



USAID
FROM THE AMERICAN PEOPLE

FASTFACTS

ON USAID'S ENTERPRISE DEVELOPMENT ACTIVITIES

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PHOTO OF THE MONTH: Supernatural's Eco Pavillion in Kalemegdan



BELGRADE – **Green architecture** – The USAID Serbia Competitiveness Project joined forces with the Supernatural Festival to raise awareness on environmentally friendly building standards. Research shows that the building industry is the top emitter of CO₂. The activity included a public competition for the best **Supernatural Eco Pavilion** design and a series of supporting workshops and public lectures. The competition challenged architects under the age of 35 to design a pavilion that embodied sustainability in architecture. The Belgrade Society of Architects collaborated on the effort. Competition organizers received 96 entries during the first round of competition, 12 of which were selected for the second round. Finalists participated in a weeklong workshop on constructing the final pavilion. The workshops covered a range of topics related to green architecture, including innovative conversion of raw materials to building materials, discrete structures in the natural environment and structural experiments. The workshops were followed by a series of public lectures on green design and architecture. **Edouard Francois**, the celebrated French architect who is famous for his innovative green architecture designs, including the "Building that Grows" in Montpellier and the "Flower Tower" in Paris, delivered the keynote speech. At the close of the sessions, finalists presented their work and the best concept was chosen. "**Kako.KO**" studio's Vesna Pejovic, Vladimir Bevc and Jelena Milojevic constructed the 35m² wide, 4m high winning design, which served as a public area for exhibitions, lectures, and an informal gathering space. Kako.KO is a Belgrade based design studio that embodies the principles of sustainable development via the extensive use of recycled materials such as cardboard and PET packaging. The Eco Pavilion was made of cardboard folds. It was on exhibit at the April 2010 Supernatural Festival, and later at Kalemegdan and Mixer.

Significant export potential for Serbian construction companies to the Romanian market

BUCHAREST – Romania – Exports valued at over \$1.8 million are currently in the pipeline for the Serbian construction companies that participated in this year's CONSTRUCT Expo in Bucharest, Romania May 11-15, 2010. Serbia's representation at the 16th annual construction fair was organized by Belgrade-based VELEXPO and supported by the USAID Serbia Competitiveness Project. Over the past few years, VELEXPO and USAID have successfully supported Serbian firms to establish new business relationships with international partners.



A Serbian company at CONSTRUCT Expo 2010

CONSTRUCT EXPO is the biggest international construction, construction materials, technology and equipment fair in Romania. This year, the fair attracted 330 exhibitors from 19 countries. Romania is one of Serbia's leading export partners. Serbian exports to Romania grew 19.9% from 2008 to 2009, making Romania Serbia's third largest export partner in the EU and the only EU country to which exports increased during 2009.

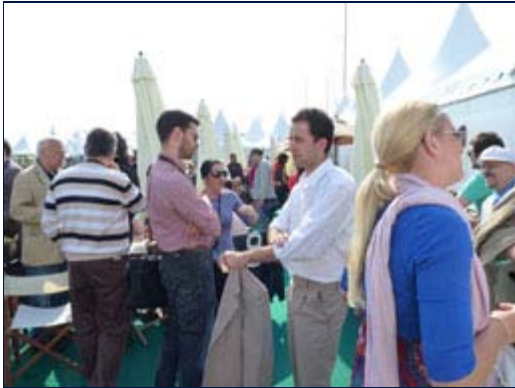
The construction services and building materials market has emerged as one of the sectors with the greatest potential for Serbian firms.

"Our company has operated in Romania for the past few years. The Romanian market represents the largest share of our exports. We decided to participate in the Bucharest Construct Expo 2010 Fair as a result of last year's positive

experience and the successful performance that has resulted in increased exports to Romania. We were very pleased with the overall organization, performance and assistance we received during the fair. I would especially like to emphasize our excellent cooperation with representatives of USAID, particularly the preparation and communication support we received during the fair, and the willingness of USAID to concretely contribute to strengthening our exports. Trudbenik established a number of contacts at the fair and we believe that the results achieved following this year's participation will exceed those of last year," said Davor Stojanovic, General Director of IGM Trudbenik.

