

**GENDER ANALYSIS OF ECONOMIC  
PROGRAMMES AND FINANCIAL  
MEASURES IN SERBIA**

**REVIEWING DEVELOPMENT AGENCY OF  
SERBIA DATA ON PROGRAMS AND  
MEASURES AND ANALYSING THE EFFECTS  
AND GENDER IMPACT**

Report prepared for the UN WOMEN country  
office Serbia by the National Alliance for  
Local Economic Development (NALED)

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All the terms in the text which denote professions or occupations expressed in the grammatical male gender include natural male and female gender of the persons concerned.

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# 1. Executive Summary

NALED has undertaken the task of gender analysis of six programs Development Agency of Serbia (DAS) implemented to support growth of micro, small and medium sized enterprises in the Republic of Serbia. Programs were implemented in 2016 and 2017. Out of six analyzed programs, five were funded from the budget of the Republic of Serbia and one received funding from USAID.

The analysis included a desk review of relevant documents, strategies and policies, review of program documents, including background documents, criteria, text of public calls, data on applicants and approved beneficiaries and available DAS reports on program implementation. NALED team has conducted three interviews with Ministry of Economy, DAS, and Chamber of Commerce and interviews with applicants and program beneficiaries.

Analysis aimed to identify to what extent current programs are relevant to the policy objectives and identified needs in the field of entrepreneurship and gender equality, to what extent the current programs are relevant for targeted beneficiaries and who and how have benefited from the implemented programs.

The key questions for NALED team was to identify if the programs were relevant and accessible equally to women and men in business and to what extent they benefited from the programs, as well as whether the Government of Serbia succeeded in closing of the gender gap recognized by the National Strategy for SMEs in the Republic of Serbia where it is stated that among employed women only 15% are self-employed in compare to 30.5% of self-employed men.

The key finding is that programs implemented by the Development Agency of Serbia deteriorated the gender balance in the economy of Serbia. Women-owned businesses fall behind the men-owned businesses when it comes to the number of beneficiaries of the analysed programs. Additionally, women-owned businesses in average receive smaller grants than man-owned businesses do.

While the most recent data indicate that the share of women-owned businesses in Serbia is 31.7%, share of women's owned firms among beneficiaries of analysed programs was 22.7%. At the level of individual programs' beneficiaries, share of women's owned firms ranges from 13.6% to 45.4%.

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When it comes to share of funds awarded, women's owned businesses received 183.7 million RSD or 17.9% of all funds, vs. 841.5 million RSD or 82.1% that went to men's owned firms, meaning that for every dinar that was awarded to women-owned businesses, men owned businesses received 4.6 dinars. The gender gap is 657.8 million RSD. That is how much more money out of the 1.03 billion RSD was awarded to men-owned than to women-owned firms.

At the level of individual programs, share of funds awarded to women's owned firms ranges from 12.7 to 43.3%.

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This imbalance in favour of men's businesses does not seem to be a result of a deliberate policy: there is at least one program that specifically targets women and the youth; also, some of the elements that have traditionally driven down women's participation (such as real-estate collateral requirements) are not applied in the analyzed calls for applications.

The key driver of this "indirect discrimination" is the focus on manufacturing and processing activities – sectors where women's participation is traditionally below the level for the other sectors of the economy. Second contributor is that business subsidy programs often exclude sole proprietors, especially those in the presumptive taxation regime. This form of taxpayers is a segment of the business community in which women are more frequently found than as owners of limited liability companies.

Criteria for evaluation of applications can have adverse effects on chances of women-owned businesses as well. An example includes using productivity of a firm as a criterion, since increased productivity implies a high level of capital-intensity of businesses, which is also a segment of economy with below the average participation of women.

Vital data on implementation of business subsidy programs is often not available broken down by gender. Programs lack an ex ante definition of outcome and impact indicators in the program design phase.

Administration of analyzed programs has several positive elements. Regional development agencies are instrumental in disseminating information on available programs and provide some assistance in completing applications to interested businesses. Many of beneficiaries remember receiving information about available programs through email, which they find convenient. Criteria for evaluation tend to be announced in advance, which contributes to the transparency of the process and upholds businesses' confidence in the integrity of the programs. No major concern was raised about the integrity of the analyzed programs.

As far as the application preparation is concerned, businesses surveyed consider it relatively demanding, sometimes resulting in practice of engaging consultancy support for preparation of applications. At the same time, in some cases more applicant-friendly practices were employed, allowing businesses to provide demanding elements of paperwork only after they pass initial selection process, and before the signing of the award contract.

What is mostly missing is the post-award tracking of performance of programs – not only in terms of adherence to the contractual stipulations of grant awards, but rather in terms of the impact of provided support on target beneficiaries.

Consistency in implementation of programs is another issue. While some programs continue for several years in the same or slightly altered form, other programs are being introduced and discontinued without an obvious reason. This indicates disconnection between government policies and decisions to introduce or abolish a program.

In a broader context, the findings on the legal framework for women entrepreneurship are relatively positive, and so are the trends in this regard. There are no legal grounds for denying women's rights to register a business, access to certain business sectors, own property or trade within or across the borders. Moreover, the government has recently taken steps to improve the position of women by mandating the issuance of deeds on immovable properties purchased while in

marriage to the names of both spouses (except if one of the spouses notarizes a statement explicitly waiving that right). This has been done to strengthen the status of women when it comes to owning property – traditionally and universally an impediment for a broader participation of women in business.

However, this is not to say that dominance of men in the business sector is exclusively driven by historical, cultural and other reasons that have nothing to do with government policies. In the realm of public policy, we see several elements that deserve full attention as they can influence the prospects of women in business. These include sectoral approach in SME support programs, access to finance and prevalence of informal/grey economy.

## 2. Introduction to Report

This report was prepared by the NALED as an integral part of the research **“Gender analysis of economic programs and financial measures in Serbia”**. The research is performed under the project “Support to Priority Actions for Gender Equality in Serbia”, funded by the European Commission within the Instrument for Pre-Accession Assistance (IPA) and implemented by UN Women. The aim of the research is to support the efforts of the Government of the Republic of Serbia to achieve the National Gender Equality Strategy’s Specific objective 3.3: Gender analysis of policies, programs and measures.

The purpose of the Report is to provide gender analysis of six programs in support of micro, small, and medium size enterprises (MSMEs), implemented by the Development Agency of Serbia (DAS), and financed by the Government of Serbia.

Analysis aimed to identify to what extent is current programs relevant to the policy objectives and identified needs in the field of entrepreneurship and gender equality, to what extent the current programs are relevant for targeted beneficiaries and who and how have benefited from the programs. The key questions for NALED team was to identify if the programs were relevant and accessible equally to women and men in business and have them benefited from the programs. Gaps in policies and design of programs are recognized and described with an aim to contribute to future policy and program designs.

The methodology included 3 key steps:

Step	Objective	Completed tasks
<b>Step 1</b> – Analysis of the Policy context	Identification of gaps in policies and recommendations and recommendations for closing of the gender gap	<ul style="list-style-type: none"> <li>Reviewing of the EU, OECD, UNCTAD and National Policy Frameworks for Entrepreneurship Support</li> <li>Review of studies, analysis of reports and statistical data</li> <li>Interview with the key stakeholders</li> <li>Use of OECD online tools for evaluating access to finance in Serbia</li> <li>Interviews with the Ministry of Economy, Chamber of Commerce and DAS employees</li> </ul>
<b>Step 2</b> – Analysis of relevance of the existing programs for policy objectives in the field of entrepreneurship development and gender equality	Identification of access to and benefits from the programs for women and men business owners in Serbia, and recommendations for closing of the gender gap	<ul style="list-style-type: none"> <li>Analysis of data and program documents for six programs implemented by DAS (calls, background documents, reports, decision on approved support etc.)</li> <li>Online survey of RRA agencies</li> </ul>
<b>Step 3</b> – Analysis of programs from a perspective of beneficiaries (relevance, experience in implementation etc)	Identification how programs are implemented, what are the best practices and what can be improved	<ul style="list-style-type: none"> <li>Phone Interviews with programs beneficiaries</li> </ul>

Detailed elaboration of methodology for selection of the DAS programs is provided in the section 5.2. of this report. Briefly, NALED team analyzed six programs completed in 2016 and 2017 as follows. Out of six programs, five was financed by the Government of Serbia and one by USAID.

Program 1	Program 2	Program 3	Program 4	Program 5	Program 6
Start up Program	Access to foreign markets/exports	Support of institutional business infrastructure for SMEs	Innovativeness of micro, small and medium sized enterprises	Youth and women's entrepreneurship in Southern and Southwestern Serbia	The Asset Purchase

The structure of the report is the following:

- **PART one** – Entrepreneurship and Gender Gap in Serbia and Policy Framework, and Recommendations on how to close the gap in policies
- **PART two** – Summary of key findings on six analyzed programs, and Recommendations on how to close the gap in programs
- **PART three** – Analysis of each of six analyzed programs

While the research is focused on Serbia, report also contains references to international standards and best practice, as a method to put situation in Serbia in a broader context and learn what needs to be achieved, and how, to promote the gender equality goals. In that sense, we quote from the 2016/2017 Women's Entrepreneurship Report:

"Female entrepreneurship continues on upward trend globally. Latest research shows that women's entrepreneurial activity is up 10%, closing the gender gap by 5% since 2014. In the past year, 163 million women were starting businesses across 74 economies worldwide, while 111 million were running established businesses. Among the 63 economies surveyed in both this and the last report produced in 2015, GEM found that Total Entrepreneurial Activity (TEA) among women increased by 10%, and the gender gap (ratio of women to men participating in entrepreneurship) narrowed by 5%. These same economies show an 8% increase in women's ownership of established businesses.<sup>1</sup>"

<sup>1</sup> Global Entrepreneurship Monitor, 2016/2017 Women's Entrepreneurship Report, 2017.

## 3. Entrepreneurship and gender gap in Serbia

### 3.1. What is a gender gap in entrepreneurship?

A gender gap, by definition, **is a disproportionate difference or disparity between the men and women in access to and control over resources, and benefits from resources.** The gender gap is the result of a difference between the way men and women are treated in society, or between what men and women do and achieve in a political, cultural and socioeconomic environment.

When it comes to entrepreneurship as an important aspect of an economic activity, there are several factors influencing a success in entrepreneurial activities: access to finance, friendly and favourable business environment, cultural barriers, choice of business type and sectors, information and training gaps, lack of contacts and access to social support networking, educational and educational segregation and the double burden of home and work responsibilities (reconciliation between work, private and family life).

And while many of these important factors could be a challenge for both women and men, evidence indicates that the barriers confronted by women entrepreneurs are often significantly greater in the following: **access to credit, finance and capital, networking opportunities for women entrepreneurs, horizontal gender segregation, reconciling work, private and family life, and prejudices and stereotypes about women in business.** These gaps are typical for women entrepreneurs in Serbia too, recognized in the Strategy for Small and Medium Size Enterprises 2015-2020<sup>2</sup> where it is stated that although most of these difficulties are common to both sexes, in many cases they have a special impact on women entrepreneurs - conditioned by the choice of sectors, gender discrimination and the existence of stereotypes, underdeveloped and inflexible childcare, difficulties in reconciling family, private and work obligations, or differences in the attitude of women and men towards entrepreneurship. Women also have less real estate registered in their own name, which makes it difficult for them to access the finance.”

#### 3.1.1. Gaps in Finances

According to IMF<sup>3</sup> Study women are underrepresented at all levels of the global financial system and that greater inclusion of women as users, providers, and regulators of financial services would have benefits beyond addressing gender inequality. New evidence suggests that greater access for women to and use of accounts for financial transactions, savings, and insurance can have both economic and societal benefits. More inclusive financial systems in turn can magnify the effectiveness of fiscal and monetary policies by broadening financial markets and the tax base. **Demand-side surveys suggest that, despite significant progress in some countries, global gender gaps in access to and use of financial services are closing slowly at best.**<sup>4</sup> Achieving gender equality in financial inclusion is an important way to unlock resources for economic empowerment and growth, by enhancing access to economic opportunity for a wide segment of

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<sup>2</sup> Page 49

<sup>3</sup> <https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2018/09/17/women-in-finance-a-case-for-closing-gaps-45136>, (Ratna Sahay, Martin Chinak,2018)

<sup>4</sup> Ibid, page 8

society. It is also important at the micro level, as it improves women's lives by giving them a voice and improving their decision-making capabilities.

In 2008, only 20.3% of EU businesses started with venture capital were run by women. Three factors may explain these differences:<sup>5</sup> **Women own fewer financial assets** and have shorter credit histories (given their lack of entrepreneurial experience), both of which are valued by credit providers. Given the sectors women are active in and the size of their companies, their projects are generally **less capital intensive**.

Gender-based bias also plays a significant role reflecting a lack of trust in women entrepreneurs, an idea reinforced by the fact that women are less represented in financing activities and networks.

Also, because of the unequal access to capital, when they become selfemployed, women then tend to operate small businesses in sectors that are different from that of men and largely mirror segregation patterns in the labor market. These factors can then translate into lower levels of labor productivity and earnings and a greater risk of poverty for women who are selfemployed compared with women employees.<sup>6</sup> According to the SILC research percentage of women at poverty risk or social inclusion among self-employed women in 2017 was as high as 29,7%, compared to 16.1% among employed women.<sup>7</sup>

### 3.1.2. Gaps in Entrepreneurship Participation

According to OECD<sup>8</sup> women are under-represented among the population of entrepreneurs. Also the key characteristics of the women's businesses vs. men are: they tend to operate smaller and less dynamic businesses than men, and are more likely to operate in non-capital intensive sectors including personal services, which often have lower potential for generating a high and sustainable income. Women are a heterogeneous group with many differences in their motivations, intentions and projects. Some women appear to be more likely to go into self-employment to better manage their work-life balance and others start businesses to avoid the "glass ceiling" in employment. While it is important for individuals to have a range of choices in the labor market, women tend to have latent entrepreneurial potential that is not released.

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### 3.1.3. How to address the gap

Policy makers need to unlock this potential, recognizing that women are a heterogeneous group with many differences in their motivations, intentions and projects. The challenges that women identify in starting a business include discouraging social and cultural attitudes, lower levels of entrepreneurship skills, greater difficulty in accessing start-up financing, smaller and less effective entrepreneurial networks and policy frameworks that discourage women's entrepreneurship.<sup>9</sup>

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5 [http://www.europarl.europa.eu/RegData/bibliotheque/briefing/2013/130517/LDM\\_BRI\(2013\)130517\\_REV1\\_EN.pdf](http://www.europarl.europa.eu/RegData/bibliotheque/briefing/2013/130517/LDM_BRI(2013)130517_REV1_EN.pdf)

6 <http://eige.europa.eu/sites/default/files/documents/MH0414228ENC.pdf>

7 <https://ec.europa.eu/eurostat/web/income-and-living-conditions/data/database>

8 Policy Brief on Women's Entrepreneurship OECD, 2017

9 Ibid.

Traditional instruments such as training and grants are used to address these barriers, but these approaches need to be expanded because they have not had a full reach into the population. Several new policy approaches to supporting women in entrepreneurship are starting to emerge. **Many countries are exploring the potential of using public procurement to open up market opportunities for women and providing more support for growth-oriented women entrepreneurs with dedicated business incubator and business accelerator programs and the creation of an infrastructure for risk capital.**<sup>10</sup>

The broad institutional conditions also need to be improved. One aspect is culture. Entrepreneurs are strongly influenced by role models and social context. It is therefore important to promote women entrepreneurs as role models. The second important aspect is to ensure that the education system is gender-neutral and does not discourage women from choosing professions including being entrepreneurs as well as going into STEM fields (i.e. Science, technology, engineering and mathematics). STEM fields are important for technology entrepreneurs - at present technology entrepreneurship has highest growth rate.

Finally, more targeted actions can be taken to ensure that family policies, social policies and tax policies do not discriminate against entrepreneurship by women.

