

# Newsletter

## PROMOTION OF SUSTAINABLE SOCIO-ECONOMIC TERRITORIAL DEVELOPMENT IN THE WESTERN BALKANS

*In the last couple of years, a significant progress has been made in terms of planning on the local level and a more complete understanding of concepts and tools that should be used in order to have an organised approach to solving local needs and problems.*

## Analysis of the planning process in cities and municipalities in the Republic of Serbia

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Analysis of the planning process on towns in municipalities in the Republic of Serbia was carried out as a part of the Exchange 3 project implemented by the Standing Conference of Towns and Municipalities, and financed by the European Union. The main objective of the analysis is to thoroughly analyse strategic documents and planning processes in local communities, and give recommendations that could improve the strategic planning of local self-governments. As such, the analysis should be useful both to local self-governments and other relevant stakeholders, such as the central government, regional development agencies, international development and financial organisations, in order to make it possible for them to harmonise their activities and provide full support to implementation of local strategic documents.

The analysis was implemented with a sample of 20 local self-government units, selected with the criteria to ensure regional balance, i.e. to include local self-governments from the overall territory of the Republic of Serbia, and to provide a balanced share of large, medium and small local self-governments, and self-governments with different levels of development. Apart from these basic criteria, additional criteria include the existence of sectoral strategies, as well as different methodologies in strategy development in order to analyse the methodologies used by different organisations. At the same time, 6 national strategies were analysed, which served

as a basis to monitor the level of harmonisation between local strategic documents and those strategies.

Apart from the document analysis on the local level, 138 participants were interviewed, of which 120 from 20 selected local self-governments – 76 representatives of local self-governments (which included decision makers such as mayors, heads of administration and finance departments, people in charge of organisational units responsible for implementation of strategic documents – heads of local economic development offices), 22 representatives of civil society organisations, i.e. non-governmental organisations and 22 representatives of business community, as well as 18 representatives of national and regional institutions: 12 representatives from regional development agencies, three from ministries and three from donor programmes.

Questionnaires used to gather data about the existing strategic documents contained questions related to the process of developing and adopting strategic documents, implementation, monitoring and evaluation, and the revision of strategic documents – i.e. making decisions about the development of a new strategic document.

In the last couple of years, a significant progress has been made in terms of planning on the local level and a more complete understanding of concepts and tools that should be used in order to have an organised ap-

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proach to solving local needs and problems. However, analysis of strategic documents on the local level shows that the quality of planning is still not on a satisfactory level and that it significantly varies between different local self-governments. An effective and efficient management includes clear, result-oriented local development strategies, links between strategies and the budget, and monitoring of the implementation of defined priorities, which is currently most often not the case. The fact that local self-governments have invested great efforts into preparing their strategic documents, and that the knowledge of the process and the core of planning has been significantly improved, is a good basis for further development.

Based on the situation and defined gaps with regard to planning and management of local development, and in order to improve the process and system of planning, the following recommendations are proposed:

1. Preferably, **a unique planning mechanism should be established on all levels** for better coordination and harmonisation of national, regional and local development policies, and a coordination system should be defined between institutions dealing with development on all levels. This would include the following steps: **it is necessary to define a unique methodological framework for the development of local strategies, define required elements and develop a mechanism for continuous monitoring of all activities in this field on the local level.** Defining such a framework would enable a unified planning process and a possibility for comparative monitoring of strategy implementation, as well as measuring of effects on the national level, and the process defined in such a way should be flexible enough for all specific local characteristics. Also, it is very important for a quality strategic planning **to introduce and select a set of relevant indicators for the strategic planning process**, so that their quantification can provide a necessary basis both for measuring of progress in local development, as well as for **contribution of the local level to development on the national and regional level.** Such indicators would also make it possible to **compare the progress in development between different local self-governments.** Also, it is necessary to **significantly improve the national strategic framework in a way that national strategies have clear goals and measures that should be implemented on the local level.**

2. It is necessary **to raise the capacity of local self-governments for planning and strengthen intersectoral communication and coordination** which would include further systematic support to additional capacity building, primarily in **understanding of the planning process, data collection, development of indicators and socio-economic analysis, implementation methods and tools, monitoring and assessment, including the knowledge about reporting process and revision of strategic plans**, since they are dynamic documents. Also, it is necessary to provide additional **professional development for employees in local self-governments, especially in depart-**

