

**Achievements of local economic development
initiatives in Serbia:
Area-based development approach versus
sectoral/issue-based development approach**

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Achievements of local economic development initiatives in Serbia: Area-based development approach versus sectoral/issue-based development approach

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1. INTRODUCTION

After a decade since the beginning of intensive implementation of the variety of local economic development (LED) practices in Serbia there is certainly a need for analyses of their achievements. And while independent project evaluations tell us that LED projects implemented in Serbia usually achieve their expected results, measured in terms of project outputs, we don't know much about achievement of long-lasting transformations. Nonetheless, all development actors¹ agree that sustainability and achievement of long-lasting transformations is the main goal of LED projects (Serbian European Integration Office, 2013).

This paper, in fact, will analyse two main families of development approaches implemented in Serbia, Area-Based Development approach (ABD) and sectoral/issue-based approach. In examining the long-lasting transformations induced by those two types of LED initiatives, this study will focus on two indicators: administrative capacities of local governments and participatory policy making and planning. It will therefore try to answer the following questions: *Does ABD approach, when compared to sector/issue approach, prove to be better in terms of improved administrative capacities of local governments and participatory policy making?*

This paper will also discuss the difficulties for monitoring and efficient policy-making in this area created by the lack of empirical studies and overall unavailability of the data regarding LED projects in Serbia.

Since the purpose of this paper is to comparatively analyse specific achievements of ABD and sectoral/issue-based approach, it therefore addresses all LED actors interested in efficient planning of future LED projects in Serbia and elsewhere.

The paper will be structured in the following way.

The second part will define and clarify the main concepts used in this paper. The third part will expose the methodological frame of the research and provide an insight on current difficulties of the empirical research on LED activities in Serbia. Forth part of the paper will identify, describe and elaborate the nature of the problem. The fifth part will present and discuss evidence-based findings related to ABD-based and sector/issue-based initiatives. The sixth part of the paper will provide conclusion and policy recommendations based on discussion of empirical evidences presented in previous parts of the paper.

2. MAIN CONCEPTS

Although there is no universally accepted definition of LED, it is usually defined as a territorial development approach that consists of a set of planned activities that aim to build capacities of the local community to improve its economic future and the quality of life for all. LED is a process in which the public, civil and private sector work together in order to identify social, economic and environmental problems and propose sustainable policies (Swincburn G, Goga, S. and Marphy, F., 2006). LED perceives the territory not only as physical and sectoral locus, but also as network of social relationships that could and should be used as resources (Andy Pike, A Rodriguez Pose, John Tomaney, 2006). By focusing on subnational levels of government LED reduces the complexity in managing development problems. LED today focuses on planned and sustainable development activities that aim to improve the quality of life of the entire local community including the poor and marginalized groups. By taking into account economic, social and environmental factors and focusing upon local needs, LED aims to create a sustainable local community that is able to survive global competition (Andy Pike, A Rodriguez Pose, John Tomaney, 2006). The focus on local needs and inclusive planning made this approach very suitable as a framework for the aid for the developing and underdeveloped countries.

Another important difference between LED and traditional approaches to economic development (such as national industrial policy or initiatives that support small and medium-sized enterprises) is that LED combines diverse methods to local economic development into one integrated holistic model. The fact that LED endorses different methods to local development gives rise to diffusion of variety of different LED approaches, both in theory and in practice.

¹ There are three main types of development actors considered in this study: international donors (bilateral and multi-lateral), non-state development actors (civil and private sector organisations), local and national authorities including regional development agencies.

ABD and sectoral/issue-based approaches represent two main families of approaches used by development actors in different countries so far. While the sectoral/issue based projects, as their name clearly states, focus on a single problem or a sector that can be treated in different ways, ABD projects use an inclusive, participatory and flexible approach to treat specific geographical area in an integrated way.

ABD is based on actions designed to suit specific local needs and local competitive advantages and it can be defined as an approach which targets specific geographical areas characterized by a particular complex development problem, through an integrated, inclusive, participatory and flexible approach (Harfst, 2006). While treating different development problems it integrates several sectors within coordinated and coherent strategy at defined territory. An area characterized by particular development problems should be treated in an integrated way, advocates ABD approach (Vrbensky, R., 2009).

