



Country: Serbia
Initiation Plan

Project Title Diaspora Home Office – Investment Centre

UNDAF and CPD Outcome(s): By 2020, there is an effective enabling environment that promotes sustainable economic development, focused on an inclusive labour market and decent job creation.

Expected Output(s): National and sub-national systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment - and livelihoods- intensive
(Those that will result from the project and extracted from the CPD)

Implementing Partner: UNDP

Responsible Parties: UNDP

Brief Description

Initiation Plan aims at supporting the establishment of Serbian Diaspora Home Office (Investment Centre) in cooperation with the Serbian Chamber of Commerce (as mandated by the Government of Serbia). Establishment of the Diaspora Home Office (Investment Centre) would serve as institutional, regulatory but also innovative model for functioning of Diaspora Home Office (Investment Centre) in Serbia. The objective is to develop a flexible “one-stop shop” model for multi-stakeholder investment centre, based on innovative and open practice, in areas that support the government’s investment/export promotion, job creation and diversification of services for all diaspora generations and in line with diaspora bonding ambitions. This model would support better engagement with diaspora while creating opportunities for stakeholders (diaspora, government, private sector, alumni associations and innovative stakeholders) to establish the services based on principles of transparency, accountability and nurturing confidence building between diaspora and Serbian communities, whereby UNDP would act as a broker and supporter of creative cohesion of innovative ideas and result oriented solutions.

The Initiation will enable UNDP to start implementing activities in the fourth quarter of 2016, with ambition to initiate a full project by June 2017.

Programme Period:	2016-17
Key Result Area (Strategic Plan):	_____
Atlas Award ID:	<u>0099915</u>
Start date:	5 November 2016
End Date	31 May 2017
PAC Meeting Date	26 October 2016
Management Arrangements Phase	DIM(UNDP)Initiation Plan

2016 AWP budget:	10,000
Total resources required	_____
Total allocated resources:	_____
• Regular (TRAC)	10,000
• Other:	
○ Donor	_____
○ Donor	_____
○ Donor	_____
○	_____
Unfunded budget:	_____
In-kind Contributions	_____

Agreed by UNDP:

Initiation Plan "Diaspora Home Office"

The Serbian Chamber of Commerce (SCC) in partnership with the International Alumni Centre is submitting this overview of proposed activities for the preparation of the "Diaspora Home Office" Initiation plan.

The Diaspora plays a significant role in maintaining the living standard in Serbia, which is demonstrated by the data of the National Bank of Serbia and the World Bank, according to which the volume of money remittances through formal and informal channels amounts to almost \$ 4 billion annually. The World Bank data indicate that more than \$ 31 billion in remittances has arrived in Serbia in the period from 2007 to 2014, exceeding the amount of foreign investments which, for the same period, amounted to \$ 21 billion. The same WB survey shows that Serbia ranks fifth of the total of 155 countries in terms of the amount of money remittances from abroad.

The Project Goal:

Increase the number of investments implemented by the Diaspora in order to preserve and strengthen not only the economic links between the Diaspora and the country of origin, but also to contribute to enhancing the capacities of institutions. The key motivation for this joint effort is to increase the overall investments in Serbia, boost technological development and create new jobs. One of the project outcomes is to establish a coordinating body named the Diaspora Home Office the purpose of which is to provide assistance and support in implementing investments from the Diaspora, within the Department for Economic Relations of the Serbian Chamber of Commerce. Another outcome is to establish a single centre for support to investments from the Diaspora which would work proactively on promoting the possibilities for investment and providing support to interested investors.

Project preparation shall unfold through a number of activities:

- I – Formulating the project ideas and Terms of Reference, which will be the responsibility of the International Alumni Center for Knowledge Transfer and Development
- II – Study visit to Moldova for representatives of the SCC in order to transfer knowledge and good practices, which could serve as inputs for elaboration of project proposals, in line with the needs and circumstances in the Republic of Serbia
- III – Implementing the sub-project of the "Investment Promotion Project"

II Study visit – Moldova

Activity to be implemented in: Moldova and Serbia.

Time-frame: directly after the study visit to Moldova.

Develop in advance the Worksheet with daily and weekly schedule of activities, research and analysis and monitor all steps.

Activity in Moldova:

1. Interview people who developed the "Moldova model" (from the state institutions of Moldova – directly and indirectly involved; from the Diaspora – directly and indirectly involved; from UNDP and IOM in Moldova); Draft a relevant questionnaire before departing for the study visit.
2. Regular daily analysis of documents which are adopted and are being adopted related to comprehensive access to the Diaspora in Moldova, and which are directly or indirectly related to the operation and success of the "One-Stop-Shop", and comprehensive access to the Diaspora;
3. Interview representatives of state institutions to analyze the effectiveness of the model and how efficient it is in practice, and acquire insights on possible replication in Serbia; models of communication and coordination among institutions;
4. Participate in meetings which the relevant coordinating body in Moldova holds with the Diaspora and in internal decision-making and operation; mapping the operation: positive and negative;
5. Active communication with Belgrade and the project manager on all aspects of work (transferring active experience) in order to achieve harmonization, coordination and provide operational advice;
6. **Analyze and map the following:**
 - a. Which institutions are needed for the system to function?
 - b. The role of the national and the local level?
 - c. What are the regulatory needs?

