

CITY-TO-CITY
HUMAN DEVELOPMENT
PROGRAMME

UNDP/UNOPS



IN SERBIA AND MONTENEGRO

MONTENEGRO

PRESENTATION



Duration of activities

The Programme began in February 2001 and was ongoing as of December 2003.

National coordination

The Ministry of Social Affairs was delegated responsibility for coordinating the Programme nationally by the Government of Serbia and Montenegro. In January 2002, the Ministry of Social Affairs instituted a National Working Group (NWG) to guarantee interinstitutional coordination of the activities. Taking part are the Ministries of Health, Justice, Economics and Privatisation, Planning, International Economic Relations, Local Autonomy, the Permanent Conference of Yugoslavian Cities and Municipalities (SKGOJ), and the PALGO Study Centre.

Governments involved in cooperation

Italy.

Territorial actors

Since March 2001, the leading roles in the Programme have been taken by the working groups of the cities of Belgrade, Zemun, Kragujevac, Nis, Novi Sad, Pancevo and Smederevo. The working groups are chaired by the mayors of the cities, and are each made up of 15–20 representatives of the public administration, the social educational and health services, private enterprise, universities, and associations. The working groups are a point of reference for decentralised cooperation committees and were responsible for defining the ongoing projects.

Since December 2001, the economic development agency of the Novi Sad Region, Alma Mons, has served as a benchmark for local economic partnerships. Twenty institutions and local associations are members of the agency.

Territorial partners

• Belgrade Working Group	• Campania Region and Toscana Region; Committee of the Municipalities of Firenze, Calenzano, Fiesole, Lastra a Signa, Pontassieve, Scandicci, and Sesto Fiorentino; and the Committee of the Municipality of Milano.
• Zemun Working Group	• Emilia-Romagna Region; and the Committee of the Municipality of Carpi.
• Pancevo Working Group	• Province of Ravenna; and the Municipality of Venezia.
• Smederevo Working Group	• Veneto Region; and the Province of Pisa.
• Kragujevac Working Group	• Emilia-Romagna Region; Municipality of Reggio Emilia, Municipality of Carrara, Municipality of Ivrea, and Municipality of Roma.
• Nis Working Group	• Committee of the Administrative District of Empoli: Municipalities of Capraia and Limite, Castelfiorentino, Cerreto Guidi, Certaldo, Empoli, Fucecchio, Gambassi Terme, Montatone, Montespertoli, Vinci, and Montelupo Fiorentino.
• Novi Sad Working Group	• Committee of the Administrative District of Empoli; Municipality of Modena, Municipality of Imola, and Municipality of Livorno.

Funding

The Italian Government provided USD 1.5 million to the United Nations Development Programme (UNDP) / United Nations Office for Project Services (UNOPS). In December 2003, the Italian Government approved a further disbursement of Euro 3,600,000.

Between 2001 and 2003, decentralised cooperation committees contributed a total of USD 962,190. In particular, the committees contributed USD 498,935 in 2003 as well as other donations, and provided high-level technical assistance through experts working in the territorial structures of the Programme.

Key features

Despite limited financial resources, with the backing of the decentralised cooperation committees, the Programme implemented a total of 45 projects in the cities of Belgrade, Kragujevac, Nis, Novi Sad, Zemun, Smederevo and Pancevo, in addition to four projects at the national level, in the fields of local governance, local economic development, welfare and basic health care.

In 2003, given the credibility gained by Alma Mons, a trust fund was created to provide credit services in the territory. The trust fund was developed and set up with the backing of high-level experts from the Municipality of Modena, and the credit consortium of the Emilia-Romagna Region. The active role of the region's actors and the positive results achieved in Novi Sad convinced the Italian banks Unicredit/Banca d'Impresa, Banca Popolare dell'Emilia Romagna, and Banca di San Gimignano e San Prospero to finance the trust fund. The three banks, the Municipality of Modena and Fidindustria (a regional credit consortium) contributed a total of Euro 120,000.

Through the projects formulated by Italian local authorities with their city partners of Serbia and Montenegro, Euro 1,050,000 was raised, funded by Italian Government Law 84, while regional cofunding came to Euro 504,000.

In collaboration with the Municipal Administration of Backi Petrovac, Alma Mons is working on a territorial agricultural development plan, with the participation of all interested local parties. The project won first prize in a competition run by the European Union (EU) for innovative projects presented by local development agencies operating in Serbia and Montenegro.

In 2003, the Municipal Administration of Kragujevac converted an old orphanage into a new centre focusing on adoption and foster care. It became a point of reference for the Ministry of Social Affairs for the study and experimentation of new norms and practices for assistance to minors. The impact of this result was nationwide, thanks also to the collaboration of the Municipalities of Carrara and Ivrea, and Swiss cooperation.

OVERVIEW

The City-to-City Programme was launched in Serbia and Montenegro in February 2001. Preparatory activities began in 1999, through preliminary agreements involving UNDP, UNOPS, the Italian Government and numerous Italian local administrations interested in establishing humanitarian cooperation partnerships with cities caught up in conflict. In 1999 and 2000, numerous meetings were held with Italian local administrations and the mayors of Belgrade, Kragujevac, Nis, Novi Sad, and Pancevo.

In May 2000, during a joint mission conducted by Italy/UNDP/UNOPS, the Government of Serbia and Montenegro asked for the Municipality of Smederevo, which was run by a government coalition, to also be included in the Programme. On 24 September 2000, elections for the presidency of the Federal Republic were held, together with those for the renewal of the town councils. The winners were the opposition coalition led by Kostunica. The new government launched a process of democratic transition. The change in the general political climate made it possible to re-launch the City-to-City Programme.

In February 2001, UNDP and UNOPS opened and equipped a national coordination office in Belgrade, personnel were hired and activities launched in the cities of Belgrade, Kragujevac, Nis, Novi Sad, Pancevo and Smederevo.

In 1999, the Italian Government had committed LIT 10 billion to the Programme. The first disbursement amounting to USD 1.5 million was received by UNDP in January 2003. The Programme was then launched through funds advanced by UNDP and UNOPS. In December 2003, the Italian Government approved further funding amounting to Euro 3,600,000, which should be available in Serbia and Montenegro in early 2004.

In 2001, the Programme consolidated the decentralised cooperation relations previously established in the country, set up the NWG and other working groups in the six cities, and strengthened the planning capabilities of local authorities. Subsequently, with the collaboration of all national and local bodies, a plan of operations for the second phase was drawn up. In 2002, because funds from the Italian Government had not been received, the Programme gave priority to providing technical assistance to central and local administrations. For these activities, particular mention should be made of the technical

and financial resources provided by decentralised cooperation committees.

In 2003, the Programme again operated through advance payments from UNDP and UNOPS. In accordance with national and local authorities and with the active backing of the Italian Embassy, the available financial resources were used to provide technical assistance to the city working groups and the Ministry of Social Affairs in the areas of local economic development, welfare, governance and cultural development. In 2003, decentralised cooperation committees again played a crucial role in the results achieved in the various cities.

OPERATIONAL AND MANAGEMENT STRUCTURES

As established by the Ministry for Foreign Affairs (FRY), the national institution responsible for the City-to-City Programme is the Ministry of Social Affairs of the Republic of Serbia and Montenegro.

In 2002, the Ministry of Social Affairs promoted the creation of the NWG, which includes technical experts of the Ministries of Labour, Health, Justice, Territorial Planning, Economics and Privatisation, International Economic Relations, and Local Autonomy, SKGOJ, the PALGO Study Centre, UNDP, and UNOPS. The NWG is responsible for harmonising Programme activities with national policies for the decentralisation and reform of services and, where possible, enhancing them through innovations that emerge during city interventions. Furthermore, the NWG facilitates the completion of bureaucratic procedures for the implementation of the projects (imports, visas, etc.). NWG meetings are open to actors of the civil society of Serbia and Montenegro and representatives of local authority associations.

In March and April 2001, city working groups (CWGs) were created in the six target cities of Serbia and Montenegro: Belgrade, Kragujevac, Nis, Novi Sad, Pancevo and Smederevo. A specific working group was created in Zemun, a district of the city of Belgrade. In Smederevo, the working group was activated at the end of 2001.

The principal task of the working groups is to plan and monitor activities, setting priorities and keeping decision processes open. The working groups also provide an opportunity for communication and joint planning with Italian decentralised cooperation

organisations. Working groups organised visits for Italian decentralised cooperation committees to Serbia and Montenegro and defined pilot projects, which are currently under way. On several occasions, the working groups created thematic subgroups in order to draw up proposals for initiatives in different fields of human development.

