long-term. However, **all grant projects have been well managed by respective RDAs with active involvement project beneficiaries that are members of the Partnership Initiatives.** LGUs also actively contribute to the grant projects, even when they are not directly involved in the project action. For instance, the City of Kragujevac allocated 20 million RSD for reconstruction of the house of a famous Serbian poet Djura Jaksic, which will later be used by producers of wine and brandy that are supported by RRDS. Municipality of Ljubovija has provided support to honey producers, while MoT and the Provincial Government of Vojvodina financially supported implementation of the project Development of Bicycle Tourism in Srem.

**Some of the grant projects have been developed as spin offs of previous interventions, which was good for producing long-term results.** For instance, the grant project that supports wine producers in Sumadija was developed on the results of a previous intervention supported by DAS. Among others, the predecessor project supported branding of autochthonous wine “Sumadijska ruzica”. Through the grant project, RRDS supports cultivation of a vine “Prokupac” which is used for producing “Sumadijska ruzica”. Another example is the grant project on Development of a Bicycle Tourism in Srem, which was developed on the ground of the project: Cycling Danube - the establishment of the regional cycling route Srem, implemented by the Chamber of Commerce Srem in partnership with RDA Srem, and financed under the EU/ADA Programme: Socio-Economic Development of the Danube Serbia Region.

**Grant projects helped the project beneficiaries to increase their visibility and grow or consolidate their memberships.** For instance, the Sumadija Wine Producers increased their membership from 5-6 to 14 members. The other associations that participated in the project, such as fruit and honey producers and women associations also reported an increase in membership. By participating in the grant projects, those **associations also increased their influence on policy makers, and became more visible in the media.**

Similar to the case of the Partnership Initiatives, **partners do not talk to each other in the implementation of different grant projects.** The only situation where grant projects cooperate in implementation is in case of projects for supporting wine producers and fruit producers in Sumadija. These two projects cooperate in opening a specialised shop in Belgrade, and an exhibition space in Kragujevac (House of Djura Jaksic). This initiative did not include partners from the grant project that support women from rural areas despite the fact that their products could also be interesting for such stores in Belgrade and Kragujevac.

As mentioned earlier, the Logical Framework of the project was changed in early 2018. The changes included minor adjustments regarding to circumstances related to lack of political

interest for drafting the Law on Regional Development. Therefore, the revised version of the Logical Framework deleted Output 1.3<sup>27</sup> and Indicator 1.3.1,<sup>28</sup> and introduced a new Indicator (1.2.5),<sup>29</sup> which was linked with the Output 1.2. It is noted that this new indicator has no baseline value. However, **there was a need for more substantial changes of the vertical logical structure of the project.** For instance, RRDS contribution to impact indicators is marginal or at least arbitrary. Namely, impact indicators are focusing on the increase of LGU discretionary funding, absorption capacity and increase of public satisfaction on LGU services and measures related to regional and rural development. In all these areas RRDS intervention is minimal.

The Outcome 1 focuses on influencing relevant authorities at national and local level to accept “a new vision of rural and regional development based on the concept of functional spaces and promoting bottom up innovation”. As being elaborated previously, the concept of “functional spaces” and “place-based approach” have not been appropriately communicated at national and local level, and the evaluation confirms a basic lack of understanding of those concepts among key national, regional and local stakeholders and project beneficiaries that were interviewed during this assignment.<sup>30</sup> Besides, there is no evidence of a systematic change in behaviour at the national level that shows that policy makers are ready to consider territorial specifics or best local/regional practices in designing national policies. The exemption might be MoA that showed readiness to include local practices in possible (re-)design of IPARD programme. Indicators associated to the Outcome 1 should also be revised. The first indicator (1.1) is not specific, neither measurable, thus very difficult to understand the logic behind. Its baseline is not presented as a value. The second indicator (1.2) could be better formulated, especially its second part. The third indicator (1.3) has also not been well formulated since it suggests that the Policy Platform implements (!) the legal framework, which should not be the case in reality.

The Outcome 2 focuses on utilising place-based approach in functional spaces in increased absorption of EU IPA II funds. During the Phase I the project managed to select five Partnership Initiatives, which are awarded with seven projects from the Fiduciary Fund. It is too early to measure the results from those Partnership Initiatives and grant projects. However, by the time of the evaluation, the established Partnership Initiatives did not take measures in applying for any funds that are outside of the Fiduciary Fund. In terms of the indicators, the last statement shows that status of the indicator 2.1. When it comes to the indicator 2.2, the RRDS project, the Partnership Initiatives and the grant projects do not actively include local economic development/rural development department in beneficiary LGUs. Hence it is unlikely that any positive increase (or decrease) of public perception on quality of services provided by those LGU offices/departments can be ascribed to the RRDS project. It is likely

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<sup>27</sup> „The draft for the new Law on Regional Development is inspired and led by the new vision, and swiftly brought into the legislative process“

<sup>28</sup> „Draft new law on regional development prepared in Q3 2016 by the Working Group established by the Ministry of Economy“

<sup>29</sup> Policy document presenting a concept of place-based development, international best-practices and recommendations for Serbia prepared in cooperation with the Platform members and made available to the policy-makers and their future actions“

<sup>30</sup> List of interviewees is provided in the Annex 2.



to expect that all grant projects funded from the Fiduciary Fund will be implemented by the end of 2018, therefore the indicator 2.3 will be fully achieved. Nevertheless, the baseline value for this indicator is not accurate since there are plenty of examples of rural-regional projects implemented in targeted regions, including those based on cooperation between public, private and civil sector.

The Outcome 3 focuses on promoting the concept of place-based approach in functional spaces and best practices achieved through the RRDS in order to increase absorption of EU pre-accession funds for regional and rural development. Work on this Outcome was planned in 2018, when results from the work of the Partnership Initiatives and the grant projects can be presented to policy makers at national, regional and local level. Here, it should be noted again that **Serbia has a long history of implementing numerous multi-stakeholder development projects that applied area-based or sector-based approach.** The baseline of the indicator 3.1 presents experience of SCTM with the EU Exchange programme, while there are many other examples, such as European Progress (and all its predecessors), USAID-funded projects on local and inter-municipal development, EU area-based and regional development projects and many others. RRDS should take into consideration those interventions and learn from their achievements and mistakes. This will especially be beneficial for identifying the best practice and lessons learned in applying place-based approach in Serbia.

## EFFICIENCY

**The project is managed by a well-established international consortium and a strong project team.** The project has been implemented by the consortium composed of NIRAS (Poland/Denmark), FAOW - Polish Rural Forum (Poland) and Partner Solutions (Serbia), under the SDC Mandate Agreement. It is a well-functioning consortium of companies with strong operational and financial capacities and extensive international expertise in project management. NIRAS and FAOW bring international experience, mainly Polish and Swiss, to the project implementation. NIRAS Warsaw Office has been in charge of the overall project management, financial management, reporting and quality control. At the operational level, a 3-member project team is engaged to run the implementation: Team Leader, Deputy Team Leader and Rural Development Expert. Members of the project team members have a strong portfolio and expertise in rural and regional development.

**All members of the project team are engaged on a part-time basis, which affects efficiency in project delivery, responsiveness to key stakeholders and project beneficiaries, as well as visibility of the action.** Although NIRAS established good management procedures and division of tasks, it is hard to catch the momentum in project implementation when all staff are part-timers. The lack of full-time staff resources also influence scope of monitoring of the Partnership Initiatives and grant projects, since visits to the project sites are happening sporadically. In general, the project beneficiaries claimed good communication with the project team, yet also mentioned lack of the project staff availability on urgent matters. This issue was recognised by NIRAS as well, since for the Phase II they

plan to have at least one full-time member of the team, preferably the Team Leader. There is also a need for more administrative support to the project team.

**The project team has also been supported by a number of non-key international and local experts that are engaged to deliver specific tasks.** Key stakeholders and project beneficiaries praised the quality of expertise that was provided by NIRAS. For instance, the expertise brought from Poland and other countries was highly appreciated by MoA.

The internal monitoring system includes quarterly, semi-annual and annual reports. **The quality of those reports is good, comprehensive and easy to read.** Reporting is organised around the Logical Framework, focusing mainly on outputs and activities. The reporting on outcomes and impact could be better elaborated, especially in terms of identifying medium and long-term benefits of the target groups and beneficiaries. Reporting on best practices could also be better. Annual reports provide overview of financial performances and lessons learned while semi-annual reports provide inputs on risks and crosscutting issues. SCD carried out an external monitoring and the report was submitted in late 2017, while NIRAS produced the Quality Audit Report introduced with the purpose of reviewing progress and recommending actions and changes.

By analysing financial data provided in the Annual Reports a significant budget under spending of different allocations. By October 2017, two years after the project launching, only 36.45% of the budget allocations were spent. It means that remaining 63.55% of the budget should be spent between November 2017 and January 2019 (15 months).

**Table 2:** Overview of the Expenditures (in CHF)

Expenditures	Outcome 1	Outcome 2	Outcome 3	Total
<b>The Project Budget</b>	<b>713,264.00</b>	<b>2,735,061.00</b>	<b>251,265.00</b>	<b>3,699,590.00</b>
November 2015 - October 2016	218,195.12	147,637.88	0.00	365,833.00
November 2016 - October 2017	231,997.05	741,092.25	9,597.89	982,687.19
<b>Total expenditure by October 2017</b>	<b>450,192.17</b>	<b>888,730.13</b>	<b>9,597.89</b>	<b>1,348,520.19</b>
<b>%</b>	<b>63.12%</b>	<b>32.49%</b>	<b>3.82%</b>	<b>36.45%</b>

*Source: The Annual Reports 1 and 2*

Having in mind that NIRAS deployed the project team consisted only of part-timers, **it is important SDC to raise concern over the spending issue and closely monitor the status of expenditures in the forthcoming period.** It should also be emphasised that expenditures are associated with the quality of results, and **in this type of projects fast spending will not bring the desired outcomes.**

**Around 78% of the Fiduciary Fund (1,289,734.23 CHF) has been allocated for financing seven projects of the Partnership Initiatives.** The co-financing (350,000.00 CHF) was ensured from the public budget, but also from the representatives of the private sector. All

projects were contracted in 2017, first three in July 2017 (58.8% of the total allocated fund) and other four in the fourth quarter of 2017 (41.2%).

RRDS is a new development intervention that operates in geographies that were not previously covered by SDC. Therefore it was time consuming to develop effective cooperation with key stakeholders and project beneficiaries. Phase I was planned to last 39 months, from November 2015 to January 2019 (including period for the final reporting), which was quite ambitious for such an intervention. **The project team has managed to implement the action without major delays, which was a clear success in given circumstances.**

**Implementation of the grant projects has been seriously constrained by duration of contracts, and by RRDS procedures to provide responses to the project beneficiaries.** There are seven grant projects that are supported by the Fiduciary Fund. Their duration is between nine and 13 months, which is rather short for achieving tangible results. Some of those projects depend on seasonal activities (i.e. honey, fruit and wine projects, to some extent rural women project as well), which make additional problems in their implementation. RDAs have good management and operational capacity so no major delays are expected in project implementation. Nevertheless, the project team should also be aware of the time pressure and more responsive in decision-making and providing feedback to the beneficiaries. Based on the current procedures, the project team has 14 days to provide a response to a question received by project beneficiaries. In given circumstances this is way too long and might negatively affect the efficient completion of grant contract.

**The project has been strategically managed and monitored by PSC.** PSC is consisted of representatives of SDC, MoE, MoA, DAS (formerly NARD), SCTM, MEI and 3 RDAs: Srem, Sumadija/Pomoravlje and Podrinje, Podgor and Radevina.<sup>31</sup> PSC had four meetings: 2 May 2016, 3 November 2016, 13 June 2017 and 23 November 2017. There were also electronic consultations of PSC members regarding the selection of grant applications for the Fiduciary Fund. MoE participated only at the first meeting of PSC, which represents a lack of their interest in this intervention. MEI became a member of PSC at the last meeting. As observers, the last PSC meeting also hosted representatives of the Ministry of Tourism, Trade & Telecommunications (MoT) and the Provincial Secretariat of Energetics, Construction and Traffic. PSC also discusses the project reports and forward planning documents.