### 3.2. Key data on entrepreneurship in Serbia

There were more than 350,000 enterprises operating in the non-financial business sector in Serbia in 2017.<sup>11</sup> As many as 99.9% of them belong to the segment of SMEs, defined as businesses employing 249 or less employees. SMEs sector in Serbia account for 66% of employees, while remaining 34% are employees of large companies. These numbers are quite in line with corresponding numbers for the EU-28, where SMEs account for 99.8% of all enterprises in the non-financial business sector and employ 67% employees.<sup>12</sup> Numbers in Serbia and EU do not differ significantly in the share of SMEs in the value added neither – with 56.7% in Serbia and 56.8% in the EU. The biggest difference is in the structure of SME sector – in Serbia, small and medium enterprises account for only 3.7% of all non-financial business sector, while in EU-28 they make 6.7% of all businesses. This difference could be rather indicative of an important issue that businesses in Serbia face – a difficulty to leap from the status of micro enterprises to the small companies.

#### Non-financial business sector in Serbia in 2017: key indicators

	Sole proprietors	Micro	Small	Medium	SMEs	Large	Total	Share(%)					
								SP	Micro	Small	Medium	SMEs	Large
# of businesses	257,267	87,012	10,583	2,372	357,234	521	357,755	71.9	24.3	3.0	0.7	<b>99.9</b>	0.1
# of employees	257,872	157,890	213,380	244,320	873,462	449,963	1,323,425	19.5	11.9	16.1	18.5	<b>66.0</b>	34.0
Revenues*	1,215,327	1,515,631	2,133,418	2,299,722	7,164,097	3,763,035	10,927,133	11.1	13.9	19.5	21.0	<b>65.6</b>	34.4
Gross added value*	314,434	200,126	359,489	451,679	1,325,728	1,014,194	2,339,922	13.4	8.6	15.4	19.3	<b>56.7</b>	43.3

10 Ibid.

11 Based on the 2017 Report on SMEs and Entrepreneurship, Ministry of Economy, Belgrade, 2018.

12 Based on European Commission's Annual Report on European SMEs 2016/2017: Focus on self-employment, 2017.

Exports*	17,846	140,763	195,364	362,672	716,645	1,095,675	1,812,321	1.0	7.8	10.8	20.0	<b>39.5</b>	60.5
# of exporters	2,882	7,167	3,703	1,210	14,962	341	15,303	18.8	46.8	24.2	7.9	<b>97.8</b>	2.2
Imports*	16,720	255,551	450,030	534,084	1,256,385	1,048,062	2,304,447	0.7	11.1	19.5	23.2	<b>54.5</b>	45.5
# of importers	3,579	12,512	5,148	1,612	22,851	409	23,260	15.4	53.8	22.1	6.9	<b>98.2</b>	1.8

Source: Ministry of Economy based on the Republic Statistics Office

\*In billions of RSD, current prices.

**Sole proprietors are single biggest segment** of the business community, with more than a quarter of a million registered businesses, comprising as much as 72% of all enterprises. Sole proprietors make 19.5% of all employees and around 13% of gross value added. Together with the other micro enterprises, sole proprietors are the pool of enterprises with the potential to take their operations to a higher level and close the gap when it comes to comparing the share of small and medium enterprises in Serbia and EU.

Despite the fact that according to the Law on Gender Equality<sup>13</sup> it is mandatory for all institutions at National, Provincial and Local level to have gender disaggregated data, gender statistics in the area of entrepreneurship are still lacking and the annual report on MSMEs in Serbia has no data on women's enterprises. Therefore, the most reliable estimate on women's participation in business is the 31.7% level from the 2014 research *Status of Women in the Business Sector in Serbia* (Babović, 2014<sup>14</sup>) which distinguishes between participation of women in business organizations/companies (24%) and among registered sole proprietors (32%). **We will use the author's composite share of 31.7% as an assessment of the share of women in business in Serbia.**

13 Article 40

14 Marija Babović, Položaj žena u biznis sektoru u Srbiji, Ministarstvo za rad, zapošljavanje, boračka i socijalna pitanja, Beograd, 2014.

## 4. Policy frameworks on women's entrepreneurship

### 4.1. The EU policy framework

Europe's economic growth and jobs depend on its ability to support the growth of enterprises. Entrepreneurship creates new companies, opens up new markets, and nurtures new skills. The most important sources of employment in the EU are Small and Medium-sized Enterprises (SMEs). The Commission's objective is to encourage people to become entrepreneurs and also make it easier for them to set up and grow their businesses.<sup>15</sup>

In the Entrepreneurship 2020 Action Plan<sup>16</sup> adopted in January 2013 are summarized the European Commission's Initiatives to promote entrepreneurship in three main pillars: **(i) Entrepreneurial education and training to support growth and business creation; (ii) Action and (iii) Create an Environment where Entrepreneurs can Flourish and Grow.** Further, it has been emphasized that entrepreneurship makes economies more competitive and innovative and is crucial in achieving the objectives of several European sectorial policies.<sup>17</sup> Entrepreneurship commercializes new ideas, improves productivity and creates wealth.

Without the jobs from new firms, average net employment growth would be negative<sup>18</sup>. New companies, especially SMEs, represent the most important source of new employment: they create more than 4 million new jobs every year in Europe.<sup>19</sup> Yet the engine for this recovery has been stuttering: since 2004, the share of people preferring self-employment to being an employee has dropped in 23 out of the 27 EU Member States.<sup>20</sup> While three years ago for 45% of Europeans self-employment was their first choice, now this percentage is down to 37%.<sup>21</sup> By contrast in the USA and China this proportion is much higher: 51% and 56% respectively. Moreover, when new enterprises are founded, they grow more slowly<sup>22</sup> in the EU than in the USA or emerging countries, and fewer of them join the ranks of the world's largest firms.<sup>23</sup>

The level of entrepreneurship and its nature vary widely between Member States, and the reasons for low enthusiasm for an entrepreneurial career are therefore diverse. Some Member States with higher levels of entrepreneurship are less successful than others at helping new and small enterprises to grow. Generally **would-be entrepreneurs in Europe find themselves in a tough environment**: education does not offer the right foundation for an entrepreneurial career, difficult

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15 [https://ec.europa.eu/growth/smes/promoting-entrepreneurship\\_en](https://ec.europa.eu/growth/smes/promoting-entrepreneurship_en)

16 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52012DC0795>

17 For instance COM "Blue Growth opportunities for marine and maritime sustainable growth" - COM(2012) 494 final.

18 Kauffman Foundation "Business Dynamics Statistics Briefing: Jobs created from business start-ups in the United States" [http://www.kauffman.org/uploadedFiles/BDS\\_Jobs\\_Created\\_011209b.pdf](http://www.kauffman.org/uploadedFiles/BDS_Jobs_Created_011209b.pdf)

19 Commission calculation based on Eurostat data (2009).

20 The countries where preference for self-employment grew between 2004 and 2012 were the Czech Republic (from 30% to 34%), Latvia (42% to 49%), Lithuania (52% to 58%) and Slovakia (30% to 33%). [http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/eurobarometer/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/eurobarometer/index_en.htm).

21 EU Commission Flash EB No 354 "Entrepreneurship".

22 Albert Bravo-Biosca "The dynamics of Europe's industrial structure and the growth of innovative firms" JRC Conference Seville, October 2011.

23 Strikingly, Europe's corporate giants include only 12 companies born in the second half of the twentieth century, against 51 in the US and 46 in emerging countries; of these, only three were created after 1975 in Europe, compared with 26 in the US and 21 in emerging markets. T Philippon, N Veron, Bruegel Policy Brief 2008/1.

access to credits and markets, difficulty in transferring businesses, the fear of punitive sanctions in case of failure, and burdensome administrative procedures. The Annual Growth Survey 2019 states that better conditions for businesses, including measures to lighten administrative burden or make the tax systems more efficient, have also been essential to create the right regulatory environment and promote a climate of entrepreneurship and job creation.<sup>24</sup>

Furthermore, **support measures for SMEs remain unbalanced**, with a substantial number of EU Member States still neglecting to take into account the characteristics of small businesses, in particular micro-businesses,<sup>25</sup> when designing legislation or not facilitating a second chance for honest bankrupt entrepreneurs.<sup>26</sup>

#### 4.1.1. Access to Finance

Without adequate funding and without liquidity, no business can operate, invest and grow – indeed, access to finance is one of the levers for growth for SMEs.<sup>27</sup> According to a public consultation launched by the Commission in July 2012, access to finance constitutes one of the most significant constraints on growth and entrepreneurship in Europe. SMEs have historically relied on bank lending and consequently the current bank credit constraints due to the crisis have a disproportionate impact on SMEs. In addition to this, **entrepreneurs, particularly, have difficulties raising finance in the early stages of their businesses**. In December 2011 the European Commission presented an Action Plan to improve access to finance for SMEs<sup>28</sup> and proposals on venture capital funds and social entrepreneurship funds.<sup>29</sup> Particular attention has also been given to SMEs in Financial Instruments Directive<sup>30</sup> and in the final negotiations on Capital Requirements Directive.<sup>31</sup> However, more must be done at both European and national levels to overcome market deficiencies, including exploring alternatives to bank lending for SMEs, to complement the limited private financing available and to make information on funding more easily available.

It is also important to increase the quality and financial returns of start-up projects. Financial support for testing, demonstrating and piloting new technologies, strengthening venture capital, angel investments, incubators and loans for high potential SMEs are some of the areas where action is possible. Entrepreneurs need funds to commercialize research and develop and test innovative business models. Support for these areas is set out by the Commission under the

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24 <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1547650919951&uri=CELEX%3A52018DC0770>

25 As evidenced in the Communication from the Commission: "A European Initiative for the development of microcredit" COM(2007)0708 final (adopted 20/12/2007).

26 "Business Dynamics: Start-ups, Business Transfers and Bankruptcy"  
[http://ec.europa.eu/enterprise/policies/sme/business-environment/files/business\\_dynamics\\_final\\_report\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/business-environment/files/business_dynamics_final_report_en.pdf)

27 COM(2011)206 final, "Single Market Act. Twelve levers to boost growth and strengthen confidence. Working together to create new growth".

28 COM(2011) 870 Final, An action plan to improve access to finance for SMEs.

29 Proposal for a Regulation of the European Parliament and of Council on European Venture Capital Funds, COM(2011)860 final; Proposal for a Regulation of the European Parliament and of the Council on European Social Entrepreneurship Funds, COM(2011)862 final.

30 Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC.

31 Proposal for a Directive of the European Parliament and of the Council on the access to the activity of credit institutions and investment firms and amending Directive 2002/87/EC of the European Parliament and of the Council on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate.

Program for the Competitiveness of Enterprises and SMEs (COSME)<sup>32</sup> and Horizon 2020, and are reinforced under the European Structural and Investment Funds (ESIF).<sup>33</sup>

Social economy actors and social enterprises are important drivers of inclusive job creation and social innovation. While they face similar problems as most SMEs, they may encounter additional difficulties, accessing finance, which the Commission addressed in the Employment and Social Innovation Programme (EaSI)<sup>34</sup> as well as in the ESIF regulations<sup>35</sup>.

In 2008 the Commission created the **Enterprise Europe Network (EEN)**, a partnership with over 600 hosting organizations, one of whose tasks is to provide businesses and would-be entrepreneurs with the necessary information on access to EU funding and EU finance. To date, **better information on EU support is still a major business request**. The Commission is working, together with stakeholders, **to strengthen the Network** to make it more active and effective.

## 4.2. Women's Entrepreneurship in Europe

Women's entrepreneurship is a key issue for the European institutions. The European policies for women entrepreneurs have therefore pursued first of all the main objective of spreading entrepreneurial mind-sets among women, encouraging and financially supporting the start-up of business activity by women.<sup>36</sup>

Women constitute 52% of the total European population, but only one-third of the self-employed or of all business starters in the EU.<sup>37</sup> Women thus represent a large pool of entrepreneurial potential in Europe. When establishing and running a business, women face more difficulties than men, mainly in access to finance, training, networking, and in reconciling business and family.<sup>38</sup> Effective implementation of existing gender equality legislation, in particular Directive 2010/41/EC<sup>39</sup> should further stimulate female entrepreneurship.

### 4.2.1. European Commission

In 2008, three lines of action were developed at EU level in relation to women's entrepreneurship: better access to finance for women, the development of entrepreneurial networks for women and targeted support measures envisaged in the Small Business Act<sup>40</sup> (SBA) - an overarching framework for the EU policy on Small and Medium Enterprises (SMEs) that aims to improve the approach to entrepreneurship in Europe, simplify the regulatory and policy environment for SMEs, and remove the remaining barriers to their development.

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32 Proposal for a regulation establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (2014-2020), COM(2011) 834 final.

33 According to the Commission proposal for the future Structural Funds, comprehensive strategies for inclusive start-up support must be in place in order to obtain ESF or ERDF investments in entrepreneurship. (COM/2012/0496 final - 2011/0276 (COD).

34 Microfinance and social entrepreneurship axis <https://ec.europa.eu/social/main.jsp?catId=1084&langId=en>

35 See the legislative proposal: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52011PC0609:EN:NOT>.

36 EIGE, European Institute for Gender Equality

37 Eurostat, 'Statistics in focus: the entrepreneurial gap between men and women' (30/2007).

38 See, e.g., O. Bekh, ETF Women's Entrepreneurship Development, Policy Brief (2012); A. Lesina, F. Lotti, 'Do Women Pay More for Credit? Evidence from Italy', NBER Working Paper (2008); 'women in business and decision-making', Eurochambres (2004).

39 O.J. L 180/1 of 15.7.2010.

40 <http://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act/>

The Commission adopted a regulation that extends the granting of state<sup>41</sup> aid to new enterprises created by women and has supported the creation of networks of women entrepreneurs.

**In the Entrepreneurship 2020 Action Plan<sup>42</sup> EU Commission** stresses that entrepreneurship makes economies more competitive and innovative and it is crucial in achieving the objectives of several European sectorial policies. Emphasis is also placed on social entrepreneurship whose potential is often underestimated, but that generates sustainable jobs and has demonstrated a stronger resilience to the crisis than the general economy.

The Commission will create a Europe-wide on-line mentoring, advisory, educational and business networking platform for women entrepreneurs that will bring the current national ambassadors and mentors' networks on-line, deepen their offer and expand their reach and support women's entrepreneurship at national and regional level by promoting the exchange of best practices between Member States. Member States are invited to:

- Design and implement national strategies for women's entrepreneurship that aim at increasing the share of women-led companies.
- Collect gender-disaggregated data and produce annual updates on the state of women entrepreneurs nationally.
- Continue and expand the existing networks of Female Entrepreneurship Ambassadors and Mentors for Women Entrepreneurs.
- Implement policies enabling women to achieve an adequate work-life balance, by establishing appropriate and affordable care for children and elderly dependents, notably by taking full advantage of support options under the EAFRD, ERDF and ESF.

#### 4.2.2. European Parliament

In 2010 the European Parliament adopted a Directive<sup>43</sup> amending the previous directives to ensure greater protection to women who are self-employed. Through it, the principle of equal treatment between women and men has been extended to self-employment. This Directive considerably improves the protection of female self-employed workers and assisting spouses or life partners of self-employed workers, also in the case of maternity: they are granted a maternity allowance and a leave of at least 14 weeks. At the EU level, this is the first time a maternity allowance has been granted to self-employed workers. By improving the social protection available to women in the labor market, it is expected that it will increase the share of women becoming entrepreneurs.

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41 <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52008DC0394&from=EN>

42 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52012DC0795>

43 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:180:0001:0006:en:Pdf>

### 4.2.3. Council of the European Union

The Council of the European Union adopted in 2011, the [European pact for gender equality for the period 2011 – 2020](#)<sup>44</sup> in which gender equality is recognized as a fundamental value of the European Union as it stimulates economic growth, prosperity and competitiveness. Among the measures proposed to combat segregation in the labor market is also included the promotion of women entrepreneurship and the participation of women in political and economic life.

### 4.2.4. OECD

In its Recommendation<sup>45</sup> of the Council on gender equality in education, employment and entrepreneurship OECD recommends Member States: “through a whole-of-government approach and through means such as appropriate legislation, policies, monitoring and public awareness campaigns [to] reduce the gender gap in entrepreneurship activity by: **Designing appropriate responses** to gaps and market failures, including: policies to reduce barriers to women entrepreneurship, administrative burdens on firms and excessive regulatory restrictions; policies to support firm growth, internationalization and innovation; support for the development and implementation of awareness campaigns, training programs, mentoring, coaching, and support networks, including professional advice on legal and fiscal matters.

