



# USAID | SERBIA

FROM THE AMERICAN PEOPLE

2009/1



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the economic  
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**Get with the  
Plan(et)!**

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**Hollywood  
coming  
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**Serbia's fruit  
goes global**

**USAID helps Serbia  
promote its produce on  
international markets.**

# New laws will help Serbian agriculture 'grow'

On just one day in May, Serbia's Parliament adopted fifteen crucial agricultural laws, many of which had been awaiting adoption for years. In addition to improving the overall enabling environment for agricultural producers in Serbia, this set of laws will help bring Serbian agricultural practices into compliance with rules enforced by international organizations such as the World Trade Organization (WTO) and in line with EU rules and regulations.

At first glance, some of these laws sound very complicated and technical. But, a closer look reveals that they will allow for rather important and fairly simple changes that have the potential to have a profound and positive impact for Agribusiness. For example:

*The Law on Warehouse Receipts* is arguably one of the most crucial laws for agriculture, as it can serve as a catalyst for growth and development for agribusiness in Serbia. This Law addresses one of the biggest constraints to agricultural development - the lack of access by farmers and enterprises to financing.

This Law will allow farmers to use warehouse receipts, issued by public warehouses for farmers' products stored in their premises, as collateral to get loans from commercial banks. Pro-



**New Agricultural Laws can have positive effects on the ground**

ducers will be able to access loans for things like farming equipment and fertilizer without having to wait for their previous cycle's crops to be sold.

Once warehouses are certified, this will also mean that it will be possible for growers and buyers alike to know that goods are being stored according to carefully regulated standards, thus assuring their quality for long periods of time until they are sold. Based on experiences in other countries, USAID realized the importance of such a system and, as such, provided technical assistance on the drafting of this legislation. USAID experts will also provide technical assistance on implementation.

duce better yields.

For example, Serbian berry producers will finally be able to import the Glen Ample berry canes for local production. This particular variety is disease resistant and easier to pick and handle and would help to vastly reduce post-harvest losses for Serbian raspberry growers.

Other *Laws on Plant Health, Food Safety and the Law on Plant Protection Products* which regulates the use of pesticides will help to ensure the quality and safety of the products you consume everyday, while at the same time meeting the international standards that need to be met in order to Serbia to export its agricultural products around the world.

## USAID helps get Serbian products on to international markets

A major element of USAID's Agribusiness Project is focused on making Serbian producers more competitive on international markets by helping them to connect them with international buyers. The Project assists Serbian companies to prepare for and attend International Trade Fairs and Exhibitions. Assistance begins with the preparation of promotional materials and displays. At the fairs, Project experts provide assistance to companies to make contacts and successfully negotiate contracts. Afterwards, the project also assists with planning deliveries and doing sales follow-up work.

The team also works with potential exporters in order to prepare them for "going international." Through technical assistance, companies receive guidance on preparing their packaging

and branding to appeal to foreign consumers — as no one will buy a product, regardless of the quality if it doesn't appeal to them while it is sitting on the supermarket shelf. Regular training programs are held to inform and educate

potential exporters regarding international market demands, expectations and possibilities. One of the most important goals is to enable Serbian producers that have never exported before to find niches in new markets and start making sales.

In 2008, Serbian companies assisted by USAID, the Ministry of Agriculture, Forestry and Water Management, SIEPA and GTZ reported delivered sales of over \$16 million resulting from their participation at fairs. In just six weeks in the beginning of 2009, following participation at Fruit Logistica in Berlin, PRODEXPO in Moscow, Gulfood in Dubai, Biofach in Nuremberg and IFE in London, Serbian companies reached \$31 million in sales contracted and in negotiation.



**A great spokeswoman for Serbian apples**



# How Prokuplje attracted 2,000 jobs

Anyone who has been to Prokuplje in the past few months would have noticed that for the first time in years, optimism can be felt in the air. Conversations and small talk in cafes and in the market have all had a common thread—the National Job Service's employment fair at the end of June.

## 2.000 jobs!!

For unemployed people everywhere, job fairs offer the hope of employment, but the people of Prokuplje have known for months that this time around their chances would be much higher. Once the applications are sorted and decisions made, approximately 500 people will be chosen to work at a new factory. Five hundred more should be hired by the end of 2010 and then eventually another 1,000. Clearly, this was to be no ordinary job fair.

## Pitching Prokuplje for Investors

The news broke this spring that "Leoni", a German manufacturer of automotive cables and wiring, had agreed to invest 15 million Euros in Prokuplje to buy and convert the defunct "Fiaz" brake factory into a modern car wiring plant. But how Prokuplje managed to come out ahead in competition with other locations in Serbia and the region is one of the best economic development stories of the year.

"Leoni's" decision to invest in Serbia, despite strong competition from Bulgaria owes much to the excellent cooperation between the USAID-established Local Economic Development (LED) Office of Prokuplje and the Serbian Investment and Export Promotion Agency (SIEPA). "SIEPA called in October saying that the German company "Leoni" is inquiring about brownfield locations in Serbia, and said they had referred them to our municipality's website, on which our office had put all information relevant to potential investors in our municipality. Soon after, "Leoni" made its first visit to Prokuplje, and I think that we made an exceptional presentation," recalls Sveta Budić, Head of the LED Office at the time.