On the other hand, it should be noted that, even though in this paper sector approach and issue approach are classified within a single category, they differ in some features. Before all, the sector approach usually consists of not stand-alone aid projects while the issue approach, instead, is mostly, but not always, limited to single development actions.

3. METHODOLOGY, UNAVAILABILITY OF DATA AND LIMITATIONS OF THE STUDY

The research is based on comparative analysis of the sample of 9 municipalities; five of them have been receiving long-term ABD assistance and four did not.

Empirical analysis relies on the following data: project documents, project evaluation reports and all other relevant documents (secondary data), and primary data (perceptions, views and opinions of development actors and target groups). This implies that a detailed analysis of the documents was followed by the field work, during which the data were collected through interviews and focus groups. Initial intention was to collect the data that would allow objective measurements of the achievements of LED projects, such as numbers of partnerships created in the municipality for example, but, as explained later in the text, that information was not available. It follows that the main findings are based on perceptions, views and opinions of interviewed actors. The persons that participated in focus groups and interviews were selected according to the following design: first, the persons in charge of LED offices in selected municipalities were contacted and following their recommendations other relevant local actors were invited to take part in the focus groups. As far as other development actors are concerned, the main donor agencies and national development actors were contacted and interview was held with all those who accepted. For the list of the interviewed persons see Annex 2.

After a detailed analysis, the following local self-government units (municipalities) were selected as a part of the test, ABD treated group: Leskovac, Surdulica, Nova Varoš, Novi Pazar and Sokobanja. Quasi control group, treated primarily with sectoral/issue-based approach was composed of Alibunar, Svilajnac, Loznica and Vrnjačka Banja. Main criteria that were taken in consideration in the process of selection of units of the test group (treated with ABD assistance) and of quasi control group (not treated with ABD assistance) were: Number of inhabitants (in 2002); Level of economic development (average wage and unemployment rate measured in 2002); and Turnout in local elections (due to the unavailability of the data for 2002 I rely on the data from 2004). In some cases additional criteria are also used, as in the case of Vrnjačka Banja.

Test group received long-term ABD support provided to local self-government units by international development agencies. The units included in test group sample benefited from ABD assistance for at least five years. ABD assistance was received through some of the following initiatives: EU PROGRES, Municipal Improvement and Revival (MIR), Municipal Development in South West Serbia (PRO) 1 and 2, Peace Building and Inclusive Economic Development of South of Serbia (PBILD), Regional Socio-Economic Development Programme (RSEDP), Municipal Support Programme (MSP NE), The Community Revitalization through Democratic Action (CRDA), Sustainable Local Development Project (SLDP), Municipal Support Programme (MSP) and Municipal Economic Development in the Danube Region (GIZ-KWD).²

² Cross-Border Cooperation Programmes can also be considered as a special type of ABD approach. However, due to the inclusion of areas that are not a part of Serbia, this programme presents important specificities.

On the other hand, the quasi control group did not benefit from any of those projects, with exception of Vrnjačka Banja that participated in SLDP program and was, through CRDA project, assisted in drafting of the LED strategy. Vrnjačka Banja, in fact, was included in the sample because of structural similarities it has with Sokobanja, which is included in the test group. At the same time, all the municipalities included in the quasi control group benefited from, on average, 15 sectoral/issue-based projects funded by national and local authorities while these numbers are significantly lower in case of the test group (on average 5 sectoral/issue based projects were implemented in test group municipalities)³.

Since, as we saw, all municipalities in Serbia received some kind of LED assistance, the comparison between two groups is not perfect but is considered valid enough to provide ulterior confirmation of the findings that are advanced after the analyses of ABD treated group.

Furthermore, it was very infrequently possible to classify projects in the above defined categories of interest, ABD and sector/issue-based approaches, even after the analyses of main project documents since very often international development actors, as expected, do not define precisely the approach they are using. As far as national donors are concerned, the lack of precise definition of LED that is accepted by the authorities creates additional problems in identification of LED projects. Classification of projects in ABD and sector/issue-based categories was, for the purpose of this research, initially based on geographical dispersion of development interventions as the only available useful proxy and only in the later stages of the research the validity of classification was tested and confirmed through information obtained by development actors included in the sample.