Representatives of Tim Izolirka, Jugoterm, Mladost, Unipromet, Brabo, Metalika, Alubond Europe, Keramika, IPM and Feman also participated in the fair. Serbia's Ambassador to Romania Zoran Popovic visited the fair, toured the Serbian booth, and scheduled meetings in the Serbian embassy, where companies discussed establishing a Romanian-Serbian Business Club that would work to enhance business cooperation between the two countries. The proximity of the Romanian market combined with low transport costs and traditionally good business relations between Serbia and Romania are a good starting point for the success of Serbian firms in Romania.

Serbia's film industry goes global



Networking at Cannes Film Festival 2010

CANNES, France – Over the past nine months, a number of international producers have visited Serbia to assess its potential as a location for projects totaling approximately \$360 million. The Serbia Film Commission (SFC) has worked to secure an additional \$100 million in international projects to be filmed in Serbia over the next two years. International producers' growing interest in Serbia as a film location was also evident at this year's Cannes Film Festival.

Serbia's growing appeal as a film location can largely be attributed to the SFC's Film in Serbia promotional campaign, press coverage during the filming of Ralph Fiennes' directorial debut *Coriolanus* in Belgrade, and Serbia's strong presence at leading trade shows. SFC members Art and Popcorn, Work in Progress, Red Production, PFI Studios, Cinebox and CineLabs attended the

2010 Cannes Film Festival and Producers Network. Serbian representatives met with a number of British, French and American directors and producers interested in filming in Serbia.

Serbia Film Commission Executive Director Ana Ilic noted Serbia's resurgence in the industry: "We now have a number of good references, excellent promotional material, and a comprehensive database on production facilities in Serbia. All of this makes it easier to sell Serbia. We have proven ourselves with high profile productions like *Coriolanus*, which brought to Serbia an elite film industry team. We offer high quality services, affordable prices, extremely talented and creative filmmakers, diverse locations, new film studios and a state of the art film processing lab. To fully meet its potential, Serbia should now introduce an incentive program that is comparable to those that exist in 25 countries and 42 U.S. states. This will be essential to distinguishing Serbia a regional leader in filming."



The official poster of the 63rd Cannes film festival (Credit: copyright © Brigitte Lacombe – graphic design Annick Durban)

SFC Board Member and owner of Red Productions Milos Djukelic emphasized the importance of incentives for international producers. "I was proud to represent Serbia at Cannes this year and found it symbolic that the Rue de Serbs in Cannes is right next to the American street. Serbia's robust film industry tradition combined with a new energy in promoting Serbia as a film destination has made it hot in the industry. The most frequently asked questions focus on the incentives Serbia will introduce. There is huge interest in Serbia and with incentives we can send a clear message that the government is fully supporting the promotion and development of this industry".

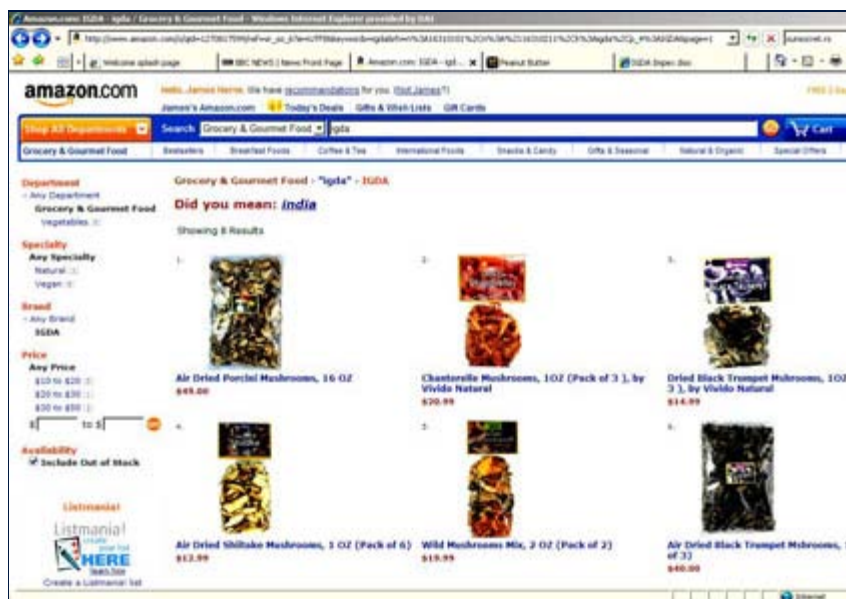
SFC Board Member and Director of Art and Popcorn Miroslav Mogovic noted there was greater interest in Serbia at Cannes than in previous years. "In addition to productions from the United States, film industry representatives from Russia and Ukraine are also interested in shooting in Serbia. Although much has been done to position Serbia as an attractive film location, we need to work to develop Serbia as a film friendly country and environment. We still lack incentives for foreign investment in this sector, which would directly benefit 4,000 workers in Serbia. The SFC will work to introduce incentives and also to establish a transparent and stable environment to obtain licenses for film production."