**ments and/or offices in charge of development, which would also improve the process of analysing the structure and contents of strategic documents on the local level,** their harmonisation and complementarity with the national strategies and thus the general management on the local level, as well as to **establish the relevant organisational and functional structures in order to improve the implementation and supervision of the implementation of strategic documents that should provide a horizontal and vertical coordination of policies, as well as intersectoral cooperation and exchange of information.**

3. **Financing costs for local development should be planned in accordance with the strength and capacities of local self-governments,** which means that the documents should contain **a clear link between the strategy, the action plan and the local budget.** Strategic documents have to be completely in line with local budgets, whereas on the other hand, **the development of annual local budgets has to be based on priorities defined in strategic documents.** Also, local self-government units have to rely on different sources of finance – their own, national and EU funds, long-term loans and issuing of municipal bonds, as well as on financing through the use of capital in public-private partnerships. That is why it is necessary to make a realistic estimation of all sources of finance, and to use them carefully, both from the aspect of costs, as well as availability, which will require more attention on cooperation with neighbouring local self-governments in order to achieve common goals, as well as more frequent use of project financing.

4. It is necessary to **improve the participation of the local community** so that it can express their preferences that would be somewhat compulsory for decision makers, which would create a credible incentive for them to participate **in preparation, as well as in implementation, monitoring and assessment of the strategy effects,** and at the same time it would lead to a **stronger partnership,** especially since so called “local partnership” is often more important for success in the implementation of strategies than a perfectly structured and professionally written strategy. For a quality participation of the local community in the preparation it is necessary that the process is **not politicised and that it is transparent.**

Adoption of these recommendations would certainly lead to preparation of new and/or revision of existing strategic documents and better, more operational and more focused strategies, which would improve the structure and contents of strategic documents on the local level, as well as their harmonisation with national strategies, and the overall process should be followed by active support measures for realisation of documents, as well as by promotion of good examples, in a way that positive examples lead to more functional solutions in the strategic management of communities. ■

# Planning of transportation and urban mobility

## The key to providing sustainable local economic development

*Motion, transport and communication are basic human needs, and transportation comes as a result of the realisation of those needs, people's need to move, to transport goods, materials and provide services.*

Preconditions for sustainable economic development are often looked for only in job creation, mostly forgetting the existing local economy, and social and environmental aspects of improving the quality of life for all people living in the local community. Uncontrolled economic growth does not lead to sustainable economic development nor to improved quality of life for the local population. In order to ensure sustainable local economic development and boost the development of local economy, it is necessary to plan the development of infrastructure that would respond to future needs of the local economy, as well as protect and improve the quality of life. Transportation, that used to be the main instigator of economic expansion and progress of cities, now becomes more of a hindrance for development, since negative effects of transportation in city centres cause the business, service and trade sectors to dislocate.

Strategic planning of sustainable transportation helps a town or a city to rise to a higher level in terms of sustainable economy and advanced technology, higher territorial cohesion of a town or a city, higher level of accessibility, functional polycentricity and developed urban identity. Construction and development of a city's transportation system, that will enable a sustainable mobility of the population, provide support to city's accelerated development and its competitiveness in the region and beyond, is now one of the key goals of sustainable urban development. A modern transportation system therefore imposes the need for sustainability from the economic, social and environmental point of view.

Transportation Development Strategy of the City of Kragujevac is the first local strategy of sustainable transportation development in Serbia and it was prepared with support from the Municipal Support Programme IPA 2007, the Project that was implemented between January 2010 and January 2013 and financed by the European Union. Within the Municipal Planning component, apart from support provided for 12 local self-governments in the preparation of action plans for implementation of local sustainable development strategies, support was also provided for 15 local self-government in the preparation of plans for the development of sectors identified as priorities in

their local sustainable development strategies. The City of Kragujevac is one of 15 local self-governments in Serbia that received support from the MSP IPA 2007 in the preparation of sectoral strategies, and the only city that requested support in the field of sustainable transportation development.

Transportation Development Strategy of the City of Kragujevac includes the analysis of current situation, identification of future needs and proposed solutions for problems in the field affecting the development of transportation and urban mobility.