With regard to the use of both approaches, ABD and sector/issue-based one, there is a notable scarcity of data and empirical studies. Before all, there is no such a thing as comprehensive list of all LED interventions, and their characteristics, implemented in Serbia that would allow their precise analyses and classification. As for LED projects funded by national and local authorities, the only available database, although still not completed, is the one compiled by Standing Conference of Towns and Municipalities (SKGO). In the case of LED projects promoted by international development agencies, besides the SKGO database, the Information System for Coordination of the Development Assistance to the Republic of Serbia (ISDACON)⁴ contains the data on donations received from 2000. However, ISDACON system that was supposed to be used in the initial phase of the research, proved to be, for the purpose of this research, unpractical in many aspects and also an unreliable source of information since some of the projects are not registered in its database. Besides, the main information on the content and achievements of projects are absent in ISDACON database.

The information related to implementation of development interventions, its effects, overall influence and impact were often unavailable also due to the lack of institutional memory of development actors and efficient system of conservation of project documents. In fact, in most of the cases, development actors, both national and international, do not possess project documents of implemented projects while Internet presentations of the majority of development interventions are not available soon after the project closure. The main documents, such as *Project Proposals*, *Project Fiche* or *Terms of Reference* that provide a detailed description of the purpose and structure of the interventions are also in many cases absent. At the same time, due to the frequent fluctuation of workforce within donor organisations and agencies as well as within self-government units, their institutional memory is very weak. Once the project is finished, its staff moves to different organisations or positions, very often changing the working field (joining other sectors, public or private sector as well). Furthermore, some of the interviewed development actors had only partial picture of the projects and were not sufficiently informed about all project activities and its overall achievements.

Hence, not only the information that describe and explain the purpose, structure and planned activities of the projects (and that are contained in project documents) are very often not available, but the information on project implementation and results are also rarely accessible. The only systematically

3 I would like to thank SKGO for sharing their databases on LED projects with me.

4 ISDACON is established by the Department for Planning, Programming, Monitoring and Reporting on EU and Development Assistance.

available information related to impact of LED projects in Serbia can be found in evaluation reports of single projects. Although useful, evaluations deal with achievements mainly in terms of measurable outputs of single projects in specific moments of the project development (midterm or final evaluations) and are not approaching long lasting transformations of LED activities measured in terms of administrative capacities of local governments and participatory policy making. It should be noted, therefore, that the unavailability of the data is negatively influencing not only the planning of future LED projects and strategies but also the validity of the results of this research.

4. PROBLEM DESCRIPTION

Since the Thessaloniki Summit (2003), donor assistance to Serbia begins to be conceived as a support to the socio-economic development and structural reforms, coherently with the framework of the European integration process.⁵ Before the Summit, donors' support to Serbia was mostly focused on the satisfaction of the basic needs of the country, i.e. humanitarian aid. After the Summit, development projects were intensively promoted, financed by the European Union (EU) and bilateral donors such as USAID⁶, SDC⁷, Sida⁸, ADA⁹, Government of the Kingdom of Norway and the Kingdom of Denmark and many others (Mijačić, 2012). The shift from humanitarian to development aid¹⁰ actually allowed the promotion of LED approach. Until that moment LED was, in its practical terms, an unfamiliar concept in Serbia. International development agencies are, in fact, responsible for its introduction in Serbian political life. Nonetheless, legal recognition of local economic development as a function of Serbian local governments took place only in 2007 when Article 20 (paragraph 1, item 9) of the Local Government Act¹¹ started to regulate the self-governing competences of decentralized units in Serbia. The LED approach could, and this is also formally recognized by national and local authorities as well as international donors, bring important socio-economic improvements in Serbia. Besides, LED approach strengthens the role of local authorities which is significant for Serbia given that around 70 per cent of the EU acquis should be implemented at local level. In this sense, the reinforcement of the local authorities represents one of the necessities, although not formal requirements, of the Republic of Serbia within the framework of European integration process and is indispensable for the improvement of decentralisation process.