SFC membership has grown to 50 members in the last year. The Commission supports Serbian film production service firms to promote Serbia internationally and to participate in leading events such as Cannes. The Serbia Film Commission's top priorities are to finalize the introduction of incentives and to develop a film friendly environment that will enable the industry to grow to \$200-\$300 million in annual revenue.

Serbian wild mushrooms and truffles now Available in the EU and U.S.:

Order them online through www.Amazon.com

Serbia's IGDA Impex is one of the leading processors and exporters of Serbian wild mushrooms and truffles. Established in 1990, the female owned and managed company currently supplies customers in the EU and the United States. Wild forest mushrooms are a traditional delicacy in Serbia. In the past, re-packers bought the mushrooms in bulk from Serbia, sold them locally or exported them as a branded, exclusively packaged product, often at the original purchase price.



Placement of IGDA mushroom products on www.Amazon.com (screen shot of the IGDA products) has been key to the company's success.

The USAID Agribusiness Project assists Serbian wild mushroom processors to better understand international markets and to develop direct contact with buyers in Europe and the U.S. Serbian mushroom companies have benefited from training, technical assistance in standards, packaging, marketing, and market linkages. This support has been essential in ensuring that these companies capture value for Serbia.

USAID Agribusiness Project assistance has been made a significant impact on both the firms producing wild forest mushrooms and the rural areas in southern Serbia where collection takes place. An important element of this sector is that wild mushroom collection is one of only a few sources of income available to many rural residents. By establishing contracts with thousands of rural resident to collect mushrooms, IGDA Impex and other wild mushroom companies in Serbia inject substantial

sums of money into local economies.

IGDA has been a forerunner of Serbia's success in bringing home value in the wild mushroom sector. The Project has supported the company to participate in a number of international trade fairs, most importantly the Fancy Food trade show in New York in 2008 and 2009. The show was critical to IGDA entering the U.S. market and securing an American distributor. IGDA products are now available at Amazon.com, Whole Foods and Hannaford's supermarkets.

Export made easier for small Serbian companies

Since July 2009, 70 containers of Serbian products totaling \$1.2 million were sent to Europe and Russia under the consolidation program.

The USAID Agribusiness Project has supported a number of small firms to participate in international trade shows in Europe and beyond. Because small firms can only supply less than container load (LTL) quantities, producers find it challenging to fulfill the orders, thus limiting market access. Another limiting factor for small firms is that their products must be shipped in a controlled environment, either frozen or chilled. Small quantities of such products are not easy to handle. To address these issues, the USAID Agribusiness Project partnered with local freight forwarders to develop a consolidation service, which combines small loads into one container for shipment to a foreign market. The orders are then broken down and distributed to the right customer.



Following an extensive survey of freight forwarding companies in Serbia, the Agribusiness Project selected Lagermax AED to supply consolidation services to client firms assisted by the Project. Lagermax exhibited a unique combination of qualities for this service, including the ability to fulfill all requirements related to the shipment regime, and the ability to break down shipments at the receiving end. These types of services are crucial to expanding exports of fresh products, one of the key goals of the Agribusiness Project.

Following the July 2009 launch event and widespread media campaign for this service, a number of firms have contacted Lagermax and have up to date shipped 70 containers of products valued at over \$1.2 million. As a result, smaller companies offering ajvar, jams and Porcini are now able to export to the EU and beyond.

Additional information on Lagermax is available at: www.lagermax-aed.rs

Five Serbian municipalities receive business friendly certification



Mayors proudly displaying their Business Friendly Certificates. Foto FoNet

said Minister Dinkic.

Minister of Public Administration and Local Self-Government Milan Markovic noted that economic development required central and local government engagement. Markovic emphasized the importance of the certification program, which encourages the competitiveness of municipalities, helping them achieve a higher standard.

