



Technical Assistance for
Civil Society Organisations
Bosnia and Herzegovina



This project is funded
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CONFERENCE REPORT

“Role and importance of LEDnet network (Network for Local Economic Development in BiH) in the process of local economic development and creating a better business environment in BiH”

Bihać, Hotel Kostelski buk, 19.10.2016.

Organizers: LEDnet network and PLOD Centre Bihać with support of TACSO BIH, under the framework of support to networks, initiatives, coalitions, unions and CSOs platforms in Bosnia and Herzegovina that within their mission promote the continuation of P2P activities implemented by TACSO BH Office.

This report is produced by the LEDnet network. The report describes activities implemented by the member organizations of the LEDnet network, with support to TACSO BiH under the framework of support to networks, initiatives, coalitions, unions and CSOs platforms in Bosnia and Herzegovina. Opinion presented in the report is the sole responsibility of the PLOD Association and does not necessary reflect the opinion of TACSO BIH or European Union.



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LEDnet
mjesto susreta biznisa, istraživanja i prakse
mjesto susreta biznisa, istraživanja i prakse
the meeting point of business, research and practice



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SUMMARY OF THE CONFERENCE

On October 19, 2016 in Bihac the conference “Role and importance of LEDnet network in the process of local economic development and creating a better business environment in BiH” was held with the support of TACSO BH Office, whose goal was to strengthen the role of the civil society organizations (CSOs) in the process of development, creation and implementation of development policies and creation of a better business environment, through exchange of knowledge, discussions and presentation of specific topics that are a part of the TACSO BH recommendations and findings in the Report “Partnership between civil society and business sector in BiH – challenges and opportunities.”

Specific goals of the conference:

- To identify the steps for improvement of networking and partnership among CSOs in BiH in the context of contributing to a better business environment
- To identify the next steps of the LEDnet network in the process of advocacy for better business environment and promotion of CSOs in that process
- To define positive practices of the LEDnet network that can be transferred onto other CSOs.

The conference was opened and moderated by Mr. Tomislav Majić, Chairman of the Steering Committee (SC) of the LEDnet network, which was followed by a short introduction and wishes for efficient work by Mr. Zdravko Čerović, Assistant to Minister of the Ministry of Development, Entrepreneurship and Crafts, and Ms. Deniza Sovtić, Financial, Administrative and Communications Officer of TACSO BH.

The guests and speakers of the conference were: Prof. dr. Vjekoslav Domljan, Dr. sci Ermina Ramić, Mrs. Alisa Gekić, Director of LINK Services Centre, Mrs. Mira Jović, Executive Director of UPIP Žepče, Mr. Erol Maglić, Manager for SME sector support UPIP Žepče, Mr. Enver Sarvan, Executive Director of NBR Gradačac, and Mr. Mišo Reljić, Director of Agency for Economic Development, PREDA, Prijedor.

Media statements were organized prior to the conference and were given by the following: on behalf of the organizers, Mr. Tomislav Majić, Chairman of the SC of the LEDnet, followed by Prof. dr. Vjekoslav Domljan, Mr. Erol Maglić, Manager for SME sector support UPIP Žepče, Mr. Enver Sarvan, Executive Director of NBR Gradačac and Mr. Mišo Reljić, Director of PREDA, Prijedor, who presented examples of development of their own organizations and the LEDnet network, as well as Ms. Esmā Hergić, Expert Associate for Projects in the Municipality of Bosanska Krupa, as an associate of the LEDnet network.