- d. What are the professional (technical) requirements of participants and of the SCC staff?
- 7. Key issues to be answered in detail in Moldova:**
- a. What are the capacities of the Moldova office?
 - b. The number of staff working for the office and what number is required for effective operation?
 - c. What are all the requirements for the office to work successfully?
 - d. What needs have to be fulfilled for effective operation in such posts (knowledge, skills, research, effective coordination, administrative role)?
 - e. Analyze in detail the personal experience of office staff.
 - f. Is the UN project an isolated mechanism and a pilot project or does it bring about change in the work of all actors involved?
 - g. What is the inter-sectoral network like and what are its daily activities? Success and failure.
 - h. How many institutions cooperate and which?
 - i. How does work and cooperation unfold: only horizontally (simple providing of information to members of the Diaspora: providing information about where the relevant information can be obtained) or also vertically (the coordinating role of the office which leads the process in communication with others: from national to local level)? Does the office work proactively towards the Diaspora or is it an information contact point? The success of the existing practice and all weaknesses.
 - j. How many investors go through the office? How many of those who approached the office actually invested in Moldova?
 - k. What is the percentage of satisfied people from the Diaspora with the service?
 - l. What weaknesses are recognized in the existing service? Make a detailed list and examples of possible solutions.
 - m. What is the response time of institutions (from the office to the institution involved in cooperation)?
 - n. Which sectors and projects is the Diaspora mostly investing and why? Is it primary or secondary production, and why?
 - o. Has the Moldova Government developed a special mechanism for institutional coordination for the Diaspora? What is it and how does it operate?
 - p. Is there a comprehensive program of the Moldova Government for the Diaspora? How did it evolve and who took part in establishing it?

Activities in Serbia:

1. Getting to know all actors and institutions with which cooperation is potentially needed in this project and in the development of this new system;
2. Mapping all actors at national level which should be engaged in the process which are necessary to support the transfer of good practice;
3. The project team participating in the study visit to Moldova will be responsible to submit the study visit report along with a proposal of the model to be used for transfer of applicable knowledge from Moldova to Serbia
4. Assist in the work of the regular activities of the Diaspora Center;
5. Daily coordination and cooperation among partners in implementing the project (delegated persons from the Department for Economic Relations and the Department for Economic Development, along with the team of the International Alumni Center for transfer of knowledge and development)
6. Exchange of experience from London, Berlin, Paris, and Toronto.
7. Joint development of adequate mechanisms which would serve as pilot mechanisms for the future project.
8. Develop a single data base / portal of investment projects to serve as an important component for promotion activities regarding the investment potential of the Republic of Serbia
9. Organize regional training courses for local self-government on how to use the data base and add investment projects to it
10. Promote the capabilities of the investment data base towards the private sector in the country and abroad
11. Organize business-to-business meetings and investment conferences (minimum 4 annually) to promote projects generated from the single investment data base
12. Take part in targeted fairs in order to promote investment projects
13. Engage experts (financial and legal) to evaluate investment projects offering greatest potential and to develop teasers for promotional purposes
14. Develop and print the teasers in form of one pagers and/or brochures

III Investment Promotion Project

In parallel with the preparation of project activities for the "Diaspora Home Office" begin the implementation of the "Diaspora Investment Promotion" project. The project is to be a pilot for the purpose of developing the activities of the UNDP Project which is to be ready for implementation in 2017.

Activities under the "sub-project include:

- a) Gather successful businessmen in the Diaspora in a number of targeted cities (London, Paris, and Toronto, during January and February 2017);
- b) In partnership with members of the Diaspora – overachievers – discuss the necessary elements of state policy to attract the business community in order to turn the business people of the Diaspora more actively towards Serbia;
- c) Gather the academic elite in the Diaspora (Cambridge, London, and Paris) which would set the framework for transfer of knowledge to the academic institutions in Serbia, in order to promote educational profiles in line with market demands;
- d) Organize focus groups with the business community from the Diaspora and identify the components needed for a successful system of formal and informal cooperation with the Diaspora.
- e) Consider state programs in assisting investments from the Diaspora: advantages and disadvantages and how to overcome them by a single program and system in Serbia, via the SCC.
- f) Consider the role and operational needs of the "Diaspora Home Office" (One-Stop-Shop of the SCC)
- g) Publication including all recommendations and interviews with all sub-project participants.