The LED office wisely did not rest on the success of their initial meeting and, together with the National Alliance for Local Economic Development (NALED), met with the Minister of Economy and Regional Development Mladan Dinkić. This meeting led to the government agreeing to offer a significant stimulus "carrot" to ensure that Serbia would not miss out on such a job creation opportunity.

But, as with every good story, there had to be an obstacle that our heroes were able to overcome. This obstacle took the form of asbestos



...will look like this

contamination of the Fiaz plant. "We got in touch with the State Secretary at the Ministry of the Environment and Spatial Planning and people from USAID's project. They helped us resolve this issue, which would have cost us the investment. Experts from USAID provided professional and technical support and recommendations, based on which the Ministry invested 300,000 Euros to clean and decon-

taminate the site", says Sveta Budić.

Some of the small and mid-size businesses in Prokuplje will also have benefits from the arrival of the Germans. The Business Incubator in Prokuplje, which had provided technical assistance to the LED office, has already drawn up a contract with Leoni to lease them some office space and to provide consulting services. And, for companies from the incubator, the investment will mean business – a textile company will supply worker's uniforms, and a carpentry manufacturer will be involved in replacing doors and windows for the new factory. This Business Incubator, which opened in 2007, with the support of USAID is one of the most successful in the country – employing about 80 individuals in 15 companies. Almost 70% of the businesses which started there have survived on the market and are now expanding their activities.

Mr. Prohaska, Manager of "Leoni" in Serbia, says that production will start in September and he plans to employ a total of 1,000 workers by 2010, mostly women, to work in the factory. He intends to fill out management positions with Serbian expert staff. As early as August, an initial group of 90 individuals will set out on a nine week advanced training program in Slovakia, and will be joined by some 50 colleagues in September. The management staff selected will likely do their advanced training in Germany.



# Get with the Plan(et)!

Over the past few months, volunteers removed approximately 400 cubic meters of trash from illegal garbage dumps across Serbia. From "No-one's and Everyone's Garbage" to recycling – a path rarely trodden.

Elementary school age children, the "pioneers" of Tito's Yugoslavia, used to conduct regular collection drives for scrap paper. Schools would then sell the scrap paper and, with the money they made, many of these schools bought their first computers. But, between April and June, young ecologists, Boy Scouts and Girl Scouts, NGO activists from 12 different environmental organizations and volunteers from all walks of life came together in 15 towns in Central and South Serbia to collect illegally dumped garbage. Organized by the coalition Green List of Serbia, and supported by USAID, the clean up campaign was dubbed *Oplaneti se!* "Get with the Plan(et)!".

"Get with the Plan(et)!" is no mere clean up campaign. It is an appeal to all of us to think about the fact that we live surrounded by 5000 illegal dump sites full of household appliances, plastic, car tires, dead animals, car batteries.... And, sadly, many of these dumps are not even hidden away in remote areas – these volunteers were removing garbage from city parks, popular picnic areas, city squares and river banks.

## Army of Serbia and Rambo Pitch In

Clean-up Days would always kick off with an event in the town center. The gathered volunteers would don their promotional T-shirts, pull on their rubber gloves, clang their spades and make as much noise as they could. In some places, like Aleksinac, the Mayor and other officials would join in. School children often popped up to perform sketches and exhibit their artwork inspired by environmental protection. How can any parent be indifferent to the fact that every citizen of Serbia leaves his or her offspring an average of 300 kg of trash per year as permanent inheritance?

"Oh, children, it all begins with personal hygiene. This is the first time in 30 years I have seen someone removing the trash, not dumping it," said a grandfather, who brought his granddaughter to help the volunteers out in the village of Vratare near Kruševac.



Rambo cleans up



Making Serbia greener one bottle at a time

Whole towns got involved in the campaign – young people launched the clean-up activity, municipal public utility companies helped by providing their machinery. In Raška, much to the volunteers' surprise, a Serbian Army Lieutenant-Colonel showed up with squads of soldiers to clean seven dump sites in the city and to remove garbage around the Army's facilities. Army trucks then hauled the garbage away to public dumps. An unfortunate fact: In one out of three Serbian villages, the nearest garbage containers are between 5km and 10 km away from the homes.

Politicians and stars, even foreigners, took part in the clean-up activities coordinated by the Balkan Local Initiative Fund and Young Researchers of Serbia. Well-known musician Rambo Amadeus collected garbage and cheered on the volunteers in Valjevo. Sporting a tan Safari hat on his head, he wondered aloud: "Why don't we paint houses white like the Greeks, to stave off the Sun? We wouldn't need as many air conditioners." The volunteers collected around 20 cubic meters of garbage in Valjevo, and Rambo happily posed before cameras with the activists.

## Shells in the River

The cleaned up illegal dumps have been transformed into grass fields, or in other cases the municipal authorities equipped them with containers, even some with compartments for sorting waste materials. An average citizen of Serbia uses 35 kg of paper and approximately 200,000 tons of waste paper are thrown away every year. At the same time, Serbia imports approximately 85,000 tons of waste paper a year to make and then export cardboard, instead of collecting what is already here (like Tito's pioneers used to).