**Ensuring equal access to finance for female and male entrepreneurs** through actions that influence both the supply of and demand for finance by: easing access to finance for viable businesses owned by men and women; taking steps to improve the knowledge and attitudes of financial institutions; increasing awareness of finance sources and tools among women entrepreneurs; and, encouraging more women to join business angel networks or venture capital firms”.

OECD launched the Better Entrepreneurship Policy Tool <http://www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm> - a free online self-assessment and learning tool for policymakers and other stakeholders on inclusion and social entrepreneurship policies and programs. It contains modules on supporting women, the youth, migrants and the unemployed in business creation. **The tool was jointly developed by the OECD and the European Commission;** it builds on the knowledge generated jointly by the OECD and the EC on inclusive and social entrepreneurship policy.

The part of the tool that covers women’s entrepreneurship <https://www.betterentrepreneurship.eu/en/node/add/women-quiz> is built in six broad key categories: Fostering an inclusive entrepreneurial culture, Strengthening the design and delivery of women entrepreneurship support , Building a supportive regulatory environment for women entrepreneurs, Facilitating access to business finance for women entrepreneurs, and Expanding networks for women entrepreneurs.

**Within part 5 - Facilitating access to business finance for women entrepreneurs the following indicators are defined:**

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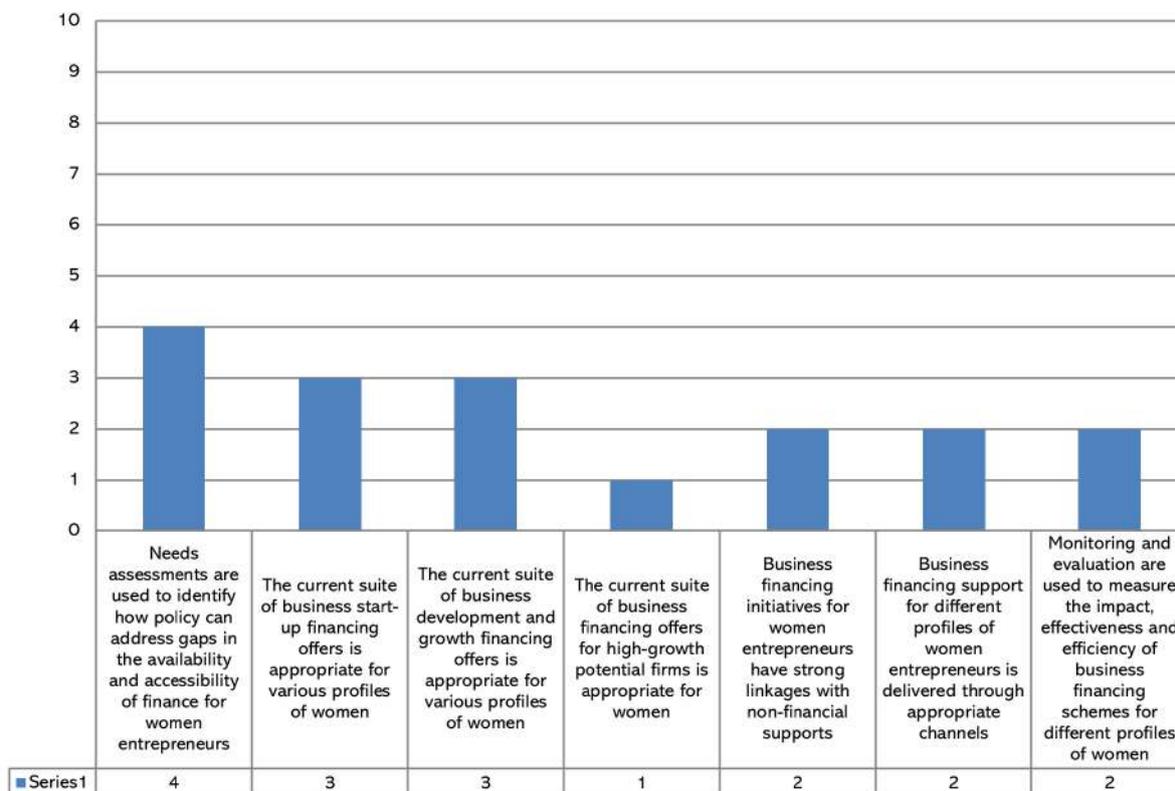
44 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52011XG0525%2801%29>

45 [http://oecd.org/gender/C-MIN\(2013\)5-ENG.pdf](http://oecd.org/gender/C-MIN(2013)5-ENG.pdf), adopted by the Council at Ministerial Level on 29 May 2013,

Needs assessments are used to identify how policy can address gaps in the availability and accessibility of finance for women entrepreneurs.	Needs assessments are used to design policies and programs that facilitate access to start-up finance for women. <ul style="list-style-type: none"> <li>• Women and women's organizations are consulted to identify how policy support can address gaps in the availability and accessibility of finance for women entrepreneurs.</li> <li>• The needs of different profiles of women entrepreneurs are considered when designing and implementing policies and programs that facilitate access to start-up finance.</li> <li>• Background research is conducted to provide a solid evidence-based for policy interventions.</li> <li>• Benchmarking and meta-evaluations are used when designing finance measures.</li> </ul>
The current suite of business start-up financing offers is appropriate for various profiles of women.	A range of financial instruments is used to support women in business start-up, e.g. loan guarantees, microfinance, risk capital. <ul style="list-style-type: none"> <li>• Different profiles of women entrepreneurs can access to start-up financing offers.</li> <li>• The private sector is involved in the selection of business ideas that receive financing.</li> <li>• Crowdfunding and peer-to-peer lending platforms for women are promoted and supported.</li> <li>• Only business ideas with a reasonable chance of success are supported.</li> <li>• Innovative business ideas (but not necessarily technology-related ideas) are favoured for support.</li> <li>• The scale of financial support offered is appropriate.</li> <li>• There are initiatives to increase the role women in investment decisions by financial institutions and to increase the number of women investors.</li> </ul>
The current suite of business development and growth financing offers is appropriate for various profiles of women.	<ul style="list-style-type: none"> <li>• A range of financial instruments is available to support the development and growth of women-operated businesses, e.g. loan guarantees, microfinance, risk capital.</li> <li>• Different profiles of women entrepreneurs can access financing for business development and growth.</li> <li>• Lending laws and financial sector regulations ensure sufficient investor protection and transparency on business projects.</li> <li>• The private sector is involved in the design or management of financing mechanisms.</li> <li>• The scale of financial support offered is appropriate.</li> <li>• There are initiatives to increase the role women in investment decisions by financial institutions and to increase the number of women investors.</li> </ul>
The current suite of business financing offers for high-growth potential firms is appropriate for women.	Business angel networks dedicated to investing in women entrepreneurs are supported and encouraged, e.g. tax incentives, subsidize operating costs, public co-investment. <ul style="list-style-type: none"> <li>• The private sector is involved in the design or management of financing mechanisms.</li> <li>• Training is offered to investors to teach them about the potential of women, and to address potential gender biases in lending and investing decisions.</li> <li>• Training is offered to women to improve investor readiness.</li> <li>• Public infrastructure to improve matchmaking between women entrepreneurs and investors exists.</li> <li>• The scale of support for risk capital measures and business angel networks is appropriate.</li> <li>• There are initiatives to increase the role women in investment decisions by financial institutions and to increase the number of women investors.</li> </ul>
Business financing initiatives for women entrepreneurs have strong linkages with non-financial supports.	<ul style="list-style-type: none"> <li>• Tailored entrepreneurship support for women is offered in integrated packages.</li> <li>• Women's enterprise centres or one-stop shops are used to inform women about the range of options for receiving support, including developing entrepreneurship, financial, and management skills.</li> <li>• There is an effective referral system to refer women supported through business financing initiatives for non-financial supports, e.g. training, coaching and mentoring.</li> <li>• Financing measures also refer women entrepreneurs to appropriate training, coaching and mentoring, and business counselling.</li> </ul>
Business financing support for different profiles of women entrepreneurs is delivered through appropriate channels.	Business financing offers for women entrepreneurs are delivered by agencies or organizations that have appropriate experience and expertise in working with women. <ul style="list-style-type: none"> <li>• Support measures are accessible to women entrepreneurs.</li> <li>• A database of financing programs and opportunities is available to women entrepreneurs.</li> </ul>
Monitoring and evaluation are used to measure the impact, effectiveness and efficiency of business financing schemes for different profiles of women.	<ul style="list-style-type: none"> <li>• Ex ante evaluations are used to identify areas where policy action is needed, assess the consistency of proposed policy actions with ongoing interventions, identify linkages with other policy actions, and ensure that proposed actions are coherent.</li> <li>• Monitoring and midterm evaluations are undertaken to ensure that women's entrepreneurship schemes are on-track to reach their targets and objectives.</li> <li>• Schemes are adjusted to account for monitoring and midterm evaluation results.</li> <li>• Ex post evaluations are undertaken to measure the impact of women's entrepreneurship policies and the results are reported widely.</li> <li>• Deadweight loss and displacement effects are measured and reported.</li> <li>• Results of monitoring and evaluation are reported publicly and used to improve start-up financing offers.</li> </ul>

Serbia score on this pillar is unfortunately very low. Below 5 out of maximum 10 under each indicator.

**Facilitating access to business finance for women entrepreneurs, Serbia**  
Scores out of Maximum 10



Source: <https://www.betterentrepreneurship.eu/en/node/add/women-quiz>

### 4.3. UNCTAD policy framework

United Nations Conference on Trade and Development (UNCTAD) published in 2012 the Entrepreneurship Policy Framework and Implementation Guidance<sup>46</sup>. It is a useful tool for policymakers in identifying the key elements of an entrepreneurship policy and formulating action to stimulate inclusive and sustainable growth. As such, the Policy Framework provides concrete directions for activities that empower women in business and help increase their participation in the economy.

The creation of new business entities is in this framework seen beyond its importance for value added, fiscal revenues and employment – as a contributor to specific sustainable development objectives, such as the employment of women, young people or disadvantaged groups.

In terms of empowering women, the Policy Framework, depending on each country's major challenge, states that special entrepreneurship programs for youth employment, for rural areas, for women or specific ethnic groups may be of strategic importance. The segment related to women is based on the observation that women may be discriminated against among entrepreneurs, even as they often have a good education and manage their business very responsibly. This can be true even if the regulatory environment formally does not discriminate against women, as the cultural norms often make it more difficult for women to set up and run their own businesses. As

<sup>46</sup> Entrepreneurship Policy Framework and Implementation Guidance, UNCTAD, New York and Geneva, 2012.

a result, goals of promoting women entrepreneurship can be both to tap into their potential as founders of dynamic enterprises and as a way of empowering women in society.

The Policy Framework highlights importance of the National Entrepreneurship Strategy, particularly in terms of setting the goals for the entrepreneurship policies and defines the creation of new economic opportunities for women as one such possible objective, together with leapfrogging into next generation technologies and increasing and diversifying exports. The Policy Framework provides directions for enhancing entrepreneurship education and skills development and makes an important point about the need to make sure that public policies in that regard recognize the specific needs of youth, women and other target groups. Also, when it comes to facilitating technology exchange and innovation, the Policy Framework calls for providing training on ICTs to target groups such as women and rural entrepreneurs. In relation to the ICT, the Policy Framework emphasizes its particular importance for women, as a useful tool for time management and ease of access to support services, given the fact that the women also have to deal with the challenge of work-life balance. In some cases, policymakers have subsidized capacity building and the diffusion of devices such as mobile phones to target specific groups such as women or rural entrepreneurs.

The Policy Framework highlights the challenge of the access to finance and discusses particularities of the women's position. While recognizing that in the long run, the most appropriate policy measure to address challenges with access to finance is to eliminate the underlying market failure, the Policy Framework states that most commonly used methods of facilitating access to finance for underserved entrepreneurs is through public credit guarantees. Possibility to target particular groups of entrepreneurs, such as women, is highlighted, and the Policy Framework states that it could be done by the means of strict eligibility requirements. The key function of the eligibility requirements is to ensure a high degree of additionality, i.e. restricting guarantees to entrepreneurs who would not have had access to finance otherwise. Additionally, the Policy Framework talks about building the capacity of the financial sector to serve start-ups, including the microfinance (non-bank financial) institutions, and emphasizes that as microfinance institutions' clients are predominantly women, there is an important gender dimension to this measure.

Finally, the Policy Framework details the importance of defining the policy objectives and their performance indicators, as essential elements for verifying e.g., whether the policies have allowed more women, youth, minorities and rural populations to start a business. Another indicator put forward by the Policy Framework is the number of business associations devoted to women, youth, rural entrepreneurs, SMEs, given the importance of these associations for fostering a positive societal attitude toward entrepreneurs for creating opportunities for networking for specific target groups.

#### **4.4. The Republic of Serbia Policy Framework on Women's Entrepreneurship and Support to Women's Businesses**

The legal framework for women entrepreneurship is relatively positive, and so are the trends. There are no legal grounds for denying women's rights to register a business, access to certain business sectors, own property or trade within or across the borders. Moreover, the government has recently taken steps to improve the position of women by mandating the issuance of deeds on immovable properties purchased while in marriage to the names of both spouses (except if one of the spouses notarizes a statement explicitly waiving that right). This has been done to

strengthen the status of women when it comes to owning property – traditionally and universally an impediment for a broader participation of women in business.

However, this is not to say that dominance of men in the business sector is exclusively driven by historical, cultural and other reasons that have nothing to do with government policies. In the realm of public policy, we see several elements that can influence the prospects of women in business. These are: sectoral approach in SME support programs, access to finance in Serbia, prevalence of informal/grey economy, implementation of the women entrepreneurship segments of the SME Development Strategy. More details are as follow:

#### 4.4.1. Sectoral Approach in SME Support Programs

Focus of SME support programs is on sectors traditionally dominated by men (such as production/manufacturing), while sectors in which women are more commonly found (services and trade), tend to be either ineligible for support, or to receive fewer points in the evaluation of proposals compared to men-dominated sectors<sup>47</sup>. Government SME support programs often target manufacturing and processing activities, and/or export-oriented businesses, all of which are segments of the economy with women's participation traditionally below the average. One could argue that the six analyzed programs implemented by Development Agency of Serbia and Ministry of Economy have a bias against the services sector and as such an implicit bias against women, which tend to be present in the services sector at the level above the average for all sectors.

Government's motivation for orientation of manufacturing and processing activities can come from two directions. First direction is an assessment that these sectors have a biggest growth potential, especially in terms of new jobs and exports. In this line of reasoning, growth-oriented programs should focus on manufacturing and processing activities, while supporting small businesses in services sector serves mostly social policy (poverty prevention and reduction) purposes. The second source of focus on manufacturing and processing activities can be traced back to archaic attitudes that only "production" creates new value and as such deserves to be supported by public funds.

Whatever the motivation might be, the outcome of such an approach is that women can be under-supported by programs funded from the budgets. Additionally, not recognizing the value adding potential of business activities such as tourism and software development, to name just two, negates importance of the services sector and its revenue-generation and job-creation potential. As opposed to the industrial sector, the services are often associated with promoting the interests of clean environment, safe and pleasant working conditions, better quality of living and other socially agreeable outcomes. In addition, the growth strategy based on production is not in line with principle on inclusive growth of EU and strategy for the smart specialization.<sup>48</sup>

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47 In the sector of manufacturing and electrical energy supply, women make as little as 28.7% of all entrepreneurs, while their share in the services sector is 51.2% (Marija Babović, Polazna studija o preduzetništvu žena u Srbiji, Program Ujedinjenih nacija za razvoj, Beograd, 2012).