A total of six presentations were presented at the conference:

1. “Business networking and partnerships – role of CSOs in the process of creation of better business environment in BiH”
2. “Advocacy and promotional campaign of the CSOs”

3. „LEDnet online platform“
4. “Education, exchange of knowledge and promotion of positive practices: Support to business development/Infrastructural support - business and agro incubators UPIP Žepče“
5. „Education, exchange of knowledge and promotion of positive practices: Development of capacities and sustainability of the Network for Local Economic Development in BiH (LEDnet)“
6. „Education, exchange of knowledge and promotion of positive practices: Management of human capital in the local community PREDA Prijedor“

The conference was attended by a total of 36 participants, among which were the representatives of the civil society organizations-20, units of self-government and public institutions-7, Employment institute-2, private sector -1, academic community -3, and of the TACSO Office BH-1, as well as of the media -2.

The conference was covered by the media: there were 6 publications in total, out of which, one by the RTV USK, one by Radio Bihać, while the other 4 were published on web-portals.

The results of the conference that gathered the representatives of the CSOs, business sector, public institutions and academic community are the following set of recommendations – summary of conclusions from all three panels:

1. Development of partnership among civil, private and public sectors
2. Creation of new financial instruments of the LEDnet network that will support the development of the small and medium sized entrepreneurship
3. Increase of network’s capacity through upgrading of the online platform that will enable selection of reports by type of the barrier (identified, approved solutions), comparative analysis by the region and alike; strengthening of the capacities of staff
4. Investment in infrastructural support with a focus on business incubators, as well as institutional models for business start-up and implementation of entrepreneurial ideas (Priorities to focus on are: infrastructural support, agro-incubators, creation of mechanical rings including the support to networks, consulting support and education)
5. Participation of all LEDnet members in creation of proposals of recommendations and measures related to the Action plans for employment, attraction of foreign investors, and alignment of the enrollment policy to the needs of the economy in those communities where the organizations work (municipalities/cities, cantons/counties)
6. Promotion of the network regionally and internationally.

Long term impact of the Conference of the LEDnet network is to be a model in which the CSOs mobilize all other key stakeholders in the local community for development, creation implementation and monitoring of development policies and creation of better business environment in BiH, with a final goal to increase employability and creation of new jobs.

SUMMARY OF CONFERENCE PANELS AND CONCLUSIONS

Conference Introduction: Mr. Tomislav Majić, Chairman of the SC of the LEDnet network opened the conference emphasizing its goal, it being to present positive practices of the LEDnet network in the process of development, creation and implementation of development policies and creation of better business environment in BiH, in order to strengthen the role of civil society organizations in that process.

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Panel I. “Business networking and partnerships – role of CSOs in the process of creation of better business environment in BiH “:

Prof. dr. Vjekoslav Domljan spoke about the EU macroeconomic imbalances of BiH, as well as about existing BiH current account deficit, negative net international investment position of BiH, and its over indebtedness at all levels of administration compared to its GDP. Prof.

Domljan emphasized that BiH is in the “trap of medium income” among the countries with low income (and low wages) and high income (and sophisticated products) and that BiH has to globally specialize i.e. achieve technological leadership and economy of scale. In order to achieve a certain progress, BiH has to speed up the structural reforms and work on creation of centers of excellence, cherishing knowledge and innovation, just like the LEDnet network and its members. It is necessary to seriously work on creation of alternative sources of financing, in addition to the banks, which will finance start-up companies and those fast growing ones (gazelles), and through networking work on export of BiH knowledge. In order to achieve progress it is necessary to have **cooperation of all levels of administration, public and private sectors and civil society organizations, and a good example of that is the work of LEDnet network.**

Conclusions of Panel I.

- It is necessary to continue with development of partnerships of CSOs, private and public sectors because that is the only way that BiH can achieve positive trends
- It is necessary to expand the spectrum of services of LEDnet network and develop new financial instruments that can assist development of small and medium sized entrepreneurship with a goal to increase employment and social inclusion and lower poverty. Activity of financial instrument should be based on cooperative principle and have elements of mutual guaranteeing and social insurance, given that the currently available funds are too expensive and burdensome for growth of the private sector.

