

REGIONAL PRIVATE SECTOR DEVELOPMENT IN THE WESTERN BALKANS

Project Summary

2007 Project Cost:	330,000 Euros
Project Duration:	43 months, from 1 st December 2004 until 30 June 2008
Partners/stakeholders:	<i>Bosnia-Herzegovina:</i> Foreign Trade Chamber of Bosnia & Herzegovina, University of Tuzla, Federal Ministry of Development, Entrepreneurship and Crafts; <i>Kosovo:</i> Ministry of Trade and Industry, University of Pristina, Kosovo Chamber of Commerce, REA Pristina; <i>Macedonia:</i> Ministry of Economy, APPRM, Faculty of Economics of the University of Bitola, Prilep, EBA; <i>Montenegro:</i> SMEDA, Faculty of Economics of the University of Montenegro; CEED, MBA; <i>Serbia:</i> Ministry of Economy, Serbian Agency for Development of SMEs and Entrepreneurship, Faculty of Economics of the University of Belgrade;
Target group:	Economic and Higher Education Institutions from the Western Balkans (Bosnia & Herzegovina, Kosovo, Macedonia, Montenegro and Serbia)
Financed by:	The Ministry of Foreign Affairs, the Government of the Netherlands
Project location:	Western Balkans

Background Information

Economic development and EU accession are top priorities for all Western Balkan countries. Regional co-operation, friendly neighbourly relations and political stability are conditions for both these priorities. The Regional Private Sector Development in the Western Balkan (PSD) project aims at promoting such regional co-operation between the Government, (higher) education and business sectors through the joint organization of conferences, EU Day events, research projects, training activities and other events.

Project Description

During 2007, a number of regional events were organized by the project. The organization of many of these events was led by partners themselves. Examples include the EU Day events on 8 and 9 May in Belgrade (led by the Serbian Ministries of Economy and Education and attended by over 450 participants) and Skopje (led by the European Business Association (EBA)), and a regional conference on entrepreneurship education at Universities (led by the University of Novi Sad).

At the beginning of 2007, an international selection committee selected the 3 best cross-border research proposals that had been submitted after a call for proposals issued by SPARK at the end of 2006. Winning proposals were supported by the project during the year and included research on the provision of employment to welfare beneficiaries in the Balkans (coordinated by academic staff of the University of St. Cyril and Methodius in Skopje), on the type of skills needed in the current labour market (coordinated by the regional development agency REDASP in Kragujevac), and on the introduction of HACCP standards (coordinated by CEED in Podgorica). Findings of the first 2 research projects were disseminated at regional events in Skopje and Kragujevac at the end of 2007.

During the year, the project facilitated and financed 24 international internships in Western Balkan or EU countries for advanced University students from the region. During a regional Internship workshop in Skopje in March 2007, more than 80 representatives from the academic, business and student community jointly discussed how to promote and further integrate internships in University curricula in the Balkans. A third regional Business Plan Competition was also organized for young entrepreneurs and won by a business plan for a consultancy firm called Euroconsult, submitted by a

team from the Faculty of Economics (University of Bitola) in Prilep. Winners were announced at a ceremony held in October 2007 in Bitola.

Some 200 entrepreneurs and students participated in business skills training sessions on marketing, EU market access requirements, quality management, effective trade participation and tourism promotion. These training sessions were organized in collaboration with the Serbian Chamber of Commerce, CEED Montenegro, the Montenegrin SME Directorate SMEDA, the University of Mitrovica and APPRM in Skopje.

Successes and Challenges

The active involvement of partners in the organization of project activities (including the 2 EU Day events, the 2 research conferences, the entrepreneurship education conference and several training events) is a clear sign of greater ownership among project partners. As greater ownership will lead to increased sustainability, we believe this marks an improvement over previous years may well be the biggest project achievement in 2007. A successful partnership with the Dutch Centre for the Promotion of Imports from Development Countries (CBI) was Other achievements include successful examples of regional collaboration such as Serbian students completing internships in Pristina, and a representative of the UNMIK government at the EU Day event in Belgrade.

The challenge, as the project draws to an end by mid-2008, is to embed such regional collaboration in the strategies and activities of project partners and make it sustainable beyond the project horizon. Sustainability is also a challenge for the internship component: project-financed internships have mostly been arranged by SPARK, and not by Universities or students themselves. While some Universities are stepping up their collaboration with businesses and creating possibilities for internships, this is certainly not the case for all Universities involved in the project.

Long-Term Vision

In the long run, collaboration between countries from the region as well as between Government, education and the private sector should be embedded more firmly into partner's strategies and activities. Collaboration should not be limited to one-off project events. In order to achieve such sustainable collaboration, a follow-up project was prepared with partners in July 2007 and has been submitted to the Netherlands Governments. The emphasis in this PSD-II project will be on lasting structural changes, such as the internationalization of existing trade fairs, the establishment of an official regional network of SME development agencies and the incorporation of entrepreneurship courses and internships in University curricula.

Results

Results during 2007	Numbers	Others involved in the implementation
Regional Conferences	5	<i>Internship Workshop, March 2007, Skopje:</i> many Universities, businesses and student associations <i>Entrepreneurship Education conference, May 2007, Novi Sad:</i> University of Novi Sad <i>PSD-II Workshop July 2007, Skopje:</i> PSD project partners <i>'From welfare to workfare' research conference, November 2007, Skopje:</i> University of St. Cyril and Methodius (Faculty of Philosophy), <i>'Skills Needs Analysis' research conference, November 2007, Kragujevac:</i> REDASP, Kragujevac
Regional EU Day Events	2	<i>Macedonia:</i> Ministry of Education, Ministry of Economy, APPRM, EBA, City of Skopje;

		<i>Serbia:</i> Ministries of Economy and Education & Sports, Serbian Agency for SMEs Development, Serbian Chamber of Commerce.
Research Projects	4	Chamber of Commerce & Industry of Bijeljina region, Bijeljina; CEED, Podgorica; Center for Human Resources Development & Management, Belgrade; EBA, Skopje; Institute for European Studies, Podgorica; PARTNER, Banja Luka; REDASP, Kragujevac; University of Belgrade (Faculties of Economics and Political Science); University of Sarajevo (Faculty of Political Science); University of St. Cyril and Methodius, Skopje (Faculty of Psychology); international reviewers from Boston University, Brussels (Belgium); IFC; Imperial College, London (UK); the International University of Monaco; the University of Missouri, St. Louis (USA); the University of National and World Economy, Sofia (Bulgaria); UNCTAD (Geneva, Switzerland); and UNDP Sarajevo
International Internships	24	BiD network (The Netherlands), Civil Engineering Institute (Macedonia), FAO (Italy), Ecorys (The Netherlands), Ernst & Young (Macedonia), ING (Spain), Kosovo Chamber of Commerce (Kosovo), Kosovo Tobacco (Kosovo), Luka Bar (Montenegro), Lufthansa (Czech Republic), ProCredit Bank (Kosovo), Radio Kameleon (Bosnia & Herzegovina), Republic SME Agency of Serbia (Belgrade), Twinning Platform (Bosnia & Herzegovina)
Regional Business Plan Competition	1	international business experts from Corporate Connect (The Netherlands), Hub Consult (UK/Kosovo), IFC and Germany
Business Skills Training Participants	200	APPRM, Skopje; CBI, Rotterdam (The Netherlands); CEED, Podgorica; Serbian Chamber of Commerce, Belgrade; SMEDA, Podgorica; University of Mitrovica;