48 <http://s3platform.jrc.ec.europa.eu/home>, <http://s3platform.jrc.ec.europa.eu/what-is-smart-specialisation->

#### 4.4.2. Access to Finance

Access to finance is one of the main obstacles for more private sector investments in Serbia. This situation has been brought and perpetuated by multiple causes – some of them historic, the other resulting from public policies. While impeding prospects of businesses and deterring potential entrepreneurs across the board, women are particularly hurt by the limited access to finance. **Firstly, micro-businesses, which are a sector with a bigger share of women than in other sectors, are the ones that struggle most to secure external funding. Micro-businesses can be virtually invisible for the commercial banking sector, especially if organized in the form of sole proprietors. Also, loans are often conditioned by providing real-estate collateral, which is something that women still have less control than men do. Even when the use of machinery and similar business assets as collateral is allowed, women tend to operate in the capital-non-intensive sectors, meaning that they have less chance to use their fixed assets as the collateral.**

In comparative practice, this challenge is addressed also by allowing non-banking financial institutions (NBFIs) to operate and provide loans to SMEs. These organizations provide micro loans that generally do not require real estate collaterals which make them more accessible to women businesses. For reasons that are beyond the scope of this research, the NBFIs do not operate in Serbia, which is a major limitation of options that SMEs, and especially women SMEs, have when they need external capital to facilitate their growth plans.

#### 4.4.3. Prevalence of grey economy

In as much as women are proportionally less likely than men to engage in illicit trade, run an unregistered business or be part of another grey economy activities, they are more likely to be victims of those activities. Indicators on this segment are scarce, especially as they relate to illegal activities, but the ILO global report from 2018 on the informal economy provides following data for Serbia: share of non-agricultural informal employment for women is 13.3% and for men it is 17.0%; but the most significant difference is in the informal employment and in the informal sector: 5.1% for men and only 1.9% for women (ILO, 2018)<sup>49</sup>. When it comes to the structure of the informal engagement, 49.7% of men are in the categories of “own-account” workers and “employers”, while only 22.1% of women fall into those two categories. The vast majority of informal employment for women is in the categories of “contributing family workers” and “employees” (77.9%).

**As women businesses are particularly vulnerable to unfair competition that undermines even playing field and survival prospects of legitimate businesses, failure of the government to more efficiently eradicate the grey economy proportionally hurt more women businesses.** Fortunately, generally improved business environment and several government’s activities targeting the grey economy (from making it easier for legitimate businesses to comply with regulations to building capacities of enforcement agencies), have apparently reduced the level of grey economy from the level that was described as alarming during the global financial crisis. Still, much remains to be done to protect legitimate businesses from the grey economy.

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49 International Labour Office, Women and men in the informal economy: a statistical picture (third edition), Geneva, 2018.

#### 4.4.4. Women in SMEs Development Strategy and Action Plan

Support to the women entrepreneurship is dealt with in the Pillar 6 of the SMEs Development Strategy's Action Plan. The sixth pillar covers an area much broader than women entrepreneurship, including such wide topics as development of entrepreneurial spirit and support to youth and social entrepreneurship.

It is encouraging that as a first two measures under this pillar the Government recognizes need to improve statistics and develop meaningful indicators related to the women, youth and social entrepreneurship. Additionally, a measure that calls for the inclusion of women entrepreneurship in all public policy documents details concrete activities designed for making sure that public programs for support to SMEs are gender sensitive. The action plan also calls for affirmative action measures and business start-up support programs to increase the share of women in business, including the gradual introduction of mandatory quotas for women in the SME support programs. The Action Plan defines indicators that include increased participation of women and youth in government programs for start-ups by 10% and adoption of quotas for women in SME support programs of 30% (providing adequate demand for such programs by women). **However, it is clear that implementation of these measures is running behind the schedule, as deadlines for completion of most activities were mostly 2015 and 2016.**

An exception is the provision of the Action Plan calling for programs targeting exclusively women; youth and social entrepreneurship, as that kind of program are part of the portfolios of programs implemented at the central government level.

The Action Plan, to its credit, recognizes underrepresentation of women in sectors that are traditionally favoured by the business support programs: export-oriented firms, technology-intensive sectors etc. However, rather than providing for more support to sectors with above-than-average women's participation (such as services), the Action Plan calls for mentoring and other specialized forms of support to women in export-oriented and technology-intensive businesses. This is certainly a bold approach. The extent to which that approaches has been implemented in SME support programs can be a subject of a discussion.

#### 4.4.5. The 2017 Report on SMEs

We have analyzed the report on the performance of the SMEs sector in 2017 (dated November 2018). The report is quite informative as it tracks the performance of the SME sector across several categories (size, region, type of business). However, we noted that **the report makes no reference to any gender consideration.** Thus, for the purpose of this analysis, the main benefit of the report was to better understand the policy makers' focus on manufacturing activities. The Report states that manufacturing and processing activities make as much as 53% of SMEs' export in 2017. Additionally, this focus on manufacturing is, according to the information gathered through interviews, upheld by previous research on the growth potential of specific business activities. One such report, prepared by CEVES, features a ranking of business sectors based on their growth potential. The top ranked sectors are cars' manufacturing, production of electric and electronic components for cars and stock production (CEVES, 2016<sup>50</sup>).

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50 Indeks razvojnih potencijala razmenjivih sektora u Srbiji, CEVES i PKS, Beograd, 2016.

What is perhaps not clear to everyone concerned is that this report deals only with so called “tradeable” sectors, but does not deal with the export of services, because of “unreliable or unavailable data”. When data on performance of the manufacturing sector are compared with data for tourism, for example, as a sector that belongs to the services sector, the widespread “obsession” with manufacturing becomes open for debate. In 2017, manufacturing/processing sector had a growth rate of 4.8%, and for the HORECA sector the growth was 10.8% (RZS, 2018<sup>51</sup>). December 2018 assessment of the performance of the economy in 2018 by the Republic Statistics Office projected growth of physical production of the industrial sector of 2%, and for the HORECA sector growth of 10.1% in real terms (with increase in the number of overnight stays for 12.3%) compared to 2017 (RZS, December 2018<sup>52</sup>). If we, instead of tourism, used the figures for the software development, another high-growth industry “forgotten” in the development priorities of the analyzed programs, the focus on manufacturing industry based on its growth potential would be even more questionable.

In all fairness, sectors such as tourism and software development are generally not ineligible for government programs’ support as there are specific programs that benefit these sectors as well. **However, the fact remains that focus on manufacturing in analyzing program discriminates against the services sector for reasons that are debatable, to say the least, from the point of both economies, gender and social considerations.**

#### 4.5. Key findings and recommendations related to policy gaps

**Key finding 1** – Despite the fact that the adopted Strategy for Small and Medium-sized Enterprises<sup>53</sup>, and the National Strategy for the Promotion of Gender Equality recognize the importance of the government interventions in the closing of the gender gap in the economy, including entrepreneurship development, **not much has been done on systematic gender mainstreaming of policies and programs related to entrepreneurship development.** The most recent Report on MSMEs has no single data on women’s entrepreneurship, and there is no publicly available progress report against the adopted SME strategy and its pillar 6 related to women’s entrepreneurship. There are some sporadic one-off project interventions or promotional activities, but it is still far from a systematic approach and continuous support. In an interview with the stakeholders<sup>54</sup>, this has been confirmed.

**Recommendation:** To implement capacity building for gender mainstreaming activities with the Ministry of Economy, Development Agency of Serbia and Regional Development Agencies, including training and development of tools to support gender responsible policy planning, implementation and reporting. An example of a good planning tool can be accessed at Better Entrepreneurship Policy Tool <http://www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm>.

**Key finding 2** – Gender statistics on women’s entrepreneurship is still missing. According to the Law on Gender Equality, gender statistics are a mandatory for all institutions at National, Provincial and Local level. However, the implementation is still lacking. Gender responsive budgeting that is mandated by the Law on Budget System and it calls for gender analysis of revenues and expenditures is not possible without gender data on beneficiaries of programs financed from the

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51 <http://www.stat.gov.rs/sr-latn/vesti/20181001-bruto-doma%C4%87i-proizvod-2017/>

52 <http://www.stat.gov.rs/sr-latn/vesti/20181228-ekonomska-kretanja-u-republici-srbiji-2018/?s=090201>

53 SME Strategy 2015-2020

54 Ministry of the Economy, Serbian Chamber of Commerce, DAS- Development Agency of Serbia

public budgets as a first step towards addressing gender gaps. Some progress has been made as a result of Gender Responsive Budgeting process by the Serbian Office of the Statistics with the introduction of new gender indicators in business statistics. However, more needs to be done, especially when it comes to the work of the Agency for Business Registries (Law on Agency for Business Registries, and the Law on State Aid Control, requiring gender disaggregated data). In addition, the internal records on programs financed and or implemented by the Ministry of Economy, and or other Ministries should also have gender statistics on program beneficiaries along with data on regions, size of the enterprise and sector.

**Recommendation:** Develop and execute a plan to ensure full implementation of the legal requirements related to collection of gender related data. In addition to what has been recognized in the Pillar 6 of the SME Strategy, the list of activities might include a proposal for changes in the Law on Statistics and the Law of Agency for Business Registries, as well as internal procedures within the Ministry of Economy and DAS for defining the minimum data required to be collected and publicly available for all programs, including also the gender statistics on all categories of the state aid.<sup>55</sup> In addition it would be useful and to become a part of the relevant European researches such as for example<sup>56</sup>: European Company Survey. To date Serbia is involved in two other Euro fund researches: European Quality of Life, and European Working Conditions Survey.

**Key finding 3** – From interviews with stakeholders it has been recognized that horizontal and vertical coordination is lacking and there is a lack of a systematic dialogue on policies and programs related to entrepreneurship development and support to SMEs.

**Recommendation:** Institutionalize a systematic dialogue between stakeholders (especially providers of institutional support to SMEs) and inter-ministerial policy coordination to ensure strategic approach and avoidance of the general support and measures. Gender mainstreaming would be an integral part of this dialogue in accordance with Pillar six of the Government SME Strategy, Government Strategy for Gender Equality and the Law on Budget System where in Article 4 it is stated that gender equality is one of the objectives of the public budget.

**Key finding 4** - Micro-businesses tend to have a bigger share of women as owners in comparison to the other sizes of enterprises. At the same time, they are the ones that struggle most to secure external funding. Micro-businesses can be virtually invisible for the commercial banking sector, especially if organized in the form of sole proprietors. Also, loans are often conditioned by providing real-estate collateral, which is something that women still have less control of than men do. Even when the use of machinery and similar business assets as collateral is allowed, women tend to operate in the capital-non-intensive sectors, meaning that they have less chance to use their fixed assets as the collateral. In comparative practice, this challenge is addressed also by allowing non-banking financial institutions (NBFIs) to operate and provide loans to SMEs. These organizations provide micro loans that generally do not require real estate collaterals which make them more accessible to women businesses. For reasons that are beyond the scope of this research, the NBFIs do not operate in Serbia, which is a major limitation of options that SMEs, and especially women SMEs, have when they need external capital to facilitate their growth plans.

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55 <http://www.kkdp.gov.rs/doc/propisi/eng/Regulation%20on%20rules%20for%20state%20aid%20granting.pdf>

56 [https://www.eurofound.europa.eu/sites/default/files/ef\\_publication/field\\_ef\\_document/ef1502en\\_0.pdf](https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1502en_0.pdf)

**Recommendation:** Complete regulatory framework to enable alternatives for access to finance, especially for small businesses. If non-bank micro crediting is not a desired option, there are other new and innovative financial instruments to be considered<sup>57</sup>.

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<sup>57</sup> <https://europa.rs/evropski-investicioni-fond-i-erste-banka-potpisali-prvi-sporazum-za-podrsku-malim-preduzecima-u-srbiji-u-okviru-programa-za-zaposljavanje-i-socijalne-inovacije/>

## 5. Gender Analysis of Selected DAS Entrepreneurship Support Programs

### 5.1. Intro

DAS - the Development Agency of Serbia<sup>58</sup> is a government organization dedicated to facilitating and implementing direct investments, promoting and increasing exports, improving the competitiveness of Serbian economy, economic and balanced regional development of the Republic of Serbia. The main activity of the DAS is to support micro, small and medium enterprises and entrepreneurs in order to strengthen the Serbian economy, support direct investment and export promotion. For all parts of Serbia to develop evenly, DAS has 16 accredited regional development agencies (ARDAs) in its network: in Belgrade, Novi Sad, Subotica, Zrenjanin, Pančevo, Ruma, Požarevac, Loznica, Kragujevac, Zaječar, Užice, Kraljevo, Kruševac, Niš, Novi Pazar, and Leskovac. DAS intensively cooperate with them in the implementation of the program.

DAS is financed from the budget of the Republic of Serbia.

### 5.2. About Programs

Based on predefined methodology five DAS entrepreneurship programs implemented and completed in the period 2016-2017 were selected for the gender analysis. Following the meeting with the Ministry of Economy, NALED team has decided to add another program to the list of programs for gender analysis. So in the end, six programs were analyzed. The selected programs are supporting different phases of the business development (from start-ups, support for business growth, innovations and support of the soft business infrastructure).

Program 1	Program 2	Program 3	Program 4	Program 5	Program 6
<b>Start up Program</b>	<b>Access to foreign markets/ exports</b>	<b>Support of institutional business infrastructure for SMEs</b>	<b>Innovativeness of micro, small and medium sized enterprises</b>	<b>Youth and women's entrepreneurship in Southern and Southwestern Serbia</b>	<b>The Asset Purchase</b>

#### 5.2.1. Methodology for the selection of the programs

Sample programs for gender analyses have been selected based on their weight in terms of the number of beneficiaries and the amount of funding provided, while ensuring diversity of the sample with regards to the definitions of eligible applicants, activities that are being supported and sources of funding for the project. As the time frame for the projects, period of 2016 to 2017 was set, in order to include most recent programs and reflect most recent practices employed by DAS, while at the same time making sure that the candidate-programs were completed by the time this research commenced.

<sup>58</sup> DAS- Development Agency of Serbia

The selection process was done in two steps. **As the first step**, and based on the information received from DAS, a universe of possible programs for selection was established. NALED team has sent a request for data to DAS and received information on all programs implemented in 2016 and 2017 against the following criteria: (i) Amount of funds awarded, (ii) Source of funding, (iii) Territorial scope, (iv) Number of beneficiaries, (v) Information on possible predecessor programs, (vi) Definition of eligible beneficiaries and (vi) Whether the program explicitly targets women in business. Based on each criteria of that each weighed a number of points, the initial ranking of all programs was done. **In the second step**, the list of ranked programs were checked for its diversity to make sure that the sample comprises at least: One program targeting start-ups; One program that explicitly addresses particularities in the position of women in business; One program funded by a donor organization; One program supporting innovation/high value-added activities; One export promotion program; and One program supporting the business development/ entrepreneurship infrastructure. As the top five programs from the initial did not meet all the diversity criteria, the final selection was completed by including top ranked program meeting diversity criteria into selection of five programs to be subject of the research. (Attachment: List of Programs, List of ranked programs based on 1<sup>st</sup> step, and List of selected programs based on the 2<sup>nd</sup> step)

### 5.2.2. Background, Policies and Source of Funding

Out of six programs analyzed five were (co) financed from the Budget of the Republic of Serbia, and one is financed from USAID as a part of bilaterally supported Private Sector Development Project to DAS.

### 5.3. Summary of findings on all analyzed DAS programs

In the following section the key findings from all the programs are summarized while detailed findings on programs are presented in the Section 7.

The 31.7% level is based on the 2014 research *Status of Women in the Business Sector in Serbia* (Babović, 2014<sup>59</sup>), which distinguishes between participation of women in business organizations/ companies (24%) and among registered entrepreneurs (32%). We will use the composite share of 31.7% in both types of business entities as a benchmark against which to measure the programs we sampled for this analysis.

It could be argued that any government funded or otherwise supported program that benefits, fewer women-businesses relative to men-businesses than there is a share of women business in the overall universe of businesses effectively uses public means to further deteriorate women's position in the economic realm. In other words, if the share of women in a program is below the level of 31.7%, it works to increase the dominance of men in the business sphere. To close the gender gap, the share of women as programs' beneficiaries needs to be above their current share in business entities overall.

Total funds in six analyzed DAS programs were almost exactly a billion dinars (1,002.6 million RSD). Out of that 879.3 million went on programs targeting MSMEs and 123.3 million to support

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59 Marija Babović, *Položaj žena u biznis sektoru u Srbiji*, Ministarstvo za rad, zapošljavanje, boračka i socijalna pitanja, Beograd, 2014.

the institutional business infrastructure. For the 841 million RSD or 84%, research team obtained gender data for ownership structure.