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Panel II. “Advocacy and promotional campaign of the CSOs “:

Dr. sci Ermina Ramić spoke generally about advocacy and promotional campaigns of CSOs, as well as about positive examples from the region and the world regarding cooperation of administration with CSOs, and possibility for improvement in this aspect in BiH. She emphasized that cooperation and dialogue between administration and civil society is one of the

political criteria for full membership to EU and it represents an important part of the EU Engagement Strategy in the Western Balkan. Dr. Ramić spoke about the need for stronger influence of CSOs in the process of defining of policies and measures for development in order to balance the high influence of politics in the decision making process, and in order to form policies and measures that will better respond to the real needs of the society. One of the issues in BiH is the fact that the administration still does not completely see the power of CSOs and does not trust them, which the LEDnet network is changing given its strength (number of members, growth and achieved results), and that is what should be focused on, the strength of LEDnet network and its influence, as positive example of cooperation between CSOs and all sectors of society, which leads towards new employment and development.

In the second part of the Panel II. Mrs. Alisa Gekić, Director of LINK Services Centre, presented the **LEDnet on-line platform** giving more details on the network, an opened activist structure geared towards development of more responsible and better governance in BiH, where more details are available on the LEDnet platform: www.poslovnookruzenje.ba. **The network has 27 members from public, private and CSO sectors and impressive results, and some of them are: 205 implemented projects (35 EU) of 71 ml. KM value, built infrastructure/business and agro-incubators (29.500 m2), successful loan-guarantee fund, mechanical ring for processing of herbs worth 500.000 KM, more than 1500 companies that are users of network’s services, and created database of barriers and recommendations for creation of better business environment.** Mrs. Gekić presented in detail the LEDnet on-line platform i.e. a unique database that consists of identified barriers that prevent better business environment in BiH. The platform enables users to view barriers and gives ability to input the newly identified ones. She explained how the database can be used and that it has all the identified barriers that represent real issues for development of better business environment in BiH, and it gives a good basis for monitoring and advocacy for resolution of identified barriers, with a goal to create better business environment in BiH. Besides being able to see a table overview, the users can also see detailed description of all identified barriers in the database. For each barrier a concrete problem description is given, as well as a solution. All this is a result of LEDnet network work emphasized Mrs. Gekić.

Conclusions of Panel II.

- It is necessary to increase LEDnet capacities in order to identify all existing barriers that affect negatively the business environment and that would give even better basis for advocacy towards relevant institutions with a goal to resolve the issues.
- Increase of capacities implies: inclusion of key stakeholders in the work of the network and more platform users; Upgrading of the platform that will enable selection of reports by type of the barrier (identified, approved solutions), comparative analysis by the region and alike; Building of staff capacities; Establishment of register of para-fiscal charges as an integral part of the platform; That LEDnet continues to recognize issues and offer solutions for them in cooperation with institutions, international organizations and business sector, always clearly emphasizing issues and solutions.

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Panel III. “Education, exchange of knowledge and promotion of positive practices”:

In Panel III. the **results of the LEDnet network and its members** were presented and strongly emphasized, where Mrs. Mira Jović, Executive Director of UPIP Žepče and Mr. Erol Maglić, Manager for SME sector support UPIP Žepče, **presented successful business and agro incubators that represent concrete support to business**

development. After that Mr. Enver Sarvan, Executive Director of NBR Gradačac, spoke in more detail about the LEDnet network, its development capacities and sustainability. At the end Mr. Mišo Reljić, Director of PREDA, Prijedor presented the **importance of management of human capital in the community with a goal of development** on example of PREDA and its partners.

Representatives of UPIP emphasized that there exist 12 business incubators in BiH with a total surface of approximately 200.000 m² intended for business incubation, and which employ 33 experts for technical support. A total of 164 companies are in the process of being incubated with a total of 1.232 employees and so far 103 companies were incubated. Incubators are concrete infrastructural and soft support for development of businesses and companies, and their founders, among others, are also members of LEDnet network. After presenting UPIP, positive practices of the organization were presented, i.e. development instruments such as: business incubator Žepče, agro-incubator Žepče, mechanical ring of AgroMAP network, networking and transfer of knowledge and strengthening of internal and external capacities, including outside of BIH (in Croatia SMC MAP network was founded; MAP network BIH-CRO as well; established agro-business-innovative-educational center in Drenovci). With its knowledge and through networking UPIP contributed to expansion of incubators and creation of new jobs across BiH.