U.S. Ambassador Mary Warlick said that the certified municipalities had demonstrated readiness to provide potential investors with timely information. "The five municipalities being honored today have proven that they understand the needs of business," said Ambassador Warlick. She added that the American people, through USAID's Municipal Economic Growth Activity, would continue to support the development of Serbian local governments.

BELGRADE - *The National Alliance for Local Economic Development (NALED), with support from USAID and its Municipal Economic Growth Activity Program, organized their second Business Friendly Certification ceremony on June 8, 2010 at Belgrade's National Assembly Hall. Deputy Prime Minister **Mladjan Dinkic**, Minister **Milan Markovic**, U.S. Ambassador to Serbia **Mary Warlick**, as well as the **Ambassadors of Israel, Canada and Austria** attended the event. Bujanovac, Leskovac, Pirot, Subotica and Vranje were the five municipalities that fulfilled the rigorous requirements for receiving this prestigious Certificate. They join Indjija, Kragujevac and Loznica, who were certified in 2008. Eighteen additional towns and municipalities are currently in the process of becoming certified.*

"Without investment, new job opportunities, and changes in the Serbian economic structure, we won't have long-term sustainable economic development,"

The certificate recognizes towns and municipalities that have met the nearly 100 criteria required to create a business friendly environment. The certification will enable them to attract new investors and retain existing ones. USAID provided an initial \$68,000 grant for technical expertise and assistance in developing the certification criteria and procedures, and for training NALED staff to conduct certification in the field. A second grant in the amount of \$89,000 was awarded in 2009 to support the continuation of this process. Beyond USAID, NALED's partners in the Business Friendly Certification process include the Ministry of Economy and Regional Development, the Ministry of Public Administration and Local Self-Government, the Belgrade Airport, SIEPA, the Provincial Secretariat for Local Government and Inter-Municipal Cooperation and the Vojvodina Investment Promotion Fund (VIP).

Clean and Green: Arilje - Junior Vision win the National Student Companies Fair



BELGRADE – *When three teenagers, managers of the student company “Junior Vision,” left their hometown of Arilje on May 24 to exhibit their products the next day in Belgrade at the Junior Achievement Serbia (JAS) National Student Company Fair, they already knew they were winners. They were among the top 20 student companies in Serbia to qualify for one of the most important national youth entrepreneurship competitions. At the close of the May 25 competition, these student company managers received JAS’ Best Student Company Award for 2010.*

For the third consecutive year, students from Arilje's Sveti Ahilej high school participated in USAID's PPES-supported Junior Achievement program and built a small enterprise named Junior Vision. The company manufactures eco-friendly wastebaskets and has developed a matchbook-sized pad of chewing gum disposal tissues. Not surprisingly, the gum disposal tissues are a big hit with cafes. Additionally, two municipal governments have recently signed contracts with the company to use their innovative wastebaskets.

Junior Vision's managers, two young women and one young man, have learned the lessons of financial management and corporate social responsibility. The company, which employs 25 students, reinvests a majority of its profits in materials and production; it also uses a portion of its profits for a nonprofit subsidiary that raises additional funds to support a local home for children with special needs.

It was this combination of innovative problem solving, sophisticated business structure and ability to successfully manage both the for-profit and nonprofit entities of their Junior Vision that won over judges at the national competition. As managers of the Best Student Company, these central Serbia youth secured a trip to Italy's island of Sardinia, where they will compete against the best European student companies July 20-23, 2010.

JAS organized the National Student Company Trade Fair on May 25 at Delta City.

Unheard of only a few years ago, Junior Achievement programs like the National Trade Fair Competition now flourish across the country. Last year alone, 4,700 high school students learned basic business skills and the principles of entrepreneurship through JAS programs. In Serbia, where two out of every five young people aged 15 to 30 are unemployed, JA introduces the skills and knowledge that the modern global workforce demands. Junior Achievement Serbia activities help young people become a driving force for a new economy in Serbia.

Sixteen municipalities participate in a study tour to Croatia



Study tour participants in front of the Zagreb Stock Exchange

Croatia – The USAID Municipal Economic Growth Program organized a successful Study Tour to Croatia May 31-June 4, 2010 for representatives of 16 Serbian cities and municipalities. The tour was a follow-up to the Municipal Credit Rating Competition and included the Mayors of Cacak and Sombor, Ministry of Finance State Secretary **Slobodan Ilic** and SCTM Head of the Department for Economic and Financial Issues **Aleksandar Bucic**.