Title of the Program	Total funds Disbursed, million RSD	Year
Start up Program	202	2017
Access to foreign markets/exports	93.1	2016
Innovativeness of micro, small and medium sized enterprises	16.1	2017
Youth and women's entrepreneurship in Southern and Southwestern Serbia	7.9	2017
The Asset Purchase	560.2	2017
<b>TOTAL FUNDS to firms</b>	<b>879.3</b>	
Support of institutional business infrastructure for SMEs	123.3	<b>2016</b>

**Table: Participation of MSMEs in Programs**

Title of the Program	Total Number of Applicants, all	Total number of applicants, Women	Total number of applicants, Men	Total number of Grantees	Total number of Grantees, Gender data available	Total number of Awarded, Women, Gender data available	Total Number of Awarded, Men, Gender data available
Start up Program	1.198	n/a	n/a	357	255	95 (37.2%)	160
Access to foreign markets/exports	294 (289 firms 5 clusters)	48	234	203 (200 firms 3 clusters)	196	32 16%	164
Innovativeness of micro, small and medium sized enterprises	73	17	56	23	22	6 (27.2%)	16
Youth and women's entrepreneurship in Southern and Southwestern Serbia	11	5	6	11	11	5 (45.4%)	6
The Asset Purchase (2018 program)	n/a	n//a	n/a	329	308	42 (13.6%)	266
TOTAL				923	792	180	612
					100%	22.7%	77.3%

*Note: Data used for program Asset Purchase are for 2018 given that data per sex as not available for 2017*

Out of 923 supported firms, for 792 or 86%, ownership structure per sex could be identified. Participation of women's owned firms<sup>60</sup> in all programs among those selected for the support was 22.7% vs. 77.3% of men's owned firms. The number is below the benchmark number of 31.7% share of women's participation in businesses in Serbia. If we look at individual programs,

60 With more than 50% of ownership share

it can be observed that share of women's owned firms varies from 13.6% (in the asset purchase program) to 45.4% in youth and women's entrepreneurship program.

**Table: Distribution of Funds in Programs**

Title of the Program	Total Funds Disbursed to Firms	Total Funds Disbursed to Women	Total Funds Disbursed to men	Average per applicant, Women	Average per applicant, Men	Gender Gap
Start up Program	202.003.000	72.356.515 (35.7%)	129,643,485	543.632	578.338	57.2 million
Access to foreign markets/exports	93,097,850 (91,637,850 to firms)	13,026,000 (14.6%)	76,021,850	407,063	463,548	63 million
Innovativeness of micro, small and medium sized enterprises	15,865,525.00	4,750,000.00 (30%)	11,115,525	791,666	694,720	6,3 million
Youth and women's entrepreneurship in Southern and Southwestern Serbia	7,868,768.00	3,404,600 (43.3%)	4,464,168	680,920.00	744,028.00	1.05 million
The Asset Purchase*Data from 2018 beneficiaries	762,500,000 (710,500,000 to firms where gender data were available)	90,200,000 (12.7%)	620,300,000	2,100,000	2,300,000	530.1 million
TOTAL FUNDS disbursed to firms		183,737,115	841,545,028			657.8 million

When it comes to share of funds at the level of all programs, women's owned businesses received 183.7 million RSD or 17.9% of all funds, vs. 841.5 million RSD or 80.1% that went to men's owned firms.

**The gender gap is 657,8 million RSD.** The share in funds even lower from their participation in the program. If we look at individual programs it can be observed that share of women's owned firms varies from 12.7 to 43.3%.

We see here several cautionary points. First one is that public funds are used in a way that further deteriorates position of women in business. The second point is that the findings would probably be even more depressing for the cause of advancing the position of women if the programs were sampled randomly or based on their size only. Deliberate decision of the research team to include one donor funded program in the sample has improved overall picture of women's participation. And thirdly, there is the fact that the program that has done the most to improve findings on the women participation overall (the Start-Up Support Program) has been discontinued. Without arguing in favour or against that policy decision, we just note that if the Start-Up Support Program was excluded from the sample, the participation of women would be at even lower level.

Most radical effect on the previous analysis of the share of women in business-subsidies programs come from the inclusion of another analyzed program – the Asset Purchase Program. The Asset Purchase Program has been hand-picked and proposed for analysis by the Ministry of Economy. As the 2017 Asset Purchase program, which we analyzed, had no gender-based data, the research team used the 2018 Asset Purchase Program data for the gender part of the analysis.

In this program women accounted for less than 14% of beneficiaries and less than 13% of funds awarded. Given the size of the program (more than 700 million dinars in 2018), it is not surprising that its effect when analyzed together with four other programs is nothing short of devastating: it reduces the share of women in beneficiaries to 22.7% and women share in funds awarded to mere 17.9%. For comparison purposes, we remind here of the 31.7% benchmark we use as an indication of the current share of women businesses in Serbia.

#### 5.4. General recommendations based on analysis of selected DAS programs

Recommendations in this section of the report are provided mostly with funders of the analyzed business subsidy programs in mind. However, we believe that following recommendations can be instructive also for other policy making bodies and program implementation agencies on various levels of the government, as long as they are concerned with providing support to businesses or oversee the work of public entities that provide such a support. These public bodies include, but are not limited to the Government of Serbia, province and local governments, National Parliament etc.

**Key finding 1** - Analysis of programs included in the sample indicates the diverse impact they have on the status of women in business. The share of women in half of the programs analyzed is below the share of women in the overall universe of business entities, while in remaining half that benchmark is exceeded. However, when the number of beneficiaries and funds awarded is analyzed at the level of totals for all four projects, the result is that the share of women in them (22.7% and 17.9%, respectively) is actually below the level of their participation in the economy overall (30,7). This means that analyzed programs taken together further reduce the share of women in the economy. The research team finds this outcome as rather disappointing and clearly unintended, especially given the fact that one of four programs selected was specifically tailored to benefit women and youth.

**Recommendation:** Define targets for women's participation that will be above the average participation in the economy, to contribute to closing of the gender gap. Funders of business subsidy programs should ensure the stronger link between public policies and the design of the SME support programs. That link will allow for more efficient realization of adopted strategic goals, such as increased participation of women in the economy.

**Key finding 2** - The key driver of this "unintended/indirect discrimination<sup>61</sup>" is the focus on manufacturing and processing activities – sectors where women's participation is traditionally below the level for the other sectors of the economy.

**Recommendation:** Reconsider focus on manufacturing and processing activities as they clearly put women in business in a disadvantaged position. Funders of business subsidy programs should consider introducing special programs to support growth of businesses in sectors where women entrepreneurs are frequent.

**Key finding 3** - The next key contributor to the below-the-benchmark participation of women in support programs is that they often exclude sole proprietors. This form of taxpayers is a

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61 According to Article 7 of the Law on Antidiscrimination Indirect discrimination exists if a person or a group of persons, due to his or her personal property, is placed in an unfavorable position by act, act or omission that is apparently based on the principle of equality and non-discrimination, unless justified by a legitimate aim, and The means to achieve this goal are appropriate and necessary.

segment of the business community in which women are more frequently found than as owners of companies. It is not fully understandable on what basis the decision on exclusion has been made. At the same time, some of analyzed programs do allow sole proprietors to apply and even work with physical persons to help start a business and register as sole proprietors. But once registered, the further support for sole proprietors is mostly not available.

**Recommendation:** Consider inclusion of sole-proprietors in the definition of possible programs' beneficiaries. Funders of business subsidy programs should consider gender implications when defining eligibility criteria and other requirements for participation in the programs.

**Key finding 4 -** Vital data for programs is often not available broken down by gender, which makes this kind of analyses more difficult and less insightful. What is particularly missing is the post-award tracking of performance of programs – not only in terms of adherence to the contractual stipulations, but rather focusing on the impact of the provided support on target beneficiaries. Without that, the success of programs will continue to be assessed based on the percent of funds disbursed, which is hardly enough. It has been announced that gender sensitive data collection will be improved and expanded on and that impact of selected programs will be tracked in terms of number of employees, size of exports and amount of revenues. These are good tendencies and should be further encouraged, especially if data collected will also reflect gender component. However, even when implemented, data on implementation indicators will not be informative enough without an ex ante definition of outcome and impact indicators in the program design phase. These indicators can contribute a great deal not only for program evaluation purposes, but also for the purpose of deciding on optimal amounts of grants, given their expected impact.

**Recommendation:**

- Make monitoring and evaluation of programs, including analysis from gender perspective, a regular activity planned in the programs budget.
- Define outcome and impact indicators in the program design phase. Use these indicators when deciding on amounts of funds per beneficiary, as well as for program evaluation purposes. Include gender disaggregation for all data collection tools. Assign funds for impact assessment of individual programs, or groups of programs, already in the program design phase.
- Consider the benefits of continuity in the implementation of programs before deciding on the introduction of new programs and ending existing ones. Changes in the setup of the programs should be primarily driven by changes in the government strategies and priorities, progress in their implementation and by indicators of the impact of individual programs.
- Make sure that reporting requirements for beneficiaries are defined already in the program design phase, including information related to both implementation and post-implementation periods.

**Key finding 5 -** Management of analyzed programs has several elements that should be commended. Regional development agencies are instrumental in disseminating information on available programs and provide some assistance in completing applications to interested businesses. Many of beneficiaries remember receiving information about available programs through email, which is a practice that should be continued and expanded if possible. Criteria

for evaluation tend to be announced in advance, which contributes to the transparency of the process and upholds businesses' confidence in the integrity of the programs. No major concern was raised about the integrity of the analyzed program, which is encouraging. On the gender note, the research team anecdotally learned that the vast majority of the members of the evaluation committees and often its chairpersons are women, which indicates that committees as such are not a source of a gender bias. However, gender parity in the evaluation committees does not always mean that gender bias is excluded.

**Recommendation:**

- Organize a gender mainstreaming training for Ministry of Economy, Development Agency of Serbia, and Regional Development Agencies, as a crucial step towards gender responsible programs.
- Continue being proactive in information dissemination to businesses on funds available. Provide various sources of support for preparation of applications, including on-line guides, printed brochures and hands-on support by the regional development agencies, to the extent feasible.

**Key finding 6** - Criteria for evaluation of applications can have adverse effects on chances of women-owned businesses as well. An example includes using productivity of a firm as a criterion, since increased productivity implies a high level of capital-intensity of businesses, which is also an area with below the average participation of women. Another example is related to the use of the number of full-time employees as a criterion. Applications by businesses that rely on part-time and other forms of flexible work can be evaluated below the level of evaluation of firms that engage fewer workers, but do that on the basis of full-time contracts. When eligible for support, services sector are sometimes discriminated against by being assigned just half the number of points that manufacturing activities get.

**Recommendation:** Consider the gender impact of criteria for evaluation of applications, such as productivity, business sector and number of full-time employees and abolish criteria that are likely to have an adverse effect on the share of women owned businesses as the program beneficiaries. This should not only be responsibility of the agencies that administer the business support program, but also of the bodies that provide funding and oversee how Government's strategies and policies are being carried out by implementing agencies.

**Key finding 7** - As far as the application preparation is concerned, businesses surveyed consider it relatively demanding, sometimes resulting in practice of engaging consultancy support for preparation of applications. We noted in the report several instances of requirements that seem excessive, as they impose unnecessary burden on applicants. At the same time, in certain cases a more applicant-friendly approach was employed that allows businesses to provide more demanding elements of paperwork only after they pass initial selection process, and before the signing of the award contract.

**Recommendations:**

- Delay requirements for submission of supporting documents proving eligibility for the program support in the application process for after the decision on the award has been made. That will reduce the cost of applying for the support and potentially increase number of

applications, without jeopardizing integrity of the process, as an applicant that fail to produce valid supporting documents upon the award would be replaced by the next-in-line applicant.

- Go through the application information requirements and check for each of them whether it is necessary for evaluation purposes or for establishing eligibility of applicants. In borderline cases, consider abolishing information requirements that impose greater burden on applicant than they contribute to the informed selection process.
- Verify, to the extent feasible, accuracy of applications by obtaining relevant information from public registries, rather than by requiring businesses to obtain certificates and proofs from individual public agencies and submit them to the program administration.

**Key finding 8** - Consistency in implementation of programs is another issue that deserves careful consideration. While some programs continue for several years in the same or slightly altered form, with some budget adjustments, other programs are being introduced and discontinued without an obvious reason. In this respect we note again that the research team did not find strong links between government policies and decisions to introduce a program; there are even fewer indications that data on the impact of the implementation of individual programs influences decisions to abandon them, given the lack of those data, except for the percent of funds disbursed.

#### **Recommendations:**

- Track performance of each program during and after program implementation, to ascertain the level of realization of projected goals.
- Use information on impact of implementing programs to assess the need for possible adjustments or even cancelation of programs.
- Introduce the practice of reporting on individual implemented programs, preferably a) just after the completion of the program and b) after the lapse of time sufficient for the impact to materialize and to be recorded and analyzed. These impact reports should particularly address effects on the advancement of government's strategic goals and policy priorities, such as increased participation of women in the business sector.
- Make publicly available as much information on the program implementation as possible. This is a proven method for ensuring transparency and integrity of the processes; additionally, public availability of data on the number and types of beneficiaries can encourage potential applicants and result in increased number of quality applications.

## 6. Selected programs

### 6.1. Program: START UP Support Program 2017

#### 6.1.1. Key characteristics of the Program

<b>Title of the Program English</b>	START UP Support Program
<b>Title of the Program Serbian</b>	Program podrške početnicima za započinjanje posla – START UP
<b>A year when implemented</b>	2017
<b>Implementing institution</b>	DAS – Development Agency of Serbia
<b>Objectives of the program</b>	General goal is to support the creation of new micro, small and medium sized business entities and sole proprietors and job creation. Expected results include increased capacities of start-ups, increased number of business entities and new jobs created.
<b>Activities eligible for financing</b>	Free training programs (1 <sup>st</sup> phase) and grants or mentoring (2 <sup>nd</sup> phase). Eligible project activities include: Purchase of fixed assets; Refurbishing and reconstruction of business premises; Purchase of materials (up to 20% of the project's net value). Activities that are not eligible include: Primary agriculture production; Trade and HORECA activities; Games of chance.
<b>Eligible beneficiaries</b>	<b>For the 1<sup>st</sup> phase:</b> Physical persons that had no other business in the previous 12 months, and registration in the Business Registries Agency; SMEs in majority domestic ownership and sole proprietors. <b>For the 2<sup>nd</sup> phase:</b> Completed training in the scope of the 1 <sup>st</sup> phase; Completed business plan; Cost share of at least 30% for manufacturing and processing or at least 50% for services sector; The obligation of at least one person to become a full-time employee within 12 months following contracting day for business entities.
<b>Territorial Coverage</b>	Republic of Serbia
<b>Criteria</b>	<b>1<sup>st</sup> phase:</b> Type of business activity; assessment of the business idea; development level of the local government. <b>2<sup>nd</sup> phase:</b> Assessment of the business plan; creation of new jobs; cost-sharing by applicant; type of business activity; municipality development level
<b>Total number of Beneficiaries</b>	357
<b>Total funds allocated for the Program, RSD, (EUR)</b>	120 million RSD
<b>Total funds disbursed, RSD (EUR), and % of disbursement</b>	The amount awarded is 202 million RSD.
<b>Type of financing (e.g. Grants, co-financing, loans)</b>	Co-financing of at least 30% (at least 50% for the services sector)

### 6.1.2. Supported Beneficiaries

<b>Total Number of Applicants</b>	1,198
<b>Number of Applicants - Women-Owned<sup>1</sup></b>	N/A
<b>Total Number of Awarded Beneficiaries</b>	357
<b>Total Number of Awarded Beneficiaries Women-Owned</b>	N/A (estimated 37.3%)
<b>Average amount per Beneficiary</b>	565,835 RSD
<b>Average amount per Beneficiary, Men</b>	578,338
<b>Average amount per Beneficiary, Women</b>	543,632

### 6.1.3. Information about the program and the application process

The Startup Support Program is designed to help establish new businesses and sustain newly created ones. The Program's key feature is that passage into the second phase, which is more attractive to applicants as it includes grants, is conditioned upon completion of a training program that is provided in phase 1 of the Program. Program's trainees develop a business plan that is considered for support for implementation.