Seventeen trees need to be felled to produce one ton of paper. Scouts planted trees on the reclaimed dump sites in most towns included in the campaign and a "Green Wave of Future" spread from the clean-up sites via an Eco Bike Caravan which spread the green message from 23 June to 8 July by touring 15 municipalities with their green message. The caravan started its journey in Vranje and finished in Novi Sad on July 8th, just as the EXIT Festival opened.

Environmental protection and promotion is the main theme of the EXIT Music Festival this year. Part of EXIT's campaign included concerts of lo-



Eco-caravan cyclists

cal bands in all of the "Get with the Plan(et)!" municipalities. Humor and youth were unofficial partners of the clean-up activities. Just like in the joke told in Niš:

–"Marko, where's your brother?"

–"Off to the Nišava River to collect shells."

–"But there are no shells in rivers."

–"Well, there are Yugo, Fiat, Audi car shells..."

Recycling is the next step – we need to understand that the garbage we produce is a raw material that can be processed and manufactured into something new. The campaign has set the wheels in motion, taken the first steps down a rarely trodden path. It is time to continue. Let's eliminate the wild dumps! "Get with the Plan(et)!"

The "Get with the Plan(et)!" campaign is funded by USAID via the Institute for Sustainable Communities and was supported by the Serbian Ministry of Environmental Protection and Spatial Planning.

# Sit back and enjoy chairs made in Serbia

As part of the Belgrade Design Week, USAID's Competitiveness Project organized the "Sitting Green" contest to design an ecologically friendly chair. The three winners receive grants worth \$5,000 each to produce prototypes of their winning designs in order to try to market them to large-scale furniture producers.

We spoke with the young designers who won: Miloš Jovanović, winner of student award for best design, Branko Nikolić (studio Antipod), winner of overall award for best use of sustainable materials, and Jugoslava Kljakić and Nataša Ilinčić (studio OD-DO arhitekti) – winners of overall award for best design.

Here are some of their comments:

**On Inspiration:** Miloš – Inspiration came from the competition guidelines. I realized that something needs to be extracted from nature that will be applied in a chair and I was guided by this. To be unique is a challenge. Making a chair is considered to be simple, not so interesting design. But I think that there is beauty in simplicity and that every project is worth the effort. It doesn't have to be a locomotive or an automobile – it can be an ordinary cup. Branko-Inspiration usually comes from things we are intrigued or annoyed with, or things that are interesting to us in some way. Or, we are inspired by how things appear in nature. We are not doing

anything special – we simply see some things other people don't see.

**On Serbian Design:** Branko – It needs to be seen what resources we can find here, not only for production, but from folklore, architecture. The Ethnographic Museum in Belgrade is an amazing place where one can find inspiration. We have the basis from which to create uniquely Serbian things. Jugoslava and Nataša – The link between design and production needs to be improved here. The path towards the European Union will mean that designs can't be copied and objects will need to be produced from sustainable materials.

**On Sustainability:** Jugoslava and Nataša – Sustainability has to be the way of thinking, it has to be set as a standard. We have been practicing sustainable architecture in different ways over the years. It is great that at last this competition confirms that this makes sense here and that this has to be the model for our thinking.

**On the Competition:** Branko – Sitting Green is the first competition of this kind where the financing of prototypes was part of the award, and I hope this will instigate producers to initiate these kinds of competitions themselves.



Branko Nikolic's Ethic Chair Kit

## Tobler-Skele – A young scaffolding company reaches new heights

The construction industry has been hit particularly hard by the economic crisis. But, in such situations, there are still opportunities. The Tobler-Skele company from Preševo identified such an opportunity and is now heading into the future brimming with confidence.

Founded in 2006 and specializing in producing, selling and renting scaffolding, Tobler-Skele had started out by renting iron frame scaffolding with wooden decks. This kind of scaffolding is more expensive to transport, more difficult to set up and less practical for tall buildings. As such, the company decided to modernize and recently started offering scaffolding with decks made from aluminum. The new scaffolding was an immediate hit (because of the technical and safety advantages), and soon orders started pouring in. But, the company did not have the machinery needed to meet the demand.

In 2008, Tobler-Skele was one of eight winners of a Business Plan Competition sponsored by USAID's Economic Security Program. As part of the award, the company qualified for a grant that was used to purchase hydraulic, metal-cutting scissors. The new equipment enabled the company to mass produce aluminum-based scaffolding decks as well as a range of other products and increase production capacity, while also decreasing operational costs by 10

to 15 percent – as they no longer needed to outsource parts of their production. The com-



Scaffolding made in South Serbia in use on a church in Liechtenstein

pany, which originally started with seven workers has grown to 47 employees. Owner Qabil Jahiu says, "My plan is to employ around 100-120 workers and to build a new production hall of up to 4,000 m<sup>2</sup>."

The new production capacity has allowed Tobler-Skele to increase sales throughout the region and 70 percent of their production last year was sold in the EU. Tobler also sells its scaffolding and other construction products throughout all of Serbia, CEFTA countries and Russia.

