PROJECT SYNOPSIS

**Project title**  
Rural and Regional Development Support to Serbia

**Donor**  
Swiss Agency for Development and Cooperation SDC

**Value**  
3.699.700 CHF  
fiduciary funding 1.620.000CHF

**Duration**  

**Consortia members**  
NIRAS (Poland and Denmark), Polish Rural Forum (Poland), Partner Solutions (Serbia)

**Overall 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.

Project interventions are expected to yield three specific outcomes:

**Outcome 1:** The Ministry of Agriculture and Environmental Protection, Ministry of Economy, Public Policy Secretariat, DAS, 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.

Initiatives and Actions supported within outcome 2 are expected to originate from the two targeted regions: region 1 overlapping with Sremski and Macvanski administrative districts and region 2 with Kolubarski and Sumadijski administrative districts. In addition to technical assistance, project also includes 1.620.000 CHF fiduciary funding to support development measures within the selected project regions and the pilot initiatives.

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

**Partners’ network**

Key national level institutions include: Ministry of Economy, Ministry of Agriculture and Environmental Protection, Development Agency of Serbia, Ministry of Public Administration and Local Self-Governments, Secretariat for Public Policies, Ministry of Finance, Serbian European Integration Office. Further, networking organizations providing links between local and national level, included in different capacities as partners, are: Standing Conference of Towns and Municipalities, Vojvodina Provincial Government, Heads of Administrative Counties, accredited Regional Development Agencies in the supported areas, Local Action Groups, Network for Rural Development of Serbia. Partners’ network will also include representatives of all LSGs from the supported regions, as well as producers and local business organizations (representatives of private sector) and local CSOs (especially representing vulnerable groups).
Project Background

The driving force behind the Swiss Agency for Development and Cooperation (SDC) Rural & Regional Development Project is that in the future:

People of the communities they are from or part of and different places will come together to explore their potentials, new possibilities and ideas and chart a course of future focused positive actions. They will have the confidence and capacity to clearly articulate their very specific needs in a variety of fora and platforms, which are responsible for contributing to the design and elaboration of future central government programmes.

These fora and platforms will be guided by a set of principles, which will inspire confidence and ensure that all representatives participate equally in the decision making process. This process will deliver programmes that respond to the very specific needs of different communities and places. These programmes will enable towns and 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 in the quality of life of all citizens, particularly women and those living on the margins, in rural areas and regions.

In order to contribute to the delivery of this future, the RRDS project will focus its efforts on an approach to strengthen horizontal governance processes across ministries, within regions, and finally vertically between national, regional and local structures. It will also include the establishment of a Policy Platform, the development of at least three functional models of regional and rural development driven by local and regional innovation. Finally the project will ensure that the learning generated, in the course of the project, is accessible and available to a wide range of stakeholders in order to inspire change and motivating others to act on behalf in their communities and places.
1. EXECUTIVE SUMMARY

This operational report covers the period from November 2015 to April 2016 and provides an overview of progress and performance, update on the management issues, insight into the key milestones for the following six months, as well as section on lessons learnt. The report is accompanied with of annexes providing information on undertaken actions, while Annex I, *Overview of progress against LF indicators* represents an integral part of this report.

RRDS project is smoothly implementing its activities, in line with the planning. In the first 6 months of implementation, *significant progress was made under outcome 1, in cooperation with the Ministry of Agriculture and Rural Development and developing concept of a Policy Platform.*

The project has supported *alignment to the EU acquis communautaire* by assisting in (1) developing a by-law, *Regulation on Establishing a Mid-Term Programme of Advisory Service Development for the period 2016-2020* fully reflecting EU Practices and transferring the intentions to promote territorial/regional approach in considering rural issues and promoting all the principles of good governance, which was adopted by the Government of Serbia on 15 April 2016. Further, the team has (2) provided inputs to the draft *Annual Programme for Development of the Advisory Tasks in Agriculture for 2016,* which, *for the first time,* clearly articulates the position and role of Local Self Governments in the Advisory system of Serbia and *introduces new obligations towards the advisory services - to consult, plan and perform certain tasks in close cooperation with LSGs thus contributing to further decentralisation processes.*

With the aim to contribute to the processes of accessing EU funding, RRDS has supported MoAEP in *finalising internal procedures for accreditation of IPARD operational structure necessary for using EU pre-accession support for rural development.* RDAs and LSGs from the project target regions were consulted in this process and informed on the current status of preparation for accessing IPARD funding.