**During the Phase I SCO/SDC changed staff that has been in charge of the RRDS project.** ToR was designed by Ms Katharina Häberli, SDC Senior Government Advisor, with support of Mr Petar Vasilev, National Project Officer for Good Governance. Ms Häberli left Serbia soon during the first year of the Phase I. In 2017 Ms Milica Stojanovic took over management of the RRDS project, which was administratively shifted within SDC from Good Governance section to the Economic Development. Nevertheless, this change was rather administrative and internal to SDC, since it did not influenced any change of the Project Document or Logical Framework.

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<sup>31</sup> According to the ToR for the Project Steering Committee, RDAs do not have a voting right when they are subject of conflict of interest, i.e. when discussing and deciding on selection of grant applications that are supported by the Fiduciary Fund.

**The RRDS was active in promoting principles of good governance.** Three workshops on good governance were organized during the creation of the Partnership Initiatives, with intention to raise awareness on these issues among potential beneficiaries. Later, the project created a methodology called: “The Good Governance approach – Initiatives Capacity Assistance”, which was used in the work with the selected Partnership Initiatives. The project also developed a Good Government Questionnaire for each supported project. Based on the results from the Questionnaire, the RRDS project will design capacity building support to the project beneficiaries that will be provided during 2018. It is also important to note that RRDS is sensitive on horizontal issues such as gender equality, equal treatment and non-discrimination. These principles are also considered during assessment of grant projects for the Fiduciary Fund.

**There is a need for better communication of the RRDS project.** RRDS communication is mainly focused on organisation and reporting of project activities. The communication is also exclusive to the key stakeholders and project beneficiaries, while there is little communication with professional and academic community that is active in this field, interested public or citizens in general. Sporadically there is coverage in main electronic and/or printed media on project activities, yet that is not sufficient to achieve good visibility and recognition. The project website provides short information on project activities, as well as project reports and minutes from PSC meetings. Staff shortage is one of the reasons why communication couldn't be better. This was recognised by NIRAS and their representatives confirmed that during the Phase II one staff member would be allocated to manage communication and visibility. This is especially important for disseminating project results, best practices and lessons learned, not only to the key stakeholders and project beneficiaries but to the broad public as well.

## CONCLUSION AND RECOMMENDATIONS

### CONCLUSION

RRDS is the only project in Serbia that supports both regional and rural development, providing support to national authorities and regional/local level development actors. This has been a new development initiative, implemented in sectors and geographies where SDC did not have a strong history of cooperation. On the other side, the project design was pretty ambitious in a given time framework. This is especially true for the Phase I, which was too short for such an ambitious intervention. The project goals and objectives are related to changing attitudes of policy makers and governance practices. These processes take time and cannot be achieved by a single intervention. Therefore, Phase I should be considered as a foundation of processes and interventions that will come later.

The core of the project is to promote a place-based approach in functional spaces as a new paradigm for stimulating socio-economic cohesion and resolving development issues. In that regard, the project has supported creation of five multi-stakeholder Partnership Initiatives, consisting of partners from public, private and civil sector, which are gathered to work on development challenges in their respective territories. In order to stimulate cooperation within the Partnership Initiatives, they have been supported by RRDS with grant projects from the Fiduciary Fund. The grant projects were also pilot examples, supported with the aim to generate best practices that would be used by policy makers in (re-)designing territory-sensitive regional and rural development policy in Serbia.

There is a strong concern that the concept of the place-based approach in functional spaces has not been appropriately applied in this project. This concern is especially visible at the regional/local level, where project beneficiaries perceive RRDS project as an area-based funding mechanism, and where Partnership Initiatives are considered as an instrument to receive funds. Majority of project beneficiaries do not make a difference between Partnership Initiatives and grant projects. Therefore, in the Phase II RRDS should invest much more efforts in strengthening Partnership Initiatives, providing support for building governance mechanisms, internal communication, horizontal cooperation and trust. There should also be more efforts in monitoring activities of the Partnership Initiatives.

The project has a strong policy component that came in the right moment to MoA for supporting processes related to IPARD accreditation. The policy support supposed to be provided to MoE in developing a new regional development policy in Serbia, but that topic was shifted from the priorities of GoS. Creating communication lines for horizontal and vertical cooperation between policy makers and key stakeholders involved in regional and rural development has also been an important segment of this project.

The Policy Platform created with support of the project is the only horizontal multi-stakeholder consultative body that discusses policymaking and policy co-ordination in sectors related to rural and regional development in Serbia. The project also stimulated bilateral cooperation between stakeholders. Cooperation established between MoA and SCTM led to very good results in policy harmonisation and synergies between AAES and LGUs. There are also other examples of successful cooperation established by this project. RRDS also

supported capacity building of the key stakeholders, such as MoA, SCTM, DAS and SARRA. Support was also provided to RDA RARIS.

In its nature, RRDS is an intervention focused on learning. This segment should be more strengthened in the Phase II, especially in terms of identifying and promoting case studies, best practices and lessons learned in implementing development interventions and territorial policies (both regional and rural). Models of best practices in multi-stakeholder cooperation achieved through implementation of grant projects should be thoroughly studied and presented to the policy arena.

During the Phase I, RRDS did not establish effective cooperation with similar development projects in Serbia. Serbia has a long history in implementing local and regional development projects that include multi-stakeholder cooperation. RRDS should seek synergy with development actors that have been engaged in those projects, and learn from other examples, analysing their achievements and challenges, good and bad practices, lessons learned and impacts. Those development actors should also be invited to join the Policy Platform, as well as other relevant actors that are excluded, such as chambers of commerce and eminent business associations, universities, think tanks and research centres.

There is no synergy and systematic exchange of knowledge and information between SDC projects in Serbia, especially between those that work in the similar field (i.e. RRDS, MED, PSD or SWISS PRO). This might lead to overlapping and project-centric behaviour of implementing partners when seeking partnership with policy makers. SDC recognised this as an issue and initial steps were taken in a form of organising joint study tours and workshops. Nevertheless, there is a need for institutionalising horizontal cooperation between SDC projects in Serbia.

The project has been implemented by NIRAS-led consortium, which brought an international experience to the Serbian context. At the operational level, NIRAS assigned a well-qualified 3-member expert team to manage implementation of project activities. Nevertheless, all project team members are part-timers, which influenced efficiency in project delivery, including budget spending. There are also a number of non-key experts engaged to provide support on thematic issues. However, the management structures show weaknesses on administrative issues, such as communication, visibility and promotion of project results, as well as in active monitoring of the Partnership Initiatives governance mechanisms. There is a need for more staff resources to successfully finalise the Phase I, as well as for implementation of the Phase II.

PSC has an important role in strategic management of the project intervention. PSC members are active in discussing project reports, as well as in selection of the Partnership Initiatives and grant projects.

To conclude, during the Phase I RRDS project achieved numerous results at national and regional/local level that provides a good base for the next implementation period. Especially valuable are few examples of utilising best practices and knowledge from regional/local level into policy making at the national level, as well as horizontal and vertical multi-stakeholder cooperation and policy coordination. Launching of the Phase II gives an excellent opportunity



to make the necessary changes on the vertical project logic, and to re-structure the project team with full time engagements that will lead to more result-oriented achievements.

## LESSONS LEARNT

**There is no project intervention that can beat the lack of political will and ignorance of policy makers.** In other words, development interventions should avoid topics that have no political support. This is especially true with interventions that support policymaking where political will is crucial for success. In those circumstances there is a lack of ownership as well, therefore outputs produced by the intervention will not lead to desirable outcomes and impact. RRDS focused on supporting policymaking on regional development at the time when it was clear that GoS is pulling out from this topic. As a result, a lot of resources were invested in something that could not generate expected results. It was important to make a firm decision on re-designing of the project intervention at the first signal of lack of political support, not to wait for changes of political climate.

**The first phase of brand new development interventions should include an inception period, and should be modest in terms of budget allocations for grant schemes.** Brand new interventions are usually constrained by many factors, from necessity to build new partnerships based on trustworthy relationships to promoting innovative approaches, new technologies or new areas of development work. The first months (or years) should be dedicated to the inception phase, during which it will be possible to change the project design, management and reporting arrangements, communication lines, and other important segments. During this period, the project team should be encouraged to use *trial-and-error method*, and test different approaches of working with project partners. Partnership with beneficiaries should not be driven by grants since that creates rent-seeking behaviour, but by joint efforts in working on identified development challenges. Therefore, the first phase of brand new interventions should be focused on developing strong partnerships, providing them small-scale institutional grants for generating quick-wins. The grant support should come in the second phase when partnerships are well established and prospects of development impacts are higher.

**Development requires a well-sequenced and continuous intervention, where all development actors are empowered to bring their contribution in achieving common goals.** Regarding the development effects, it is much better to keep the focus on the same territory, areas of interventions and partnerships, working to extend the quality of results than to start with a new iteration with new geographies, new partners and new topics. Nevertheless, it is also good to launch (at least) one new initiative, which will utilise the knowledge generated in the Phase I. This initiative can be launched in regarding to creation and support to Local Action Groups (LAG). In the forthcoming years establishing functional LAGs will be the most important intervention regarding rural development in Serbia and RRDS Phase II can give a significant contribution to those processes.

**Effective partnerships, which empower partners from different sectors to actively participate, is a crucial element of success for any place-based development initiative.**



Phase I invested a lot of effort in establishing five Partnership Initiatives in selected geographies. In order to be operational and effective, those partnerships need to receive further support. It is necessary to empower different actors, mainly from private and civil sector, to take a more active role in the work of partnership. The Partnership Initiatives should have a Governing Board with a President that is not coming from RDA. RDA should not have a leading role in the Partnership Initiatives but to serve as their secretariat. Through the Fiduciary Fund RRDS should provide institutional support for running the Partnership Initiatives. The Partnership Initiatives should also receive support tailored to their specific needs. Moreover, there is a need to build capacity of Partnership Initiatives to access external funding, including those coming from national programs, EU pre-accession assistance, bilateral donors or private sector.

**Effective communication is crucial for influencing policy makers to apply new methodologies such as place-based approach in functional spaces.** Serbia has no history in applying territorial approach to national policies. Therefore, there is a need to convince government officials and policy makers to change this approach and be more sensitive to local and regional specificities in designing development policies. Evidence-based examples of best practices and successful case studies can make a significant contribution in this regard. Therefore, RRDS should put more efforts in identifying and communicating lessons learned from local and regional development projects that can be utilised in communication with policy makers. In this regard RRDS should not focus only on results of grant projects from the Fiduciary Funds but from other projects implemented by numerous development agencies and bilateral donors across Serbia. RRDS should also launch a newsletter that will promote the new paradigm on the place-based approach in functional spaces and disseminate information on project activities, especially on best practices and lessons learned.

## RECOMMENDATIONS

Based on findings and lessons learned, the evaluation proposes two types of recommendations, split between ones related to immediate response for finalising the Phase I (till January 2019, with extension to October 2019), and those referring to the Phase II of the project starting October 2019.

### RECOMMENDATIONS TO THE END OF THE PHASE I (TILL OCTOBER 2019):

**Recommendation #1. To provide support to strengthening internal governance mechanisms within the Partnership Initiatives.** Each Partnership Initiative should develop governance instruments such as the Assembly of Members, the Board of Directors and a President. The role of RDAs should be limited to a Secretariat of the Partnership Initiatives, without having management responsibilities. As a part of this support, the Partnership Initiatives should also develop their strategic and action plans, communication strategy and a capacity building plan for developing knowledge and skills in project

management, absorption of EU funds, strategic advocacy, media appearance, networking and trust building, etc.