It has been a decade since the beginning of implementation of different LED interventions in Serbia, but no systematic study has been done so far which analyses different types of development assistance and their achievements. The only available empirical study that approaches this issue offers us a classification of LED activities that various international donors promoted in Serbia. It reads as follows¹²: Projects covering the overall territory of the Republic of Serbia (national projects); Projects covering regions that are not connected in a territory (so called geographically dispersed projects); and Projects including municipalities with connected territories (geographically concentrated projects) (Mijačić, 2012). This classification matches, with some exceptions, the division between sectoral/issue based approach and ABD approach defined previously. Since the geographical proximity of treated localities is a necessary prerequisite of the ABD approach, geographical distribution of the projects was considered as a valid proxy for identification of the area-based development category at the initial stages of research. Most of the LED projects implemented in Serbia sponsored by the international donors used ABD approach, even though it was rarely defined as such in project documents.

5 Serbian European Integration Office, (2011), *Ten Years of Development Assistance to the Republic of Serbia*

6 USA Agency for International Development

7 Swiss Agency for Development and Cooperation

8 Swedish International Development Cooperation Agency

9 Austrian Development Agency

10 Development aid can be defined as the assistance, concessional in character, to the countries and territories that is provided by official agencies, including state and local governments, or by their executive agencies and that have the promotion of the economic development and welfare of developing countries as its main objective. See also definition of Official development assistance (ODA) provided by Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD)

11 "Official Gazette of RS", no. 129/2007

12 No other categorization of LED activities in Serbia is provided by the practitioners and researchers by now.

A comprehensive list of LED interventions supported by international donors will be included in Annex 1. They covered mainly municipalities with complex development problems located in Southwest, South and East Serbia. ABD approach uses the geographic area as the main entry point for intervention, rather than an issue or a sector. One of the emblematic examples of ABD interventions implemented in Serbia is EU PROGRES. It is the largest area-based developmental project in Serbia which covers 25 municipalities in the South and South West of Serbia. It focuses on four components: good governance (which is a cross-cutting theme underpinning the whole project); municipal management and development planning; social, economic and environment infrastructure; and public awareness and branding of the South and South West Serbia. This project clearly defines itself as ABD and consists of a variety of interconnected activities that through holistic approach aim to improve the overall living conditions in the area. EU PROGRES is implemented by the United Nations Office for Project Services (UNOPS) and it is supported by the EU and the Government of Switzerland.¹³

As for LED projects funded by national or local authorities we know that they always classify as sectoral/issue projects although it was not possible to create a comprehensive list of all LED projects implemented in selected municipalities. The most valuable information, that allowed the classification of projects in sectoral/issue group, were obtained from the incomplete database on LED projects compiled by the Standing Conference of Towns and Municipalities. The classification of projects was, in the second phase of research, confirmed through interviews.

This research focuses on long lasting transformations induced by LED interventions: In this research they are operationalised by two indicators: administrative capacities of local governments and participatory policy making.

While administrative capacities refer to the abilities of local authorities to efficiently plan and implement LED policies, inclusive, participatory policy making and planning leads to successfully formulated policies based on local expertise that increase the chances of development of local ownership of LED projects.

In general, developed administrative capacities of local governments are proved to be good predictors of sustainability of LED projects (Evans et al., 2006). Administrative capacities such as effective governance institutions and skilled staff furthermore enable the possibility to attract funds and support from other donors. Besides, developed administrative capacities of local governments reinforce their absorption capacities. At the same time, participatory, inclusive policy making and planning that assume the participation of a variety of local social actors in implementation and planning of LED projects proved to be a very important factor in achieving long lasting transformations and sustainability (Singer, 2009). The understanding of the common interest that is formulated through participative approach may ultimately result in creation of collective bodies that promote common interest of local community (Amin and Thrift, 1994).