The City-to-City Programme has a coordination office in Belgrade, with an international coordinator, two experts, and a part-time administrator. Six local support employees (two secretaries, two administrative assistants and two drivers) work in the same office. The coordination office and international administration services are shared with the United Nations Environment Programme (UNEP) / UNOPS "Clean-up of environmental hot spots" project. The office is also equipped to provide assistance and services to decentralised cooperation experts. Local activities are coordinated within the framework of their respective municipal institutions. The Programme has three vehicles at its disposal, a computer, telephone connection, fax, Internet and e-mail, electricity generators and cellular phones. An additional vehicle is available for the administrative services.

RESULTS OF INTERNATIONAL ACTIVITIES

Since February 2001, the following Italian local administrations have taken part in the City-to-City Programme: the Municipalities of Venezia, Carrara, Modena, Firenze, Reggio Emilia, Ferrara, Imola, Milano, Roma, Trieste, Gorizia, Livorno, Pontedera and Quarrata; municipalities within the Florence metropolitan area; the Administrative District of Empoli (11 municipalities); the Provinces of Ravenna, Pisa, Bolzano, Pordenone, Treviso and Bologna; the Regions of Toscana, Friuli-Venezia Giulia, Veneto, Marche and Campania.

In 2001, missions to Serbia and Montenegro were organised for 28 Italian local authorities, which resulted in the signing of a framework agreement for decentralised cooperation. Technical missions were carried out by experts from Italian committees (about 150 person/days between May and December 2001), and various projects launched. Together with the education and training, information and documentation, and decentralised cooperation project (known as EDINFODEC), the Programme organised a meeting in Rome between the president of SKGOJ and the president of the National Association of Italian Municipalities (ANCI) on 27 June 2001. The two

presidents signed an agreement in Venice in December 2001 providing for exchanges on issues concerning local autonomy legislation and the management of local administrations and public services. On 7 December 2001, the Programme organised an international workshop promoted by the Municipality of Venezia on "Cities for decentralised cooperation in human development: experiences and opportunities for southeast Europe" which brought together representatives of Serbia and Montenegro and Albania, Italian municipalities, provinces and regions, the Ministry for Foreign Affairs and UN bodies. The Municipality of Venezia promoted an initiative for collaboration among local bodies engaged in decentralised cooperation in the Balkans, called the Network of Cities for the Balkans (CREB). In conjunction with the City-to-City Programme, the initiative provides information and services to local Italian administrations interested in decentralised cooperation. By December 2001, the 28 committees had engaged to raise a total of about Euro 620,000.

In 2002, the Regions of Campania, Emilia-Romagna and Veneto; the Municipalities of Milano, Roma and Livorno; and the Province of Pisa joined the Programme. Eight missions by high-level local authority delegations to Serbia and Montenegro were organised, which resulted in the signing of a decentralised cooperation framework agreement. Missions were undertaken by technical experts from the committees (about 180 person/days between January and December 2002) and the previously-identified projects were launched. Also in 2002, SKGOJ and ANCI launched activities to strengthen local public services. In September, a delegation from ANCI and the Italian Confederation of Local Public Service Agencies (CISPTEL) undertook a mission to Belgrade to sign an operational agreement with SKOGJ for professional exchanges and partnerships in the public utility sector. In December 2002, the 36 participating committees engaged to raise funds worth about Euro 1.2 million.

In 2003, new decentralised cooperation organisations joined the City-to-City Programme: the Chambers of Commerce of the Campania Region, special internationalisation enterprises (Intertrade), the SPRINT Desk, the Basilicata Region, the Province of Matera, the Province of Salerno, and the Sarno-Nocera Agriculture Pact. Arrangements were made for the Province and Municipality of Forlì to be included in partnerships with the city of Novi Sad and the Ministry of Social Affairs.

In 2003, the City-to-City Programme went to great lengths to provide backing to Italian decentralised

cooperation organisations in the production of projects to present to the Italian Government (Law 84/01 for countries in the Balkan area) and the EU. The results of these activities are listed below:

- Project formulated and presented to the Italian Government (Law 84/01) by the Molise Region involving rural development in synergy with INTERREG III A "Italia Adriatico" Project. The project provides for partnerships with the Regions of Abruzzo, Puglia, and Marche, and the agencies of Shkoder and Durres (Albania), Travnik (Bosnia and Herzegovina), Novi Sad (Serbia and Montenegro) and Okucani (Croatia). The project was approved and is worth Euro 210,000, with Euro 90,000 in regional cofunding.
- Project formulated and presented to the Italian Ministry of Productive Activities (MAP) involving the fostering of enterprise associations in the region of Vojvodina. The project provides for partnerships with the Chambers of Commerce of Napoli, Salerno and Potenza, the Provinces of Napoli and Salerno, and the Novi Sad agency.
- Project formulated and presented to MAP by the Campania Region involving the development of commercial ties with Serbia and Montenegro. The project provides for a partnership with SPRINT (which includes all the Chambers of Commerce of the Campania Region involved in internationalisation and export), and the Novi Sad and Kragujevac agencies.
- Project formulated and presented to the Italian Government by the Regions of Campania and Basilicata involving the development of the Regions of Novi Sad and Kragujevac. The project was approved and is worth Euro 840,000, with additional cofunding from the regions still to be defined. The project provides for:
 - Scientific technical cooperation with the Ministry of Agriculture of Serbia and Montenegro, the Department of Agriculture of the University of Novi Sad, the Faculty of Agriculture of the University of Belgrade, and the Novi Sad Institute for Crops, involving the transfer of innovative practises – worth Euro 381,000.
 - Cooperation in education and professional training involving the Vrsac Agricultural School (Municipality of Vrsac) and the Ministry of Agriculture of Serbia and Montenegro – worth Euro 78,000.
 - Development of agricultural associations and cooperation, in support of the Ministry of

Agriculture – worth Euro 133,000.

- Construction of an integrated rural development network in the region of Novi Sad, in collaboration with Alma Mons – worth Euro 462,000.
- Mobilising and maximising local resources, in collaboration with the Ministry of Social Affairs, to promote the social integration of disadvantaged groups – worth Euro 100,000.
- Work on the INTERURAL project has been in progress since June 2003 and is to be presented to the EU (INTERREG III A "Italia Adriatico"). The project is scheduled for presentation to the competent offices in February 2004 and is worth Euro 1,000,000. The project is in synergy with an initiative presented to the Italian Government (Law 84/01) by the Abruzzo Region, involving the exchange of best practices in rural development. It involves partnership with 12 Italian Adriatic Provinces (Pesaro–Urbino, Ancona, Macerata, Ascoli Piceno, Teramo, Pescara, Chieti, L'Aquila, Campobasso, Foggia, Bari, Brindisi and Lecce), five local action groups and 7 Balkan local economic development agencies (LEDAs), including Alma Mons).

All "institutional" missions (involving mayors, presidents and councillors) and the technical missions of Italian cooperation committees held meetings with the Italian Embassy in Belgrade in order to keep it informed of the activities in progress.

RESULTS OF NATIONAL ACTIVITIES

The City-to-City Programme works mainly with the authorities of Serbia and Montenegro and supports the ongoing process of political and administrative decentralisation. In 2000, the decentralisation process was given fresh impetus by the new government. In February 2002, a bill was passed to: broaden the authority of municipalities, with the direct election of mayors; reform local funding procedures; and give municipal councils a specific role in development planning. In June 2002, the Parliament of Serbia and Montenegro established the Ministry of Local Autonomy, responsible for coordinating political-administrative decentralisation. Alongside legislative aspects, the authorities in Serbia and Montenegro are also facing problems connected with decentralisation, such as resource redistribution, local-level know-how creation, and the lack of regional benchmarks. Decentralisation is also part of the more complex process of a transition towards a market economy, which the country is currently undergoing. Thus, the

transformations under way concern the transfer of power and responsibilities, a general reform of public administration, and a substantial effort to privatise state-owned industries.

In this context, the City-to-City Programme supports the commitment of local and national authorities to developing sustainable decentralisation models that can contribute to the ongoing debate, and be extended to other areas. In particular, the Ministry of Social Affairs of Serbia and Montenegro set up a plan for decentralising services involving both local authorities and civil society organisations, which supported particularly vulnerable groups during critical phases.