The study tour aimed to enhance the knowledge and skills of Serbian local governments in accessing the capital market to attract more foreign and domestic investors and international donors. Participants visited the City Administration of Zagreb, the Zagreb Stock Exchange, the City Administration of Rijeka, the Zamet Sports Hall, which was built as part of a public-

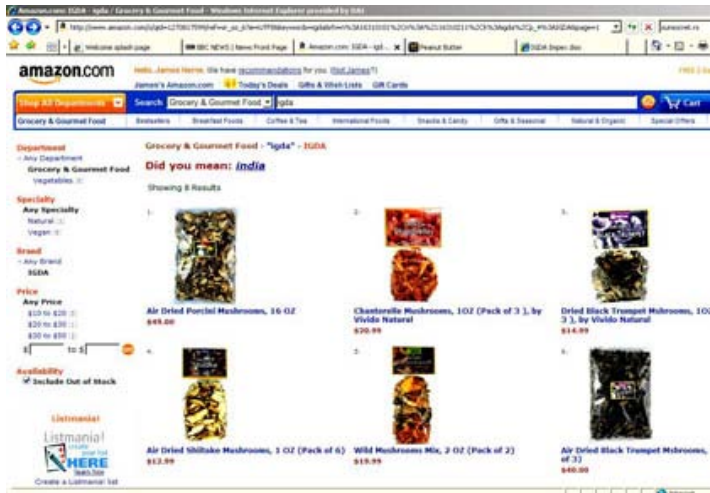
private partnership, and the Kantrida Olympic Pools, which was financed with municipal credit funds. Study tour participants met with representatives of Croatia's Capital Market and participated in a daylong workshop organized by Moody's Investors Service.

"The study tour was organized in a highly professional manner. The selection of topics, quality of lecturers and selected cases of municipal bonds issuance were really excellent. After this trip, we can start thinking about the possibility of using municipal bonds for capital project financing in the city of Subotica. We managed to establish very useful contacts with City of Rijeka administration and the bank, which arranged the issuance of bonds for Rijeka," said **Dubravka Rodić**, Finance Department head for the City of Subotica.

Croatia's experience in this area can be applied to Serbia because of the two countries' shared history and similar legal framework, particularly with respect to local government financing and access to capital markets.

SERBIA IN INTERNATIONAL MEDIA

First PPP between Serbian Ministry and an American corporation – Wall Street Journal, Forbes and others take notice



The USAID Preparedness, Planning and Economic Security (PPES) program facilitated the signing of a Memorandum of Understanding (MoU) between Serbia's Ministry of Youth and Sport and Manpower, Inc., a global human resources company. The MoU, which was signed April 14, 2010 to open two non-school-based career counseling centers for Serbian youth was the focus of worldwide, online news coverage. Forbes.com, Wall Street Journal Network and Yahoo! Finance reported the story based on media content prepared by PPES. The three news sources combined are visited daily by 40 million users worldwide and as many as 107 million unique users every month.

"USAID's Preparedness, Planning, and Economic Security (PPES) project team in Serbia was a key facilitator for the relationship. In line with its overall strategy to help the youth

of Serbia become more competitive, PPES will assist Manpower and the Ministry to establish two pilot centers in selected Youth Offices. These centers will help youth build the necessary skills that will connect them with the labor market. PPES is already working with youth offices across Serbia to help youth develop entrepreneurial skills and this project will further advance PPES' assistance to youth. PPES' experience in working with Youth Offices and the Ministry will greatly contribute to the success of this initiative and will bring a valuable service to Serbian youth."

The article was also featured on the U.S. business Web portals Boston Biz on-line and Milwaukee Business Journal. Full stories from each of the sources are available via the following links: Yahoo! Finance: <http://tinyurl.com/3aaqnuz>; Forbes Magazine: <http://tinyurl.com/39uapxb>; Wall Street Journal Network: <http://tinyurl.com/2a2qo3l>; Boston Biz on-line: <http://tinyurl.com/2dufgko>; Milwaukee Business Journal: <http://tinyurl.com/39ggsxg>.

“Serbia dreams of becoming movie hotspot”, Reuters, Hollywood Reporter, ABC News, Location Guide, Yahoo



"Serbia dreams of becoming movie hotspot." On May 24, 2010, Reuters, Hollywood Reporter, ABC News, Location Guide, and Yahoo published Adam Tanner's article on Serbia's efforts to attract foreign productions. The USAID Serbia Competitiveness Project provided statistics and background information to the journalist.