The Program focusses primarily on the purchase of fixed assets – machinery and equipment. The maximum amount of funds per beneficiary is 1 million RSD or approximately EUR 8,500. The grant can cover up to 70% of the total costs of proposed project activity for the manufacturing or processing activities and up to 50% for the service sector.

The call was launched and published by the Development Agency of Serbia (DAS). Promotion of the program and assistance to firms in the application process was delegated to Regional Development Agencies (RRAs). Applications were submitted to RRAs and sent to DAS for evaluation and selection. The deadline for completion of all activities (including reporting) is six months from the contracting day.

The Program states an extensive list of laws and regulations as the legal basis, but does not refer to any strategic framework or other policy documents. Since none of the legal elements quoted provide grounds for improvement with regards to gender equality, and no public policy document that promotes gender equality is stated as a background for the Program, it is not surprising that the **design and execution of the Program do not include any specific gender considerations**. In other words, this program is **gender blind**.

The target group includes physical persons and newly established business entities. This arrangement could benefit women, who are underrepresented in the population of long-established business. However, an important limitation in the designation of the target group is the focus **on the production (manufacturing) and processing activities**. This designation **leaves out the services sector**, including the services that could be exported (design, software etc.). Given the fact that women are disproportionately more represented in the services sector compared to the manufacturing and processing sectors, this provision works against them as well.

#### 6.1.4. Criteria for the Award and Evaluation Committee

The call does a **commendable job in terms of breaking down the elements for evaluation** of applications. There are separate sets of criteria for the 1<sup>st</sup> and 2<sup>nd</sup> phases of the project.

##### 1<sup>st</sup> phase criteria include:

Type of business activity; assessment of the business idea; development level of the local government.

##### 2<sup>nd</sup> phase criteria include:

Assessment of the business plan; creation of new jobs; cost-sharing by applicant; type of business activity; development level of the local government. Minimal number of points for selection for the training phase is 21. For the second phase and a chance to present a business idea to the Commission, at least 41 point was necessary. This approach adds to the **overall impression of transparency** to the process. Generally speaking, **transparency is a pathway towards gender equality** because the less represented sex generally favours clear rules and a transparent decision-making procedure, with outlined step by step process. Beyond clarity of rules, however, **social and economic purposefulness of rules** is another point of concern. When **choosing companies to receive support from the budget, public institutions can impose rules** that contribute to sustainable business development, including increasing gender equality and reducing the environmental footprint, for example. By introducing entry, eligibility, scoring and reporting requirements, public institutions can **cultivate demand for certain types of behaviours** that are not dominant in the market, such as disaggregated data collection and reporting. None of that intent was present in the Program design or implementation.

#### 6.1.5. Allocation of Funds

Based on data provided to NALED, a total of 202 million RSD has been awarded to successful grant applicants. Unfortunately, gender disaggregated data were not available for Program applicants or beneficiaries. To overcome this at least partially, we have reconstructed gender disaggregated data. Gender status was established in 255 beneficiary businesses, which is around 71% of all beneficiaries.

##### Key Data for Beneficiary Businesses

	# of beneficiaries	Average number of points	Average awarded per business (RSD)	Total awarded (RSD)
<b>Women</b>	95	88	543,632	51,645,000
<b>Men</b>	160	90	578,338	92,534,000

Key finding in terms of gender status is that women make 37.3% of beneficiaries. When it comes to total funds allocated, women's businesses account for smaller share – 35.8%. This is result of the fact that men's businesses are awarded grants that are in average higher than those awarded to women by 6.4%. At the same time, men's businesses received a number of points that exceed the average for women's business by 2.3% only.

We particularly analyzed data for the top and bottom 20 recipients ranked by the funds received and top and bottom 20 recipients ranked by number of points assigned. This information provides valuable insights. There are **only 4 women among the top 20 recipients of funding** (20%), but as many as **11 among the bottom 20** (55%). Women’s share among the top 20 ranked by the number of points assigned is a mere 25%; at the bottom of the list, representation of women is significantly higher – 35%. For this program, we could not get information on number of women among applicants nor the amount requested so we could not compare if the results are corresponding with that fact.

Such a poor representation of women in both lists seems to have been compensated by awarding more funds on average to the women businesses in the top category in comparison with men’s. Five women businesses in the top tiers ranked by points **received approximately 20% of funding more than their male counterparts**.

	Top 20 by funds awarded	Bottom 20 by funds awarded	Top 20 by points	Bottom 20 by points
Women - number	4	11	5	7
Average amount to women	850,000	301,455	716,000	464,286
Men - number	16	9	15	13
Average amount to men	818,125	313,111	580,667	487,692

### 6.1.6. Findings from interviews

NALED team has interviewed 14 beneficiaries of which 10 were selected and participated in the program, while remaining 4 have been selected but have withdrawn from the program. Out of ten awarded five are firms owned by men, four owned by women and one firm is a partnership between local self-government and a civil society organization. All applied for the first time. In general, awarded beneficiaries said that program fitted their needs, however, they have a complaint that they got less funds from what they have asked, and also not all funds are disbursed yet (3 answers out of 10). They were informed on program from the internet and through RRA. Training prior to grant program that was mandatory activity was very useful for all. The fact that funds could be used only for equipment and nothing for operating funds was a problem for some of the grantees. All ten interviewed firms said they prepared applications without outside help. Criteria were clear and transparent. To question what kind of programs would be needed in the future they said: more start up programs, programs for services not only production, programs to support social enterprises, mentoring programs and programs where entrepreneurs could exchange their experiences.

Applicants who have withdrawn from the program stated the following reasons: “in the application process it was said that we need to employ 2 persons for the time of contract but they gave as a contract where it was stated that we need to employ 3 persons, and that was a risk for us, we had to withdraw from the process”, “grant program was aimed to support production firms but given the fact that our product was software it was complicated so DAS approved us a part of computer equipment but that was not the key for our business and we have withdrawn from the process”, “the evaluation committee is not flexible enough and they do not recognize potential in some ideas”, “portion of funds they approved for my application were not that important for my

business I could finance it myself so I withdraw", " the process was too slow so I could not wait DAS, and I have decided to buy equipment as it was urgent". Interviewed applicants also said that there is a lack of strategic approach in the programs especially when it comes to sectors that will be supported and that the better would be if in this way as it is now government should not continue to support entrepreneurship."

### 6.1.7. Key findings related to the Program

The **application process is rather demanding** even in the first phase that involves access to training support only. Besides a whole set of certifications and statements, most of which could be put off until after the selection and before the contract signing, applicants are required to describe their business idea and offered the opportunity to provide letters of intent from potential partners and/or letters of recommendation.

In the 2<sup>nd</sup> phase, when demands from applicants are higher in order to facilitate the evaluation process, the most important elements of the application process include a business plan, a pro forma invoice for the purchase of fixed assets and proof of cost sharing. Once the contract has been signed, beneficiaries are required to provide the promissory note as a security instrument.

The **actual position that women have as beneficiaries of the Program was difficult to assess due to disaggregated data shortage**. NALED Team had to reconstruct data to create samples for a basic analysis. Preliminary data indicate that **women are underrepresented overall and more so with regards to participation in the biggest grants**. This is the likely result **of both underrepresentation of women in the general population of business owners and of a number of design flaws, including the Program focus on manufacturing and processing activities**. It is a statistically documented fact that **the participation of women-owned enterprises in these activities and sectors is even lower than in the general business population**.

Additionally, a programmatic requirement to secure a **financial instrument to guarantee fulfilment of obligations is another deterring requirement and particularly difficult for women** to meet.

Also, **the application form is relatively complex**. One could argue that certain information requirements add to the administrative burden of completing an application, while it is not clear how they contribute to the ability of the Evaluation Commission to grade applications. Perhaps these rules are in function of reducing or limiting demand for scarce resources and raising the bar so as to receive only the highest value-added applications. If so, a **review should be conducted in order to establish whether these rules in fact result in the desired outcomes or whether the cost of exclusion outweighs benefits from smaller number of applications**. However, it is **commendable that certain types of paperwork are required only after the signing of the contract**.

One of possible remedies for this would be to go through the application requirements and **remove those that do not serve the purpose of evaluation of applications in accordance with the established criteria**. As other information might be needed for the implementation and monitoring purposes, that information can be requested from awarding applicants, possible before the contract is signed or even later on in the process – before the funds are disbursed. This would alleviate the burden of completing applications; it would possibly increase motivation

of potential applicants to submit their proposals and potentially contribute to quality and diversity of applications.

Supporting documents, in particular, could be required at the application stage only if they are needed to evaluate applicants. An evaluation would be done based on an assumption that information provided in the application form is accurate and only the selected applicants would be required to submit the supporting documentation, to confirm accuracy of the information provided in the application form, before the contract is awarded.

The reporting requirements are relatively light. They do not indicate that the Program administrator will have access to relevant information to assess the results of the implementation of the program.

Coming back to the objective of the Program to support the creation of new micro, small and medium sized to analyze this gap, a distinction should be made between companies at **seed-stage** and those at **start-up** stage. While both find themselves at an early point in the entrepreneurship process, a seed-stage company will generally not yet have established commercial operations and requires funding for essential pre-start-up research and development. Such assistance is lacking all together. By contrast, a company at start-up stage will usually have assembled key management, conducted at least some market research and, owing to training support, prepared a business plan.

Thus, there is **a universe of seed-stage ideas piloted by women and men without the capital necessary to start a company and to find a product-market fit**, and the vacuum of financial support for women from vulnerable categories becomes an impenetrable wall.

Thus, since **all young companies clearly pose a risk to the state as a provider of grant** as they possess no assets, no network and are usually untested in the market, the **choices are made in favour of entrepreneurs belonging to specific sectors and at the detriment of others without a sound economic justification. A gender sensitive approach would present and weigh arguments in favour and against the different approaches.** For example, it is important to track data on companies by geographic location of entrepreneurs in order to see how it limits their access to receive mentorship, support and visibility. Making entrepreneurship ecosystem more inclusive further means that targeted services would be deployed in response to actual needs of early-stage entrepreneurs, including low-income, women and minority entrepreneurs, i.e. **addressing structural inequalities that increase with every dinar invested in the preservation of the status quo.**

## 6.2. Program: Program for Support to Internationalization of business entities, sole proprietors and clusters in 2016

### 6.2.1. Key characteristics of the Program

<b>Title of the Program English</b>	Grants in the scope of the Program for Support to Internationalization of business entities, sole proprietors and clusters in 2016
<b>Title of the Program Serbian</b>	Dodela bespovratnih sredstava u okviru Programa podrške internacionalizaciji privrednih društava, preduzetnika i klastera u 2016. godini
<b>A year when implemented</b>	2016
<b>Implementing institution</b>	DAS – Development Agency of Serbia

<b>Objectives of the program</b>	General objective: providing for more presence and increased revenues of Serbian businesses and clusters on the international market. Specific goals include: development of new products competitive on international markets; increased number of products meeting international standards; decreased production costs; increased exports; securing new export markets.
<b>Activities eligible for financing</b>	Costs of service providers for: new design and packaging; improvements in existing and development of new technologies; improvements of existing and development of new products for foreign markets; testing of new products; participation in international fairs abroad; foreign market research. Large firms and clusters can apply only for last two types of activities.
<b>Eligible beneficiaries</b>	All sizes of legal business entities established before the April 2014 (except the sole proprietors that are not subject to double-entry bookkeeping) dealing with production (manufacturing) and processing activities, having positive balance sheet for the previous two years and no tax debts are eligible. Businesses active in services that cannot be traded internationally are not eligible. Clusters established before April 2015 with at least 12 members, with no tax debts.
<b>Territorial Coverage</b>	Republic of Serbia
<b>Criteria</b>	Importance of an activity for competitiveness in a foreign market; productivity; efficiency; number of employees, changes (tendencies) in business indicators.
<b>Total number of Beneficiaries</b>	203
<b>Total funds allocated for the Program, RSD, (EUR)</b>	90.7 million RSD
<b>Total funds disbursed, RSD (EUR), and % of disbursement</b>	The amount awarded is 93.1 million, which is 2.6% more than Programs budget.
<b>Type of financing (e.g. Grants, co-financing, loans)</b>	Co-financing up to 50% excluding VAT

### 6.2.2. Supported Beneficiaries

<b>Total Number of Applicants</b>	294
<b>Number of Applicants - Women's Owned<sup>2</sup></b>	48
<b>Total Number of Awarded Beneficiaries</b>	203
<b>Total Number of Awarded Beneficiaries Women's Owned</b>	32
<b>Average amount per Beneficiary, Men</b>	463,548 RSD
<b>Average amount per Beneficiary, Women</b>	407,063 RSD

### 6.2.3. Information about the program and the application process

The call has been originated and published by the Development Agency of Serbia (DAS). Promotion of the program and assistance to firms in the application process was tasked to regional development agencies (RRAs) where applications were submitted and sent to DAS for evaluation and selection. With a focus on exports, this is clearly a growth and development-oriented program.

The Program states the extensive list of laws and regulations as the legal framework, but does not refer to any strategy or another program document. Since none of the legal elements quoted provide grounds for improvements in the gender equity, and no public policy document that promotes gender equity is stated as a background in the Program, it is not surprising that the

design and execution of the Program do not seem to have included gender considerations in any particular way.

The target group is broadly defined and includes all business entities (from micro businesses, including sole proprietors, to big companies) except the sole proprietors that are not subject to double-entry bookkeeping. This provision excludes more than 100.000 businesses that are in the presumptive taxation system (pausalci). Since women are more present in the smallest types of businesses, this exclusion hurts them proportionally more than it hurts men.

Another important limitation in the designation of the target group is the focus on the production (manufacturing) and processing activities. This designation leaves out the services sector, including the services that could be exported (design, software etc.). Given the fact that women are disproportionately more represented in the services sector compared to the manufacturing and processing sectors, this provision works against them as well. Another aspect that adds to the lack of clarity is the provision on the activities that are not eligible, as it includes “services that cannot be traded internationally”. This implies that services that can be traded internationally are eligible for the support, which contradicts to the provision stating explicitly that only manufacturing and processing activities are eligible.

The distribution of available funding: while the total amount of the Program is around 90 million dinars, its distribution is rather skewed in the favour of big companies and clusters. They are appropriated as much as 40 million dinars, while remaining 50 million is assigned for micro, small and medium companies. Given the fact that SMEs by far outnumber the big business and clusters, this allocation of funds can be a subject of debate. As the share of women in the ownership of SMEs is bigger than in the case of big companies, that is another element that does disfavour to the economic strengthening of women.

While many economic development programs have strong and often dominant social (poverty alleviation) aspect to them, this Program stands out as one that is primarily a development driven. Its general goal is stated as providing for more presence and increased revenues of Serbian companies on the international market.

The funds are being provided based on the refunding model – once the costs have been already incurred. The consequence of this approach is that interests of smaller business (where participation of women is disproportionately high) are hurt, since they often struggle to secure funding for activities that the Program supports and cannot afford to pre-finance them; on the more positive note, refunding model does not require grantees to provide collaterals or other forms of guarantees, which favours interests of women whose businesses are less likely to own valuable real estate or to be able to easily obtain bank guarantees for their projects.

Conditions for awarding the grant excluded businesses that received funding from other public sources for the same activity. While this provision makes sense in terms of preventing “double dipping” practices, one could argue that is unnecessary rigid, as one business receiving 25% of a funding need from the province government and another 25% from the central government for the same project does not seem to be a practice that should be forbidden. Moreover, the willingness of the local government to support a project could serve as an indication of the validity of the project confirmed by local knowledge and as such even more suitable for the central government funding support.

