The ART GOLD SERBIA
Strategy and Instruments
for Local Economic Development

Belgrad – 25 September 2007
THE ART GOLD PROGRAM APPROACH FOR TERRITORIAL ECONOMIC DEVELOPMENT

Enhance a long term sustainable, competitive and human economic development at territorial level, through linking national and local strategies, economic and social policies, with the main aim of reducing unemployment, social exclusion, and poverty.

Create a favourable environment for adding value to all the explicit and hidden resources existing at local level, and generating permanently sustainable jobs, mainly benefiting vulnerable people.

Create a comprehensive service system for supporting local economic development strategy in a self sustainable way.

Harmonise national and local strategies and policies for enriching national development, through the valorisation of all the country resources, and ensuring social, gender, and environmental compatibility.

Create an enabling environment for economic internationalisation, international partnerships, impacting foreign private investment, and emigrants remises.
HOW TO GENERATE SUSTAINABLE JOB AND INCOME GENERATION THROUGH TERRITORIAL COMPETITIVE DEVELOPMENT

Traditional Way

- Public works (temporary)
- Project Implementation (temporary)
- Skill Training (hypothetic)
- Micro Finance (weak)

The ART Way

Territorial Competitiveness and International Marketing, according to territorial strategic resources

- Small Businesses Development within productive networks
- Comprehensive support (financial, non-financial, innovation, training), aimed at reducing social exclusion and poverty and enabling economic development
- International Territorial Partnerships
IT POSSIBLY CORRESPONDS TO AN ADMINISTRATIVE DIVISION OF THE STATE

PARTICIPATION

AVAILABLE RESOURCES

MICRO
AS A COMMUNITY

Meso
SMALL
AS A MUNICIPALITY

MACRO
LARGE
AS A COUNTRY

AREA

INTENSITY

PARTICIPATION

AVAILABLE RESOURCES
Sustainable and Human Competitiveness Territorial Strategy

Factors generating competitive advantage

Competitive Advantage Characteristics

Sustainability Factors

Economic, territorial, social, institutional sustainability

Actions for overcoming the constrains

Strategic Planning

Project Development and Financing

Development Services

Linkages with the national policies

Linkages with foreign territories and networks
Small local enterprises cannot compete individually in the global market (present also at local level).

They need to be related each other for reciprocal reinforcement (scale and complementary economies, access to services, finance, innovation, and international markets)

Nevertheless they need to be supported by local administrations, national government, universities, and research centers, training centers, banks, etc.

All these relationships lead to the need of a \textit{local enabling environment for business development}
INTERNATIONALISATION


INTERNATIONAL PARTNERSHIPS, THROUGH FAVOURING LINKAGES WITH EUROPEAN AND NON EUROPEAN TERRITORIES, AND THEIR ORGANISATIONS (LOCAL ADMINISTRATIONS, ENTERPRISES, DEVELOPMENT AGENCIES, ETC.)
THE LOCAL ECONOMIC DEVELOPMENT AGENCIES

LEDAs are self-sustainable structures, where the local stakeholders, in a agreed and autonomous way, take decisions about projects and initiatives regarding sustainable and human economic development.

LEDAs assure the technical conditions for the implementation of the initiatives, they provide comprehensive services to the territory, they raise funds for financing them.

with the main aim of providing opportunities for decent and sustainable jobs to the overall local population, with particular reference to the most vulnerable part of it.
THE ILSLEDA NETWORK OF 49 LEDAs PROMOTED BY UNDP, ILO, UNOPS, AND EUROPEAN UNION in 14 COUNTRIES SINCE 1991

- Serbia
  - Novi Sad (2002)
  - Smederevo (2005)
- Croatia
  - Skutari (2001)
  - Dyrazo (2003)
  - Valona (2003)
- Albania
  - Granada (1991)
  - Leon (1993)
  - Nueva Segovia (1993)
  - Jinotega (1994)
- Mozambique
  - Sofala (1999)
  - Manica (1999)
  - Matutine (2002)
- Bosnia Herzegovina
  - Travnik (1997)
  - Smederevo (2005)
- Colombia
  - Bucaramanga (2004)
  - Oriente Antioquia (2005)
  - Velez (2005)
  - Villa Leiva (2006)
- Ecuador
  - Imbabura (2004)
  - Pichincha (2004)
- South Africa
  - Nkomazi (2002)
  - Syanda (1999)
- Angola
  - Bengo (2001)
  - Bengele (2002)
  - Kuanza Sul (2001)
- Western Slavonja (2000)
- Krka (2000)
- Sisak (2001)
- Vukovarska (2002)
- Guatemala
  - Ixcan (1993)
  - Ixil (1993)
  - Huehetenengo (1996)
  - Chiquimila (1999)
- Dominican Republic
  - Valverde (2000)
  - Dajabon (2000)
  - Monte Plata (2000)
- Honduras
  - Ocotepeque (1992)
  - Intibuca (1993)
  - Valle (2002)
- Nicaragua
  - Granada (1991)
  - Leon (1993)
  - Nueva Segovia (1993)
  - Jinotega (1994)
- El Salvador
  - Chalatenango (1992)
  - Morazan (1992)
  - Ademmis (1994)
  - Apopa (1994)
  - Sonsonate (2004)
**Territorial Animation**
- Territorial diagnosis for identifying economic potentialities;
- Promotion of a favorable climate for entrepreneurship;
- Promotion of value chains;
- Support to the disadvantaged population;
- Support to territorial planning.

**Access to credit**
- Realization of bank agreements;
- Assistance to business plans;
- Promotion of guarantee fund or viable financial mechanisms;
- Assistance to the banks for the loans recuperation.

**Business Services**
- Support of feasibility studies;
- Technical, managerial and skill training;
- Information system;
- Promotion of innovation and technological exchange.

**Territorial Promotion**
- Territorial marketing;
- Territorial brands;
- Project financing;
- Strategic projects' management;
- Internationalization promotion;
- Support to international partnerships.
Three important features

Comprehensiveness
- Coordination of services
  - For avoiding duplications and waste of resources
  - For providing all the services at once to the populations and the institutions

Social Inclusion
- For reducing social exclusion and poverty
  - and
  - For promoting balanced development

Self-Sustainability
- For avoiding dependence on the public budget
  - and
  - For providing free services to population without resources for purchasing them
Enhancing poor people to access to LED opportunities

- Proactive economic stimulation and animation

- Social services (through a combination of public, private and community mechanisms)

- Special services
1. National Territorial Development Priorities and Strategy

2. National Regulatory Framework

3. National Territorial Balanced Development Mechanisms and Support

4. National Networking Mechanisms

5. National Monitoring
PROCESS AND INSTRUMENTS

NATIONAL REGULATORY FRAMEWORK
- National regulations for supporting LED strategies
- Intergovernmental Coordination
- Capacity building polices
- National networking
- Evaluation and Monitoring

TERRITORIAL DEVELOPMENT
- Valorization endogenous potential
- Value Chains Building
- Territorial Brands
- Territorial Planning

COMPREHENSIVE SERVICES
- Ledas
- Local Finance
- Social Inclusion

INTERNATIONALIZATION
- International territorial partnerships
- Project financing
- Project implementation

TERRITORIAL MARKETING
- Internal Marketing
- Image identification
- External marketing and communication