- Recommendation #2. To extend the implementation of the grant projects awarded by the Fiduciary Fund, where possible to the end of 2018.** According to the grant contract, the grant projects finances through the Fiduciary Fund should be finalised by August 2018. This timeframe is quite tight to many of those projects, which will cause a rush in producing outputs by the end of the contract. On the other side, projects have a good mobilising character since they gather different partners to do something together. Since the Phase I will be extended to October 2019, it is advisable to extend the duration of the grant projects, so the project partners will be tight to extend their cooperation in implementation of the action.
- Recommendation #3. To strengthen horizontal cooperation between the Partnership Initiatives.** The evaluation showed a limited degree of cooperation between the Partnership Initiatives supported by RRDS project. There is a need to bring more cooperation and exchange of information and practices between the Partnership Initiatives, which will contribute to synergy and better quality of results. Where possible, **the Partnership Initiatives should also look for synergy with other relevant development initiatives in Serbia.**
- Recommendation #4. To create mechanisms within SCO/SDC in Serbia for institutional cooperation and exchange of information between Swiss-funded projects in Serbia.** This applies to projects operating in rural and regional development, good governance and economic development (including private sector development interventions).
- Recommendation #5. To extend membership in the Policy Platform.** The Policy Platform should extend its membership to include representatives from MPA, MEI, the Public Policy Secretariat, and the Ministry without portfolio in charge for regional development, as well as key actors from private sector (business associations, Chamber of Commerce, etc.), universities, think tanks and research institutes, civil society organisations, donor agencies and implementing agencies. In the forthcoming period the RRDS project should **develop a plan for organising plenary sessions of the Policy Platform to the end of the Phase I.**
- Recommendation #6. To invest more capacity in learning from case studies and best practices** of rural and regional development in Serbia. The learning should not be limited to RRDS experience yet should include best practices from programs and projects implemented by other development actors in Serbia. Results of this exercise should be transferred into analytical products (policy briefs, policy studies,

case study analysis, etc.) that will be used in the work of the Policy Platform, as well as for (re-)design of the Phase II of RRDS project.

**Recommendation #7. To strengthen communication, information dissemination, promotion of the project results and visibility of RRDS.** RRDS already produced numerous results that should be actively promoted to the policy arena, key stakeholders, project beneficiaries and the general public. The project should invest more resources in communication activities (including human resources as well), introducing communication tools such as newsletters, story telling, flagships, posters and Infographics, as well as media briefings, press trips to the project locations, media promotion of the Partnership Initiatives, etc.

**Recommendation #8. To revise the project document, especially its vertical structure.** Although the Logical Framework has been changed in early 2018, before launching of the Phase II it is necessary to change the vertical structure of the project based on the results and best practices from the Phase I, country specifics, rural and regional priorities and findings from the evaluation report.

**Recommendation #9. To allocate more human resources to project implementation.** For successful finalisation of the Phase I, it is necessary to put more staff resources by creation of at least two full-time positions, one for the team-leader and one for a project officer.

#### **RECOMMENDATIONS FOR THE PHASE II (AFTER OCTOBER 2019):**

**Recommendation #10. To keep the same project areas in the Phase II.** In order to achieve substantial and robust development results, it is advisable to keep the focus on the same geography, extended to municipalities or towns from neighbouring districts that are part of the functional spaces where selected Partnership Initiatives are operating.

**Recommendation #11. To provide institutional and tailor-made support to the Partnership Initiatives.** Phase II should continue to provide support to all Partnership Initiatives that successfully completed the Phase I, and established operating and functional structures based on good governance principles. The support to the Partnership Initiatives should be both financial and non-financial, and should include instruments such as the institutional grant funding and consultancy support through vouching system.

**Recommendation #12. To support creation and capacity building of at least one LAG in Serbia,** preferably in the same geography. In the following years, activities related to creation of well-functioning LAG will be the most important segment of implementation of the IPARD

programme in Serbia. RRDS should keep the good momentum of cooperation with MoA and should provide the necessary support on this matter.

**Recommendation #13. To redesign the Fiduciary Fund.** In the Phase II the Fiduciary Fund should be redesigned in a way to provide seed money for innovative projects and project co-financing for accessing external funding schemes such as EU pre-accession instruments.

# ANNEXES

## ANNEX 1: Terms of Reference

**Terms of Reference**  
**for**  
**External Evaluation**  
**of**  
**Project “Regional and Rural Development to Serbia” Phase 1**  
**in Serbia**  
**(7F-08396.01)**

### 1. CONTEXT OF THE EVALUATION

“Regional and Rural Development Support to Serbia” (RRDS) project is financed by the Swiss Agency for Development and Cooperation (SDC) and implemented by NIRAS since December 2015. This is the first phase of the project with the financial value of CHF 3.7 million.

RRDS project is one, out of four components of the programme Resources for local democracy. The overall goal of this programme is to support municipalities within their competencies to access and safeguard additional financial resources enabling discretionary and democratic decision taking at local level on development priorities and quality of service provision. The project components are quite diverse. As a result, the reorganization of the project components is planned in order to sharpen the focus of each one. In the second phase, the RRDS project will be part of the Economic Development portfolio contributing to the local and regional economic development. In addition, under this indicator, the Swiss Cooperation Office is foreseeing to launch a new Local economic development project. The complementarity between the future LED and the last phase of the RRDS project will need to be ensured.

More specifically, the goal of the RRDS project is to enable local government units to access urgently needed additional financial resources to fulfil their competencies. The resources prompt democratic decision-making taking at local level on investment priorities and lead to the provision of more quality services to citizens and the private sector.

The project focuses on delivering interventions that respond to the very specific needs of different communities and places in order to enable municipalities and other partners to access future EU & national funds and lead their own development. This will result in the delivery of improved services to citizens and the private sector and contribute to the improvement of quality of life of all citizens, particularly women and those living on the margins, in rural areas and regions.

The approach focuses on strengthening horizontal governance processes across ministries, within regions, and finally vertically between national, regional and rural structures. It also includes the establishment of a temporary Policy Platform, the development of at least three functional models of regional and rural development driven by local and regional innovation. As a result, the project will ensure that the learning generated is accessible and available to a wide range of stakeholders in order to inspire change and motivate others to act on behalf of their communities.

The project implements multi-level governance (nationally, regionally & locally) by involving public, civil and private sector stakeholders.

- At the national level, the project cooperates with relevant Ministries, Standing Conference of Towns and Municipalities (SCTM), Serbian Development Agency and regional and rural networks to familiarize them in depth with European good practices and functional spaces approach. Special focus is placed on building national partners' absorption capacity for IPARD. The project has supported the Government of Serbia to establish and facilitate the Policy Platform to enable effective cooperation among all stakeholders and to serve as a main communication channel among decision makers.
- At the regional and local level through the Fiduciary fund, the project supports rural and regional development initiatives led by Regional Development Agencies (RDAs). Fiduciary funding enables identifying, strengthening and resourcing partnerships to implement project that they recognized as most necessary. Initiatives range from support to honey production, bicycle tourism, wine and brandy production, rural women's entrepreneurship and establishment of the renewable energy centre. The final aim of these initiatives is to demonstrate feasibility and usefulness of the functional space approach and increase EU funding absorption capacity of involved stakeholders.

Geographically the project covers 28 municipalities in three districts (Srem, Macva, Kolubarski & Sumadijski).

Specific emphasis is placed on good governance principles, such as accountability, transparency and efficiency, together with a specific focus on gender aspects.

The project has achieved several results during these two years and positioned itself among the strategic partners to the Ministry of Agriculture to support defining and rolling out of the national LEADER approach (Liaison Entre Actions de Développement de l'Économie Rurale /Links between the rural economy and development actions) and accreditation of IPARD measures. Detailed project results and challenges in the process are contained in Operational reports (quarterly and yearly).

NIRAS has a close cooperation with key stakeholders: Ministry of Agriculture; Ministry of Economy; Ministry of Public Administration and Local Self-government, Ministry of Tourism, SCTM, DAS, RDAs (1-Srem; 2-Sumadija and Pomoravlje; and 3-Podrinje, Podgorina and Radjevina), regional and rural networks, etc.

Context analysis affecting the project implementation: The current Law on Regional Development has major weaknesses such as fostering intermunicipal cooperation, process of developing and adopting national regional development strategy, defining of regions, does not recognize functional space approach, etc. Furthermore, the revision of a new Action Plan for Chapter 22 on Regional Development is still pending. Despite the unfavourable legal and strategic framework, the new Law is not among one of the priorities of the Ministry of Economy. This directly affects the RRDS project assumption stating that the line Ministry is committed to prepare and adopt new Law, as well as planned expert support in development of regulatory and strategic framework for regional development. Based on this, the Steering Committee has taken the decision that for the remainder of the current phase, the project will continue to promote functional space approach in rural development and further explore possibilities to support the Ministry of Tourism in developing policies related to regional tourism and to assist the Ministry of Public Administration and Local Self-government and SCTM to boost inter-municipal cooperation.

## 2. PURPOSE AND OBJECTIVES OF THE EVALUATION QUESTIONS

An external evaluation will be conducted about one year before the end of the project phase in order to:

- Assess the achievements of the current project phase and lessons learnt;
- Support NIRAS with recommendations allowing the project to consolidate and sustain its major achievements for the remainder of the current phase; and
- Support SCO with recommendations for the second and last project phase of the RRDS project.

More specifically, the objective of the evaluation is to assess:

### Relevance:

- Is the set goal valid after two years of the project implementation? Does it need to be reformulated or sharpened?
- Is there a valid impact hypothesis that is applicable to the current context? Does it need to be adapted?
- Was the support provided by the RRDS project in line with National Strategies and priorities? Was it perceived as relevant?
- As the project has redirected its activities from the regional development topic to support the Ministry of Tourism in developing policies related to regional tourism and to assist the Ministry of Public Administration and Local Self-government and SCTM to boost inter-municipal cooperation, to what extent has this contributed to achieving the set objectives?
- To what extent are the initiatives supported through the Fiduciary fund in line with national and regional policies and strategies?



**Effectiveness:**

- What is your interpretation of the contribution of the project to the accreditation of IPARD measures? In which areas was the project's support crucial?
- Was better accessibility and absorption of EU and national funds ensured with the support of the project and to what extent?
- Did the Policy Platform enable better horizontal level coordination? How did platform members benefit from it?
- To what extent have the national stakeholders accepted the functional space approach in creating regional or rural development policies?
- How did the national stakeholders benefit from the support?
- Were the initiatives a crucial element contribute to the capacity building of partnerships? If so, in which way?
- Do the partnerships have a sound base to persist after the project?
- Are the members of the partnerships equally empowered in decision-making? Please elaborate.
- Was the projects successful in facilitating the formation of partnerships and implementation of different initiatives?
- What were the major challenges encountered by the partnerships and how were they addressed? Did the project team assist in overcoming those challenges and how?
- What are the lessons learned through formation of partnerships and implementation of the initiatives?
- Where there any local-level results not foreseen initially?
- Is the current Log Frame accurate to enable assessment of the achieved results?
- To what extent has the project achieved outcomes outlined in the Log-Frame taking into consideration legal and economic context of Serbia? Were there any significant context related changes that affect the Log-Frame and how?
- What is the likelihood of achieving set objectives by the end of this phase?
- To what extent has the project team taken into consideration the evolving context and redefined project objectives and approach accordingly?
- How did the project contribute to the increased quality of services provided by municipalities to citizens and companies (Governance OS2 CS 2014-17)?

**Efficiency:**

- How efficient is the project mechanism and organisational structure?
- Does the team have enough capacities to implement planned activities?
- Are the project management and steering mechanism in place adequate to efficiently implement project activities?
- Is the project collaborating with the right stakeholders? Which stakeholders need to be more empowered?
- Were there any synergies created with other SDC initiatives in order to be more efficient in implementing activities in the same fields?

- How efficient was the project in implementing the good governance principles through their activities?
- What is the cost benefit analysis of the implemented models at the local level?
- What is the percentage of the funds invested by the local authorities in local and regional development in targeted 28 municipalities (Economic Development OS2 CS 2018-21)? How has the project contributed to it?