Concept of the *Policy Platform,* a pilot mechanism contributing to coordinating of policies related to rural and regional development and involving broader network of partners on the national, regional and local level, was successfully finalised in consultations with all relevant partners and endorsed by the PSC. The Platform will be chaired by the MoAEP – Sector for Rural Development (co-chairing modality will be further explored) and gather all relevant partners – MoE, SEIO, DAS, SCTM, NRDN, Secretariat for Policy Coordination, RDAs, etc. Capacity building approach under the Policy Platform was successfully tested by involving broader range of partners from the national, regional and local level into the process of drafting documents with the MoAEP.

All preparatory activities have been finalised and the ground work on forming rural-regional initiatives in two project regions under outcome 2 is initiated. RRDS team will rely on existing three RDAs in this process and support creation of functional partnerships on the functional region level.

In terms of *sustainability,* the guiding project principles include (i) embedding activities into existing relevant national and/or local structures and (ii) ensuring beneficiaries’ ownership. GG principles are considered as guiding principles while designing and performing activities. Gender equality and social inclusion aspects are particularly tackled under outcome 2 with one of initiatives to be selected focusing specifically on gender and age aspects in improving position of rural dwellers.
Relevant project policy framework was considerably changed during this reporting period: the general elections held in April 2016 have resulted in downscaling activities with all levels of government in the previous period; while uncertainties related to the structure of the new Government and, specifically, positioning of regional development remain challenge for the forthcoming period. Between November 2015 and March 2016 several strategies and laws relevant for the context of RRDS project implementation were adopted - National Strategy for Gender Equality for the period 2016-2020, Strategy on Regulatory Reform and Improvement of the System of Public Policies Management for the period 2016-2020, Law on the Status of Employees in the Autonomous Provinces and Local Government Units, Law on Salary System in the Public Sector; and new Development Agency of Serbia has in line with the Law on Investments taken over responsibilities of SIEPA and NARD as of mid-January 2016. Within the Government initiative to promote 2016 as the Year of Entrepreneurship, RRDS project is recognized by the Ministry of Economy among projects by foreign partners contributing to development of rural entrepreneurship.

In the next 6 months RRDS project will focus its work with the national level stakeholders on establishing coordination and supporting capacity building activities with the Policy Platform, initiate cooperation with the line Ministry on amending the Law on Regional Development and continue supporting MoAEP in institutional and policy reforms in Rural Development and Advisory Service. It is also foreseen to complete needs assessment of four targeted national associations (advisory, NRDN, SCTM LSGs rural development network, RDAs) and to prepare capacity building plan. Focus under outcome 2 will be on supporting partners in two targeted regions in forming rural-regional initiatives and will include organization of workshops, group and individual consultations, additional analyses (if needed) and mentoring support in preparing applications. Deadline for submission of applications is set for autumn and assessment process will start in October 2016.

The key challenges in timely implementation of activities dealing with the national level include delays in forming of the new Government, especially on the level of Ministerial departments, and motivation of national level representatives to take active part in project activities; while the main task of project team on the level of regions will be to actively engage all stakeholders, most importantly citizens and their representatives and private sector and to cope with dormancy of rural networks.

Financial implementation is also in line with the plan: the first instalment was received by the Swiss Agency for Development and Cooperation on 9 November 2015 in the amount of 750.000CHF, while the utilisation of funds so far amounts to 17.31%.