5. ANALYSIS OF THE ACHIEVEMENTS OF LED INTERVENTIONS: AREA-BASED DEVELOPMENT (ABD) AND SECTORAL/ISSUE-BASED APPROACH

This section presents the analysis of the achievements of ABD approach and sectoral/issue-based approach in a comparative manner. Due to the lack of objective data, the analysis is mainly based on perceptions of interviewed local actors. It focuses on the development of administrative capacities of local governments and participatory policy making and planning, which are considered as some of the most important aspects of long lasting transformations of socio-economic contexts in which LED initiatives are taking place.

13 <http://www.euprogres.org/oprogramu.php>

5.1. Administrative capacities of local governments

Establishment of LED offices, restructuring of existing institutions and development of new administrative structures and procedures (management and institutional strengthening) as well as training of personnel (human resource development) represent some of the main activities that development actors promote and support in order to develop administrative capacities of the local governments. The establishment of LED offices in Serbia was done through both, ABD and sectoral/issue-based approach. One of the most important sectoral/issue projects that is responsible for establishment of LED offices is Municipal Economic Growth Activity (MEGA)¹⁴ promoted by USAID. More precisely, MEGA is responsible for creating 32 LED offices in Serbia. According to the data obtained from SKGO and interviewed development actors, the assistance in drafting LED strategic plans and land inventory databases was provided mainly through sectoral/issue-based approach. Together with creation of LED offices, those actions represent the first steps and a prerequisite of further improvement of overall LED of the locality.

However, according to local development actors, sectoral/issue-based approach, when used after the establishment of basic LED structures and procedures, as mentioned above, did not prove to be equally efficient. Before all, human resources development, as a fundamental part of administrative capacities of local governments, was, through sectoral/issue-based approach improved only partially and for specific purposes. The ABD assistance, instead, was much more appreciated by all local development actors (local authorities, civil and private sector). The continuous physical presence of development agencies in the treated area that allowed direct and frequent contact with local actors, through variety of connected projects, is underlined as the most important factor of human resources development. The knowledge-transfer process from donors was basically facilitated by their closeness and possibility to reach them when needed. The most frequently cited example of successful projects, in this regard, is EU PROGRES. Many local actors reported that the most valuable advancement of administrative capacities occurred when personnel from development agencies came in their offices and helped them to solve actual problems. But not only “learning by doing” process was promoted through ABD projects, in some cases this closeness and continuity increased familiarity with donors and trust in their intentions. Furthermore, the social actors of municipalities that participated in ABD projects feel more confident in their capabilities to manage LED projects.

5.2. Participatory, inclusive policy making and planning

The ABD approach showed clear advantage when compared to sectoral/issue-based approach when it comes to promotion of inclusive, participatory procedures. Implementation of ABD projects always includes a plurality of social actors and therefore, through practice, it promotes collaboration between various local actors.

Local community’s capacity to cooperate and awareness of necessity to work together is, according to the majority of interviewed actors, built through direct engaging in the process of implementation of ABD projects. In ABD treated municipalities, local authorities better recognize the need to engage with civil and private sector in order to benefit from their knowledge and gain their support that is necessary for efficient implementation of development policies. This awareness, in some cases, allowed the introduction of new, more efficient management procedures into local institutions and organization. The example of Novi Pazar is illustrative in this regard; when planning or implementing new development policy, one of the first steps is to identify possible civil or private sector partners. Increased interaction amongst development agencies, local institutions, civil society organizations and other social actors and the creation of partnerships in a local area represents one of the key legacies of ABD approach. On the

¹⁴ It should be mentioned that MEGA represent hybrid project given that it focus only on one sector, namely the promotion of business friendly environment was the main goal of the project while it consisted in variety of interconnected activities within treated areas. In terms of hard results, the outcome –of MEGA can, among others, be measured by 32 LED offices, 24 Citizen Assistance Centers and 23 LED strategic plans.

other hand, sectoral/issue-based approach promoted creation of functional partnerships but focused and limited on the specific issues or sectors. Those partnerships are usually strong only during project interventions, while their sustainability after the project closure is low.

Overall, the empirical data confirm that ABD approach stimulates awareness of the need to include variety of non-state social actors in LED processes. This is also proven by critical attitude of local social actors towards inclusion of local community only in the later phases of LED process. More precisely, it was underlined that the local community should also participate in initial phases of LED, such as framing and formulating of development priorities. In this way, they claim, the level of ownership would become higher, influencing positively the sustainability of LED interventions.