### Recommendations:

- a. Make recommendations for the remainder of the current phase based on the three dimensions mentioned above allowing the project to consolidate and sustain its major achievements
- b. Make recommendations regarding the second and last phase of the project. These include, but are not limited to the following recommendations:
  - How to ensure that the second and the last phase of the project is streamlined and focused on the defined project goal?
  - What are the main areas of support that should be provided by the project to ensure further rolling out of the IPARD program?
  - What is the potential for replication of the methodology for creating partnerships through functional spaces approach at the local and national level? How will it be ensured?
  - What are the future potential areas of cooperation with other SDC projects (mainly Private sector development and SCTM)? How to best ensure the synergies?
  - Whether to continue to support the initiatives through Fiduciary fund or to assist the initiatives to be financed directly by external sources?
  - Whether to maintain the current geographical coverage or to expand geographically?

## 3. SCOPE AND METHODS OF WORK

The evaluation team will consist of local experts. The team will make use of information given by NIRAS and SCO staff, project staff in the field, beneficiaries, national and local authorities, international organizations, private businesses and other relevant stakeholders.

The main tasks of the assignment include:

- a) Desk Research (information collection and analysis)  
Relevant documentation includes:
  - Credit Proposal for Phase 1
  - Project Document for Phase 1
  - NIRAS Operational reports during Phase 1
  - External Monitoring Report 2017
  - Swiss Cooperation Strategy for 2014-2017
  - Swiss Cooperation Strategy for 2018-2021
  - National laws, strategies and programs relevant for the project: a) Strategy for agricultural and rural development for the period 2014-2024; b) Law on

- Investment from 2015 ; c) Instrument for Pre-Accession Assistance to Rural Development (IPARD) Programme; d) National Priorities for International Assistance for 2014 – 2017 with projections until 2020; e) National Strategy for Gender Equality 2016-2020;
- b) A briefing at SCO with the Director of Cooperation, Deputy Director of Cooperation and National Program Officer for Governance, Junior National Program Officer at the beginning of the field mission.
  - c) Interviews:
    - Part 1) national level partners i.e. Ministry of Agriculture; Ministry of Economy; Ministry of Public Administration and Local self-government, Ministry of Tourism, SCTM, DAS, regional and rural networks, etc.
    - Part 2) the targeted RDA management and key staff in charge of project initiatives
    - Part 3) representatives of the local self-government, partner organizations, and other development projects/agencies
    - Part 4) with the key partners/beneficiaries from each of six initiatives
  - d) A debriefing at SCO with a focus on:
    - Part 1) Presentation of the preliminary finding and recommendations of the evaluation team
    - Part 2) Wrap-up for lessons learned and discussion for project development up to the end of the project phase
    - Part 3) Recommendation for the last phase of the project

#### 4. DELIVERABLES / REPORTING

The evaluation team is expected to produce the following deliverables:

- 1) An offer with the evaluation methodology to be approved by SCO
- 2) Presentation of the findings and recommendations to be discussed during debriefing session at the SCO and local debriefing with the NIRAS project team.
- 3) Draft evaluation report to be submitted electronically within 40 days signing of the contract to SCO and optionally to the SDC Headquarters in Berne.
- 4) Final evaluation report reflecting all aspects to be evaluated as mentioned in chapter 2. It shall contain a brief description of the applied working methodology as well as separate chapters dedicated to the key findings and recommendations. The report shall be written in English (Arial 11) and not exceed 15 pages (without executive summary and annexes). This report is to be submitted not later than 15 days after the debriefing at SDC HQ. Electronic copies of the final report must be submitted to SCO and SDC.

#### 5. SCHEDULE

The External evaluation will take place from February 20<sup>th</sup> to March 30<sup>th</sup>, 2017. The evaluation schedule is the following:

- A) February 20- March 02: Preparatory activities
- B) March 05-12: Meetings and field missions

- C) March 30: Submission of the draft report by the evaluation team;
- D) April 16: Submission of the final external report by the evaluation team;
- E) April 16-30: Finalization of the management response by SCO Serbia.

The exact work schedule and time allocation is subject to negotiations between SCO and the evaluation team when concluding the contract.

## 6. DURATION AND IMPLEMENTATION ARRANGEMENT

The following table gives an indicative overview of the work schedule and allocated time for the evaluation team:

<i>Task / Activity</i>	<i>No. of days</i>
Research & analysis of relevant documents	5
Field assessments and elaboration of draft findings	6
Briefing and debriefing at the Swiss Cooperation Office in Serbia	1
Supplementary data collection following field visits	2
Report writing	5
Travel in Serbia	3
Total amount (maximum)	up to 22

NIRAS is responsible for providing all logistical support for the mission in Serbia (scheduling meetings, etc.).

## 7. EVALUATION TEAM / QUALIFICATIONS

The selected consultant should have extensive evaluation experience with development programs. This includes, but is not limited to:

- a) Extensive experience regarding evaluation of mid-term development programs;
- b) Extensive experience as team leader of project and program evaluations;
- c) Expertise in assessing project impact, relevance, efficiency, effectiveness and sustainability;
- d) Extensive experience in evaluating regional and rural development;
- e) Analytical expertise;
- f) Expertise in the design and implementation of results-oriented evaluation processes;
- g) Knowledge of the functional spaces approach and territorial governance;
- h) Outstanding report writing skills, and capacity to write independent and objective analyses;

## 8. BUDGET

Provided in the contract signed between SDC and InTER

**ANNEX 2: List of interviewees**

#	Name	Function	Location
1	Ursula Läubli	Director of Cooperation Counsellor, SDC	Belgrade
2	Priska Depnering	Deputy Director of Cooperation, SDC	Belgrade
3	Milica Stojanović	Junior National Program Officer, SDC	Belgrade
4	Petar Vasilev	National Programme Officer	Belgrade
5	Arminio Rosić	National Programme Officer	Belgrade
6	John Gallagher	Team Leader, NIRAS	Belgrade
7	Irina Slavković	Deputy Team Leader, NIRAS	Belgrade
8	Branislav Milić	Rural Development Key Expert, NIRAS	Belgrade
9	Tomasz Łuczyński	Project Manager, NIRAS	Belgrade
10	Claus Jørgensen	Quality Control & Business Integrity Manager, NIRAS	Belgrade
11	Zoran Janjatović	Assistant Minister, Ministry of Agriculture Forestry and Water Management	Belgrade
12	Veljko Đorđević	Coordinator, Sector for Rural Development, Ministry of Agriculture Forestry and Water Management	Belgrade
13	Jelena Radoman Ilić	Deputy Director, Regional Development Sector, Development Agency of Serbia	Belgrade
14	Nataša Glavendekić	Project Management Department, Development Agency of Serbia	Belgrade
15	Maja Majić	Head of group for planning and programming, Department for planning, programming, monitoring and reporting, Ministry for European Integration	Belgrade
16	Slobodan ?	Ministry for European Integration	Belgrade
17	Zoran Ostojić	Head of Department, Department for Improving Competitiveness in Tourism	Belgrade
18	Nikola Tarbuk	Deputy Secretary General for Advocacy, Standing Conference of Towns and Municipalities	Belgrade
19	Dragan Roganović	Director, National Rural Development Network	Belgrade
20	Nenad Popović	Director, Regional Economic Development Agency for Sumadija and Pomoravlje	Kragujevac
21	Milan Mirić	Director, Regional development agency Srem	Ruma
22	Ljiljana Nikolić	Director, Regional development agency of Podgorina, Podrinje and Radjevina	Loznica
23	Tomislav Janković	President of Town Assembly, Town Sremska Mitrovica	Ruma
24	Minja Obradović	Member of the City Council in charge of Investments and Project Management, Town of Kragujevac	Kragujevac
25	Dragan Krstić	Energy manager, Municipality of Ruma	Ruma
26	Milisav Vičentić	Agriculture Advisor, Municipality Ljubovija	Loznica
27	Ljubica Bošković	Director, Tourism organisation of Pećinci	Ruma
28	Svetlana Sabo	Director, Tourism organisation of Sremska Mitrovica	Ruma
29	Jelena Petrović	Direktor, Tourism organisation of Čuprija	Kragujevac
30	Ana Nikodijević	Producer of domestic food products	Kragujevac
31	Dragan Reljic	Director, Foundation of the King Petar I Karadjordjevic Royal winery Member, Association of wine makers Šumadija	Kragujevac
32	Zoran Stevanović	Member, Association of rakija producers Šumadija	Kragujevac

33	Zoran Đurić	Member, Beekeepers association “Loznica”	Loznica
34	Milan Grujić	Member, Beekeepers association “Loznica”	Loznica
35	Darko Đurović	Director, Private Sector Development Zlatibor	Beograd
36	Mladen Momčilović	External Monitoring Expert	Beograd

### **ANNEX 3: List of reviewed and analysed documents**

#### **PROJECT PROPOSAL:**

- Credit Proposal for Phase 1
- Project Document for Phase 1

#### **NIRAS OPERATIONAL REPORTS DURING PHASE 1:**

- Annual reports
- Forward Planning Reports
- Half-yearly reports
- Quarterly reports

#### **EXTERNAL PROJECT MONITORING REPORT 2017**

#### **PROJECT DOCUMENTS:**

- Minutes of the Project Steering Committee Meetings
- Policy Platform Terms of Reference
- Guidelines for Selection of Rural-Regional Initiatives
- Call for Proposals
- Overview of Received Proposals
- Leaflet of RRDS Partnerships

#### **NATIONAL DOCUMENTS:**

- Annual Programme for Development of the Advisory Tasks in Agriculture for 2016&2017
- IPARD Programme of Republic of Serbia 2014-2020
- Law on Investment (Official Gazette of RS, No. 89/2015)
- Law on Tourism (Official Gazette of RS, No. 36/2009, 88/2010, 99/2011 – other law, 93/2012 i 84/2015)
- National Priorities for International Assistance for 2014 – 2017 with projections until 2020
- National Strategy for Gender Equality 2016-2020;
- Regulation on Establishing a Mid-Term Programme of Advisory Service Development for the period 2016-2020 (“Official Gazette of RS”, No 39/16)
- Rulebook on investments in physical assets of agricultural holdings (“Official Gazette of RS”, No. 112/17)
- Rulebook on investments relating to the processing and marketing of agricultural products (“Official Gazette of RS”, No. 84/17)
- Regulation on the preparation of local strategies of partnership for territorial rural development - LEADER approach - draft
- Strategy for agricultural and rural development for the period 2014-2024
- Tourism Development Strategy of the Republic of Serbia for the period 2016 – 2025

#### **OTHER DOCUMENTS:**

- Assessment of the Serbian Community Revitalization through Democratic Action activity (CRDA), 2005, USAID



Mid-term Performance Evaluation of the USAID/Serbia Sustainable Local Development Project (SLDP), 2013, USAID  
Place-based Approach to Regional Policy, Polish, Slovakian and Ukrainian Youth Perspective. Selection of Proceedings, Mariusz E. Sokołowicz, Dagmara Kociuba, 2015, Monographs of ERSa Poland  
Scenarios for Integrated Territorial Investments, 2015, European Commission  
Sustainable Local Development Project in Serbia, Final report, 2016, USAID  
Swiss Cooperation Strategy for 2014-2017, 2014, SDC  
Swiss Cooperation Strategy for 2018-2021, 2018, SDC

## ANNEX 4: Assessment of LogFrame and Achievement of Indicators

Strategy of Intervention ①	Key Indicators ①	Assessment of Achievement	Findings	Recommendation
Impact (Overall Goal) ①	Impact Indicators ①			
Local Governments access additional financial resources to deliver on their competences; <i>the resources prompt democratic decision taking at local level on investment priorities (within national priority sectors agreed with central government) and lead to the provision of more quality services to citizens and the private sector</i>	<p>Increase of 10% of discretionary funding in LGUs budgets related to ReRuDev in targeted regions over the whole implementation period</p> <p><b>Baseline:</b> Average % of discretionary funding related to ReRuDev in 28 LGUs in two targeted regions in 2014 budgets is 6.86%<sup>32</sup></p> <p>Increase of citizens' and private sector's satisfaction with specific LGU public services and support measures related to ReRuDev (strategic development planning, basic communal infrastructure, measures fostering rural/regional development, etc.) by 12% in two targeted regions</p> <p><b>Baseline:</b> Average level of citizens' satisfaction with LGU services and measures related to ReRuDev in two targeted regions is 40% in 2016<sup>33</sup>. Average level of private sector's satisfaction with LGU services and measures related to ReRuDev in two targeted regions is 49% in 2016<sup>34</sup>.</p> <p>Increase of 30 % in absorption rate of regional and rural pre accession EU funding for the targeted regions compared with the period of latter 3 years (2013-2015)</p> <p><b>Baseline:</b></p>	<p>Measuring of impact indicators is not easy and requires resources that are not deployed by the Evaluation assignment.</p> <p>There is no instrument established by RRDS that measures the achievement of impact indicators in real time. Nevertheless, RRDS will carry out a research and a satisfactory survey that will provide information relevant to those two indicators.</p>	<p>Impact has been defined through the LGU access to external financial resources for delivering their competencies, which does not reflect the nature of RRDS intervention.</p> <p>As a consequence, RRDS contribution to impact indicators is rather marginal or at least arbitrary. Impact indicators are focusing on the increase of LGU discretionary funding, absorption capacity and increase of public satisfaction on LGU services and measures related to regional and rural development. In all these areas RRDS intervention is rather marginal.</p> <p>N.B. The word “discretionary funding” is not appropriate in this context.</p>	Desirable impact should rather be related to improvement of socio-economic and good governance indicators, than on LGU absorption capacity of external funding. Therefore, the impact and impact indicators should be reformulated to better explain long-term outcomes of RRDS.