Tobler-Skele has also participated in and benefited from USAID support for trade fair attendance and marketing and management training. "Marketing was 'my cup of tea,' as I studied marketing at university, but I still learned new things at the trainings, which helped me understand how markets function, and how to approach clients more effectively," said Arsim Ilazi, production manager and a participant at the trainings. Tobler's scaffolds are being used at five major construction sites in Belgrade at the moment. In addition, Tobler scaffolding was used at three building sites during the construction of the University Village for the 25th Universiade in Serbia. With such successes behind a company that is barely three years old, there is no telling to what heights the scaffolding business might take them!



# Your mattress doesn't pay interest

Experts have varying opinions on how long the global economic crisis will last and what its consequences will be for Serbia. The only certainty is that it won't go away overnight. But, amidst all the doom and gloom we hear about on television, there is some good news. Serbia's banks are secure and, if you are fortunate enough to have something left over after all the bills are paid each month, there are still safe ways to invest in your future.

Certainly, there are opportunities for the bold to make money in the stock market and other higher risk investments, but for those who like to play it safe, banks represent a safe option. If you stuff your money in your mattress, however, you will always lose out – because you are depriving yourself of interest and a wide range of bank services. Worse than that, you could lose everything in the unfortunate event of a robbery or fire.

By keeping a certain amount of money aside in savings accounts we can be sure of having funds available for unforeseen occurrences. Many people feel this is the most important reason to save money. Once we are left jobless or cannot work, savings enable us to bridge this transition period more easily.

Saving money is usually less fun than spending it, but saving money represents a good basis for financial self-management and realization of plans.

## Simple things you can do to save money:

*Determine your goals* – It is much easier to save if we know what we save for. Goals need not be grand and depend on our age, family and financial situation. If we wish to purchase a cell phone or a camera, or we wish to take a holiday trip, cal-



The calculations for saving are not that complex

## The longer we save, the more our nest egg grows:

Amount (EUR)	TDP: 10 years			TDP: 15 years			TDP: 20 years		
	5%	8%	10%	5%	8%	10%	5%	8%	10%
100	163	216	259	208	317	418	265	466	673
500	814	1080	1297	1040	1586	2089	1327	2331	3364
1000	1629	2159	2594	2079	3172	4177	2653	4661	6727

culate the necessary monthly amount to collect the desired total. When we get older we will want to buy a car, an apartment or reduce the debts we acquired.

*Devise a personal savings strategy* – One way is to put aside a set amount each time we get some money (pocket money, gift, job). The other way is to reduce expenses so we are left with an amount at the end of the month that we can put into our savings fund. Whenever possible, one should compare prices of the same products and shop at stores with more favorable prices. Such rational behavior frees resources for saving.

## “Interest on interest” – Small amounts become significant savings

The amount we are able to put away each month is not important. What is important is to start saving as soon as possible and to save regularly.

It is most advantageous to save for longer periods of time, say several years. This allows us to take advantage of what is popularly called “interest on interest”.

## Be Aware of Debt

It is better to pay off debt sooner than later. There are times when borrowing money helps us in resolving important financial problems and life's challenges. But, remember debt carries with it interest until it is completely paid

“We need to increase domestic savings as a key priority in 2009 through measures of the Serbian government and restore confidence in the domestic banking sector. The first steps to that direction have already been made: the level that deposits are insured has been increased to EUR 50,000. Bear in mind that if any sector in Serbia has won acclaim from international financial institutions, it certainly is the banking sector.”

*Speech of Governor Jelacic in a meeting of top officials and leading businessmen themed “Serbia against the Economic Crisis.”*

off. That's why financial advisors tell us that any debt is bad company to keep! Thus getting rid of unneeded debt helps us to realize our financial goals. A stable economy relies on individuals who save and invest. However you choose to save, it will set you on the path to personal financial security.

Don't forget - the secret to successful saving is simple – it is never too late to start saving, so start now! Even a very small amount saved monthly can contribute to reaching some of our goals.

*USAID's Economic Growth Activity Project has supported the National Bank of Serbia since 2001, when the foundation was laid and legislative and regulatory framework adopted. The reliability of Serbia's banks is evidenced by the vast increases in savings accounts held by citizens.*

## A loving daughter throws away a \$1m mattress

A woman from Israel accidentally threw away a mattress with one million dollars hidden in it. A search through tons of rubbish ensued at several landfill sites. The women told the media that she had tossed out the old mattress after buying a new one as a surprise for her mother. It was only then that she found out that her mother kept her life savings in the mattress. She hurried to look for the mattress only to find that the mattress had already been taken to a landfill, where amidst the 2.5 tons of rubbish collected every day—it proved impossible to find. Source: BETA, AP/ June 10, 2009.

# What can Serbian food exporters do during this global financial crisis?

The global financial crisis has placed huge pressure on fresh produce suppliers to Europe, limiting consumer spending power and making it more difficult for emerging export markets such as Serbia to establish a strong foothold in the market. With this in mind, the USAID Agribusiness team has undertaken an in-depth analysis of ways in which Serbian producers and exporters are being affected by the changes in the international market. The study helped provide important insight into possible solutions and alternatives that should be employed in a focused and coordinated manner to alleviate the effects of the crisis.