The participation of national government structures within the process of planning of LED activities (vertical governance), should be improved, according to the local actors. The matching of local goals with national priorities and capacities, that actually allows feasibility and sustainability of LED projects, is sometimes very weak in projects promoted by international donors. However, concerning this aspect, it should be noted that the coordination between national government and donors should be improved in the cases of all LED activities.

6. CONCLUSIONS AND RECOMMENDATIONS

Even though LED projects started to be intensively promoted since 2003 and local economic development becomes the jurisdiction of Serbian local governments in 2007, there is a systematic lack of empirical data that would allow understanding of long lasting transformations strengthened by LED projects. Lack of data, in fact, results in little conclusive evidence. As a consequence, empirical studies that would enable efficient planning of future LED interventions are difficult to accomplish without considerable resources. The study here presented represents only a small step towards better understanding of ABD and sectoral/issue approaches in terms of their potential to achieve the long lasting transformations.

As for improvement of administrative capacities, we saw that the basic prerequisites of overall improvement of LED, such as opening of LED offices, were created through using both, sectoral/issue-based approach and ABD approach. Still, ABD proved to be more successful in this regard given that human resources development was facilitated by integrated approach and physical presence of a development (or implementing) agency at the target territory. Through ABD projects problems are treated in an integrated way and with the inclusion of local social actors (public, civil and private). However, according to the local actors, the involvement of the local community in LED projects needs to be pushed forward; it should be foreseen also in the phase of planning and not only in phase of implementing projects.

Working closely with development agencies in a variety of interconnected projects, local authorities enhanced the awareness of the need to collaborate with all the actors of local community in order to successfully plan and implement LED projects. Focus group findings speak in support of the thesis that mutual understanding between social actors improved in the case of ABD treated municipalities. This is a very important finding since it represent the first step towards the definition of the common interest that in the future could lead to the shared vision of LED within an area. On the other hand, it seems that the particularistic (sector or issue) focus of partnerships that were created within sectoral/issue-based development projects did not stimulate a broader understanding between social actors. The collaboration of the public, private and civil sector, which goes beyond specific issues or sectors, strengthens democratic capacities of those actors. Needless to say that strengthening of democratic capacities of social actors is very significant from the perspective of a broader political objective of democratization of Serbia.

Nonetheless, it was emphasised that the frequent fluctuation of staff within local self-government administration, that is characteristic for municipalities in Serbia, weakens the achievements in human resource development. Local elections that often bring change of political representatives usually results

in replacement of trained local governments' staff and improved administrative capacities and collaborative potential rarely remain within local institutions. Due to this fact institutional learning is unfortunately very limited and restricted to civil and private actors.

At the same time, limited achievements of long lasting transformations are also explained by the lack of knowledge on "how things work in practice" that leads international donor to make wrong assumptions about, for example, efficient implementation of the existing regulatory framework. ABD approach, given the physical presence of development agency in the treated area and the flexibility that consists in the modification of the planned action when needed, shows better results in this respect.

Policy recommendations

This policy research identifies and recommends 4 main proposals for international and national development partners to consider:

Build a reliable, complete and functional database of LED projects in order to effectively engage in planning of development policies and strategies¹⁵. Due to the lack of data, the achievements and effects, strengths and weaknesses, as well as best practices of LED projects will remain unknown and therefore the future LED projects cannot benefit from accumulation of knowledge. As already mentioned, ISDACON database proved to be not very functional while also, given that it was not its purpose, does not contain information on LED projects funded by national authorities. SKGO database, although very advanced, consists of information on projects duration, financial resources, donors and does not contain other substantial information on LED initiatives. Related to the last point, the SKGO database should be improved by adding information such as projects content, development partners involved and project achievements. Besides, due to the lack of institutional memory and frequent fluctuations of the LED staff, a comprehensive list of persons that participated in the project would be very useful as a database from which to select individuals to interview for the future research. Since all development actors have much to gain from adopting an approach of formulating policies based on empirical evidence, this recommendation speaks to all of them. However, it should be underlined that, given their authority and competency, the central national authorities are the most capable to provide the guidelines related to the data collection and storage. At the same time, jurisdiction over the coordination of data collection and storage, with international donor institutions and organisations as well as with municipalities and their organisations, would be more functional if delegated to regional development agencies as intermediary organisations. In that case, however, analytical potential of regional development agencies, as well as municipalities, should be improved.