Results for 2001 and 2002 were as follows: Support in setting up the Social Innovation Fund (SIF). At the request of the Ministry of Social Affairs, the Programme provided technical assistance for the creation and operations of the SIF, which promotes innovative projects and experimentation. In 2002, the plan of operations of the SIF was defined and the Programme provided specific financial resources. The first core staff of the SIF were selected, consisting of three experts, and activities aimed at the legal constitution of the SIF were carried out. Publication of "Local democracies in Serbia and Montenegro". The Programme promoted the publication of a document describing the situation of local authorities in Serbia and Montenegro and the ongoing process of decentralisation. The author, Mijat Damijanovic, officer at the PALGO centre and professor at the University of Belgrade, gave free copyright concessions. National technical group for assistance to the elderly. In 2001, the Programme had already collaborated with the Italian Trade Union Confederation, represented by the non-governmental organisation (NGO) Progetto Sviluppo, and Cooperazione Italiana to carry out a pilot project involving the reorganisation of social and health services for the elderly in the city of Kragujevac. The Ministry of Social Affairs created a national technical group to monitor the project and promote its extension to other parts of the country. In 2002, this group carried out in-depth research and analyses with the technical assistance of experts from the Programme and Progetto Sviluppo. Detailed documentation was produced on the state of social and health services for the elderly in Serbia and Montenegro and the prospects for their reorganisation. The group assisted in drafting the first training manual for home-care workers during the Kragujevac pilot project. The results of the working group activities were discussed with the Minister for Social Affairs in October 2002, and received a positive assessment.

In 2003, results at the national level were particularly significant in the field of local economic development. In 2001, the Programme had formed an active partnership with the Ministry of Economics and Privatisation, the Ministry of International Economic Relations, and the Parliamentary Commission for Economic Development of Serbia and Montenegro. The Emilia-Romagna Region signed an agreement with the parliamentary commission for the opening of a "help desk" in the city of Belgrade to promote international partnerships and monitor the initiatives of the cities of Modena and Reggio Emilia in Novi Sad and Kragujevac. The Campania Region signed an agreement with the Ministry of International Economic Relations involving training activities for farmers. In addition, a LEDA was created in the Region of Novi Sad. Intense work was also carried out in Kragujevac with the development agency set up by a programme of the European Agency for Reconstruction (EAR), in collaboration with the Municipality of Reggio Emilia.

In 2003, given the credit gained by Alma Mons, a trust fund was created to carry out credit activities in the territory. The trust fund was developed and set up with the backing of high-level experts from the Municipality of Modena, and the credit consortium of the Emilia-Romagna Region. The active role of the region's actors and the positive results achieved in Novi Sad, convinced the Italian banks Unicredit/Banca d'Impresa, Banca Popolare dell'Emilia Romagna, and Banca di San Gimignano e San Prospero to finance the trust fund. The three banks, the Municipality of Modena, and Fidindustria (a regional credit consortium) contributed a total of Euro 120,000.

In order to boost local capacity, numerous training courses were organised in 2003 for the municipal administrative staff of the six cities. The courses also involved staff from the culture department. At the end of 2003, the first in a series of training courses on local planning was also organised, with contributions from the Emilia-Romagna Region. The courses involved the managers and staff of the Ministry of Social Affairs of Serbia and Montenegro. In collaboration with the Municipality of Firenze, intense work was carried out in Belgrade in the training of museum staff. In collaboration with the Municipality of Milano, training was given to Belgrade's municipal librarians, and work started on the structural reorganisation of the services. Last, technical personnel from the Municipality of Belgrade and other cities received training on various aspects of town planning.

In order to enhance welfare systems, specific activity in support of disadvantaged groups continued. Interventions were also carried out to help municipal administrations programme and manage territorial social services and gear them towards the needs of abandoned children, disadvantaged groups and the elderly. The contribution by decentralised cooperation committees was decisive.

2003 also saw continued work on the technical and administrative reorganisation plan of the Ministry of Social Affairs. At the request of the Ministry of Social Affairs, the City-to-City Programme assisted in the redefinition of its organisational, administrative and procedural mechanisms. In 2002, refresher courses were organised for staff, and studies were carried out on the organisation of ministerial structures. Proposals were made for the reorganisation of financial management and the creation of specific resources for local autonomies. When the presidents of the Regions of Campania and Emilia-Romagna paid an official visit, the Minister for Social Affairs signed two cooperation agreements in support of the social services reform process in Serbia and Montenegro. In the second half of 2002, technical missions were carried out to define activities for the two above-mentioned agreements.

The agreement with the Ministry of Social Affairs of Serbia and Montenegro provides for a three-year programme with the technical and financial backing of the Emilia-Romagna Region within the framework of the City-to-City Programme. In 2003, in order to provide continuity for the project, the Emilia-Romagna Region opened an office for one of its experts in the Programme's Belgrade premises. The Emilia-Romagna Region also activated a network of municipal administrations so that they could establish partnerships with the corresponding administrations of Novi Sad and Kragujevac in the organisation of pilot welfare projects. The Emilia-Romagna Region will be providing support for the Ministry of Social Affairs. The project provides for training in the use of programming instruments, such as regional and area social plans. In particular, the area social plan provides for policies and activities involving the social and health sectors, integration of the disabled in schools, and the world of work and foster care. It also provides for the promotion of partnerships among civil society institutions and associations in order to guarantee the sustainability of the integrated welfare system and the consolidation of democratic decision-making processes. Training activities will be coordinated by the Province of Forlì-Cesena.

The Programme is collaborating with various international organisations present in Serbia and Montenegro. Collaboration has also been established with Italian organisations in the country, such as SIMEST, ICE and the Italian Cultural Institute. While the Novi Sad economic development agency was being set up, coordination was established with Gesellschaft für Technische Zusammenarbeit (GTZ – German cooperation organisation), and various activities were cofunded. Collaboration was established with the EAR, for interventions in the cities of Kragujevac and Nis. Collaboration was established with experts of the World Bank and with the projects promoted by the United States Agency for International Development (USAID).

RESULTS AT THE LOCAL LEVEL

The Programme operates in the cities of Belgrade, Kragujevac, Nis, Novi Sad, Pancevo and Smederevo. Activities were carried out in Belgrade as a whole and also in Zemun, one of the 16 districts that make up Belgrade. Local authorities in each city created a CWG to plan and monitor programme activities, with procedures that promote the participation of beneficiaries, sustainability and non-discrimination towards disadvantaged groups. The decision-making process to define activities involves various steps. First, the working group identifies possible interventions, in the framework of local development strategies. Then, sectors of common interest and projects are chosen in collaboration with the decentralised cooperation committees. The Programme provides technical assistance in the various phases of the process.

RESULTS IN THE CITY OF BELGRADE

Belgrade, an ancient European city, is the capital of Serbia and Montenegro. It is located at the confluence of the Danube and Sava rivers and is the crossroads of the major national thoroughfares and railway networks. Belgrade is the administrative, economic, cultural and religious centre of the country and its population of about 1,800,000 (1999 estimate), is about a quarter of that of Serbia and Montenegro (Kosovo excluded). It is the second-largest metropolitan area in the Balkans after Athens. The city administration is divided into 16 submunicipalities covering the entire urban area of about 320 ha.

Belgrade has 59 social and health institutions, the largest pool of services in the country. It is also the seat of the largest university in Serbia and Montenegro:

37 faculties, 83,500 students, and politically active movements such as the Polytechnic Movement and Otpor. In the 1990s, the city underwent substantial, often uncontrolled urban growth, which led to problems in services and development. Illegal construction reached alarming levels. The service sector increased considerably following the privatisation of state industries initiated in 2001 by the new government. In the same year, laws were passed regarding unregulated economic activities. According to international estimates, in 2000 almost 60 percent of national GDP came from the "shadow" economy sector. The process of regulating these activities revealed a significant number of SMEs in the service sector and, to a lesser extent, in the light industrial sector in Belgrade. The city has numerous cultural activities. Many theatres stage their own productions and the city also hosts also international festivals of cinema, classical music, theatre and children's theatre.

Results in Belgrade have been achieved with active assistance from the Municipalities of Firenze, Calenzano, Fiesole, Lastra a Signa, Pontassieve, Scandicci and Sesto Fiorentino, and with the support of the Toscana Region. In 2002, new decentralised cooperation partnerships were fostered with the Municipality of Milano and the Campania Region.

The Working Group of the City of Belgrade was created in 2001. In June 2001, a visit was arranged for a delegation from the Municipality of Firenze, headed by the councillor for international cooperation. The visit resulted in the signing of a framework agreement to provide support to the city administration, cultural and local services, urban planning, and cultural heritage preservation. Two missions by CISPEL technical experts, a Tuscan organisation which brings together regional public utilities, and a visit of a delegation of officials responsible for the Belgrade aqueduct to Florence were organised in autumn 2001. An intervention was planned, aimed at reorganising the Belgrade aqueduct, which involves developing new relations between enterprises and users to provide better services and rationalise human and financial resources.

In 2001 and 2002, a project was carried out to strengthen and reorganise the municipal administration. In collaboration with the University of Florence, the PALGO Study Centre, and the University of Belgrade, a university exchange programme was created within the ambit of the EU initiative TEMPUS. Interventions concerned training and research projects for instructors and students in public-

administration capacity building, focusing on political and administrative decentralisation processes.