#### 6.2.4. Criteria for the Award and Evaluation Committee

The call does a commendable job in terms of breaking down the elements for evaluation of applications. There are five criteria for each of the three grant lines of (small and big businesses and clusters), with stated number of points assigned for different values of indicators within each of the criteria. This approach adds to the overall impression of transparency to the process. However, there are some notable reservations that we consider important enough to raise:

All applications that receive more than 60 out of 100 possible points should receive funding, on the “first-come-first-served” basis. However, the amount of grant per application can vary, up to the level of 50% of the value of the eligible costs of the activity, VAT excluded. The manner of deciding on the share of co-funding is rather non-transparent, as it is being decided by the Commission based on the criteria, number of points received (which are also assigned based on criteria, so this double reference to the criteria seems to be redundant), amounts of funds requested and amounts of funds available. How is this arrangement implemented in the “first-come-first-served” for early applications meeting the 60 points threshold is not clear, as at that point in time it is not known what will be the demand for the program funds later on, which is a major consideration in terms of deciding on funds’ amounts. That is one element of the Program that should be reconsidered.

With regards to the criteria themselves, there are several considerations worth noting:

**1 Importance of an activity on international market.** This criterion is fully reasonable, but its implementation is not simple. As new design of product is an eligible activity for funding, and so is the testing of new products or participation at a business fair abroad, assigning points to these activities based on having small, medium or big impact on marketability abroad seems to be rather difficult task for any commission.

**2 Productivity.** This criterion is measured as a ratio between the total revenues and number of employees and it is perhaps most dubious criterion in the SME category. Firstly, it favours capital intensive activities as opposed to the labor-intensive ones, without a clear reason for doing so. In the consequence, this has gender equity implications, as businesses owned by women tend to be less capital intensive than business owned by men.

**3 Business indicators.** One of indicators uses number of employees at the end of 2015. Another one compares the number of employees in 2015 vs. 2014. As a consequence of this second indicator, an SME that employs one person more in 2015 than it did in 2014 would receive five points more than a business that lost one employee in the same period. The gender implications of this also could be negative: insistence on number of employees and on the trend of increased employment could hurt interest of women whose businesses tend to have fewer full-time employees and to rely more on flexible forms of work. On the other hand, using the number of employees as an indicator is based on the assumption that employees are indirect beneficiaries of this program and that increase in employment it implies that more of our citizens are to benefit from successful internationalization activities.

More than just referring to criteria that are used for evaluation of applications, we shall raise few points about potential criteria that are not being used. Firstly, there is a lack of evaluation of the share of funds requested in the structure of the total costs of the activity. There seems to be a

gender consideration here as well – that women are more prone to employ prudent behaviour when it comes to financial issues.

What the criteria for the similar programs might focus more on in the future is to attempt to better assess export expansion potential of the proposed projects. In the nutshell, the Program should be more concerned with the amount of export sales that an activity is expected to generate that would not likely materialize without the Program’s support. The second consideration is what share of that sale has been actually created in Serbia, to avoid supporting businesses that basically mostly do re-export, with limited value added in Serbia.

### 6.2.5. Allocation of Funds

Funds have been allocated to 203 businesses, out of 289 that applied, making the success rate of exactly 70%. As for the women, 36 out of 52 applying business were awarded funding, making their success rate 69%.

Gender structure of applications that did not receive funding

Gender	Rejected	Unapproved	Gave up	Total
<b>Women</b>	5	4	7	16
<b>Men</b>	17	25	28	70
<b>N/A</b>	2	1		3
<b>Women (%)*</b>	23%	14%	20%	19%
<b>Men (%)*</b>	77%	86%	80%	81%

\* Share in gender-specified

Women’s applications make 19% of all gender-specified applications that did not receive funding. It is worth noting that only 14% of unapproved applications (those that met the formal requirements, but did not receive support for funding) were put forward by women. At the same time, women’s applications make as much as 23% of those that failed the test of formal compliance. This, and the fact that women participate with 20% in the number of businesses that gave up on their applications, require special consideration.

In this section we will also note that among five clusters, three received funding, while two gave up on their applications.

Based on the report on awarded funds, we can note that the total amount of funds awarded (93.1 million dinar) exceeds the value of the Program (90.7 million). We can assume that this is the result of the fact that some grantees were not in a position to absorb some or all the money they were awarded. Going forward, we discuss amounts as awarded, and not as disbursed, as that information is not available to us.

Next element we note is the huge discrepancy between businesses and clusters in favor of businesses. Clusters make only 1.5% of grantees. What is even more striking is that the average amount of funds awarded to clusters is by only 5% higher than what businesses were awarded to. As we shall see later, clusters in average received just marginally more funds than small-sized companies did and more than 30% less than medium-size businesses.

## Break-down of funds between business entities and clusters

	Business entities	Clusters	Total
The total amount of funds awarded	91,637,850	1,460,000	93,097,850
Number of grantees	200	3	203
Average amount of funds awarded	458,189	486,667	458,610

Distribution of funds between men and women (based on gender of the founder) is what interest us most now. Firstly, we note that for four businesses, gender of founder is not available. Fortunately, that is only 2% of the total universe of business entities that were awarded funds through this Program.

The following table illustrates that women make only 16% of recipients of the program support and even lesser share in total funding: 15%. Average amount of funds awarded to a business entity founded by women is 12.2% below the level of funding awarded to male-founded businesses. While underrepresentation of women in the number of recipients of funding is expected, since their underrepresentation in the total universe of business entities, the fact that women receive in average smaller amounts in a funding raises alert about new possible bias against women in deciding on amounts of funds that different applicants receive.

	Women	Women (%)	Men	Men (%)
The total amount of funds awarded	13,026,000	15%	76,021,850	85%
Number of grantees	32	16%	164	84%
Average amount of funds awarded	407,063		463,548	

\*Data provided for 196 gender defined beneficiaries, out of 200 business beneficiaries.

We turn now to the allocation of funds between different types and sizes of businesses. We firstly observe huge underrepresentation of sole proprietors – they make only 6% of the population of grantees and even less (4%) in the total amount of funds awarded. This is because the average amount of funds per a sole proprietor is only 60% of what limited liability and joint stock companies were being awarded.

	Sole proprietor	Sole proprietor (%)	LLCs and Joint stock	LLCs and Joint stock (%)
<b>The total amount of funds awarded</b>	3,380,000	4%	88,257,850	96%
<b>Number of grantees</b>	12	6%	188	94%
<b>Average amount of funds awarded</b>	281,667		469,457	

It is a similar situation when it comes to distribution of grantees based on the standard classification of business entities on sole proprietors, micro, small, medium and big companies. Here we also note that four of 12 sole proprietorships were classified as micro companies instead. The following table also shows that small businesses received by far biggest funding – more than a half of the total Program funds.

	Sole proprietors	Micro	Small	Medium	Large
<b>The total amount of funds awarded</b>	2,310,000	26,496,500	47,211,050	13,330,300	2,290,000
<b>Number of grantees</b>	8	70	100	19	3

<b>Average amount of funds awarded</b>	288,750	378,521	472,111	701,595	763,333
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We can hypothesize that underrepresentation of women among bigger companies explains a lower average level of funds awarded to women businesses. To test this, we have divided all size-categories in two groups: first group consisted of sole proprietors, micro and small companies and the second group consisted of medium-size and big companies. The results are not expected – in a way, they are stunning: there is only one woman owned company in the group of bigger companies, as opposed to 18 owned by men.

Sole proprietors, micro, and small businesses			
	Men	Women	Total
Funds awarded	62,874,050	12,903,500	76,017,550
Number of grantees	146	31	178
Average per grant	430,644	416,242	427,065
Medium and large			
	Men	Women	Total
Funds awarded	13,147,800	122,500	15,620,300
Number of grantees	18	1	22
Average per grant	730,433	122,500	710,014

The stunning insight offered by the table above is that while average funds provided to the group of bigger companies amounts to more than 730,000 dinars, that woman's company mentioned above was awarded mere 122,500 dinars.

### 6.2.6. Findings from interviews

NALED team has interviewed six beneficiaries of which three businesses owned by women and three owned by men. Their businesses are all production firms from 4 to 165 employees. Five of them applied for the first time. They find the program very relevant for their business, and the information on the program they got from different sources (an email from RAS, from a consulting firm, from RRA, through a partner firm, and through the internet). The time needed for the application process was not long, however, they complaint on submission of the additional documents for which they have additional costs. Criteria were transparent and clear and by knowing in advance the evaluation criteria have helped them in the application process.

### 6.2.7. Key findings related to program

The application form is relatively complex. One could argue that certain information requirements add to the administrative burden of completing an application, while it is not clear how would they add to the ability of the Evaluation Commission to grade applications. Here we particularly refer to information about business resources, broken down by real estate, equipment and legal rights, where amounts, value and legal rights (e.g. ownership versus lease) should be reported. **The gender implications of such a structure of the application form could be that advantage will be given to applicants with more business resources (primarily real-estate) even though this is not stated in the Call for Proposals. Again, favouring applicants with broader resource base as**

**expressed in real estate owned could mean hurting the cause of women entrepreneurship, as women businesses tend to own less real estate than men's to.**

The information requirements about supply chain also appear to be redundant given the criteria for evaluation. At the same time, this requirement adds to the burden of filling out the application. The question whether the applicant exports at the moment can be found in two places in the application form, again for no obvious reason.

It is commendable that the application form asks about the gender of the founder(s) of the business. However, no direction is given for answering this question when a business has more than one founder. Additionally, it is not clear whether the gender information of applicants was used in any way in the process of evaluating applications, and in following implementation of activities or reporting on the results of the Program.

The information required for investments realized in the scope of previous two years adds to the burden of completing the application, possibly without providing grounds for better assessment in terms of the criteria set in the Call for Applications.

The question on the use of grants in the previous three years imposes additional administrative burden. The wording of this field in the application form indicates that it refers to the Republic-level organizations only, which could render an incomplete picture in terms of the use of public funds.

The information on the use of consultants (service providers) is rather extensive, as it does not refer to a specific time-frame, nor to a specific use of consulting/service provider's services. So this again raises questions for applicants on what is a proper way to fill those fields, and adds to the administrative burden, without an obvious benefit for the evaluation or implementation-monitoring processes.

The question on the previous attendance at international fairs is required from all applicants, not only those that apply for fair-attendance support, which might not be full reasonable information requirement.

The information requirements listed above increase difficulties in complying with applications' guidelines, often without an obvious use of information required for the selection process. One could argue that women businesses, which tend to have fewer employees than men's businesses, and therefore less resources available for compliance with administrative requirements of the Call for Proposal, are more hurt by possibly excessive information requirements.

One of possible remedies for this would be to go through the application form and remove information requirements that do not serve the purpose of evaluation of applications in accordance with the established criteria. As other information might be needed for the implementation and monitoring purposes, that information can be requested from awarding applicants, possible before the contract is signed. This would alleviate the burden of completing applications and possible increase the motivation of potential applicants to submit their proposals.

The set of required supporting documents (annexes) significantly adds to the burden of submitting application more than the application form itself does. It includes certifications from the Tax Administration, balance sheets, signed and sealed statements, pro-forma invoices

(accompanied by references of the offers and resumes of their personnel) etc. The same principle as suggested in the application form – requiring in the application form only information needed for evaluation of criteria – could be applied to the provision of supporting documents. That would mean that supporting documents would be required in the application stage only if they are needed to evaluate applicants. An evaluation would be done based on an assumption that the information provided in the application form is accurate and only selected applicants would be required to submit supporting documentation, to confirm information provided in the application form, before the contract is awarded. The reporting requirements are relatively light. It includes evidence about funds transfers and payments of eligible costs and the final report. The content of the final report, however, is defined in broadest terms only.

### 6.3. Program: Support program for institutional business infrastructure- to support the MSMEs sector in Serbia 2016

#### 6.3.1. Key characteristics of the Program

<b>Title of the Program English</b>	<b>A support program for institutional business infrastructure- to support the MSMEs sector in Serbia</b>
<b>Title of the Program Serbian</b>	Program podrške poslovnoj institucionalnoj infrastrukturi
<b>A year when implemented</b>	April 2016 to 2017
<b>Implementing institution</b>	DAS – Development Agency of Serbia (SDA)
<b>Objectives of the program</b>	<p>The overall objective of the program: Development of businesses based on knowledge, innovation, competitiveness, business networking seeking to create a strong, competitive and export oriented SME sector and to significantly contribute to the improvement of living standard in the Republic of Serbia.</p> <p>Specific objectives of the call:</p> <ul style="list-style-type: none"> <li>Development of business infrastructure for innovative SMEs;</li> <li>Putting into operation the existing science and technology parks;</li> <li>Development of support services for innovative SMEs;</li> <li>Co-financing, joint projects of scientific research organizations and companies / industry;</li> <li>Putting in operation the existing incubators and developing new support services within the incubator;</li> <li>Development of new business services based on the real needs of micro, small and medium enterprises and entrepreneurs;</li> <li>Cluster development, with special emphasis on the development of common products;</li> <li>Development of business capacities of micro, small and medium enterprises and entrepreneurs;</li> <li>Stimulating business association and creating value chains in order to increase the degree of finalization of the product;</li> <li>Creating supply chains in order to increase levels of finalization of the products</li> <li>Encouraging business cooperation between large firm's buyers and micro, small and medium enterprises and entrepreneurs (MSMEs);</li> <li>Improving workforce quality;</li> <li>Promoting entrepreneurship and examples of good practice of innovative MSMEs,</li> <li>Cooperation between the science education institutions (SEIs) and MSMEs on concrete projects, as well as MESP using the services of creative industry, successful clusters, cooperatives, existing value chains, and the like.</li> </ul>
<b>Activities eligible for financing</b>	<ul style="list-style-type: none"> <li>Equipment, rent, reconstruction of existing facilities (max 30%)</li> <li>Technology transfers, prototypes and patents, know-how, licenses</li> <li>Studies, analyses, visibility activities, etc.</li> </ul>
<b>Duration of Activities</b>	The Call was open from April 2016 until October 2016 (or until all funds are disbursed) and all activities had to be completed by May 2017

<b>Eligible beneficiaries</b>	Clusters, business incubators, science and technology parks, accredited regional development agencies, associations, cooperatives, chambers of commerce that can apply independently or in a consortium, whether as a lead partner or a partner, and scientific research organizations, institutes and faculties (SEIs) that are eligible as partners in a consortium, but cannot apply independently or even as a leading partner. Each applicant can implement multiple projects, alone and/or as a consortium partner.
<b>Territorial Coverage</b>	Republic of Serbia
<b>Total number of Beneficiaries</b>	46
<b>Total funds allocated for the Program, RSD, (EUR)</b>	Under Component 1 – 90 million dinars Under Component 2 – 40 million dinars <b>Total: 130 million dinars</b>
<b>Minimum and Maximum amount per applicant</b>	From RSD 500,000 up to RSD 5 million
<b>Total funds disbursed, RSD (EUR), and % of disbursement</b>	RSD 123,268.726.4 or close to 97% of allocated funds Disbursement for Component 1 - 78,288,676.00 Disbursement under Component 2 - 44,980,050.00
<b>Type of financing (e.g. Grants, co-financing, loans)</b>	Co-financing up to 50% excluding VAT

### 6.3.2. Info about the Program and the Application Process

This program aimed to support institutional business infrastructure. Under this Call, the term institutional business infrastructure is understood<sup>62</sup> as a network of institutions and organizations-providers of business development services or space to potential and existing entrepreneurs and/or micro, small and medium-sized companies. Typically, these services are provided by clusters, business associations, business incubators and hubs, technology parks, etc. and all of them were eligible to apply. Under this call eligible applicants were also cooperatives, accredited regional development agencies and chambers of commerce. Broad spectrum of eligible applicants is indicating recognition of diverse service providers, which is a very positive shift and can contribute in building of the entrepreneurship support infrastructure. Program documents received from DAS however, are not providing us with the information what was the status of institutional business infrastructure before as a baseline and what targets DAS have set to achieve. Institutional business infrastructure to support women entrepreneurs or other specific groups were not elaborated nor listed under specific objectives of the program.

There were 2 Components under the Call. Under the Component 1 support was given for activities such as: adaptation of space, shared equipment to be used by several firms, building of value chains and supply chains, and application of research results in MSMEs, while under Component 2 support was given for development and or improvement of services and programs provided to firms, for entrepreneurship promotion, analysis, technology transfers, patents etc.