<sup>32</sup> Presented percentage represents an approximation calculated on the basis of the most recent available financial reports for 2014, that are prepared in line with the linear budget model and do not include division of LGU expenditures per specific thematic area (such as rural and/or regional development) or specific projects. Further, floods that have happened in part of the targeted regions in 2014, also had affect on the amount of funds allocated for RuReDev. The final assessment will be based on the amounts budgeted for 2019. (J.1.)

<sup>33</sup> Data based on the Citizens' Satisfaction Survey conducted by CeSID in January 2016. Presented percentage includes citizens completely satisfied with LGUs services and measures related to RuReDev, as well as the group that have responded positively, but have at the same time estimated that there is a space for improvement.

<sup>34</sup> Ibid.

Strategy of Intervention ①	Key Indicators ①	Assessment of Achievement	Findings	Recommendation
	<i>11 EU-funded projects with the value of 1.361.888 EUR aligned to the overall objective of the Project awarded and implemented in two functional regions in the period 2013-2015<sup>35</sup>.</i>			
Outcomes ①	Outcome Indicators ①			
<b>Outcome 1</b> The Ministry of Agriculture and Environmental Protection, Ministry of Economy, Public Policy Secretariat, DAS the SCTM, LGUs and other relevant institutions share and drive a common vision of rural and regional development based on the concept of functional spaces and promoting bottom up innovation; Parliament, Ministries, State Agencies approve new regulatory framework, strategies, programmes and action plans reflecting the new vision.	<p>1.1 The new vision of regional and rural development recognises specific local and regional priorities and, is inspired by good European - including Swiss and Polish – practices and reflects the scope of the respective EU policies and, if applicable, meets all criteria to access EU funding. The vision is owned by all Serbian local and central level stakeholders and adopted by the Ministry of Agriculture and Environmental Protection and the Ministry of Economy.  <b>Baseline:</b> <i>Serbia's relevant development policies rarely reflect functional space approach</i></p> <p>1.2 The Government approves key relevant legal framework and institutional set-up reflecting the new Vision of regional and rural development  <b>Baseline:</b> <i>Existing legal framework defining rural and regional development does not reflect functional space approach; inter-municipal cooperation is recognized as development mechanism though areas of cooperation are not presented in a coherent and systematised manner, nor promoted.</i></p> <p>1.3 The approved legal framework is implemented and monitored by the Platform till the end of the</p>	<p>1.1 In the sector for regional development, national actors (MoE and DAS) did not show much interest in active involvement in the project action, or in changing the regional policy based on inputs received from the regional and local level. On the other hand, MoA has developed new vision of rural development, taking into account inputs from sub-national level in policy design.</p> <p>1.2 RRDS contributed to development of internal procedures for operating structures that led to accreditation of IPARD in Serbia. RRDS also contributed to the quality of IPARD programme in Serbia, especially for Measure 1 and Measure 3 that were accredited for implementation. RRDS supported MoA in designing the Regulation on the Preparation of Local Strategies of Partnership for Territorial Rural Development, which is a cornerstone of LEADER in Serbia.</p> <p>1.3 The Platform has been established,</p>	<p>The Outcome 1 has been partially achieved. There is a good progress towards sharing a common vision of rural development among key stakeholders.</p> <p>On the other side, regional development is in a deadlock, with no vision how to proceed further on this issue.</p>	<p>To revise the Outcome 1 where should be included only the ministries and other institutions that are included in the project action</p>

<sup>35</sup> Number and value of the EU-funded projects is based on data available on websites of the EU Delegation in Serbia and Cross-Border Cooperation (CBC) Programmes and include all relevant projects in two targeted regions awarded and implemented in the period 2013 to 2015.

Strategy of Intervention ①	Key Indicators ①	Assessment of Achievement	Findings	Recommendation
	<p>Phase.</p> <p><b>Baseline:</b> At the moment there is no mechanism involving all relevant stakeholders from the national, regional and local level capacitated to monitor implementation of relevant legal framework affecting rural and regional development</p>	<p>gathering stakeholders from national, regional and local level. The Platform did not include all relevant actors in rural and regional development, therefore it should include representatives of MPA, MEI, the Public Policy Secretariat, the Ministry without portfolio in charge for regional development, as well as key actors from private sector (business associations, chamber of commerce, etc.), universities, think tanks and research institutes, civil society organisations, donor agencies and implementing agencies. The Platform held only two meetings, which was not sufficient for effective monitoring of legal framework.</p> <p>The evaluation mission confirmed readiness of stakeholders from the Platform (especially MoA, SCTM and RDAs) to further collaborate and monitor relevant legal framework affecting rural (and regional) development.</p>		
<p><b>Outcome 2</b></p> <p>At least three combined regional and rural development initiatives inspired by the new vision demonstrate country wide the feasibility and usefulness of the functional spaces approach while fulfilling EU funding criteria and increasing Serbia's EU funding absorption capacity</p>	<p>2.1 At least 60% of members of the SDC facilitated ReRuDev initiatives (partnerships) successfully access EU IPA II, domestic and international donor funding and secure at least 50% co-financing of their projects. Supported initiatives are perceived as clearly reflecting the vision by all key stakeholders, including the SCTM and LGs</p> <p><b>Baseline:</b> No formalised initiatives (partnerships) focusing on regional and/or rural development and based on the functional space approach identified in</p>	<p>2.1 By the time of the evaluation, the established Partnership Initiatives did not take action in applying to any funds, including EU funds, which are outside of the Fiduciary Fund.</p> <p>The evaluation assignment could not measure whether (and how many) individual members of the Partnership Initiatives have applied for EU funds.</p>	<p>At this stage Partnership Initiatives are primarily focused on implementation of grant projects from the Fiduciary Fund.</p>	<p>In the Phase II, RRDS should put more resources in developing capacities of the Partnership Initiatives for absorbing available EU funding for Serbia.</p>

Strategy of Intervention ①	Key Indicators ①	Assessment of Achievement	Findings	Recommendation
	<p><i>two targeted regions. Instead of regional objectives, utilized funds are mostly aimed at reaching individual targets of particular users.</i></p> <p>2.2 On average 45%<sup>36</sup> of interviewed rural population, women in particular, and CSO's in two regions testify that services provided by LED offices / development offices / departments for rural development are accessible and have improved by 2018.</p> <p><b>Baseline:</b>  <i>Average level of rural population' satisfaction with services provided by LED offices / development offices / departments for rural development in two targeted regions is 36% in 2016<sup>37</sup>.  Average level of rural women satisfaction with services provided by LED offices / development offices / departments for rural development in two targeted regions is 32% in 2016<sup>38</sup>.  Average level of CSO' satisfaction with services provided by LED offices / development offices / departments for rural development in two targeted regions is 47% in 2016<sup>39</sup>.</i></p> <p>2.3 By the end of 2018 the Actions financed from fiduciary funding are successfully implemented by at least three initiatives (partnerships)  <i>No rural-regional projects implemented in targeted regions in cooperation of partners from private, public and civil sector  Stakeholders from rural areas have limited access to</i></p>	<p>RRDS did not make a mechanism to measure this indicator.</p> <p>2.2 LED offices has not been (actively) involved in implementation of RRDS, neither they are included in the work of the selected Partnership Initiatives or in implementation of the grant projects. Therefore, the positive opinion of rural population (including women) on the work of LED/Development offices / Departments for rural development within beneficiary municipalities cannot be ascribed to the RRDS project.</p> <p>2.3 It is likely to expect that all grant projects funded from the Fiduciary Fund will be implemented by the end of 2018. Therefore this indicator will be fully achieved.</p>		

<sup>36</sup> Current average is 37% and proposed absolute increase of 8% includes a significant relative increase on the level of targeted groups; for example, on the level of rural population, current number of satisfied citizens would be increased by approximately 25%.

<sup>37</sup> Data based on the Citizens Satisfaction Survey conducted by CeSID in January 2016. Presented percentage includes citizens completely satisfied with LGUs services and measures related to RuReDev, as well as the group that have responded positively, but have at the same time estimated that there is a space for improvement.

<sup>38</sup> Ibid

<sup>39</sup> Ibid

Strategy of Intervention ①		Key Indicators ①	Assessment of Achievement	Findings	Recommendation
		<i>the project consultation and development processes.</i>			
<b>Outcome 3</b> The models of regional and rural development inspire policy makers, and LGU stakeholder to apply for EU regional and rural development pre accession funding to (co-)fund their own initiatives.		3.1 Number of regional and rural development initiatives inspired by the models and successfully accessing EU ReRuDev pre accession funding by or for LGUs; <i><b>Baseline:</b> Limited number of best-practice projects implemented by LGUs in the area of rural development and inter-municipal cooperation financed under IPA I and not based on the functional space approach are available through the SCTM knowledge database. Examples include projects financed under the Exchange 1, 3 and 4 GS aimed at reaching individual targets of particular users and at least 15 has targeted rural development. None of the past ReRuDev initiatives based on the functional space approach have been developed into models.</i>	3.1 Partnership Initiatives were established by RRDS yet it is too early their results to be presented as best practice models.	Active work on achieving the Outcome 3 has been planned during 2018, therefore at the time of the Evaluation assignment there was a little progress to report.	To revise the Indicator 3.1 in order to be more specific.  It is necessary to invest resources in researching best practice models created by the Partnership Initiatives, which can be later used in policy making.
		3.2 Number and significance of legislative changes inspired by rural and regional development models approved by the Parliament, Ministries and/or State Agencies. <i><b>Baseline:</b> Legislative changes have rarely been inspired by RuReDev models based on the functional space approach. Existing legislative framework, previously adopted by the Parliament, sets environment for inter-municipal cooperation.</i>	3.2 There is no legislative change that has been inspired by ReRuDev models based on applying the functional space approach in Serbia. Nevertheless, the project has supported policy development related to design of the Regulation on the Preparation of Local Strategies of Partnership for Territorial Rural Development (LEADER) of MoA, including developing and implementation of 3-step approach in planning.		
<b>Outputs (per outcome) and costs ①</b>		<b>Output Indicators ①</b>			
<b>For outcome1:</b>					
Output 1.1	Stakeholders of Regional and Rural	1.1.1 Stakeholders in targeted regions know and further promote (in their field of competence)	1.1.1 Functional space approach was promoted during the serious of	Knowledge of stakeholders that are active in rural and	Wording “in depth” of the Output 1.1 should