In July 2002, a delegation from the Municipality of Milano visited Belgrade to start collaboration with the working group. In November, the mayors of the two cities signed a decentralised cooperation framework agreement in Milan, within the framework of the City-to-City Programme, to reorganise the library system of Belgrade, support pre-schools, promote integration of disabled children, support local public services companies, and promote cultural exchanges between the two cities.

In 2003, decentralised cooperation between the city of Belgrade and its Italian partners continued work on existing projects and programmed new ones.

In May 2003, a technical delegation, headed by officials of the Department for Social Policies of the Campania Region undertook a mission to Serbia and Montenegro in order to promote cooperation with the Ministry of Welfare of Serbia and Montenegro. The meeting helped renew institutional relations, and implement the terms of the agreement signed within the framework of the City-to-City Programme. The Campania Region is hoping to organise training activities for officials on programming instruments and the management of welfare systems. Following the mission, a Serbo-Croatian translation was made of a document provided by the Campania Region that contains guidelines for the programming and reorganisation of the welfare system. Training activities are scheduled for early 2004. The training scheme is part of a broader system of activities that the Campania Region plans to implement in synergy with the Emilia-Romagna Region.

The following sections summarise the results of projects launched in previous years and which continued into 2003.

Territorial and urban planning, and cultural heritage preservation

In 2001, technical experts from Florence and Belgrade examined legislation and procedures relating to the planning and preservation of cultural heritage. In January 2002, a workshop was organised in Belgrade on town planning with architects and urban planners from Tuscany as well as about 100 local technical personnel from Belgrade and other cities in which the Programme is operating. In the following months,

various missions to Belgrade and Florence by town planners from Tuscany and Belgrade took place in order to produce a new zoning plan for Belgrade, adopted in summer 2002. Since spring 2002, the city of Belgrade has participated in international initiatives on town planning and cultural heritage preservation held in Florence through the EU INTERREG project.

In June 2003, two experts from Florence assisted technical personnel from Belgrade in the definition of a town-planning project. The aim of the project is to improve management techniques of the geographical information system (GIS) programme and apply new computer technologies to town planning in Belgrade. It also provides for the development of an electronic system to manage the implementation and monitoring of the zoning plan. In the following months, the teams of experts from the two cities exchanged knowledge and experiences. In October 2003, four technical experts from Tuscany guaranteed the training of technical personnel from Belgrade in GIS techniques. The mission also allowed the technical experts to contribute to the implementation of the "European Riverlinks Project – INTERREG III C", developed with EU funds in collaboration with the City-to-City Programme, which was involved in drawing up the scheme. The city of Florence plays a leading role in the project, in partnership with the city of Belgrade.

Cultural services and reorganisation of the municipal museum system

The reorganisation of the museum system was particularly appreciated by the Belgrade authorities, which see the project as an opportunity to promote the city's considerable cultural heritage. The good cooperation relations between Belgrade and Florence were renewed during the workshop "New tendencies in museology", held in June, with the participation of the culture councillor the Municipality of Firenze.

In November 2001, a museum-organisation expert from the Municipality of Firenze held a workshop in Belgrade, in which directors of the major municipal museums of Belgrade participated. In April 2002, the directors of the museums and officials of the Belgrade Cultural Department participated in a training course in Florence on museum management techniques. A pilot project was developed for revamping the Historical Museum of Belgrade. The project provides for the setting up of a scientific committee, the location of new premises, renewing collections, producing publications, defining an interdisciplinary

path involving other museums and cultural institutions, and producing a targeted promotional campaign. Furthermore, the collaboration between experts from Florence and Belgrade contributed to the promotion by the city of Belgrade of numerous cultural heritage enhancement initiatives in 2002, including a new historical and artistic guide to the city, published in different languages.

In February 2003, a mission by experts from Florence launched the second phase of the cooperation project, which involves two interventions: the establishment of a museum didactics centre, to promote, organise and coordinate museum services in the city, directing them towards schools; and the construction of a new Belgrade city museum, involving an innovative and multidisciplinary museum plan to bring the currently scattered collections under one roof. During the following mission by the experts from Florence (June 2003), designs for the New City Museum were illustrated at the "New tendencies in museology" workshop organised by the Italian Ministry for Foreign Affairs at the Belgrade National Museum. An agreement was reached on possible synergies between the various initiatives, and on participation of Belgrade's state museums in the new museum didactics centre. Internships were organised in July 2003 for high-level political and technical staff of Belgrade's two museum centres (state and municipal). In this way, officials from Serbia and Montenegro were able to gain an insight into the considerable experience of Florence and Tuscany in the field of museums. In particular, they were able to identify convergences between Belgrade's two museum systems, both involved in partnerships with Italy.

In September 2003, experts from Florence undertook another mission to Belgrade in order to help advance the projects under way and to give lessons in the National Museum for state and municipal museum personnel on quality standards in Italian museums. In establishing the Museum Didactics Centre, the municipal administration identified a first group of potential managers, with whom the key aspects of the project were analysed. In October, during a new mission to Belgrade, the Florentine experts jointly examined aspects concerning the constitution of the Museum Didactics Centre with the personnel selected to manage its start-up phase. The content, users and timetable for the first museum didactic interventions were defined, and they will be implemented in May or June 2004. An experimental intervention was scheduled for January 2004 at a museum in Konan.

Cultural activities

Collaboration between Florence and Belgrade involved numerous institutions of the two cities. In summer 2002, the Belgrade Symphony Orchestra participated in the production of a Verdi opera in Fiesole as part of the Florence's summer events programme. A series of films made in Serbia and Montenegro and a concert by a famous Roma folk group were included in the same programme.

In October 2002, as part of the new collaboration agreements between the Campania Region and the City of Belgrade, a group of students from Campania participated in an international children's theatre festival, which hosted young artists from 16 European countries. In December, a visit to Naples was organised by the culture councillor of Belgrade in order to plan a series of new cultural initiatives.

On New Year's Eve 2002, a concert by the singer Eugenio Bennato and local folk groups was held in Belgrade. During the event, a new cultural show was organised, which was then held in July. This was "Naples Week", organised in collaboration with the Italian Cultural Institute in Belgrade. Theatrical workshops were held in the streets and in cultural centres. Exhibitions of traditional objects were organised and traditional Neapolitan delicacies were offered. By involving children in their activities, the experimental theatre groups highlighted the educational role of typical Neapolitan puppets, called "guarattelle". The climax of the event was the presentation of the "Opera Buffa", with music by the Pietà de' Turchini Musica Antica Centre.

RESULTS IN THE MUNICIPALITY OF ZEMUN

Zemun, one of the largest of the 16 submunicipalities of Belgrade, is located in the northwest of the city, on the right bank of the Danube. It has a population of about 250,000 and is the municipal area with the largest number of refugees and evacuees (about 50,000). Historically multiethnic and multicultural, Zemun was independent from Belgrade from the eighteenth century to the beginning of the twentieth century. It was the outpost of the Austro-Hungarian Empire when the rest of Serbia and Montenegro was still under Ottoman domination. It has retained its small-town character, despite being thoroughly incorporated into the Belgrade metropolitan area. Many small industries in the metalworking, pharmaceutical, chemical, textile and shoe-

manufacturing sectors have developed in Zemun in recent decades. Today, most of these enterprises are being privatised and face the problems of downsizing personnel. The municipality has good social and health services, including a paediatric hospital. It also has two important theatres. The organisations from civil society are particularly active in providing services. Apart from a newspaper and radio station, run by volunteers from local associations, the organisations also help disadvantaged groups and support local SMEs and cultural activities.

Results in the Municipality of Zemun, part of the city of Belgrade, have been achieved with the collaboration of the Municipality of Carpi. This collaboration developed thanks to contacts established by women's associations of the two towns. In June 2001, the Programme organised the first visit of a delegation from Carpi, headed by the mayor, to Zemun to sign an agreement for the social and economic inclusion of vulnerable groups and support for the professional re-qualification of women. Between October 2001 and February 2002, a five-month training course was organised in the Carpi Professional Training Centre for two managers of the "Single Mothers" association of Zemun. The association offers assistance to more than 2,000 women in need, by supporting small business activities, mainly in the textile sector.

The Zemun Working Group set up a permanent training centre, equipped with textile machinery, to act as a microenterprise incubator. In November 2002, the Programme began work on renovating the premises of the centre. In collaboration with the Carpi Professional Training Centre, the Programme supplies technical assistance to the Zemun Working Group in the programming of training activities and the definition of a medium-term plan of operations for the centre, which will make it self-sustaining within the first two years of activity.

In early 2003, work was completed on the school buildings that will be used to house the training centre. An agreement was reached with a dealer in Serbia and Montenegro for the delivery of equipment in early 2004. Strategies were examined to make the centre self-sustaining as soon as possible. At a meeting held in November 2003, the Municipality of Carpi said it would examine the possibilities of selling the products of the centre on the Italian market.