Project team consisting of representatives of the International Alumni Centre and delegated representatives of the Serbian Chamber of Commerce

Project team positions include:

Project manager who is responsible for formulation of the project proposal planned for implementation in 2017, which is to be implemented in partnership of the Serbian Chamber of Commerce. The Alumni Manager is responsible for timely implementation of activities included in the project terms of reference and for regular communication with delegated representatives of the SCC. The Project manager shall come from the partner organization the International Alumni Centre.

Additional responsibilities of the Project Manager shall include also:

- Developing a comparative analysis of foreign practices in attracting investments,
- Analyzing the potential for replication of the best models for support to investment from the Diaspora in Serbia;
- Ensure the implementation of the sub-project by organizing sub-project activities located in London, Paris, and Toronto;
- Organize and participate in activities to establish business linking of investments from the Diaspora
- Develop the framework of the "Diaspora Home Office" system through analysis and research
- The Project Manager shall actively manage the project through regular daily activities of the project team
- Communicate directly with all stakeholders and inform them of every step of the project
- In coordination with the SCC schedule meetings with stakeholders, to discuss proposals resulting from the project, through joint discussion
- Keep records of all meetings and transfer such records into conclusions and recommendations for future coordinated activities
- Research the models of "Diaspora Home Office" (One-Stop-Shops) around the world and develop a comparative analysis of best solutions.
- Analyze the possibility of potential cooperation with non-state actors (business and academic associations in the Diaspora) in coordination with state actors in order to maximize attraction of foreign investments.
- Develop proposed coordination between the "Diaspora Home Office" (One-Stop-Shop) with institutions in the country towards investments from the Diaspora. Propose the systemic framework which bridges all weaknesses of existing actors and policies.

- Cooperate actively with the employee of the Moldova Chamber of Commerce and consider any issues during the study visit, in order to have successful implementation;
- Analyze and develop a report of all collected experiences of the employee from his/her visit to Moldova.
- Analyze the experience and models of the "HTA" (Home Town Associations) which would be effective in directing remittances towards business and investment development (Mexico practice).
- Analyze the leading experiences of international financial associations of diasporas and their investment mechanisms in the home country (LinkedFinance, directing investments, Irish practice).
- Analyze existing policies for state support to investments from the Diaspora. The role of One-Stop-Shops as centers of information on such programmes. The vertical role of the "Diaspora Home Office" (One-Stop-Shop). Directing the Diaspora towards the "Diaspora Home Office" (One-Stop-Shop) and SCC.
- In coordination with the key stakeholders, prepare a draft project proposal by the end of December 2016 and further improve the project proposal through implemented projects and pilot sub-projects in the UK, France, and Canada, based on research in Serbia, and discussions with all stakeholders (final project proposal – end of March 2017).
- Develop project reports and project results reports.

The Project manager shall monitor and direct the research on possibilities of cooperation between the Diaspora and national businesses (producers) and entrepreneurs. The analysis shall imply:

- The analysis is to provide an insight into the similarities and differences in concepts of work, possibilities, and the specific features of the local market in the Republic of Serbia compared to other developed markets in the Diaspora. The research is to identify a clear picture of actors involved in the market, their capacities and potential in the future, compared to Western actors in the Diaspora, all for the purpose of ensuring clear leadership and successfully implementation of the project in 2017.
- Digital promotion of investment potential in local self-governments and investment potential in Serbia as an integral part of the work of the "Diaspora Home Office" (One-Stop-Shop)
- During the research the project assistant shall cooperate with representatives of the SCC, from national to regional and local level.

The project Manager shall lead the project of the International Alumni Centre (the above "La Mache Project", as a sub-project of the implemented project.

The Project Assistant shall provide support to the Project Manager and delegated representatives of the SCC in implementing activities envisaged by the Terms of Reference. The Project Manager shall come from the partner organization the International Alumni Centre.

SCC – delegated persons shall participate in formulating the project idea, shall participate in the study visit, and in implementation of activities envisaged by the Terms of reference. Some of the activities are:

1. Analysis and adequate transfer of the "MOMID model" developed in Moldova (study visit to Moldova) to the institutional and regulatory context of Serbia and the SCC;
2. Active coordination with the Project Manager on all issues at work, in order to achieve effective and coherent work and reporting;
3. Acquiring the knowledge necessary for effective coordination in Serbia (developing the human potential);
4. Establish a framework for the administrative role within the Diaspora Center and links with other institutions in Serbia (systemic, multi-sectoral, programming, coordination);
5. Support to the regular daily work of the Diaspora Center and alignment with the existing practice in Serbia;
6. Mapping all relevant institutions in Serbia (horizontally and vertically) which follow the Moldova practice but in manner suited to the Serbian practice;
7. Analyze the systemic harmonization of state programmes and policies from Moldova in the links between the Diaspora and state bodies, in creating comprehensive solutions and policy proposals.
8. Formulate regular reports from the study visit, the final report for continued work in Belgrade, and analysis on all issues that need to be answered in preparation of the project for 2017.