Strategy of Intervention ①		Key Indicators ①	Assessment of Achievement	Findings	Recommendation
	Development, on the local and regional level, as well as national associations (SCTM, rural networks) are in depth familiar with European good practice in Regional and Rural	functional space approach and cooperation modalities developed under the project. <b>Baseline:</b> <i>Functional space approach and related cooperation modalities were not so far promoted in the targeted regions. At the moment, representatives of the national level institutions and organizations (MoA, MoE, NARD, SCTM, etc.) as well as RDAs have some information on the approach and indirect knowledge of the EU and Swiss best-practices</i>	workshops/events with the main stakeholders. However, the evaluation confirms a lack of understanding of “functional spaces” among majority of stakeholders.	regional development have been strengthened through various activities, from capacity building trainings through study visits to coordination meetings. Nevertheless, the evaluation showed that the concept of functional spaces approach has not been adequately presented, neither properly understood by key interlocutors interviewed during the assignment.	be rephrased since it is difficult to measure that degree of knowledge.
	Development, the functional spaces approach, EU funding sources and criteria (including the Integrated Territorial Investment instrument) and promote it in policy making	1.1.2 Institutional capacities of existing rural / regional development networks (i.e. NRDN, RDAs, LGUs rural development network, advisory services, etc.) to coordinate work and cooperate between themselves and with other stakeholders strengthened through series of workshops, coordination meetings and development of policy papers <b>Baseline:</b> <i>Existing rural and regional development networks rarely coordinate their work and initiatives and thus do not utilise their cooperation potentials to a full scale</i>	1.1.2 The SCTM was supported in analysing the capacities of LGUs to implement policies for agriculture and rural development. For this purpose a Focus Group was organized on the 21st of November 2016 in Kragujevac. Later, an analysis of the capacities of LGUs to implement policies for agriculture and rural development was prepared.  Strengthened cooperation between existing rural and regional development networks (Serbian Association of Regional Development Agencies, Standing Conference of Towns & Municipalities, National Rural Development Network, and the Institute for Application of Science in Agriculture on behalf of the Serbian Agriculture Advisory Services). Workshop was delivered to facilitate all networks to gain an understanding of the purpose, priorities and mid-term plans of each of the national networks with a view to identify potential areas		



Strategy of Intervention ①		Key Indicators ①	Assessment of Achievement	Findings	Recommendation
			of cooperation (28 <sup>th</sup> of March 2017).  Institutional capacity of SARRA was strengthened. Workshop was delivered to facilitate the elaboration of a capacity building and action plan for SARRA (25 participants from the SARRA and DAS) on 7 <sup>th</sup> and 8 <sup>th</sup> September 2017.		
Output 1.2	The Government of Serbia establishes and facilitates the platform effectively leading to horizontal and vertical cooperation among all stakeholders, and a new consensual vision of ReRuDev; the visioning process pays careful attention to gender equality in regional and rural development	<p>1.2.1 Platform ToR developed in participative manner and all key partners appoint their representatives according to criteria for Platform membership  <i><b>Baseline:</b> There is no functional mechanism for coordinating policy making processes and actions related to regional and rural development between the Ministry of Agriculture and Environmental Protection, Ministry of Economy and DAS, which at the same time has appropriate system of consulting other stakeholders, including SCTM, rural / regional development networks, etc. At the moment, activities of two line ministries, responsible for rural and regional development are coordinated through usual government channels, mainly involving on-call participation in WGs, commenting of laws and by-laws.</i></p> <p>1.2.2 Platform Action Plan covering 3 year period (2016-2018) endorsed by the two line ministries, DAS and SCTM  <i><b>Baseline:</b> Current coordinaiton mechanisms do not involve all stakeholdrs in a systematic manner and are mainly on-demand (ad-hoc) bais</i></p>	<p>1.2.1 The project prepared a ToR for the Policy Platform in a participative manner and key partners appointed their representatives.</p> <p>1.2.2.1 ToR drafted a 3-year action plan (2016-2018), outlining timing of main activities, endorsed by the PSC.  1.2.2.2 This ToR foresees regular Platform meetings (two in 2016, three in 2017 and 2018). However, so far only two meetings was organised, all of them in 2016 (10<sup>th</sup> of June 2016, 19 participants and 25th of November, 40</p>	The Policy Platform has been established yet only two meetings were held so far. The Platform also does not include all relevant stakeholders, such as MPA, MEI, the Public Policy Secretariat, and the Ministry without portfolio in charge for regional development, as well as key actors from private sector (business associations, Chamber of Commerce, etc.), universities, think tanks and research institutes, civil society organisations, donor agencies and implementing agencies.	To initiate more meetings of the Policy Platform and to extend its membership to other relevant institutions and organisations from public and private sector (including CSOs)

Strategy of Intervention ①		Key Indicators ①	Assessment of Achievement	Findings	Recommendation
		<p>1.2.3 Employees (30) of Ministries, including senior level decision makers / Other National Bodies / Associations and other Platform members familiar with functional space approach and Swiss and EU best practice  <b>Baseline:</b> <i>Limited number of the Platform members (DAS, MoE, SCTM) and their employees have general understanding of the functional space approach</i></p> <p>1.2.4 At least 10 active, committed and influential Members of Platform are in depth familiar with Swiss and EU best-practice in regional and rural development as a result of study tours  <b>Baseline:</b> <i>Some of the key Platform members (DAS, MoE, SCTM) have limited, indirect knowledge on the EU best-practice in rural and/or regional development</i></p> <p>1.2.5. Policy document presenting concept of place-based development, international best-practices and recommendations for Serbia prepared in cooperation with the Platform members and made available to</p>	<p>participants).</p> <p>1.2.3 This indicator was partially achieved. The concept of “functional spaces” and “place-based approach” have not been appropriately communicated at national and local level, and the evaluation confirms a basic lack of understanding of those concepts among some of the key national, regional and local stakeholders and project beneficiaries that were interviewed during this assignment.</p> <p>1.2.3.1 Familiarisation of the Policy Platform members with the functional space approach and best practice in the field of rural development were conducted during a series of workshops and thought the work of the Policy Platform (e.g. capacity building activities).</p> <p>1.2.4 Members of the Policy Platform are generally familiar with Swiss and EU best practice in regional and rural development as a result of study tours in Switzerland (19<sup>th</sup> - 23<sup>rd</sup> of September 2016, 9 members) and Poland (6<sup>th</sup> - 10<sup>th</sup> of November 2017, X members).</p> <p>1.2.5 During the evaluation period, a policy document ‘EU &amp; International Functional Space Approaches &amp; Trends’ was under preparation. The</p>		

Strategy of Intervention ①		Key Indicators ①	Assessment of Achievement	Findings	Recommendation
		the policy makers and their future actions	brief will serve to present the concept of place-based approaches to rural and regional development.		
Output 1.4	Actions for EU Accession Chapters 11 (Agriculture & Rural Development) and 22 (Regional Policy) are inspired and led by the new vision, and swiftly presented to the EU	<p>1.4.1 Ministry of Economy supported in developing strategic and policy documents and capacity building related to Chapter 22 negotiations, in line with the Action Plan and priorities defined by the Ministry. <b>Baseline:</b> <i>Ministry of Economy is at an early stage of initiating process of internal preparations and adjustments of work and procedures in line with the Chapter 22 requirements</i></p> <p>1.4.2 Employees (10) of DAS familiar with functional spaces approach and coached to translate into their field of responsibility <b>Baseline:</b> <i>DAS has yet to precise its role and set-up the structure for coordinating development on the level of regions; and get know how on benefits from synergies between regional and rural development axis</i></p> <p>1.4.3 At least one LEADER and/or rural infrastructure measure prepared and submitted for compliance assessment and national accreditation under IPARD investment scheme <b>Baseline:</b> <i>In January 2015, the EC formally approved the IPARD II program contained by six measures. None of the measures are accredited. Solid and effective cooperation between all IPARD bodies is not established.</i></p>	<p>1.4.1 This indicator has not yet been achieved.</p> <p><b>N.B.</b> Please note that Regional Development has not many things to do with the Chapter 22.</p> <p>1.4.2.1 Employees (14) of DAS were supported in elaborating an annual work plan for 2017. The workshop was delivered in Belgrade on the 7th of November.</p> <p>1.4.2.2 RDA RARIS was supported in defining the visual identity of their regional brand 'Balcanica Superior</p> <p>1.4.3.1 Internal procedures for the accreditation of IPARD operating structure was finalised with support of RRDS.</p> <p>1.4.3.2 RRDS contributed to the accreditation of IPARD Programme Measure 1 'Investments in Physical Assets of Agricultural holdings' and Measure 3 'Farm Diversification &amp; Business Development' (regulation and the associated rulebooks).</p> <p>1.4.3.3 Regulation on the preparation of local strategies of partnership for territorial rural development - LEADER approach was draft with</p>	RRDS has contributed to the accreditation of IPARD Programme, which has helped Serbia to better negotiate the Chapter 11 on Agriculture and Rural Development and to increase its absorption capacity of EU funds (which is related to Chapter 22).	

Strategy of Intervention ①		Key Indicators ①	Assessment of Achievement	Findings	Recommendation
		<p>1.4.4 Advisory service supported in developing and implementing Mid-term Development Plan for the period 2016-2020 and familiar with functional space approach and international best-practices</p> <p><b>Baseline:</b> Existing plan expires by end of 2015 and does not reflect functional space approach</p>	<p>support of RRDS.</p> <p>1.4.3.4 A set of events were organized for promotion of the National LEADER Programme with support of RRDS (9 events, 399 participants).</p> <p>1.4.4.1 Advisory Service was supported in developing a by-law, Regulation on Establishing a Mid-Term Programme of Advisory Service Development for the period 2016-2020. This regulation reflecting EU Practices and transferring the intentions to promote territorial/regional approach in rural development and transparency and participation principles.</p> <p>1.4.4.2 Advisory Service was supported in drafting the Annual Programme for Development of the Advisory Tasks in Agriculture, for 2016 and 2017.</p> <p>1.4.4.3 Advisory Service was assisted in providing inputs for the Rule Book for the Advisory Service in 2017.</p> <p>1.4.4.4 186 advisors (MoAEP &amp; Advisory Service) were supported in acquiring new communication, coordination and networking skills relevant for work in rural development.</p>		
		Costs of outputs for Outcome 1 (November 2015 - October 2017): 450,192.17 (63.12% of the total allocated fund for Outcome 1)			
		For Outcome 2:			

Strategy of Intervention ①		Key Indicators ①	Assessment of Achievement	Findings	Recommendation
<b>Output 2.1</b>	<i>A set of criteria reflecting the new ReRuDev Vision is adopted (participatively), and applied to screen existing initiatives driven by domestic stakeholders to identify at least three initiatives for support. Rural poor marginalized women shall be in the focus of at least one initiative</i>	<p><b>2.1.1 Criteria for Selection of initiatives (partnerships) defined in a participative manner and applied</b></p> <p>Baseline: Several EU-funded calls have promoted inter-municipal cooperation in different areas, including rural development, though eligibility of partners was limited to public and non-for-profit entities; functional space approach was rarely promoted.</p> <p><b>2.1.2 At least three regional/rural development initiatives (partnerships) fulfil selection criteria by mid 2016</b></p> <p>Baseline: Identified previous and/or ongoing initiatives (partnerships) within two targeted regions that were/are gathered around domains of regional or rural development are not based on the functional space approach and involve limited number of stakeholders, usually from the public and non-for profit sectors.</p>	<p><b>2.1.1 Criteria for Selection of initiatives were defined in consultation with main stakeholders and applied.</b></p> <p><i>Criteria for Selection of initiatives were endorsed by the PSC and later guidelines for selection of rural/regional initiatives were presented to the potential partners during the info-days.</i></p> <p><b>2.1.2 Eight regional/rural development initiatives (partnerships), which fulfilled the criteria, submitted applications for support. Five of them were selected for capacity building support by end of 2016 (25<sup>th</sup> of November).</b></p> <p><i>2.1.2.1 The consultation meetings were held in 6 municipalities with a total of 111 participants (during September 2016).</i></p> <p><i>2.1.2.2 A total of 8 potential partnerships were supported in the application process.</i></p>	<p><i>The project has identified and supported five Partnership Initiatives, out of eight that submitted the application. There is a need to work further with the selected Partnership Initiatives, in terms of better understanding the concept of the functional spaces approach, as well as in strengthening their internal governance mechanisms.</i></p> <p><i>Women from rural areas are in the primary focus of one Partnership Initiative.</i></p>	<i>To provide institutional and tailor-made support to the Partnership Initiatives, and to strengthen horizontal cooperation between the Partnership Initiatives.</i>