For the full text please visit

http://news.yahoo.com/s/nm/20100524/film_nm/us_serbia

STAY CONNECTED

Assigning the first ever local government credit ratings in Serbia, June 29, 2010.



Assigning the first ever local government credit ratings in Serbia, June 29, 2010. Kraljevo, Novi Sad and Valjevo will become the first three local governments to receive an international credit rating from Moody's Investors Service. With financial support from USAID, the three municipalities demonstrated their qualities to both investors and creditors at the municipal credit rating competition organized February 25, 2010 by USAID's Municipal Economic Growth Activity.

International specialty foods show CULINARIA; Belgrade, Serbia - September 23-25, 2010.



International specialty foods show CULINARIA; Belgrade, Serbia - September 23-25, 2010. The International specialty foods show CULINARIA will debut in Belgrade this coming September. The fair focuses primarily on professional buyers and is the first fine foods and drinks fair in southeast Europe. CULINARIA will for the first time bring together manufacturers and leading professional buyers from the region and Europe who supply major supermarket chains, specialty food stores, hotels, restaurants, institutions and catering companies. Products to be presented at CULINARIA

include jams, fruit juices, forest mushrooms and truffles, hams and prosciuttos, artisan white cheese, honey from some of the best preserved forests in Europe, pure spring water, wines and brandies, rich herbal teas and a wide selection of organic food. CULINARIA will be held at Belgrade's BelExpo Center and will receive support from the USAID Agribusiness project, GTZ and the Serbian Ministry of agriculture. For additional information and registration, please see www.culinaria.rs

PEOPLE

DARKO RADIČANIN

Operations Manager, USAID Preparedness, Planning and Economic Security Program (PPES)



Darko Radićanin joined the USAID PPES Program in 2008. He is responsible for PPES operations specific to support for Junior Achievement Serbia (JAS). On a daily basis, Darko handles complex activity planning and management tasks. With over ten years of experience in development and implementation of USAID funded community development programs, Darko's dedication has been a key factor for JAS' success and impressive results over the past two years. Darko is well known by his colleagues for his collegial attitude, professionalism and ability to provide high quality results under tight deadlines. He exhibits exceptional presentation and interpersonal skills.

This past year, Darko supported JAS to host 14 events and student competitions and conferences for 4,750 students from 164 schools throughout Serbia, more than in any previous year. Darko graduated from the Aero-technical Academy in Belgrade and speaks fluent English and Serbian.

LINK TO WEBSITES

USAID Mission to Serbia: serbia-montenegro.usaid.gov
Booz Allen Hamilton: www.boozallen.com
Development Alternatives Inc. (DAI): www.dai.com
Serbia Investment and Export Promotion Agency (SIEPA) : www.siepa.gov.rs
USAID Competitiveness Project : www.compete.rs
USAID Agribusiness Project : www.agrobiznis.net
USAID Preparedness, Planning and Economic Security Program : www.scopes-serbia.org
USAID Serbia Economic Growth Activity (SEGA) : www.bep.org.rs
USAID Municipal Economic Growth Activity (MEGA) : www.mega.ui-serbia.org
National Alliance for Local Economic Development: www.naled-serbia.org/
FIDIC: www.fidic.rs and www.aces.rs (FIDIC)
BIRN: www.birn.eu.com

CONTACT

USAID COMPETITIVENESS PROJECT:
Ana Brnabić,
Communications Advisor
abrnic@compete.rs

USAID AGRIBUSINESS PROJECT:
Danijela Šever Radovanović,
Communications Advisor
Danijela_Sever-Radovanovic@agrobiznis.net

USAID ECONOMIC SECURITY PROGRAM:
Sandra Vlatković,
Director of Information
Sandra_Vlatkovic@dai.com

USAID SERBIA ECONOMIC GROWTH ACTIVITY:
Ana Đelović,
Communications Specialist
adjelovic@bep.org.rs

USAID BANKRUPTCY AND ENFORCEMENT STRENGTHENING ACTIVITY (BES):
Marija Vukosavljević,
Communications Advisor
mvukosavljevic@ccasa-bes.org.rs

USAID MUNICIPAL ECONOMIC GROWTH ACTIVITY:
Nataša Ristić,
Communications Advisor
natasa_ristic@ui-serbia.org