**The Project MSP IPA 2007 - Good Local Governance, Planning and Service Delivery is an EU funded project implemented by a consortium led by GIZ International Services.**

**Overall objective is "to contribute to improved governance and economic development in Serbia through support to a broad range of aspects of the decentralization of responsibilities and competences from central to local level".**

**The Project includes four components:**

- 1. Municipal planning**
- 2. Municipal finance**
- 3. Administrative efficiency**
- 4. Grant scheme support.**

The analysis of the current situation includes the services in the transportation network, basic road network, safety of road users, stationary transportation, transportation management and financing, transportation signs and schedules, safety and accessibility for vulnerable target groups, mass public transportation, freight transportation, rail crossings, and analysis of indicators that include efficiency, accessibility, effectiveness, safety, convenience, comfort and environmental protection.

Transportation Development Strategy of the City of Kragujevac is based on three pillars, i.e. three development priorities: improving and completing the transportation network, efficient transportation management, and improving the mobility and the quality of life.

The following strategic goals are identified in order to improve and complete the transportation network: increasing the level of safety and services; reducing motor traffic in the narrow urban area and solving the transit traffic; improving the parking system and harmonising the needs of large industrial systems and economy. Strategic goals defined for efficient transportation management are: efficient traffic signs system, development of human capacities, raising awareness among road users and development of institutional links. Improving mobility and the quality of life includes strategic goals related to improved city public transport, reduced impact of traffic on the environment, and adjustment of the system to the needs of people with special needs.

In order to achieve the defined goals, 54 projects in total were identified, that should be implemented in the following five years, which is the period needed for the implementation of the first action plan within the Strategy. By preparing the Transportation Development Strategy, with participation from the citizens and a participative na-

ture of the strategic planning process, as well as by analysing a cause and effect relations between economic development and transportation, and between transportation and the environment, the City of Kragujevac fulfilled one of the basic preconditions for sustainable local economic development.

Sustainable local development includes the necessity of an integrated strategic planning on the local level, through links between policies for economic development and environmental protection, and social policies, such as education, health, and other policies. Strategic thinking about the development of transportation and communication is one of the most important connecting elements of integrated planning.

Without these connecting elements and without the response to the need to plan their development, it is not possible to achieve sustainability of development in any local community. ■



# InTER researchers presented Policy Brief within the TRAIN Programme



Within the TRAIN Programme (Think Tanks providing Research and Advice through Interaction and Networking) funded by German Council on Foreign Relations (DGAP, <https://dgap.org/>), InTER researchers Vesela Ćurković and Dragiša Mijačić had an opportunity to present a Policy Brief: "Impact Assessment of EU Financial Assistance to the Republic of Serbia: Time for Change?" to the EU representatives, during the working visit organised on October 14-18, 2012.

The research was presented to different institutions, including the European Parliament's Board for Western Balkans, European External Action Service (EEAS) and European Policy Centre. However, presentation with the greatest attention was given in DG Enlargement, with the presence of Pierre Mirel – Director of Unit for Albania, BiH, Serbia and Kosovo, Myriam Ferran – Director of Unit for Serbia and Tristan Le Berigot – Advisor for Serbia. Recommendations and arguments from the research were accepted in a positive way by all counterparts in Brussels, and the topic proved to be very interesting not only for Serbia, but also other countries in the region.

Apart from presentation, InTER's researchers participated in numerous conversations with the representatives of official European institutions and independent analysts about the situation in the Western Balkans and transition problems faced by Serbia and other countries in the region in the European integration process. The meeting that stood out was organised with the members of the European Parliament, chaired by Mr Eduard Kukan, and it was marked by a spirited and construc-

tive discussion about the need for European integration and strengthening the role of non-governmental organizations in the society democratisation.

Participants of TRAIN Programme also met with Vladimir Dobrnjak, Chief Negotiation and Head of Mission of the Republic of Croatia in the European Union, who pointed out the challenges placed before Croatia during the accession process.

General impression of all participants is that EU representatives showed significant interest in researches and analyses implemented by think tanks from the Western Balkans. This led to a conclusion that it is necessary to improve communication between think tank and NGO representatives on the one hand and officials from European institutions on the other hand, in order to achieve the best possible recognition of social and economic problems in the transition process of EU accession.

InTER thanks TRAIN Programme representatives for a successful study visit in Brussels.