Strategy of Intervention ①		Key Indicators ①	Assessment of Achievement	Findings	Recommendation
		<p><i>2.1.2.3 A total of 8 Initiatives submitted applications under the RRDS's Call for Selection of Partnership Initiatives (17th of October 2016).</i></p> <p><i>2.1.2.4 A total of 5 Partnership Initiatives were recommended by the PSC for support, which were then endorsed by the Policy Platform on the 25th of November.</i></p> <p><i>2.1.3 One selected Partnership Initiative is focused on improving living conditions of marginalised rural women. It is 'Initiative for Improvement of Economic and Social position of Women in Rural Areas of Sumadija and Kolubara Disticts', led by REDASP.</i></p> <p><i>2.1.3 At least one initiative is identified that will measurably improve living conditions and development perspective of marginalised rural women with model character for many other marginalised rural women</i></p> <p>Baseline: Initiatives (partnerships) identified in two targeted regions are not specifically targeting</p>	<p><i>2.1.4 During the first half of 2017 members of five Partnership Initiatives in two targeted regions</i></p>		

Strategy of Intervention ①	Key Indicators ①	Assessment of Achievement	Findings	Recommendation
	<p>improvement of living conditions of marginalized rural women and/or are not set on a basis of functional space approach</p> <p><i>2.1.4 By the end of 2016 members of three initiatives (partnerships) in two targeted regions define in a participatory manner at least three priority thematic (sub)areas within the scope of rural and regional development</i></p> <p>Baseline:</p> <p><i>Existing development strategies and / or action plans are not developed for the functional regions, but focus either on territory of one local self-government or on the whole region covered by RDA.</i></p> <p><i>In terms of thematic areas, usually they cover broader scope of development topics, while priorities are defined as priority projects to be invested.</i></p> <p><i>Though most of the strategies are developed in a participatory manner, consultations of partners from private and / or civil sector are usually limited to public debates, while there is no mechanism for their continuous involvement in implementation of strategies / action plans. These limitations are additionally notable when it comes to consulting</i></p>	<p><i>define in a participatory manner at least two priority thematic areas.</i></p> <p><i>2.1.4.1 A total of 3 consultative meetings were held with the members of the 5 selected Partnership Initiatives during December 2016 in order to start building the initiative partnership capacity.</i></p> <p><i>2.1.4.2 The RRDS project team supported the RDAs in the organisation of a series of 13 consultative meetings with both National and Regional stakeholders in order to research potential actions of Partnership Initiatives and exchange experience.</i></p> <p><i>2.1.4.3 132 participants from the targeted regions participated in 7 Multi-Stakeholder planning workshops resulting in the definition of two-year action plans for each of the 5 Initiatives (Kragujevac - 4th and 6th of April, 15th of May; Loznica – 24th and 27th of April; Sremska Mitrovica – 5th and 12th of April 2017).</i></p>		



Strategy of Intervention ①		Key Indicators ①	Assessment of Achievement	Findings	Recommendation
		<i>and involving rural population.</i>			
Output 2.2	LGU stakeholders are competent to form the institutional set up matching the specific ReRu Development potential according to functional spaces approach desired (e.g. through Inter Municipal Cooperation), and partner with non public stakeholders effectively	<p>2.2.1 At least 15 members of partnership committees possess in-depth knowledge related to regional and rural development  <b>Baseline:</b> <i>Capacities of stakeholders on the local and regional level, including LGUs, RDAs, producers' associations, entrepreneurs in applying functional space approach in domain of regional and rural development are limited.</i></p> <p>2.2.2 Capacities of LGUs for rural development assessed using the SCTM self-assessment tool. LGUs that are members of initiatives supported in filling-in at least 60% of identified gaps  <b>Baseline:</b> LGs capacity to assume the leading role in managing rural governance is still very limited. This sphere is supported through incumbent services specifically charged with agricultural affairs or, in many cases, through the LED offices. Rural questions are treated as an impotent segment of the strategy related to local economic and/or sustainable development, yet these quite often only transpose the substance of activities and work methods promoted on the national level, without additionally examining their efficiency and applicability in local circumstances. The local budget support to rural development is still weak, but consistent.</p> <p>2.2.3 At least 25 LGUs employees trained in line with the needs assessment report and regularly apply gained knowledge by the end of project (2018)  <b>Baseline:</b> <i>LG employees have limited experience, knowledge and available tools for fostering regional</i></p>	<p>2.2.1.1 A new methodology tool was developed as a series of six steps to be undertaken to establish a framework and build the capacities of Initiative members for good governance.  2.2.1.2 The RRDS project designed a questionnaire to facilitate the 5 Initiatives undertake a reflective assessment of their capacities in the context of good governance.</p> <p>2.2.2 Capacities of LGUs for rural and regional development assessed using the SCRM SCTM self-assessment tool (focus group on 16<sup>th</sup> of August 2017)</p> <p>2.2.3 List of priorities and an action plan to build the capacities of LGUs for Rural &amp; Regional Development prepared.</p>	Involvement of LGU in the work of Partnership Initiatives varies from case to case, yet in all cases their role could be more active, especially in creating local development policy based on the results from the Partnership Initiatives.	Wording “in-depth” of the indicator 2.2.1 should be rephrased since it is difficult to measure that degree of knowledge.

Strategy of Intervention ①		Key Indicators ①	Assessment of Achievement	Findings	Recommendation
		<p>and rural development based on the functional space approach in two targeted regions.</p> <p>2.2.4 Supported initiatives (partnerships) regularly share experiences and learn in the process of knowledge exchange  <b>Baseline:</b>  Possibilities for exchange of experiences between actors from public, private and civil sectors are very limited within the existing regions – administrative or covered by one RDA, and usually reduced to consultations during development of strategy / action plan or similar. While the exchange between actors from different regions is commonly based on the area of work – RDAs with other RDAs, producers; and not thematically oriented.</p> <p>2.2.5 At least 24 projects developed and submitted for financing under eligible calls  <b>Baseline:</b> Lists of projects included in different strategic documents. No developed projects ready for financing exist.</p>	<p>2.2.4 The 5 Partnership Initiatives presented their Initiatives and reflected on their experience of partnership formation at the second meeting of the Policy Platform.</p> <p>2.2.5 RRDS project guided the 5 selected Partnership Initiatives through the whole Fiduciary Fund application process and ensuring that the Initiatives had an understanding of the defined selection criteria.</p>		
Output 2.3	Initiatives fulfill EU co-funding criteria and achieve sustainable ReRuDev results. The initiatives are documented and translated into models reflecting the vision in practice. At least one initiative demonstrates how to actively engage with and facilitate the	<p>2.3.1 Fiduciary funds used to support Actions in line with the participatory designed criteria  <b>Baseline:</b>  No experience with funding of projects supporting rural-regional development, with obligatory partnership and co-financing.</p>	<p>2.3.1.1 A series of meetings with national and regional authorities were organized in order to identify and provided the necessary co-financing for prioritized projects of Partnership Initiatives.</p> <p>2.3.1.2 The Application Package for the SDC Fiduciary Fund prepared and it was endorsed by the PSC (5<sup>th</sup> of April 2017).</p> <p>2.3.1.3 The call for proposals was launched on the 13th of April 2017.</p> <p>2.3.1.4 Out of 12 project proposals</p>	Sustainability of results from the Partnership Initiatives is too early to measure. The best practices generated by the work of the Partnership Initiatives are not documented yet; it is expected to happen during 2018. One Partnership Initiatives supports women from rural areas.	To invest more capacity in learning from case studies and best practices and to strengthen communication, information dissemination, promotion of the project results and visibility of RRDS

Strategy of Intervention ①		Key Indicators ①	Assessment of Achievement	Findings	Recommendation
	participation of poor marginalised women in development actions.	<p>2.3.2 Number of project successfully implemented and representing replicable best-practice rural-regional development models</p> <p><b>Baseline:</b> No projects supporting rural-regional development and prepared in partnership between public, private and civil sector implemented in two project functional regions so far.</p> <p>2.3.3 At least 3 best-practice models prepared for further dissemination through partner organizations and networks, most importantly SCTM, National Rural Development Network, NARD / DAS to be further used as models by their members</p> <p><b>Baseline:</b> <i>None of the past ReRuDev have been developed into models</i></p>	<p>submitted, seven projects (of five Partnership Initiatives) have been supported by the Fiduciary Fund (1,289,734.23 CHF).</p> <p>2.3.1.5 Three contracts were signed in third Quarter of 2017 and four contracts in fourth Quarter of 2017.</p> <p>2.3.2.1 Implementation guidelines on reporting, monitoring, public procurement and visibility issues were prepared.</p> <p>2.3.2.2 Project Implementation Workshop for Grant Beneficiaries was organized on the 27th of September 2017 for the representatives of the 5 Partnership Initiatives (15 participants).</p> <p>2.3.3 Preparation of best-practice models for foreseen for the final year of project implementation (2018).</p>		
		<b>Costs of outputs for Outcome 2 (November 2015- October 2017): 888,730.13 (32.49% of the total allocated fund for Outcome 2)</b>			
		<b>For outcome 3</b>			
Output 3.1	Parliamentary committees, citizens, LGUs and RDAs that have not directly been involved in the drafting process are familiarised with the new ReRuDev vision	<p>3.1.1. Results of two self-assessments (upon forming of initiatives and end of 2018) in the areas of rural development are incorporated in the SCTM knowledge based system and further adjustments of the self-assessment tool recommended</p> <p><b>Baseline:</b> <i>Out of 28 LGUs in two targeted regions, 9 have assessed capacities for rural development using the SCTM self-assessment tool</i></p>	3.1.1 This is foreseen for the final year of project implementation (2018).	At the time of the evaluation assignment there has been a little achievement on this Output.	To invest more resources in achieving this output.

Strategy of Intervention ①		Key Indicators ①	Assessment of Achievement	Findings	Recommendation
	by the line ministries and the SCTM (directly involved in the work of the Platform) and are able to translate functional spaces approach in their field of competence	<p>3.1.2. Platform members familiarised with the functional spaces approach, EU best practices in this area, as well as experiences from the targeted regions and supported initiatives</p> <p><b>Baseline:</b> <i>Key Platform members have some information on the functional space approach and indirect information of Swiss and EU best practices in this area; no existing best-practice in functional space approach identified in two targeted regions</i></p>	3.1.2 The members of the Policy Platform are generally familiar with Swiss and EU best practice in regional and rural development. On the other side, there is a lack of understanding of the functional spaces approach. In addition, there is a lack of information about implementation of Partnership Initiatives' projects.		
Output 3.2	Existing networks for Regional and Rural Development influence ReRuDev policy making from a practitioners' perspective and actively share good practice with a growing number of members	<p>3.2.1 Existing networks for Regional and Rural Development exchange information on their work and priorities and coordinate activities effecting rural and regional development issues aiming to create synergies</p> <p><b>Baseline:</b> <i>Coordination of activities between existing regional and rural development networks is at a low level.</i></p> <p>3.2.2 Two policy evaluation documents in the area of rural development prepared and used as a basis for further expert reviews of Governmental policies in the rural development domain and advocacy activities by the rural networks</p> <p><b>Baseline:</b> <i>No substantial analyses of the existing framework and relevant EU policies in the area of rural development is available</i></p> <p>3.2.3 Stakeholders in other regions and on the national level familiar with the project outcomes and best practices presented on minimum 20 events organized by identified networks (i.e. Rural Development Network of Serbia, SCTM Committees on Rural and Regional Development, SCTM Rural Development Network, SCTM Network of LER offices, etc.) and have further</p>	<p>3.2.1 Existing networks for Regional and Rural Development exchanged information about their work, and they explored potential areas of cooperation at a roundtable organized in the first Quarter of 2017.</p> <p>3.2.2 This is foreseen for the final year of project implementation (2018).</p> <p>3.2.3 This is foreseen for the final year of project implementation (2018).</p>	At the time of the evaluation assignment there has been a little achievement on this Output.	To invest more resources in achieving this output.