In March 2009, the USAID research team embarked on its data collection mission with Mr. Goran Zivkov, a renowned agricultural economist and former Serbian Minister of Agriculture heading the team. During the 76th International Agricultural fair in Novi Sad, the preliminary results of the research on the effects of the crisis on Serbian Agriculture were presented by Mr. Zivkov. At the same time, USAID's Agribusiness Project team felt that it would be extremely beneficial for Serbian exporters to understand how the crisis is affecting European buyers so that they can be better prepared to make necessary adjustments in their approaches to these markets.

To provide a clear picture of the situation on the international market and the shifts in buyer and consumer behaviors and expectations the Seminar audience heard from an international panel of speakers that included Mr. Frédéric Rosseneu, Policy Advisor for Freshfel Europe, the European Fresh Produce Association, which represents more than 170 members of the fruit and vegetable industry in Europe; Mr. Bert Wilschut, Product Manager at The Greenery, one of Netherland's largest fresh produce buyers and Ms. Elwira Felgueiras the Import Director of Berry Gardens, UK's largest fresh berry supplier.



## What should be done by the public sector to mitigate the effects of the crisis?

- Improve public communication on the depth and the impact of the crisis, the effects of the crisis and keep the agricultural sector informed on possible strategies to mitigate negative effects.
- Provide stakeholders with a transparent and well-articulated agricultural policy, including its

direction and strategy for the future.

- Provide budget support to agriculture, which would help to stop negative trends and enable farmers to generate income during the crisis – thus allowing further investments to be made.
- Stimulate lending activities in a way that provides operational loans to buyers and investment funds for farmers using subsidized interest rates.
- Support farmers who are ready to take loans or invest their own funds in the time of crisis.
- Provide support to those who have limited capacity, or live in regions with particularly difficult business conditions, to withstand the crisis without having to leave the sector.
- Improve collaboration with international donors and make increasing the capacity to utilize EU funds allocated for agriculture a PRIORITY.

## How should the private sector respond to today's market (producers, processors, exporters)?

- Examine ways to appropriately respond to the year-round demand for produce through better storage facilities, packaging and growing techniques.
- Ensure that the reduced purchasing power of consumers is considered in packaging choices.
- Reduce the bulk of packaging used in order to satisfy increasingly environmentally conscious consumers.
- Implement Food Safety Standards that meet global standards.
- Look at organic production possibilities and alternatives to pesticide.
- Consider the decrease in consumer demand for luxury products during difficult times.



# Magic rugs from Pirot to fly around the world

Perhaps as a backlash to the mass produced items that everyone and their neighbors can purchase in big department stores, more and more people are looking to traditional handicrafts as a way to add some individuality to their homes or workplaces. Owning handmade products made by craftspeople in traditional fields are viewed by selective buyers as a sign of exclusivity, due to their beauty and the ancient crafts that go into making them. Most of these items are one of a kind. Their manufacturing is costly and time consuming, while the production process, depending on the type of handicraft, can be very difficult. "It takes an experienced weaver a whole month, working eight to ten hours a day, to weave one square meter of a unique rug," says Slavica Ciric, President of the Associations for Protection of Old Handicrafts "Grica" from Pirot.

What is the secret to ensure the survival of old handicrafts like rug weaving? "It is crucial to have a passion, a desire to make something valuable and long lasting, which rugs from Pirot definitely are," says Slavica Ciric while showing us two unique rugs, both over 100 years old, which would complement the décor of any modern home. Wishing to preserve this dying art form in Pirot, a region from which young people have been leaving for years in order to seek opportunities for employment in bigger cities, the Association developed a business plan for expanding rug production. According to Slavica, the demand for quality rugs from Pirot is greater than the capacity of the Association. Therefore, the Association has taken it upon itself over the last several years to organize training courses for young women. The older and more experienced weavers are entrusted with the more complicated and bigger tasks, while the novices learn their trade. "We are training around 20 women now. All of them are beginners. We shall hire ten experienced

**The Ministry of Economy and Regional Development and its Department for Tourism promised to present the project to the Tourist Organization of Serbia, so that rugs from Pirot will adorn Serbian embassies around the world**



Passing on the secrets of Pirot rug making

women full time and contract other women from the district when they are needed."

"The only genuine Pirot rugs are made here by the Association from the wool of sheep raised on the Stara Planina Mountain, because of the specific texture of their wool. There are thirteen different colors which are registered and acceptable for use and 90 patterns are copyright protected. This is the reason for the high prices of our rugs; one square meter is worth around 200 Euros. Pirot municipality has set up a standards commission to assess, categorize and rank the carpets, in order to ensure that the designation "Pirot rug" denotes the highest quality.

"We worked a lot with art galleries in Belgrade and the Museum of Ethnography, big companies and foreign embassies; especially the US Embassy has given us great support. Meanwhile, demand has increased and we cannot

produce enough to meet the demand. It happened, when we contracted the provision of 30 rugs, that we had to publicly call citizens who had original rugs, to bring them to the Association for assessment and sale. Now, with the expansion of capacities, we will be able to compete with other producers," adds Slavica. Slavica and her Association will be supported by the Municipality of Pirot and the USAID's Municipal Economic Growth Activity with \$50,000 that will be invested in the reconstruction of their rug making studios.