More information about InTER's participation in this programme can be found [HERE](#)

A new Call for Applications for TRAIN Programme 2013 has been launched. Deadline for applications is February 20, 2013.

Information about the Call can be found [HERE](#)

## Workshops held within the standardisation of services provided by LED offices project

As a part of the National Agency for Regional Development's Project for Standardisation of Services Provided by Local Economic Development Offices, workshops were held in Zrenjanin, Niš and Zlatibor in December 2012. Workshops were organised for employees from local economic development offices and regional development agencies.



InTER's role was to present the results of the second component of the project, the implemented research on the analysis of local economic development offices. ■

## InTER's presentation within the "Finance & Trade 2012" conference

On November 29, 2012, Dragiša Mijačić gave a presentation on "Different types of links within business support infrastructure" for participants of the annual conference "Finance & Trade 2012" organised by the Serbian Association of Banks. Goal of the conference is the presentation and analysis of events in the economic and financial sphere both on the global level and in Serbia. Participants were employees of banks: account managers, credit analysts, foreign transactions specialists, risk managers, investment banking specialists, brokers and portfolio managers, as well as employees working on development and placement of bank products. ■

## InTER at the 11th International Fair of Entrepreneurship "Business Base"

InTER has again successfully presented its work within the 11th International Fair of Entrepreneurship "Business Base", organised in Belgrade on November 29 - December 1, 2012. On this occasion, the visitors had an opportunity to learn about InTER's work and publications, and to talk about possibilities for future cooperation.



Business Base, organised by the National Agency for Regional Development in cooperation with the Belgrade Fair, is a fair that promotes entrepreneurship and entrepreneurial spirit, and a place where potential and existing entrepreneurs meet institutions providing services to businesses, business associations, municipalities, international institutions. ■

## Workshop on developing the next Swedish cooperation strategy for the Western Balkans 2014-2020

As a part of programming the Swedish cooperation strategy for the Western Balkans 2014-2020, InTER was invited by the Swedish Embassy to deliver a workshop for high representatives of Sida, the Swedish Ministry for Foreign Affairs and programme staff of the Swedish Embassy in Serbia. The workshop targeted to provide analysis of situation in Serbia, underlying problems and challenges in the development of the Republic of Serbia until 2020.



The workshop was held at the premises of the Swedish Embassy in Belgrade on 19 November 2012. ■

## *Policy Brief: Impact Assessment of EU Financial Assistance in Serbia*



This paper argues for the necessity of a comprehensive impact assessment of EU financial assistance to Serbia to-date, with the parallel goal of designing better instruments for measuring impact, and thereby contributing to improved policy design for the country's socio-economic development and future EU accession. The paper explores the scale of EU assistance in Serbia, giving an overview of the history of EU development cooperation over the time period 2000-2012, before going on to provide an analysis of the tools currently used for assessing impacts of the Instrument for Pre-accession Assistance (IPA). The paper ends with conclusions and policy recommendations for including impact assessment as an integral element of all EU-assisted operations.

The publication is in Serbian and English language and it is available on InTER website.  
[www.lokalnirazvoj.org](http://www.lokalnirazvoj.org)

## *Policy Brief: A decade of local economic development in Serbia: lessons for the future*



Local economic development in Serbia was initiated by international development agencies which presented the concept through a range of projects and initiatives that contributed to raising awareness among actors on both local and national level. This document provides an overview of donor projects and interventions in the field of local economic development in Serbia, and deals with the issues of what should be done next in terms of future projects interventions.

The publication is in Serbian and English language and it is available on InTER website.  
[www.lokalnirazvoj.org](http://www.lokalnirazvoj.org)

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**inter**  
**blog**

InTER launched a Blog in pursuing its mission to further promote sustainable socio-economic territorial development in the Western Balkans.

On InTER blog we want to enable a constructive exchange of opinions about topics relevant for territorial development, and gather representatives of public institutions, professional organisations and private sector and all those who want give their contribution to this joint goal. Topics on InTER Blog will include: regional and local socio-economic development, decentralisation and governance, business infrastructure development, development of small and medium-sized enterprises and entrepreneurship, project development and project cycle management, etc.

You are invited to follow InTER Blog and actively participate in the discussion on different topics within the Blog.

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