The Programme also helped to identify potential partners among the donors operating in the Zemun area. The British Government's cooperation agency

Department for International Development (DFID) was contacted, and an agreement was reached with the centre and the "Single Mothers" association to provide technical and financial support to business management training activities. The Programme and the Municipality of Carpi are committed to guaranteeing technical training activities aimed at production. The Programme helped the "Single Mothers" association to draw up a project document to present to DFID. In January 2004, technical experts from the Municipality of Carpi are scheduled to undertake a mission to Zemun in order to define the contents and methods of training activities and subsequent planning phases.

Another aspect of the Zemun project involved the Ministry of Education and Sport of Serbia and Montenegro in the examination of national regulations for professional re-qualification. Through numerous working meetings, it was agreed to call in Italian experts to help analyse regulations. A proposal was made to the Ministry of Education and Sport to launch two pilot projects in two cities of Serbia and Montenegro and to set up a national working group, which may utilise local experiences to draw up a bill on the process of professional re-qualification. These possibilities aroused the interest of the Emilia-Romagna Region and the Valdelsa Administrative District of Empoli, who expressed their willingness to give backing to the pilot projects in Zemun, in collaboration with the Municipality of Carpi, and in Nis.

RESULTS IN THE CITY OF KRAGUJEVAC

Kragujevac, the capital of Serbia from 1818 to 1839, is in the centre of the country, about 130 km southeast of Belgrade. It has a population of about 185,000, including 25,000 are refugees and evacuees. It has an industrial tradition, having been a military-industrial centre in the previous century. Until 1997, 53 percent of the labour force worked in the metalworking, textile and agricultural machinery sectors. Zastava, a car and heavy vehicle manufacturer, was the principal industry. Zastava was producing up to 220,000 vehicles a year by the end of the 1980s. Production then plummeted as a result of the armed conflicts of the 1990s and reached an all-time low after the bombings by the forces of the North Atlantic Treaty Organization (NATO) in 1999, when some facilities were seriously damaged. In 2001, the Government of Serbia and Montenegro initiated a thorough overhaul of the enterprise, undergoing privatisation, causing thousands of employees to be laid off. Kragujevac may be the city that is suffering

most from the effects of transition. The high levels of unemployment, refugees and evacuees have created a situation of social and economic instability. The city has regional social and health services, which cover almost the entire population of central Serbia. There is also a university offering specialisations in engineering and economics.

Results have been achieved in the city of Kragujevac through the active collaboration of: the Municipalities of Carrara, Ivrea, Reggio Emilia; the Regions of Toscana and Emilia-Romagna; and Progetto Sviluppo, supported by the Italian Trade Union Confederations. In 2002, a new decentralised cooperation partnership between Kragujevac and Rome was also launched.

In 2001, after creating the working group, the Programme organised visits by various Italian decentralised cooperation committees. In April 2001, the vice-mayor of Reggio Emilia headed a first delegation to Kragujevac. In May, a similar mission was headed by the mayor of Carrara, twinned for more than 25 years with Kragujevac, followed in June by a delegation from Ivrea, headed by the councillor for international cooperation. The three delegations signed cooperation agreements with the mayor of Kragujevac to work on various projects within the framework of the City-to-City Programme. Various technical missions by Italian experts to Kragujevac and experts from Serbia and Montenegro to Italy followed the above agreements. A specific initiative was also launched in collaboration with Progetto Sviluppo of the Italian Trade Union Confederations to aid the elderly in Kragujevac. Cooperazione Italiana participates actively in this project as part of an emergency intervention.

In September 2002, a visit to Kragujevac was undertaken by a delegation from Rome, headed by the labour councillor, to sign an agreement for local economic development and job creation, involving Italian Trade Union Confederations, through Progetto Sviluppo. In November 2002, a training mission to Rome was undertaken by technical personnel and experts of the economic development agency, the city administration, unions and business associations of Kragujevac. At the end of the mission, a project path was defined for 2003. It included professional re-qualification training and promoting self-employment for the most disadvantaged groups in Kragujevac.

In 2002, a project was carried out to provide support to young people in the fight against alienation and drug addiction. In April 2002, a workshop was organised

with the Municipality of Ivrea, in which four operators from Ivrea participated, involving 80 teachers, social and health officials, police forces and civil society representatives. The subjects of prevention and rehabilitation were studied in depth.

In 2002, in collaboration with the Municipality of Carrara and the Carrara public transport service (CAT), a project was carried out to improve the transport system in Kragujevac. CAT donated 15 buses and coaches to Kragujevac, in collaboration with the Programme. Another initiative, which was promoted by the Municipality of Reggio Emilia and AGAC, a multiutility organisation, aimed at supporting the city of Kragujevac in waste collection and processing, and in the production of heating energy.

The following sections summarise the results of projects already under way or launched in 2003.

Support for disadvantaged youth

The project was implemented with the Municipality of Carrara and promotes the social, educational and employment integration of the 60 residents of the orphanage in Kragujevac. In 2001 and 2002, theatre workshops, school initiatives and recreational activities were carried out together with local associations to enhance community awareness of the problems of disadvantaged youth. Training was provided for social services operators and orphans between aged 16–18, with on-the-job training in local enterprises. Foster care and adoptions were promoted, with 14 young residents of the orphanage being placed with foster families. Eight orphanage residents, just under 18, started work. Training for personnel also led to the adoption of new working procedures in the orphanage. The initiative was much appreciated by the Ministry of Social Affairs of Serbia and Montenegro, and was presented in several regional social-worker workshops.

In early 2003, in collaboration with the Municipalities of Carrara and Ivrea, and in partnership with the Mladost orphanage and the LEDA, a project was developed to set up an ice-cream / cake enterprise. In conjunction with the LEDA, a plan was formulated to establish a trust fund to finance social enterprises set up by young people from the orphanage. The fund aims to promote the establishment of enterprises that are self-sustainable and than can, therefore, pay back the credit. The FCD Credit Fund, established by a bank with a branch in Kragujevac through a donation by the

City-to-City Programme, will be managed by a credit committee made up of donors, and the bank. It will be supervised by the LEDA. Part of the proceeds from credit operations will go to the orphanage to provide training for the residents. The fund is scheduled to start operations in early 2004.

Experimentation of new models of integrated assistance for the elderly

The project was launched in autumn 2001 in collaboration with Progetto Sviluppo and Cooperazione Italiana. It provides for an integrated system of social and health services for the elderly in an area of the city of Kragujevac. The intervention is coordinated by a working group made up of local authorities, social and health service officials, associations and the Ministry of Social Affairs of Serbia and Montenegro. A working group operating at the national level defines strategic guidelines for action, monitors activities, and processes the results of the intervention for the future reform of the welfare system.

In 2002, Cooperazione Italiana renovated and equipped the geriatric ward at the Kragujevac hospital. The Programme and Progetto Sviluppo provided technical assistance and financial resources to carry out preparatory activities and start up home-care services. A physiotherapy centre was equipped and launched in February 2002 at the local rest home, which provides 300 monthly treatments. In spring 2002, a professional training course for 15 potential workers was organised, and a first manual for home-care assistants was produced in Serbian. In the summer, the first five assistants were hired by the Municipality of Kragujevac. Equipment (a car, uniforms, medical equipment and materials) was provided and the service became operational.

In October 2002, work began on refurbishing the premises for the day centre. Work was scheduled for completion in June 2003, but the working group decided to continue activities. The Italian NGO PROSVIL drew up a three-year project to provide integrated assistance to the elderly, which was submitted to the Italian Government. In addition, a national workshop on the reorganisation of services for the elderly was scheduled for late March 2004 in order to assess and promote the results nationally and programme future activities.

Strengthening and reorganisation of the network of social services for citizens

In collaboration with the Emilia-Romagna Region, work began in Kragujevac on an initiative to implement the same strategies and instruments that were successfully experimented in Novi Sad in the programming of welfare services for citizens. Planning also involved the Municipalities of Forlì and Reggio Emilia. In conjunction with the "Una montagna di aiuti" association of Reggio Emilia, an intervention was defined to promote inclusive instruction, and meetings are scheduled in January so that the Emilia-Romagna Region can join the initiative.

Support to the development of SMEs

In collaboration with the Municipality of Reggio Emilia, support was given to the Sumadjia development agency, created in 2001 by the City of Kragujevac and local business associations with the support of the EAR. In March 2002, in order to launch the project, the Programme organised a workshop on local economic development, in which 150 people from Kragujevac and Reggio Emilia took part. A database was created on 200 SMEs in the Kragujevac region. Data research and analysis, which lasted eight months, was carried out by two young experts from the area, under the supervision of the LEDA and the technical assistance of the Programme and the city of Reggio Emilia. The information was collected on a CD-ROM, which was presented in Kragujevac and Reggio Emilia in November 2002. The CD-ROM is distributed by the Kragujevac LEDA and is available to all economic operators interested in collaboration agreements in the city.