Strategy of Intervention ①		Key Indicators ①	Assessment of Achievement	Findings	Recommendation
		disseminated information to their members <b>Baseline:</b> <i>Though identified networks are supportive of the functional space approach, so far it was not specifically promoted on the regional level.</i>			
Output 3.3	New public employees in LGUs, RDAs and respective government of Serbia entities are familiar with the models of regional and rural development through the e-learning platform of the SCTM, MPALSG and/or DAS, and are able to translate developed models in their field of competence	<p>3.3.1 All developed training, materials, documents, best-practices integrated in the SCTM knowledge management system; their use is monitored and adapted for greatest outreach and impact; <b>Baseline:</b> <i>Existing SCTM data-base includes 3 training, 5 manuals, 5 best-practices and 4 other documents dealing with topics of regional and rural development developed approximately over the past two years. Most of the available models and documents produced under IPA I projects tackling regional development should be updated and functional space approach introduced. Further, the association at the moment does not have adequate training curricula and guidelines for LGUs on their role in IPARD.</i></p> <p>3.3.2 Stakeholders in other regions informed on developed best-practices and experiences through four regional conferences promoting rural and regional development organized in 2018 and have know-how to further apply them in their respective regions <b>Baseline:</b> <i>Stakeholders in regions around Serbia have limited knowledge on the functional space approach; no best-practice models in the area of RuReDev available</i></p>	<p>3.3.1 This is foreseen for the final year of project implementation (2018).</p> <p>3.3.2 This is foreseen for the final year of project implementation (2018).</p>	At the time of the evaluation assignment there has been a little achievement on this Output.	To invest more resources in achieving this output.
		Costs of outputs for Outcome 3 (November 2015- October 2017): 9,597.89 (3.82% of the total allocated fund for Outcome 3)			
Activities (per output) ①		Inputs (means, resources)			
List of activities for output 1:					
1.1.1. Technical support activities (institutional dimension) for building and strengthening capacities of existing rural / regional development networks (i.e. NRDN, RDAs, LGUs rural development network, advisory services, etc.)					
1.1.2. Continuous promotional activities covering different aspects of RurReg Development in targeted functional regions and on the national level					

Strategy of Intervention ①	Key Indicators ①	Assessment of Achievement	Findings	Recommendation
1.2.1. Prepare ToR for the Platform, agree on the list of Platform initial members and get written confirmation by all stakeholders on members' appointment. Draft the Platform Action Plan to be endorsed by the key members 1.2.2. Facilitate knowledge and experience exchange between members of the Platform and provide regular inputs on project outcomes and best-practices 1.2.3. Exposure to the EU best practice by organizing of 3 study tours 1.3.1. Support to the Platform in providing inputs to the WG drafting new Law on Regional Development - international expertise (functional spaces concept, EU best practices) 1.4.1. Support to the Ministry of Economy in setting up of a strategic and institutional framework 1.4.2. Capacity building support to the newly established Serbian Development Agency 1.4.3. Support MoA to building absorption capacity for IPA RD LEADER and / or rural infrastructure measures (development of LEADER and/or rural infrastructure measure accreditation capacity) and (ii) building capacities of Advisory Service				
<b>List of activities for Output 2:</b> 2.1.1. Conduct initial survey and draft set of criteria for selection of 3 initiatives (partnerships) for support following participatory methodology taking into account women empowerment and poverty reduction. 2.1.2. Support to conceiving local area partnerships and preparation of an extensive list of existing local initiatives in the covered regions 2.1.3. Building partnership capacities 2.1.4. Finalisation of an extended list of initiatives outlining strengths and weaknesses. Selection of 3 initiatives by the PSC 2.2.1. Achieving commitment of 3 selected initiative partners and building initiative partnership committee 2.2.2. Conduct initial needs assessment of LGUs included in the 3 supported initiatives using the SCTM municipal self-assessment tool for relevant areas. 2.2.3. Building regional-rural initiative committees' capacities 2.2.4. Building LGUs capacities for ReRu Development 2.2.5. Facilitate exchange of experiences and best-practices within and between targeted regions 2.2.6. Identification of pilot projects ideas. Defining for potential donors and contributors. Support in their development and preparing project proposals 2.3.1. Explore co-financing possibilities, including national and international funding 2.3.2. Draft general selection framework for pre-selection of Actions (projects) to be presented to the Platform / PSC for (co)financing from the Fiduciary Fund 2.3.3. Facilitate selection procedure 2.3.4. Support implementation of financed projects 2.3.5. Monitor impact of the financed projects 2.3.6. Prepare best-practice (replicable) models and disseminate				
<b>List of activities for Output 3:</b> 3.1.1. Contribute to the SCTM self-assessment tool, knowledge system and e-learning platform. 3.1.2. Support the Platform & the SCTM promote the new vision 3.2.1. Facilitate partnership groups to contribute to a broader knowledge and experience sharing through Networks with similar organizations and engagement with the SCTM and Platform 3.2.2. Support relevant networks to design rural development policy evaluation document 3.2.3. Disseminate project outcomes and best practices through identified networks (i.e. Rural Development Network of Serbia, SCTM Committee on Economic Development, SCTM Rural Development Network, SCTM Network of LER offices, etc.) 3.3.1. Contribute to the established SCTM knowledge-management and e-learning platform and disseminate developed analyses, publications, best-practices, training materials, etc. 3.3.2. Regional conferences promoting functional space and best-practices in regional-rural development				

## ANNEX 5: Overview of Partnership Initiatives and Grant Projects

PARTNERSHIP INITIATIVE	Stimulating use of biomass integrated within the system of regional support to development of renewable sources of energy and energy efficiency of the Srem region	Model of integrated regional development based on consensus and wide partnership of stakeholders from the sector of tourism in Srem region	Tourism development in Srem, Sumadija and Pomoravlje  NOTE: this is a standing-alone project, and it is not part of any of selected five Partnership Initiatives.			Development of territorial identity of the Sumadija region by supporting key rural economy sectors	Initiative for improvement of economic and social status of women in rural areas of Sumadija and Kolubara Districts		Enhancing production and processing of medicinal and aromatic herbs and berry fruits in the function of stopping the migratory processes and devastation of village	
	TERRITORY:	Srem	Srem	Srem	Pomoravlje	Sumadija	Sumadija	Sumadija	Kolubara	Kolubara
IMPLEMENTING PARTNER	RDA SREM	RDA SREM	REDASP			REDASP	REDASP		RDAPPR	
Establishment of the regional support system to the energy efficiency development and renewable energy sources usage in Srem region										
Bicycle tourism toward rural and regional development Srem										
Preparation of two regions, (1) Srem (7 municipalities) and (2) Šumadija with Pomoravlje (13 municipalities) for DMO establishment, defining of tourism space and technical support for entities that sell destinations the targeted regions										
Improving competitiveness of wine producers in Sumadija – IMPULS wine										
Development of an integrated system of support to the sector of fruit production in Šumadija										
Improvement of Economic and Social position of Women in Rural Areas of Sumadija and Kolubara Districts										
Improvement of production and quality of honey in Mačva – Kolubara region										



## ANNEX 6: Other Development Interventions in the Project Area

This annex is giving an overview of development interventions in the designated project areas: Srem, Macva, Kolubara and Sumadija. Identified development interventions are split into typology: Area-based, Sector-based and Inter-municipal cooperation programmes.

### *Area-based Development Approach Programmes*

Several cross-border and transnational cooperation programs support rural and regional economic development in these two targeted regions. *The Cross-Border Cooperation Programme Serbia – Bosnia and Herzegovina* covers the region Srem and Macva and Kolubarski district. *The Interreg IPA Cross-border Cooperation Programme Croatia-Serbia* is focused on Sremski and Macvanski district, while *the Interreg-IPA Cross-border Programme Hungary-Serbia* covers only Sremski district. Furthermore, there are two transnational programme that cover all districts in targeted regions: *The Interreg Danube Transnational Programme* and *The Interreg Adriatic-Ionian Transnational Programme*.

In addition, The Regional Rural Development Standing Working Group in South Eastern Europe (SWG) supports “*Drina Sava*” cross-border region that covers Srem and Macva districts (Sremska Mitrovica, Šid, Bogatić, Loznica, Šabac). This initiative is focused on an area-based development approach, and it supports six priority sectors: environment, agriculture, economic growth and tourism, social cohesion, regional infrastructure and energy efficiency.

Since 2009, GIZ has been implementing *the Regional project to promote cross-border tourism in the Middle and Lower Danube region through the Danube Competence Center (DCC)*. The DCC is a cross-sectoral network, which members are from the private, public and NGO sector working together on tourism development of Danube Region, including the Srem district.

One of the largest area-based development projects in Serbia was the *European PROGRES* that covered 34 municipalities in the South and South West of Serbia, launched in 2014 based on the results of the *EU PROGRES Programme*. As of 2018 this programme was split in two, EU PRO and SWISS PRO. They aim to contribute to a more balanced socio-economic development and better governance in 99 Serbian municipalities from two NUTS 2 regions: Šumadija and Western Serbia and Southern and Eastern Serbia. Both programmes are implemented by the United Nations Office for Project Services (UNOPS).

### *Sector-based Approach Programmes*

Currently, GIZ is implementing the *Private Sector Development (PSD)* project that has a sectoral approach by providing support for the private sector in IT, metal and mechanical engineering and sustainable agriculture. GIZ PSD project support development of IT and mechanical engineering sector in Sumadija district (Kragujevac).

In addition, SDC has the project Private Sector Development in Southwest Serbia from 2009. This project provided support to young people and women (job seekers) through interventions in tourism and traditional production sectors (raspberry and honey). From mid-2013 to mid-2017 the project was implemented in 25 municipalities from Zlatiborski, Kolubarski,

Moravicki and Raski districts. During the phase mid-2017 – mid-2022, this project will cover 100 municipalities in rural area of Serbia (except municipalities of the Autonomous Province of Vojvodina).

From September 2013, USAID is implementing the project *Regional Economic Growth (REG)* with a focus on increased private sector competitiveness and enterprise development through strengthening regional value chains in IT, tourism and agribusiness; improving the business-enabling environment and fostering entrepreneurship training and support services. The project has a national geographic coverage.

### ***Inter-municipal Cooperation Programmes***

USAID implemented the *Sustainable Local Development Project – SLDP* that was originally aimed to "improve local economic development by employing a set of tools, including inter-municipal cooperation (IMC), to strengthen relevant economic oriented local administrative processes and encourage public and youth participation in deciding local economic issues". It covered 32 municipalities where building of eight IMC areas was expected (with leading towns: Vranje, Niš, Novi Pazar, Novi Sad, Subotica, Zrenjanin, Kraljevo and Užice). The project planned the creation of a joint working platform of local government, private and civil sector from each member community, in order to decide on and implement economic development projects for the entire IMC area, while each community would contribute resources to that effort. At the end of the second year of project implementation, it was not clear whether the project was having any impact on the economic development, so USAID switched the project approach from IMC to private sector development. The project was implemented from 2011 to 2016 and it did not cover the targeted regions of the RRDS project.

**ANNEX 7: Matrix of Development Interventions in the Project Area**

Programme	Other Development Interventions in the Project Area										
	District				Approach		Time frame				
	Srem	Macva	Kolubarski	Sumadijski	Area-based	Sector-based	2014	2015	2016	2017	2018
EU IPA CBC Programme Serbia – BiH											
EU Interreg IPA CBC Programme Croatia – Serbia											
EU Interreg IPA CBC Programme Hungary – Serbia											
EU Interreg Danube Transnational Programme											
EU Interreg Adriatic-Ionian Transnational Programme											
SWG “Drina Sava” cross-border region, SWG											
EU/ADA Socio-Economic Development of the Danube Serbia Region (SEDDSR)											
EU PRO Programme, implemented by UNOPS											
Swiss PRO Programme, implemented by UNOPS											
GIZ Danube Competence Center (DCC)											
GIZ Private Sector Development (PSD)											
GIZ Assistance to competitiveness and compatibility with the EU of Serbian SMEs (ACCESS)											
SDC Private sector development in southwest Serbia											
Regional Economic Growth (REG), USAID											



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