The Municipality of Pirot will help protect the Pirot rug as a brand in the Serbian Intellectual Property Office and facilitate the networking of the Association with tourist organizations and institutions engaged in exports and promotion. The Ministry of Economy and Regional Development and its Department for Tourism promised to present the project to the Tourist Organization of Serbia, so that the rugs from Pirot can be placed in prominent places in Serbian embassies throughout the world. This will help promote the rugs, the municipality of Pirot and the whole country as a place of beautiful and quality handicrafts.



# Serbian architecture student builds levees in America

When University of Novi Sad student Radoslav Nikolovic (Rade) found out that he would be spending a year studying architecture at North Dakota State University, little did he know that he would spend a few wintery days filling sandbags and building levees together with the citizens of Fargo, North Dakota.

Half way into the spring semester, the Red River, which flows through Fargo, began swelling to dangerous levels owing to the run off from heavy snowstorms. With flood levels predicted to reach their highest levels in 30 years, residents in towns and cities all along the river's banks, began mobilizing to protect their homes and businesses. The University suspended classes so that students could join the efforts. As Rade tells the story, nothing could be more natural than for Rade and his fellow student Balsa Pejovic from Montenegro, also on the exchange program, to leave their books and lend a hand. Here, Rade gives his account of his time as a student and sand bagger:

"The North Dakota experience is something I would never change. I learned so much! It was an astonishing 9 months of my life. The academic part was perfect, but besides that I got to see some rare things. Like blizzards and floods.

The 2009 flood was a special experience. It was a record high flood and the whole community had to fight. It was something I will never forget. Young and old, standing one next to each other, fighting the onslaught of nature. The community effort was tremendous. The way that people got together was just mind blowing. It just pushed me to work. It didn't matter that my dorm was not in direct danger, I just had to help. I couldn't sit at home and not do anything. I did all that I could. I filled sandbags and built levees. It was snowing, raining and windy, but I was outside helping people save their homes. It was a great feeling to help. And the best part was that we actually managed to save the city. There were a few houses that got flooded, but the majority of the city was saved."

"The experience changed me in a way. I have learned that people can be above private interests, and that there is good in all people, and that



**Balsa and Rade (right) pause for a quick photo while filling sandbags**

there is help when it is needed," Rade reflected.

Rade made a lot of friends from the United States and the rest of the world while studying in Fargo. He hopes that some will have the chance to come soon and see Serbia for themselves. "A lot of students knew of Serbia before they met me, but most of them didn't know where it was. Once we got to know each other, they told me that they like the way we live, our thinking and our culture. I have invited a lot of my friends to come, and they might come next summer. I hope that it will happen."

As for the difference in how students learn in

Serbia and the U.S., Rade felt that his courses in the U.S. were more focused on what he would need for his profession, while in Novi Sad he has more courses in other areas. Rade and Balsa were among 46 students from Serbia and Montenegro who were supported by the respective U.S. Embassies in Serbia and Montenegro to study in the U.S. for one school year through the FORECAST Exchange Program. One thing is for certain, when Rade finishes his studies and begins working as an architect, he'll probably always remember his brief stint as a "levee engineer".

# Going online

There is a whole world, parallel to ours going on. In this world there is multiplatform authoring, social networking, indexing and ranking. In this world we monetize, repurpose, repackage and optimize. It is the world of online media.

Developing an online presence and exploring the potential and opportunities that various media platforms on the internet provide for radio stations were the main components of the Local Radio Stations Going Online training. For this training, USAID's Media Assistance Program brought together radio station representatives from across Serbia: RTV Jedinstvo, Radio Sto Plus, Radio 021, City Radio, RTV 017, Radio Luna and OK Radio.

The "media convergence concept" (which entails the joining and intertwining of traditional and new media - thus creating new forms and content) and digital content production were new to most of the participants. A wide array of topics were presented; such as monetizing a presence on the web, home page makeover and content shelf-life extension through repurposing, repackaging and rebranding, as well as the phenomena of social networking.

Although it is essential for attracting more site visits (and consequently an increase in ad revenue), the art of search engine optimization (SEO) was mostly unknown to participants. This technique helps guide internet users who are searching for certain topics to find their way to certain sites. "I've learnt some tricks which could help us to get higher ratings for our radio's website; very practical techniques which we intend to implement right away." - Slobodan Krajnovic, Editor in Chief from Radio 021, Novi Sad.

So far, local radio stations have not recorded large success in attracting (additional) revenues through their websites. In that respect, they don't differ much from their colleagues across the world who also face challenges when it comes to online profitability.

In many cases on the Serbian market, advertising on a radio station's website is seen as a mere free extension of traditional radio advertising. As a result, neither the radio stations nor the advertisers were properly utilizing the medium as a tool to reach target audiences. "Although we don't give internet ads for free, we will use this to come up with some better offer for adver-



"I know now what mistakes we have made when we created our website. Everything till now was blurry: one was thinking this, the other that. When you hear more about experiences from around the world - you gain some sort of confidence. I tell to myself: I KNOW WHAT I NEED. One who plans to work with pen and paper in tomorrow's journalism is very much mistaken. We need to find our target groups on all social networks and start communicating with them." - Radoman Iric, General Manager of NTV 017 from Vranje.

tising on our radio station's website and therefore increase revenues", says Nebojsa Stosic, Marketing Manager at OK Radio in Vranje.