In December 2002, the agency set up a help desk for enterprises interested in internationalisation, and two local experts were trained for six months in Italy. The help desk, which was set up with the city of Reggio Emilia, provides services to SMEs in Kragujevac, searches for foreign partners, and promotes commercial and industrial partnerships. In 2003, the help desk produced a map of SMEs interested in the process of internationalisation in the regions of Sumadjia and Pomoravlje. In November, an enterprise-matching exchange was held for the first time in Reggio Emilia. The Municipality of Reggio Emilia, the Chamber of Commerce of Reggio, and the Productive Activities Department of the Emilia-Romagna Region convened local enterprises interested in meeting a business delegation from Serbia and Montenegro.

With the collaboration of the Programme, the Sumadjia agency set up a local economic development forum, in which business associations, banks and NGOs participate. The forum is responsible for aiding the competent local institutions in the identification of strategic territorial economic development guidelines. It is also working on a map of regional economic resources, which will provide the basic information for defining the strategy.

In late 2003, the Programme and the Municipal Administration of Kragujevac looked into the possibility of converting Sumadjia into an economic development agency, based on a model that provides for broader participation of local actors in management bodies. The EAR, which founded Sumadjia, is to cease financial support for the agency. Institutions in Kragujevac have made a positive response and agreed on the need to conduct a sustainability study and broaden membership of the agency.

In collaboration with the Municipality of Roma, plans were made for setting up a guidance centre (COL) to support local economic development initiatives, socio-economic promotion of the Municipality and Region of Sumadjia, and the implementation of initiatives for professional re-qualification and reorientation. The Municipality of Roma will provide technical know-how, and PROSVIL will guarantee the implementation of activities. The inauguration of the COL is scheduled for early 2004, once agreements have been signed by all the operators concerned.

RESULTS IN THE CITY OF NIS

Principal urban centre of southern Serbia and Montenegro, Nis was the birthplace of the emperor Constantine. It is located in the Nisava river valley, about 230 km from Belgrade, and is a regional crossroads between Serbia and Montenegro, The former Yugoslav Republic of Macedonia, and Bulgaria. Its population of about 300,000, of whom 10 percent are Roma, makes it the second-largest city in Serbia and Montenegro. The local economy is based on industrial centres of electronics, mechanical engineering, textiles and tobacco processing. As elsewhere, the privatisation process is transforming these large industries as they restructure. The city has regional social and health services that cover most of southern Serbia. The university has 10 faculties and 14,000 students. There are also many associations, which provide Nis with a rich cultural life.

Results in the City of Nis have been achieved through active collaboration with the municipalities in the Administrative District of Empoli: Capraia, Limite, Castelfiorentino, Cerreto Guidi, Certaldo, Empoli, Fucecchio, Gambassi Terme, Montaione, Montelupo Fiorentino, Montesperto and Vinci, with the support of the Toscana Region.

The Programme commenced operations in Nis in March 2001 by supporting the creation of a working group and organising the mission of a delegation from the Administrative District of Empoli, headed by two municipal councillors. A cooperation agreement was signed to support SMEs and strengthen municipal public utilities. In June 2001, a delegation from Nis travelled to Empoli in order to define a training project for the personnel of the local agency, SMEs and business associations. The project also provides support for the agrifood business, and promotes the creation of small enterprises, producers associations, and local microcredit committees. The training agency of the Administrative District of Empoli participated in the project through two technical missions to Nis.

In spring 2002, the Nis Working Group organised four training sessions in Empoli on local economic development and job creation for disadvantaged groups. The courses involved 50 people: municipal officials, representatives of business associations, farmers' associations, associations for the disabled, ethnic minorities, universities, and the agency.

In 2003, at the request of the Municipal Administration of Nis, the project was redirected towards providing support for the development of local entrepreneurship, the creation of instruments and services to help existing businesses, and the promotion of new enterprises. At present, work is being carried out on a complete catalogue of SMEs in Nis. Work is also in progress on a guide to business creation, which contains tools for self-assessment of business capability and setting up businesses, and offers guidance on the purchase of new and used equipment. The project comes within the framework of initiatives by the Labour Ministry of Serbia and Montenegro to set up a nationwide network of "entrepreneurial centres" in its offices.

A project office was established in the Municipal Administration of Nis, and two technical experts were selected to start research work on the production of the catalogue. In November 2003, the two technical experts attended a training course in Florence on the creation of company registers, organised by the

Valdelsa Administrative District of Empoli. A study was also undertaken to examine the possibility of creating a professional re-qualification centre in Nis, in collaboration with the Ministry of Education and Sport, which is responsible for professional training and re-qualification.

RESULTS IN THE CITY OF NOVI SAD

The major city of northern Serbia and Montenegro, Novi Sad is the capital of the Autonomous Province of Vojvodina. Located in the heart of a predominantly agricultural area, irrigated by the Danube River, the city has historically had a large community of ethnic-linguistic minorities. Founded in 1670, near the ruins of an ancient Roman city, Novi Sad was one of the most important centres of Serbian culture in the seventeenth and eighteenth centuries. Although heavily damaged by the NATO bombings of 1999 (the bridges over the Danube River were destroyed), Novi Sad now has one of the most dynamic economies in Serbia and Montenegro. The city has a population of 280,000. Various agrifood plants and a petrol-chemical plant make up the main economic strengths of the city, although there are also a number of SMEs. Like Nis and Kragujevac, Novi Sad provides much to its surrounding region, with social and health services covering all of Vojvodina and a university of 13 faculties and 47,000 students. Possibly because of its particular ethnic-linguistic make-up, there are numerous associations in fields ranging from humanitarian assistance and environmental protection to cultural and sports activities. The theatre is the largest in the country, an example of the city's rich cultural life. Novi Sad has been twinned with the Municipality of Modena since 1963.

Results in the city of Novi Sad have been achieved through the active collaboration of the Municipalities of Modena and Ferrara and with the support of the Emilia-Romagna Region. In 2002, new decentralised cooperation partnerships were started up with the Municipalities of Imola and Livorno.

In 2001, after helping local authorities to set up the Novi Sad Working Group, visits to Novi Sad were organised by the Municipalities of Modena and Ferrara, headed by the councillor for international cooperation, and the councillor for international affairs, respectively. During the missions, cooperation agreements were signed for local economic development, upgrading social services, and reorganising local public services. In 2001, numerous

exchanges and technical missions led to the creation of specific cooperation projects. In 2002, delegations from the Municipality of Imola and the Municipality of Livorno visited Novi Sad to sign decentralised cooperation agreements within the framework of the City-to-City Programme.

In 2001 and 2002, a project was carried out in the city of Novi Sad in support of local public services. The Municipality of Ferrara donated 15 buses and 3 special vehicles (diggers and blasters) to the City of Novi Sad. META, a multiutility body from Modena signed a letter of intent to establish an industrial partnership with the public enterprise managing heating-gas distribution in Novi Sad.

In 2001 and 2002, a project was developed in Novi Sad, to strengthen and reorganise social services networks, in collaboration with municipal and "third sector" social services. A delegation of social and health workers and civil society organisations operating with disadvantaged groups in Novi Sad visited Modena in March 2002 to study forms and procedures for reorganising social services. From September to November 2002, an expert from the Municipality of Modena drew up an action plan in collaboration with the working group to strengthen services and better integrate public activities with those contributed by volunteers. A new service was also planned for abused minors and for strengthening the network of services providing assistance to the elderly. The Municipality of Imola programmed support activities with the Novi Sad Working Group for social and health services in the fight against drug addiction. The Municipality of Livorno and the Novi Sad Working Group agreed on an action plan for the reorganisation of social services, integrating the contributions of volunteer associations.

In early 2003, at the request of the Novi Sad municipal department for social policies, the project was directed towards improving foster care for minors and integrating the disabled into the labour market. Exchange missions were programmed between Novi Sad and Modena for the purpose of defining project activities. In May, two experts from the Municipality of Modena undertook a mission to Novi Sad. Discussions focused on how to promote foster care socially (strategies, methods, and instruments used in Modena for information campaigns), provide training for foster families, and prepare children for foster care. An analysis of services for the disabled revealed that structures were mainly geared towards treatment, and that a territorial service was needed to help these

people integrate into society and the labour market. Subsequently, in July and September, technical experts from Novi Sad travelled to Modena to finalise the project. In 2004, the foster-care service for children from difficult family situations or who are socially marginalised will be promoted and experimented. At the same time, an experimental territorial service for the inclusion of the disabled into society and the labour market will also be launched.