Mr. Sarvan spoke in detail about how to create a functional network and at the same time ensure quality and rationality in the work of LEDnet, presenting standards and ways in which the

network functions. He highlighted that the success of the LEDnet network lies, among others, in the fact that the LEDnet network works together “with” the target groups (public institutions, CSOs, specialized departments/institutions, SMEs, craftsmen, cooperatives), and it works “for” beneficiaries that have a problem (all stakeholders in the business sector), while it bases its work exclusively on professional analysis and recommendations, based on which it has scientific base for advocacy in order to create concrete results. Mr. Sarvan stressed that due to the way the LEDnet network works and due to its references, LEDnet and all its members can be a great partner to public sector in EU and other projects. LEDnet network accepts new members based on clear set of criteria and it provides the advantage of recognition, reputation of projects and results, as well as a chance to reach standards in this field. The network has clear strategic and planning documents that it uses, as well as analysis based on which it creates and advocates solutions. Mr. Sarvan emphasized that the sustainability of the network lies exactly in its achieved results, as well as in results of its members, and clearly defined standards and joint efforts, hence it is important to continue on network expansion and strengthening.

Mr. Mišo Reljić, Director of PREDA agency, besides presenting PREDA and its work methodology and success, emphasized that rarely anyone in BiH speaks about management of human capital in the context of development, but which is most important in order to succeed since there is no development if one does not know what the demographic trends are and where they are headed. He pointed out that the success of PREDA lies in the fact that it managed to become one of the main stakeholders in the process of planning and monitoring development in Prijedor due to the methodology of work that it has, and which includes analysis of economic trends, needs of the public sector, analysis of workforce education, needs of the private sector and creation of systematic solutions based on all of it. He emphasized that there basically does not exist a fund that was available in BiH and which PREDA did not get a project supported from. Prijedor identified clearly its policies related to demographic state and it has a demographic city council, as well as council for education and employment, of which PREDA is a part. **Through the work of these councils, problems and solutions are identified, especially when it comes to improvement of educational curricula in line with the needs of the private sector.** This is the methodology that was adopted from PREDA by the Ministry of Education of Republika Srpska. PREDA is a clear example of cooperation of all sectors of society and without that there is no progress, hence the importance of the LEDnet network, which consists of all sectors of society.

Conclusion of Panel III.

- For development it is necessary to further invest in infrastructural support, with a focus on business incubators, as institutional models for starting of businesses and implementation of entrepreneurial ideas (Priorities to focus on are: infrastructural support, agro-incubators, creation of mechanical rings, including the support to networks, consulting support and education)

- It is necessary to ensure continuous transfer of practical knowledge and experiences among existing and new members of the network, as well as internationalization of the LEDnet network
- Strengthening of capacities and LEDnet network sustainability are reflected in the fact that the members respect its founding, planning and programming documentation, by which principles of good cooperation, partnership-based work and functionality are preserved, and the further work of LEDnet should continue to be based on exclusively needs of the beneficiaries, expert analysis and recommendations - that are basis for advocacy, credibility and good position with the public sector
- LEDnet should continue to work “with” the target groups and “with” and “for” the beneficiaries in order to identify the real problems, create strategies and tactics for advocacy and monitoring of implementation of measures and solutions
- All members of LEDnet in their communities (municipalities, cities, cantons/counties), with a goal to resolve accumulated issues, should work on creation of proposals of recommendation and measures related to the Action plans for employment, attraction of foreign investors, and alignment of the enrollment policy to the needs of the economy