Use ABD approach since it takes in consideration local context and actors. This recommendation speaks to all donor institutions and organisations that are involved in planning and implementing of LED projects. ABD perceives the territory not only in its geographical terms but also as a system of interconnected social, economic and environmental aspects which proved to be more successful in improving administrative capacities and collaborative potential through participatory policy making and planning. Differently than sectoral/issue approach, it emphasizes the importance of the synergies that can be created between diverse development activities in a specific territory. It encourages consolidation of the local knowledge and trust between development actors as well as ownership over the development projects.

It is highly recommended to development agencies to establish an office at the treated area since the physical presence of development agencies (or their development partners) in targeted area and the stability of their engagements is proved to be the main explanation of success of ABD approach.

Include local development actors (local authorities, private and civil sector) in the process of identification and definition of priorities of national or international projects that target LED. Coming straight from local devel-

¹⁵ Even though the main purpose of this research was to compare main approaches of LED in terms of their achievements, this recommendation is considered as the most significant given the severe shortcomings that, due to the lack of data, influence empirical research of this topic in Serbia.

opment actors, this recommendation is directed to international development agencies and national authorities. Before all, LED projects funded by international development agencies can significantly benefit from ownership that local community can gain over the projects that follow the priorities they themselves defined. Linking local knowledge closely to planning of development projects leads to efficient and sustainable LED projects.

Create the mechanism that will ensure that acquired, theoretical and practical, knowledge on LED remains within the structure of local institutions and organizations

Skilled and committed officers and politicians are very important in terms of capacity building of LED offices and interested organizations, serving as the vital connection between public, private and civil sector. The insufficient consideration of political instability that affects Serbian municipalities through frequent changes of local government staff, including those previously specialized in LED, threaten the sustainability and overall achievements of development actions. Since all national development actors (central and local authorities as well as regional agencies and civil and private sector) need to contribute to the implementation of this policy recommendation, it is therefore necessary to provide a platform for their discussion that will result in a precise solution regarding the implementation of recommendation. Regional development agencies, given their role as intermediates between central and local, can be very useful in coordinating this phase. ■

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Annex 1. Comprehensive list of LED interventions supported by international donors

Donors	Project	National	Geographically dispersed	Geographically concentrated	Time period															
					2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013			
Multidonori	EU, Sida, Norveška, ADA and RS*			√																
	EU, SDC and RS			√																
	EU, SDC and RS			√																
	Norveška, Sida, SDC, MDG-F and RS			√																
Donatorski	EU Exchange (I, II, III)	√																		
	MSP IPA 2007	√																		
	MISP (MIASP, MISP CARDS2006 i MISP IPA2008)	√																		
	RSEDP			√																
	RSEDP2	√																		
	MSP NE			√																
	IPA CBC			√																
	USAID	CRDA			√															
		CRDA-E			√															
		MEGA		√																
		SLDP			√															
	SDC	MSP I		√																
		MSP II, III			√															
		Private Sector Development in South-west Serbia			√															
		Private Sector Development in South Serbia			√															
	ADA	Strategic Partnership in Support of the Economic Development of Vojvodina			√															
		Support to Sustainable Regional Development of Jablanica and Pčinja Districts			√															
	GIZ	Municipal Economic Development in the Danube Region			√															
	HELP	Programme of Support to entrepreneurship Development and Socially Vulnerable Population Groups			√															
	Danska	LEDIB			√															

*RS - Vlada Republike Srbije

Annex 2. Comprehensive list of LED interventions supported by international donors