A session on social networking through websites such as Facebook and Twitter, and its use in promoting radio stations and bringing in more users (and consequently - revenues) was illus-

trated though the example of the online edition of British daily The Telegraph: a junior member of their staff spends a few hours per day uploading stories from different news sections of the daily onto various social networking sites, including Twitter. Twitter users can then open and read Telegraph stories by simply clicking on the link below the short summary. Now, up to eight percent of the Telegraph's daily traffic (approximately 75,000 visitors a day) is generated through Twitter.

Only websites with a significant number of visitors can generate revenue - so every mechanism that can attract more visitors to a website, like the one used by Telegraph, is helpful.

An online presence for the sake of simply being online is not enough. To build lasting partnerships with both the audience and advertisers the internet presence must be dynamic, there has to be interaction with the users and they need to be actively engaged in content creation.

## Media joins together against the crisis

Everyone has been hit hard by the economic crisis. Broadcasters have suffered huge losses in advertising revenue and are struggling to maintain their services for listeners and viewers.

At the same time, government broadcasting fees in Serbia are among the highest in the region. Several organizations representing broadcasters have raised the issue of such high fees in this economic climate. Recently ANEM, the Association of Independent Electronic Media, with support of USAID's Media Assistance Program, sponsored a

roundtable to facilitate discussion between stations and the Republic Broadcasting Agency and the Republic Agency for Telecommunications in order to explain to regulators how crucial their support is for the survival of quality media in the market.

The Broadcasting Agency heard the broadcasters' cries and, on June 3rd, recommended a reduction of fees. On June 25th, the Serbian government adopted urgent measures to help the media, and among others moves, supported the Agency's proposition to reduce the fees from 5% for na-

tional broadcasters, and 20 to 50% for local and regional broadcasters depending on their coverage footprints.

The roundtable was just one of many events organized by ANEM with USAID support, with the aim of helping local and regional media to solve some of the burning issues related to their work, such as the high fees for use of intellectual property, how to comply with the Advertising Act in programming and how to proceed with the privatization process.



# Practicing now to save lives later

Joint exercise initiative enhances preparedness for mine disasters in Despotovac.

Over 200 participants worked hand-in-hand during a joint rescue simulation exercise held in Despotovac this May. The success of the mock rescue operation to save victims of a simulated methane explosion at the Vodna coal mine served to illustrate how a well-coordinated response effort by first responders can save lives and ensure that the injured receive urgent medical care immediately. "We wanted to showcase the response effort of all rescue teams and emergency medical units involved in crisis situations, as well as the chain of communication and the inter-municipal cooperation necessary to execute an effective rescue operation," said Ljubisa Dobrosavljevic, Deputy Mayor of Despotovac Municipality.

This was the first time such an exercise was undertaken here since the tragic accident which occurred inside the mine twenty-five years ago, back in April 1984, when 34 miners lost their lives with seven more suffering serious injuries. The large-scale simulation exercise involved all relevant local and regional stakeholders, with support provided from the Ministries of Interior, Health, Energy and Mining, the Serbian Medical Association and USAID. Firefighters and rescue units, as well as gendarmerie units from Despotovac and representatives of 20 emergency medical services from around Serbia raised awareness about the need to prepare for such circumstances through coordinated action by all relevant service agencies.

"This degree of cooperation between all relevant service agencies is a great way to illustrate the capability of rescue operations, but at the same time, a great way to both detect weak links in the response effort and an opportunity to learn and make adjustments for all participants" - said Mr. Zlatko Dragosavljevic, Director of Resavica Mine.

Simulation exercises used to be a routine occurrence in the once well-organized civil protection system in former Yugoslavia. The former system's human, material and auxiliary resources were centralized up until the beginning of the 1990s - when the system broke down. In Spring 2006, when Serbia's major rivers flooded large parts of the country causing massive landslides across the country, 87 municipalities and towns reactivated the civil protection headquarters mechanism, as well as mobilizing all local level capacities, public util-

"Safety is like oxygen - under normal circumstances, nobody thinks twice about it; however, when it's missing, everyone seeks it." Branko Jovanovic, Deputy Head of the Ministry of Defense's Department for Emergency Situations.



Fortunately, this victim is only pretending

ity companies and municipal governments. By that point it was too late to reverse the damage, so work concentrated solely on mitigating the consequences of the flood as quickly as possible.

Following this flooding, it was self-evident that the existing protection and rescue system in place needed fundamental reform. In March 2009, Minister of Interior Ivica Dacic announced the establishment of an integrated Sector for Emergencies within his Ministry. Recently, an agreement has been made to merge the Ministry of Defense's Department for Emergency Situations and the Ministry of Interior's Sector for Protection and Rescue into a single integrated Sector for Emergency Situations. The move will create a safer environment for citizens and businesses by combining all available resources under one roof.