The initiative undertaken by Modena will be integrated into a broader commitment of the Emilia-Romagna Region. Imola will also collaborate in the interventions, especially those aimed at improving mental health services. A process that began in November, conducted together with the Municipality of Forlì, should also be completed successfully by the beginning of 2004. The municipalities involved will focus on the areas that have been identified, and work in synergy with the support of the Programme and the Emilia-Romagna Region. As a result of the concrete projects that have been experimented, an extensive area plan for the reorganisation of the services will be produced.

Results of the economic development agency of the Novi Sad Region

In the region of Novi Sad, the City-to-City Programme produced a result of considerable importance by promoting the constitution of an economic development agency. Alma Mons was created to promote the sustainable economic development of the district of Juzna Backa, which includes the city of Novi Sad and 11 municipalities: Bac, Backa Palanka, Backi Petrovac, Becej, Beocin, Srbobran, Sremski Karlovci, Temerin, Titel, Vrbas and Zabalj.

The agency assists local authorities and actors in developing the endogenous potential of the territory by creating opportunities for SMEs, promoting the creation of new ones, and fostering the integration of disadvantaged groups into the labour market. Alma Mons aims to be economically self-sustaining within three years of becoming operational.

The group promoting the agency was formed in 2001. It was made up of the main economic actors of Novi Sad, and exponents of economic institutions, business associations, and the training facilities of Modena. At the end of a workshop held in Novi Sad in September 2001, attended by about 150 representatives of institutions and enterprises of Novi Sad, local authorities decided to constitute the agency. The Alma Mons agency was

officially inaugurated on 18 December 2001.

The agency has 20 members:

- The City of Novi Sad;
- Regional Chamber of Commerce;
- Association of businessmen and craftsmen of Novi Sad and Sremski Karlovci;
- "Business Premises" public enterprise;
- "Urbanism" public enterprise;
- University of Novi Sad;
- Open University of Novi Sad;
- Vojvodjanska Banka;
- Continental Banka;
- Metals Banka;
- Panonska Banka;
- Novosadska Banka;
- Novi Sad Trade Fair Organisation;
- "DDOR Novi Sad" insurance company;
- "Holtech" research centre;
- Centre for Enterprises, Entrepreneurship and Management;
- Municipality of Backi Petrovac;
- Autonomous Province of Vojvodina;
- Municipality of Becej;
- Municipality of Zabalj.

Alma Mons officially opened its offices in March 2002 in the centre of the city of Novi Sad. Technical staff include a manager, a financial expert, an expert in company services, and a secretary. On average, 10–12 businesspeople per day come to Alma Mons for assistance. This figure shows that demand for services in the region is consistent and that the agency can provide customers with the right answers. Other indicators show that Alma Mons has achieved a considerable reputation in the territory of Novi Sad. For example, many banks in Novi Sad recommend their clients to the agency for credit requests or business development plans. Moreover, in September 2002, when the provincial SME development fund was presented (a credit fund created partly from the proceeds of privatisations), officials of the government of Vojvodina indicated Alma Mons as the main intermediary for access to fund resources.

The agency is supported by institutions in Modena, the City-to-City Programme and GTZ. In 2002, the Programme and the City of Modena provided technical assistance and funds for the agency. In 2002, specific training activities were provided for members of the executive council and technical staff of the agency.

Subsequently, in-depth social and economic mapping was conducted of the Alma Mons target territory, i.e.

the 12 municipalities of the South Backa district. The work was completed in September 2002 and resulted in the drafting of a 500-page document containing important information on the district, and an analysis of relevant social and economic indicators from 1991 to 2001. In this framework, in February 2002, the agency began to provide services to enterprises and potential entrepreneurs in the territory.

In autumn 2002, the agency broadened its sphere of action in collaboration with local authorities and economic operators from the municipalities adjacent to Novi Sad. In particular, an office in the Municipality of Vrbas was made operational. It is now run by the municipal administration and a local business association to promote opportunities offered by the agency to entrepreneurs in the municipality. In all the other municipalities, meetings were held with local authorities and economic operators to develop productive projects with the support of the agency.

At the end of 2002, a detailed planning study was carried out for the constitution of a trust fund. The study was conducted in collaboration with an expert from Consorzio Fidi of Emilia-Romagna, a structure that manages credit funds for SMEs with the agency staff. The study defined management mechanisms for the fund, its legal foundation, and the proposals to be made to the banks taking part in the initiative.

In 2003, Alma Mons broadened its membership base, being joined by the Province of Vojvodina and the Municipality of Backi Petrovac. The presence of the Province of Vojvodina gives the agency the opportunity to extend action to the South Backa district. Collaboration established between Alma Mons and the Province of Vojvodina provides for activities involving territorial planning. In October 2003, a workshop was organised to define the collaboration, sponsored by GTZ. GTZ also decided to renew support for Alma Mons until September 2004, providing funds that will cover most of the agency's running costs.

Alma Mons is acquiring national and international prestige and approval. It has signed a collaboration agreement with the agency of Serbia and Montenegro for the development of SMEs. At the international level, it has been involved directly in initiatives promoted by the new neighbourhood policies of the EU. In order to achieve economical sustainability in 2003, Alma Mons conducted various activities, which are described below:

- Support for agricultural production planning in the Municipality of Backi Petrovac. In March 2003, a collaboration agreement on agricultural planning was established with the Municipal Administration of Backi Petrovac. Alma Mons promoted the constitution of a task team, with experts from the University of Novi Sad, the Chamber of Commerce of Novi Sad, and the Municipality of Backi Petrovac, in order to implement the activities provided for in the agreement. Research was carried out to define the regulatory framework for agricultural production in Serbia and Montenegro, at both national and local levels, and to identify the main agricultural development programmes. In order to carry out this activity, the task team called in the University of Novi Sad. In March 2003, Alma Mons, together with the task team, also defined a schedule for market research in the agricultural industry sector. Research was carried out by outside experts, chosen by Alma Mons and the task team, and supervised by the agency. The research was completed in September and was presented and discussed during a workshop attended by all interested parties in Backi Petrovac. In April and May, Alma Mons organised two training programmes for technical personnel of the Municipal Administration of Backi Petrovac on issues relating to agricultural planning and agricultural development models. In June 2003, activities began on the production of a map of the agricultural resources of the Municipality of Backi Petrovac, in collaboration with a technical expert provided by the municipal administration. The map pinpointed production factors and production techniques, which are of fundamental importance for planning activities. At the end of December, the final map was presented publicly. At the end of the first phase of the project, Alma Mons organised a workshop in collaboration with the task team in order to identify the next stages of the work on agricultural production planning.
- Support for the constitution of the Trust Fund. Alma Mons helped draft the documentation needed for the legal and operational sustainability of the Trust Fund. In 2003, the agency was in close contact with local banks, and especially member banks, to make a preliminary study of the entrepreneurial ideas that could be sustained with the credit provided by the fund. Alma Mons also conducted numerous activities to promote the fund with the institutions of Novi Sad and other areas of Serbia and Montenegro. Alma Mons received preliminary offers from two banks for the management of the credit funds, based on bank deposit conditions and proposed credit disbursement criteria.
- Creation of an SME database. In May 2003, Alma Mons started work on a map of SMEs of Novi Sad. This database was needed because no suitable information was available on this subject, which is of great importance for the work of the agency and the economic development of the South Backa district. The agency hired two researchers and trained them in the legal aspects of SMEs and in database typologies. An analysis was also made of the structure of the business association and the Chamber of Commerce of Novi Sad. The agency signed a collaboration agreement with the business association and the Chamber of Commerce for the production of the map, in order to have direct access to information. In September 2003, a questionnaire for businesspeople was devised. Data began to be collected in October, and the process should be completed by early 2004.
- Feasibility study for the creation of a cultural tourism route. The feasibility study was sponsored and supported by the City of Norwich. The idea is to produce a masterplan for a tourism route to that promotes the historical traditions and the religious, cultural and artistic heritage of the region of Fruska Gora. Alma Mons began work on the feasibility study in October 2003 by collecting data and creating a network of contacts with associations, and public and private institutes. The study should be completed by February 2004.
- Creation of a territorial services network. In 2003, Alma Mons worked systematically and continuously towards involving experts and consultancy firms operating in the area for the development of SMEs. Alma Mons also used the two most important newspapers in the city of Novi Sad in order to develop as many contacts as possible for professional collaboration. These activities led to the forming of a broad network of 45 experts and service structures operating in the territory. This network has made Alma Mons a point of reference for the coordination of activities promoting the economic development of the territory.
- Promotion of business associations. One problem in the development of small enterprises in Serbia and Montenegro is that local business associations are not very representative. The general lack of funds discourages the construction of business services. The operations of the associations are limited because they have few paying members. With membership fees, the associations could provide the necessary services. Through two projects, Alma

Mons is trying to find a solution to this vicious circle. The first project involves the agency, the Business Association of Vrbas and the Municipal Administration of Vrbas, which is cofunding the initiative. An economic operator was given three months training by the agency on the problems involved in business support. The operator was then hired by the Business Association of Vrbas to work for a year with the business community of Vrbas. During the year, the Business Association of Vrbas, with backing from the agency and the operator, will devise and implement the first services for local enterprises, which mainly offer legal advice (especially for the start-up phase) and prepare company accounts. The second project, which is in progress, involves the agency, the Business Association of Novi Sad, the Chamber of Commerce of Novi Sad, the city of Modena, and the technical skills of the Italian National Confederation of Craftsmen (CNA). The project (outlined above) involves the development of a database on the members of the business association.