FIRST NAME	LAST NAME	POSITION	INSTITUTION/ ORGANISATION
Aleksandar	Ristin	Director of the Municipality's Development Fund, Head of LED Department	Municipality ALIBUNAR
Mihajlo	Jezdić	President	Association "Lider" ALIBUNAR
Ljiljana	Nikolić	Head of LED Department	Municipality LOZNICA
Zoran	Kaitović	Associate for Agriculture	Municipality LOZNICA
Lara	Petrović	Associate in the Office for Urban Planning	Municipality LOZNICA
Danijela	Milutinović	Associate for Tourism	Municipality LOZNICA
Ivana	Kapetanović	Associate for Economic Development	Municipality LOZNICA
Bojan	Lučić	Youth Office	Municipality LOZNICA
Mirjana	Teodorović	President	Youth Creative Club LOZNICA
Tanja	Glišić	Head	Youth Department LOZNICA
Marijana	Đokić	Manager of the LED Office	Municipality NOVA VAROŠ
Živko	Kolašinac	Senior Associate for Project Development and Implementation	Department for Economy and LED NOVA VAROŠ
Fahrudin	Koničanin	Associate for SMEs	Municipality NOVI PAZAR
Faruk	Suljević	Assistant Mayor	Municipality NOVI PAZAR
Rasim	Ćorović	Director of the Legal Department of the Public Utility Company "Water Supply and Sewerage System"	Municipality NOVI PAZAR
Malina	Plojović	Deputy Head of Department for Protection at Work	Municipality NOVI PAZAR
Alija	Halilović	President	NGO "Civic forum"NOVI PAZAR
Zibija	DH-Šarenka-pić	President	KC "Damad" NOVI PAZAR
Amela	Eminović	Head of LED Office	Municipality NOVI PAZAR
Marija	Žikić	Head of the Department for Economy and LED	Department for Economy and LED SOKO BANJA
Marko	Bogićević	President	NGO "Youth Association " SOKO BANJA
Helena	Milislavljević	President	Association of women entrepreneurs "Soko Banja" and Association "Business Women of Timočka krajina" SOKO BANJA
Ivana	Radosavljević	Coordinator	Youth Office and LED Office SOKO BANJA
Ivica	Haskovski	Marketing coordinator	LED Office SOKO BANJA
Ankica	Žegarac Milenković	Coordinator	LED Office SURDULICA
Vladica	Nestorović	Coordinator	Youth Office SURDULICA

Siniša	Simonović	Director	School for Agriculture and Forestry - Josif Pančić SURDULICA
Miroljub	Salimović	Member	NGO "Council of Roma Population" SURDULICA
Kardrija	Redžepović	President	"Society for Education of Roma Population" SURDULICA
Aleksandar	Antić	President	"Development Fund", part of the Municipality SURDULICA
Milena	Radović	Coordinator	LED Office SVILAJNAC
Maja	Zdravković	LED Project Management	Department for LED VRNJAČKA BANJA
Slavica	Pajić	Owner	Private company <i>Poliplasta</i> VRNJAČKA BANJA
Ivan	Šljivić	Owner	Private company <i>Fluidotehnika</i> VRNJAČKA BANJA
Gorica	Stojanović	Director	Association of Parents of Children with Disabilities VRNJAČKA BANJA
Slavica	Gašić	Owner	Private company <i>Tehnodent</i> VRNJAČKA BANJA
Slaviša	Paunović	Employee at the Municipality	VRNJAČKA BANJA
Ljiljana	Radaković	Head of the Department for General Administration	Municipality VRNJAČKA BANJA
Valentina	Krstić	LED Coordinator	Municipality VRNJAČKA BANJA
Biljana	Stankovic	Director	Centre for the Development of the Jablanica and Pcinja Districts
Slađana	Gruičić	Secretary of the Board for Local Economic Development	Standing Conference of Towns and Municipalities (SKGO)
Marko	Vujačić	Deputy Manager of the Program European Partnership with Municipalities - EU PROGRES	EU PROGRES
Nebojša	Rančić	Team Leader of USAID SLD for Special Projects and Inspecijalne projekte i međusektorsku saradnju	USAID
Daniela	Kostadinova	Project Manager-Municipal Economic Development in Eastern Serbia	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

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