Serbian municipalities and citizens face a full range of potential natural and man-made catastrophes. At present, only a handful of municipalities have the wherewithal to deal with the aftermath of large-scale crises, while other municipalities are even less capable. This is why USAID's Preparedness and Planning program is working to enhance municipal capacity to prepare for and deal with natural disasters. Increasingly, citizens can count on an organized, professional and efficient response by the protection and rescue system. Past experience has shown that in the event of an emergency, first responders at the local level are in the best position to be mobilized promptly—therefore, their expertise, technical equipment and effective coordination are crucial in disaster response efforts.

**For more information, please visit:  
<http://serbia.usaid.gov>**





Miloš at the Film in Serbia website unveiling

# The last European adventure

Selling Serbia is not always easy, and it is a real challenge to successfully do it in front of film studio directors who are deciding in which country to film their next high-budget film, television project, advertisement or other production. Miloš Djukelić, a young director and owner of "Red Production," along with around twenty fellow producers and film industry colleagues, is part of "Film in Serbia", an initiative of USAID's Competitiveness Project.

## What is "Film in Serbia," and why did you get involved?

"Film in Serbia" is an attempt to collect and present information that shows the comparative advantages of Serbia as a filming destination and serves as a guide for anyone interested in coming here to film. Anyone considering working in Serbia just has to visit [www.filminserbia.com](http://www.filminserbia.com) to see how the industry is organized, as well as gather information regarding prices or what possible locations look like. This project is very important both to Serbia and for me as a producer. I'm relatively young – I should be in this business for another 30 years. Also, honestly, it is totally unbelievable for me that USAID is willing to fund such a project. That's fantastic."

**With USAID support, you and your industry colleagues took part at the Locations Trade Show in California, where Serbia was presented for the first time. What feedback did you get from the producers of big American movie and television studios?**

My impression is that they are all interested because saving money is a major theme worldwide. Their job is to find new things, solutions and to be better than their competition. They are interested in the appearance of locations, the service fees and the way things are done here in Serbia. Their questions mostly had to do with the degree to which the industry itself is developed, what they can expect, how professional people are – and there is always the question, especially with films, regarding tax incentives offered by the state in order to film here. . . . The attendance by the Minister of Culture at the promotion of the site "Film in Serbia" was very telling that the state understands that it has to work on that.

Note: The successful results of this trip can be seen by the fact that three scouting visits and lo-



Serbian film makers with Catherine Oxenberg at Dan Tanas restaurant

cation searches are being planned for the production of feature films and/or commercials this summer. In the past two years, Serbia has served as a location for international productions such as Endgame Entertainment's *Brothers Bloom* and *Human Zoo* by Rie Rasmussen.

**How do you sell Serbia abroad? How do you make Serbia stand out from all the countries that have the same goal – to have the next Hollywood extravaganza filmed in their country?**

Whenever I spoke with foreigners, I had to explain to them who and what we are and that nobody would deceive them or shoot them, and that,

## News on Shakespeare in Serbia

Most people have heard that Ralph Fiennes decided to film an adaptation of Shakespeare's *Coriolanus* in Serbia beginning next year. In the latest news, we've learned that during the Cannes Film Festival, the rights to screen *Coriolanus* were pre-sold to Greece, Portugal and France, and it was revealed that in addition to Ralph Fiennes, Vanessa Redgrave and William Hurt will be acting in the film. *Coriolanus* will be produced by Gabrielle Tana, who recently produced *The Duchess* with Ralph Fiennes and Keira Knightley, and has been an active supporter of the "Film in Serbia" campaign. The "Film in Serbia" project has been cooperating with Mr. Fiennes to help bring this production to Serbia.

on the contrary, people here are very courteous, open, that there is a tradition of collaboration with the world. I always try to say three sentences they will remember: I tell them it is very affordable to film here; that we are a Central European country with influences of the Mediterranean, the Orient, and Slavic cultures; and that when you sit down at any café, everything is just as it is in the West. I also tell them that we are often able to achieve even the impossible.

**Nevertheless, the trade shows in which you took part are specific, intended for film producers. Serbia is a small country, how can it persuade the film industry? How can it compete?**

I mostly explain to people that we are a country of contrasts. We have intelligent people with interesting ways of thinking. Other European cities don't have floating clubs right next to one another, one playing gypsy music and the other playing techno. I think we are the last European adventure. European cities – Vienna, Budapest and others are more or less alike. If you offer similar work conditions, but at the same time there is more excitement, you have a winning combination.

**How competitive are we and how much can offer in terms of production and creativity?**

We can primarily be attractive to them as a place where they can film inexpensively without short-changing the quality. Our people are creative. We have talent. We are up for the game, we are candid, we are shrewd, and we are resourceful. We can work with a significantly smaller budget and we make the best of it to deliver a quality product; we find a way, we try to create something. That's the kind of good ratio of price and quality that our country can offer and I think that's what we should go on.

Another comparative advantage is that more people speak English here than in most other European countries. We now have several companies with completely modern technology, which you wouldn't even find elsewhere in Europe. . . . And, from what I've learned, we are at least 50% cheaper in the advertisement production than all the other surrounding countries and perhaps 70-80% cheaper than the Czech Republic, which means big savings.