General Conclusions of the Conference:

- Considering that there is limited political will at all levels of administration for strategic changes, the assistance for development should be direct at local level. Local level is the level of one municipality or more municipalities that act jointly about a joint goal. The presented results of the LEDnet network in the field of local/regional economic development and creation of better business environment are a concrete example of how it is possible to, through efficient networking, have an effect on creation of a better business environment, locally, regionally and wider. (**Created platform of barrier and solutions for development, built business infrastructure and system of support for business growth** etc.) Hence, the plan of the LEDnet network is its further expansion, in line with clearly defined standards in order for it to stay and survive as a partner to all sectors of society in the process of development planning.
- Current way of assisting the communities in the process of development through large organizations is often not effective, nor efficient. There are clear cases of (non) transparency, poor strategic approach and supporting of gray economy. Thus, the plan of the LEDnet network is its more frequent and clearer promotion, as well as of its members, results and principles of work and benefits that it brings to its members and communities in which it works and which is reflected in clearly presented examples.
- When it comes to providing support for development and creation of better business environment it should be provided through organizations for local development that are closest to the citizens, are most stable and have the most concrete references and experience, and which manage significant assets and concrete instruments of support. Current way of assistance (through big foreign organizations) negatively affects the capacity building of absorption capacities for development (especially EU) funds at local

level. Thus, it is important that the LEDnet network continues to present its achievements and that it continues to work on attraction of new members, clearly defining mutual goals and initiatives. This includes clear and intensive promotion of the network and its results among all sectors of society in BiH.

CONFERENCE EVALUATION

Participants evaluated the following 5 elements of the conference organization:

1) Logistic preparation (venue, communication prior to the conference, work conditions during the conference)

Percentage: 65% Perfect, 35% Good

2) Relevance (importance) of conference theme for participants

Percentage: 70% Extremely important, 30% Of Medium importance

3) Effectiveness of the conference (optimal choice of thematic segments of the conference, resource persons who presented the content)

Percentage: 80% Maximum, 20% Medium

4) Efficiency of the conference (ratio of content and results of the conference: conclusions, recommendations, plans for advocacy campaigns, time left for discussion)

Percentage: 75% Maximum, 25% Medium

5) Overall satisfaction with the conference

Percentage: 60% Very satisfied, 40% Satisfied



REPORT ANNEXES

1. Conference Agenda
2. Conference Presentations
3. List of Participants
4. Media Coverage

Electronic media publications:

1. RTV Cazin: <http://rtvcazin.ba/2016/10/20/odrzana-konferencija-o-temi-uloga-i-znacaj-lednet-mreze-u-procesu-lokalnog-ekonomskog-razvoja/>
2. Una-Sana Chamber of Commerce: <http://www.pkusk.com/odrzana-konferencija-uloga-i-vaznost-lednet-mreze-u-procesu-lokalnog-ekonomskog-razvoja-i-kreiranju-boljeg-poslovnog-okruzenja-u-bih/>
3. RTV USK: <http://www.rtvusk.ba/vijest/skup-u-bihacu-kako-do-boljeg-poslovnog-okruzenja/9457>
4. LINK Mostar: <http://www.linkmostar.org/novosti/item/577-uloga-i-vaznost-lednet-mreze-u-lokalmom-razvoju-i-boljem-poslovnom-okruzenju>
5. PLOD Centre Bihać: <http://plod.ba/en/news/item/164-biha%C4%87-konferencija-na-temu-lokalnog-i-regionalnog-ekonomskog-razvoja-u-bih-u-organizaciji-plod-centra-i-lednet-mre%C5%BEE>.

TV REPORT

TV: NEWS OF THE UNA-SANA CANTON TELEVISION FROM 19.10.2016:

<http://www.rtvusk.ba/video/dnevnik-19102016/1178>

5. Cumulative Evaluation of the Conference
6. Conference Photographs