The Municipality of Modena has continued to provide support for Alma Mons. In 2003, an expert from the Municipality of Modena went on a two-month mission to Novi Sad to complete agency staff training on management procedures for the Trust Fund. Legal documentation for the constitution and operations of the Trust Fund was also prepared. In October, the staff of Alma Mons and three technical experts from member banks attended a training course in Modena to analyse the particular mechanisms used by Consorzio Fidi for trust funds that pay particular attention to vulnerable groups. Legal aspects concerning guarantees were analysed from the banking point of view. During the mission, thanks to the importance that the Municipality of Modena attaches to the partnership with Alma Mons, the conditions were created for the Italian banks involved in the training process of the agency's officials to commit themselves to making a financial contribution to the Novi Sad Trust Fund. In December, an event was organised in Bologna to sign a protocol agreement between the Ministry of Foreign Trade of Serbia and Montenegro and the Department of Productive Activities of the Emilia-Romagna Region. A proposal for financial contributions from Italian banks to the Trust Fund was also presented. The Trust Fund model for the city of Novi Sad will be the subject of a publication in the first months of 2004. To launch the Trust Fund, Alma Mons first produced a definition of vulnerable categories, and then produced a map of vulnerable groups in its area, in collaboration with the Novi Sad Centre for Social Work.

With the technical and financial support of the Municipality of Modena, Alma Mons is also helping to foster business associations. In May 2003, a technical expert from Democenter, an organisation from Modena specialising in business services, undertook a mission to Novi Sad to plan the activities. The organisational weakness of the associations was apparent. Even the Chamber of Commerce evidences organisational difficulties in providing the most basic of services, such as a reliable register of businesses. Only in October 2003 did the government pass reform legislation making it compulsory for enterprises to register with the Chamber of Commerce. Consequently, in November, a database of SMEs was planned, with the collaboration of two technical experts from CNA. The project involves the production of a database on SMEs in the city of Novi Sad, and another on the members of the business association. The database, which will be produced in collaboration with the Chamber of Commerce and the Municipality of Novi Sad, represents an important instrument for planning activities in support of companies and the reorganisation of the fabric of business associations.

RESULTS IN THE CITY OF PANCEVO

Located about 20 km from Belgrade, at the confluence of the Tamis and the Danube rivers, Pancevo has a population of about 120,000. Like other cities in Vojvodina, Pancevo has a strong ethnic-linguistic minority. Its economy is based on the largest petrol-chemical industrial plant in the country, located near the city. The plant facilities were seriously damaged during the NATO bombing in 1999, which caused considerable environmental problems, as verified by international authorities. The city currently has to face complex long-term environmental reclamation operations, aimed also at safeguarding the health of the local population. There are basic social and health services in Pancevo, including a second-level hospital. There are primary and secondary schools. For specialised services and university instruction, the population of Pancevo uses structures in Belgrade. The civil society, well developed and active, is contributing significantly to maintaining awareness of local environmental risks.

Results in Pancevo have been achieved through the active collaboration of the Municipality of Venezia, the Province of Ravenna and with the support of the Emilia-Romagna Region.

In March 2001, at a meeting chaired by the mayor of Pancevo and attended by representatives of the Municipality of Venezia, the multiutility body AMAV, and numerous institutions of the Pancevo civil society, it was agreed to implement a project for the monitoring of air quality in the city. Subsequently, experts from the University of Belgrade carried out a study on the environmental situation in Pancevo. In April 2001, a delegation from Pancevo, headed by the mayor, undertook a mission to Venice to sign a framework cooperation agreement. In November 2001, a delegation from the Province of Ravenna, headed by the councillor for the environment, visited Pancevo and expressed its intention to contribute to the air-quality monitoring system. The intervention calls for the installation of three air-quality monitoring stations to cover the entire urban area, able to identify and analyse the main pollutants produced by industrial plants and traffic.

In November 2002, the City-to-City Programme, with the Municipality of Venezia and the Province of Ravenna, installed and activated the first elements of the system. With the Province of Ravenna and the Emilia-Romagna Regional Agency for the Protection of the Environment, specific training activities were programmed for the technical personnel. The monitoring system is connected to a terminal that can produce data in real time and it is equipped with continuously functioning devices (24 hours a day, 365 days a year), thus enabling it to produce reliable scientific documentation.

In November 2003, in collaboration with the Province of Ravenna, specific work was carried out to adapt the work to European norms on the environment and to upgrade the training of personnel. The Province of Ravenna will be in charge of implementing the project in Pancevo, while the Emilia-Romagna Region will assist the Ministry of the Environment in designing national regulations. The Province of Ravenna was also responsible for the equipment, and obtained a contribution from the Italian Government (Law 84 MAP). The new agreement, which is yet to be formalised, will see these funds used to buy the equipment needed for detecting pollutants. The funds that had previously been set aside for the purchase of the equipment could be put into the training of technical personnel, which would be of great benefit to Pancevo and other cities.

RESULTS IN THE CITY OF SMEDEREVO

Smederevo lies about 80 km east of Belgrade, on the right bank of the Danube River. The city has a population of 80,000, according to recent estimates. Many of the numerous refugees and evacuees, about 16,500, live in reception centres.

Capital of Serbia in the fifteenth century (the ruins of the fortress built in 1430 can still be seen), Smederevo was an important industrial centre for the iron and steel and metalworking industries until the 1990s. As a result of international isolation, which penalised heavy industry, the large enterprises in the city reduced production. The industries are currently being privatised and restructured. There is a second-level hospital and territorial social and health structures providing services to residents as well as refugees and evacuees. The 20 primary schools and 6 secondary schools serve about 17,000 pupils.

In December 2001, the Province of Pisa expressed interest in joining the City-to-City Programme. In March 2002, a delegation from the Province of Pisa, headed by the councillor for international cooperation, visited Smederevo and signed a decentralised cooperation framework agreement to boost the town-planning capacities of the municipal administration. In June, a first technical mission by town planners and architects from Smederevo was organised to the Province of Pisa, and an action plan was defined to produce town planning in Smederevo. The city is in particular need of urban reorganisation of the historical centre, in which there are buildings of great historical and architectural value. In order to deal with the process of economic transition, which is affecting the large iron and steel works, the city must plan the conversion of industrial areas and diversify the Danube port functions, originally conceived of as a service structure for heavy industrial production. In November 2002, a group of town planners and architects of the Province of Pisa carried out technical work with their counterparts in Smederevo in order to produce a town plan.

Furthermore, in September 2002, when a technical delegation from the Veneto Region visited Smederevo, new collaboration agreements were established. A delegation from Smederevo went to Venice, where a decentralised cooperation framework agreement was signed as part of the City-to-City Programme for interventions to support local economic development, especially SMEs. In December 2002,

details were defined for activities to set up a centre for the development of SMEs, with the collaboration of the municipal administration and local business associations.

In 2003, the town-planning project, produced with the backing of Pisa, was included in a broader and more prestigious planning intervention on a regional scale involving, in particular, the Albanian Region of Shkoder. The Toscana Region, in partnership with the Regions of Marche and Piemonte, directed the initiative and supervised the formulation of a project presented by the Italian Government (Law 84).

The project involves boosting the capacity of local administrations in the planning and government of the territory, with the help of suitable technical instruments. The project will last two years. Italian Regions will provide the local Balkan administrations with effective instruments such as territorial coordination plans and structural plans, which define strategic guidelines to ensure coherence in town and sectoral planning. The plans include criteria and

guidelines for local planning and the definition of effective systems of governance for the metropolitan area in order to raise the levels of territorial services for citizens in terms of social quality, and to provide facilities for enterprises and economic activity.

In its contribution to the project, the Province of Pisa arranged a series of preparatory initiatives with the Smederevo Working Group, which will be carried out in 2004 in coordination with the Toscana Region.

In early 2003, through numerous meetings with the local administration of Smederevo, work started on renovating the premises housing the centre for SMEs, which is to be converted into a LEDA. This ambitious aim has aroused the interest of the Veneto Region, which has expressed its desire to take part in the initiative. Therefore, preliminary talks have been held on setting up the agency. The involvement of all social and economic operators from the area has accelerated the creation of the agency. Technical staff are scheduled to begin operations in early 2004.