The total budget of the Program amounted 130 million RSD as a co-financing of up to 50% of the eligible costs of the project, excluding VAT. Projects were approved in the range of 500,000 to 5,000,000 RSD. On average projects were supported with 2.6 million RSD under both components. Call was opened until all funds are disbursed. Once a month evaluation committee consisted of representative of DAS, Ministry of Economy and Ministry of Education, Science and Technological Development was preselecting projects for the award.

62 Program Guidelines, DAS, page 2.

### 6.3.3. Criteria for Selection and Award

Applications under the Call were evaluated against a different set of criteria. Applications under Component 1 were evaluated against 14 criteria, and applications under Component 2 are evaluated against 13 criteria. It was a very complex and complicated evaluation scoring system. Although the call aims to support business infrastructure, applicants obtained higher scores against the criteria like number of direct jobs created and economic impacts. Contribution to gender equality was one of the criteria under special groups<sup>63</sup> that brings 1 additional point to applicants. Preferences were given to consortiums, clusters and incubators adding more points (3,4, or 5) if they were applicants comparing if applicants are cooperatives, regional agencies or associations (1 point). Also preferences were given to projects that contribute to job creation and economic impact measured by new signed contracts, export and number of jobs, although applicants as intermediaries cannot really claim that as a direct result since it does not depend on them.

Component 1		Component 2	
Project beneficiary/Applicant	5	Project beneficiary/Applicant	5
Operational capacity	5	Operational capacity	5
Industry Sector covered by the project	5	Expected results	20
Expected results	20	Additional Project Effects	10
Additional Project Effects	5	Number of SMEs end users	5
Project effects on end beneficiaries	5	Territory	5
Number of SMEs end users	4	Special groups (start-ups, gender equality, youth, all vulnerable groups, including persons with disability)	5
Territory	5	Project effects on end beneficiaries	5
Special groups (start-ups, gender equality, youth, all vulnerable groups, including persons with disability)	4	Effects on projects on entrepreneurship development	10
New jobs created at end users	10	Innovativeness of the Project	5
Innovativeness of the Project	4	Visibility	5
Sustainability	5	Sustainability	5
Visibility	3	Economic impact (new signed contracts, effect on local economic development, possibility of replicating)	15
Economic impact (increase in exports, new markets, new signed contracts, effect on local economic development, possibility of replicating)	20		
	100		100

63 Start-ups, gender equality, youth, all vulnerable groups, including persons with disability.

### 6.3.4. Supported projects

In total 46 projects were supported of which 29 or 63% in the Component 1, and 17 or 37% in the Component 2. When it comes to regional distribution 29 or 63% of projects is granted to organizations in Belgrade and Vojvodina, and 10 or 22% in Western Serbia and Šumadija, and only 7 or 15% in the South and Southeastern Serbia.

Region	Number of Projects	% of Total Projects	# of Projects - Component 1	# of Projects - Component 2
Belgrade	18	39%	9	9
Vojvodina	11	24%	9	2
Western Serbia and Šumadija	10	22%	8	2
South and Eastern Serbia	7	15%	3	4
<b>TOTAL</b>	<b>46</b>	<b>100%</b>	<b>29</b>	<b>17</b>
% of Total Projects Supported/			63%	37%

When it comes to funds disbursed, out of 123 million, 87% (from 28-31% per region) is disbursed in three regions while only 13% went to South and Southeastern Serbia. That said South and Southeastern Serbia is underrepresented in both, the number of projects approved and in the sum of funds disbursed. Due to the huge regional disparities in Serbia and the assumption that by this call DAS aimed to improve institutional infrastructure across Serbia it could have been more regionally balanced. Given the fact that no data were available to NALED on the state of affairs before the program was designed, and no data on the number of applicants per regions, it is difficult to conclude the rationale and the grounds behind. It could be that some of the grants awarded are covering larger territory with its services, or it was fewer proposals.

Region	Funds Disbursed - Component 1	Funds Disbursed Component 2	TOTAL Amount of Funds Disbursed for Component 1 and 2	% of Total Funds
Belgrade	22,461,863.00	20,033,246.00	42,495,109.00	29%
Vojvodina	21,712,961.00	3,378,600.00	25,091,561.00	28%
Western Serbia and Šumadija	24,258,696.00	5,618,294.00	29,876,990.00	31%
South and Eastern Serbia	9,855,156.00	15,949,910.00	25,805,066.00	13%
<b>TOTAL</b>	<b>78,288,676.00</b>	<b>44,980,050.00</b>	<b>123,268,726.00</b>	<b>100%</b>
% of Total Funds Disbursed	64%	36%	100%	

A total of nearly RSD 123 million, or equivalent to 1 EUR million has been approved for 46 projects in both Components. A large portion of the funds (30%) was approved to clusters for 14 projects, followed by the Associations (22%), Business Incubators (20%), Regional Development Agencies (11%), Chamber of Commerce (9%), Science and technology parks (7%), and to a cooperative (2%).

Supported Business Infrastructure per Eligible Applicants	Number of projects	Amount, RSD Millions
Associations	10	27,632,212
Business Incubators	9	20,309,037
Chamber of Commerce	4	15,503,176
Clusters	14	34,118,667
Cooperative	1	4,994,357
Regional Development Agencies	5	12,688,469
Science and Technology Parks	3	8,022,808

Subtotal	46	123,268,726
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Due to the lack of detailed information on approved projects<sup>64</sup> only on the basis of the title we could identify that some of the projects might have contributed to the closing of the gender gap in entrepreneurship.

### Finding from the interviews

After the meeting with DAS we have resolved to contact two grantees whose projects were most interesting to us and inquire them for more info. These are: Serbian Chamber of Commerce and the Association of Business Women of Serbia. They have implemented in total three projects as follows:

Project Title	Applicant	Funds
#1 - Caravan of youth entrepreneurship – Program of support to establishment of youth companies and strengthening of youth entrepreneurship in the Republic of Serbia.	Serbian Chamber of Commerce	4,709,958
#2 - MSME development by strengthening access to markets through involvement in supply chains, with emphasis on women's entrepreneurship.	Serbian Chamber of Commerce	2,534,772
3# - Innovation and business capacity building of MSMEs for inclusion in supply chains.	Association of business Women of Serbia	2,427,400

The project that Serbian Chamber of Commerce has implemented in cooperation with Association of Business Women of Serbia<sup>65</sup> aimed to strengthen access to markets through involvement in supply chains with an emphasis on women's entrepreneurship. The key outputs of the project are: **an online directory** of women entrepreneurs/members of the association/ <http://poslovnezene.org.rs/za-clanice/direktorijum-clanica/> aiming to increase a visibility of firms owned by women as a potential suppliers for larger firms; **a guidebook** on the supply chain <http://www.pks.rs/SADRZAJ/Files/MSPPvodnic.pdf> has been developed aiming to provide more information on cooperation and requirements for potential suppliers, and an e-catalogue of products of women's owned firms <http://poslovnezene.org.rs/e-katalog/>. As a follow up Association of Business Women in cooperation with Institute Mihajlo Pupin and House of Clusters from Niš, applied to DAS and get support for the project<sup>66</sup> with a similar objective but focused more on innovation and business capacity building.

### 6.3.5. Key findings related to the program

**1. Institutional Business Infrastructure** is of a great importance for the entrepreneurship development and it is **positive that DAS have identified diversity of service providers** to businesses including associations focused on women. That said, a program like this is needed, especially for the early stage of business development (seed and start-ups, and also for the transfer of technologies and innovation) when the needs are considerable and means are lacking. A detailed baseline of available services to entrepreneurs would be beneficial for the future program planning along with continuing support for the development and improvement of these services. Gender should be mainstreamed in the future programs in all stages from problem analysis and planning, to implementation, monitoring and evaluation and reporting.

<sup>64</sup> Information available included the list of projects with name of the grantee, funds disbursed and the project title

<sup>65</sup> MSME development by strengthening access to markets through involvement in supply chains, with emphasis on women's entrepreneurship

<sup>66</sup> Innovation and business capacity building of MSMEs for inclusion in supply chains, <http://poslovnezene.org.rs/2017/02/podizanje-inovacionih-poslovnih-kapaciteta-mspp-za-ukljucivanje-u-lance-dobavljacka/>

2. **Criteria for evaluation of projects** in both components is **overly complex** and without a clear link to outcomes of supported projects. Projects are evaluated against criteria that are not fully compatible with the objectives of the call. Preferences were given to consortiums, clusters and incubators adding more points (3, 4, or 5) if they were applicants comparing if applicants are cooperatives, regional agencies or associations (1 point). Also preferences were given to projects that contribute to direct job creation and economic impact measured by new signed contracts, export and number of jobs, although applicants as intermediaries cannot really claim that as a direct result since it does not depend directly on their activities. Positively in criteria are recognition of Special groups (start-ups, gender equality, youth, all vulnerable groups, including persons with disability) adding additional 5 points to applicants. However, how the ranking works against criteria if the call was open all the time it's not clear. The information on minimum points on evaluation to be supported was not publicized in the call guidelines.
3. The overall value of the call was around 1 million Euro divided among 46 organizations. This is a way of **ensuring diversity of approaches, but** it is unlikely to be conducive to the desired structural level impact. More funds and in continuum should be allocated for the institutional business infrastructure.
4. Data on applicants and grantees, ranking lists, approved projects and results should be publicly available along with the list of institutional business infrastructure services available to businesses.

## 6.4. Program: Support program for innovative micro, small and medium sized enterprises and sole-proprietors, 2017<sup>67</sup>

### 6.4.1. Key characteristics of the Program

<b>Title of the Program English</b>	<b>A support program for innovative micro, small and medium sized enterprises and sole-proprietors<sup>3</sup></b>
<b>Title of the Program Serbian</b>	Program podrške inovativnim mikro, malim, srednjim privrednim društvima i preduzetnicima
<b>A year when implemented</b>	2017
<b>Implementing institution</b>	DAS – Development Agency of Serbia in cooperation with Regional Development Agencies (RRA)
<b>Objectives of the program</b>	<b>Overall objective:</b> Improved competitiveness of MSMEs through increased investments in innovations <b>Specific objectives:</b> Support for development and introduction of innovations in MSMEs (Indicator: increased number of innovations in MSMEs) Increase in the value and volume of the MSMEs revenue in the domestic and international market (Indicators: increase in sales, increase in volume and value of exports)

<sup>67</sup> Source of Information: Program documents received from Serbian Development Agency on Jan 21st

<b>Activities eligible for financing</b>	<p><b>Improvement of existing and development of new technological processes;</b> (<i>production of technical / technological documentation; -; - development of a feasibility study for the introduction of a new technological process</i>)</p> <p><b>Improvement of the existing and development of new products;</b> (<i>preparation of technical documentation for the product; - production of a prototype product; - testing / testing of prototype products</i>)</p> <p><b>Improvement of the existing production process;</b> (<i>preparation of documentation of specialized tools, tools for work; - creating new business organization methodologies that enable continuous improvement of production processes</i>)</p> <p><b>The purchase of the right to a domestic patent / small patent and patent documentation</b></p>
<b>Duration of Activities</b>	Up to 9 months after signing of the contract with SDA
<b>Eligible beneficiaries</b>	<p>Micro, small and medium sized enterprises, and Sole-proprietors (only if having accounting instead of presumptive taxation if the applicant meets the following:  Majority business activity is production or processing;  Majority domestic private ownership  Registered in the APR<sup>4</sup> of the Republic of Serbia before January 1, 2015 years  No bankruptcy or liquidation proceedings have been initiated against the applicant;  The applicant had positive/profitable business performance in 2016;  No pending tax and contribution obligations;•  The enforceable measure of banning the activity has not been imposed in the previous two years;  Incentives for the activity were not already supported from the budget of the Republic of Serbia, the budget of the Autonomous Province of Vojvodina and the budget of Local self-Governance;  The applicant is not “in difficulty” according to the definition contained in the Regulation on State Aid Rules.</p>
<b>Territorial Coverage</b>	Republic of Serbia
<b>Total number of Beneficiaries</b>	23
<b>Total funds allocated for the Program, RSD, (EUR)</b>	30 million of RSD
<b>Minimum and Maximum amount per applicant</b>	Maximum 1 million RSD per applicant
<b>Total funds disbursed, RSD (EUR), and % of disbursement</b>	16,085,525.00 or 53,61%
<b>Type of financing (e.g. Grants, co-financing, loans)</b>	Co-financing up to 50% excluding VAT

#### 6.4.2. Information about the program and the application process

The call has been originated and published by the Development Agency of Serbia (DAS). Promotion of the program and assistance to firms in the application process was tasked to Regional Development Agencies (RRAs) where applications were submitted and sent to DAS for evaluation and selection. Applicants had had 60 days to submit applications, which is a reasonable time for preparation and collection of documents.

### 6.4.3. Criteria for the Award and Evaluation Committee

Evaluation committee is internal and consisted of employees from DAS<sup>68</sup>. The process of the evaluation was consisted of two steps. The first step included checking if applicants have submitted all documents as required and are they eligible for the call. The second step was an evaluation against criteria.

Applications were evaluated against eight criteria, of which **only two are linked with innovative activity** for which firms applied, two are measuring previous firms' investments in innovations as well as cooperation with outside expertise and three criteria are measuring business performance, while the last criteria is linked with the level development of a municipality where the applicant is registered.

Although the call was open to firms that were registered for a minimum of 2 years prior to the call, the criteria are developed in a way that preference is given to firms that are active much longer (criteria 3 and 4). A potential barrier for innovative firms could be in fact that projects are evaluated also against past business performance and the number of employees (in total 51 points) what is not that relevant to the objectives of the call. For instance, if a firm has a new and innovative product that can bring value added and revenue in the future, past performance may be valid but it is not a crucial for success.

Criteria	Points	Max
<b>Quality of Innovative Activity and Impact</b>		
1.1 Type of Innovative Activity	Up to 15	<b>25</b>
1.2 Importance of innovative activity and possible impact	Up to 10	
Investments in innovations	Up to 10	<b>10</b>
Cooperation with R&D institutes, labs, universities, consulting firms and other organizations	Up to 8	<b>8</b>
Productivity - total revenue/employees	Up to 15	<b>15</b>
Cost effectiveness - ratio of income and revenue	Up to 15	<b>15</b>
Number of employees	Up to 12	<b>12</b>
Growth indicators	Up to 9	<b>9</b>
Level of development of the municipality where the applicant is registered	Up to 6	<b>6</b>
<b>TOTAL</b>		100

### 6.4.4. Supported Beneficiaries

There were 73 applicants, of which 14 sole-proprietors, 24 micro, 29 small and 4 medium sized companies. Out of 73 applicants 17 or 23.2% were women's owned businesses.

Applicants/Legal entity			<b>Sole-proprietors<sup>5</sup></b>	Micro	Small	Medium
<b>Number of Applicants - Women's Owned<sup>6</sup></b>	17	23.2%	6	4	6	1
<b>Number of Applicants – Owned by Men</b>	56	76.8%	8	22	23	3
Total Number of Applicants	<b>73</b>		14	26	29	4

68 As indicated in the Program document received from DAS

Out of 73 applicants, 23 were awarded or only 31.5%. Of that number, 6 or 26.2% are women owned firms. Out of 17 women's applicants 6 or 35.3% were selected for the support and out of 56 men's applicants 16 or 28.57% were selected for the support.

It implies that women's owned business were much more successful, but have participated less so in total were less supported in the final stage. If we look applicants per size the most successful were medium firms where 3 of 4 were awarded, followed by small firms where 12 of 29 were awarded, micro firms where 7 of 26 and only 1 of 14 sole-proprietors were selected for the support.

Awards/Beneficiaries/Legal entity	Total	%	Sole-proprietors <sup>7</sup>	Micro	Small	Medium
<b>Awarded Beneficiaries Men-Owned</b>	16	69.5%	0	6	8	3
<b>Awarded Beneficiaries Women- Owned</b>	6	26.2%	1	1	4	-
<b>Awarded Beneficiaries, other/stock</b>	1	4.3%			1 <sup>8</sup>	
<b>Total number of Awarded</b>	<b>23</b>		1	7	12	3
			4.3%	30.4%	52.1%	13.2%

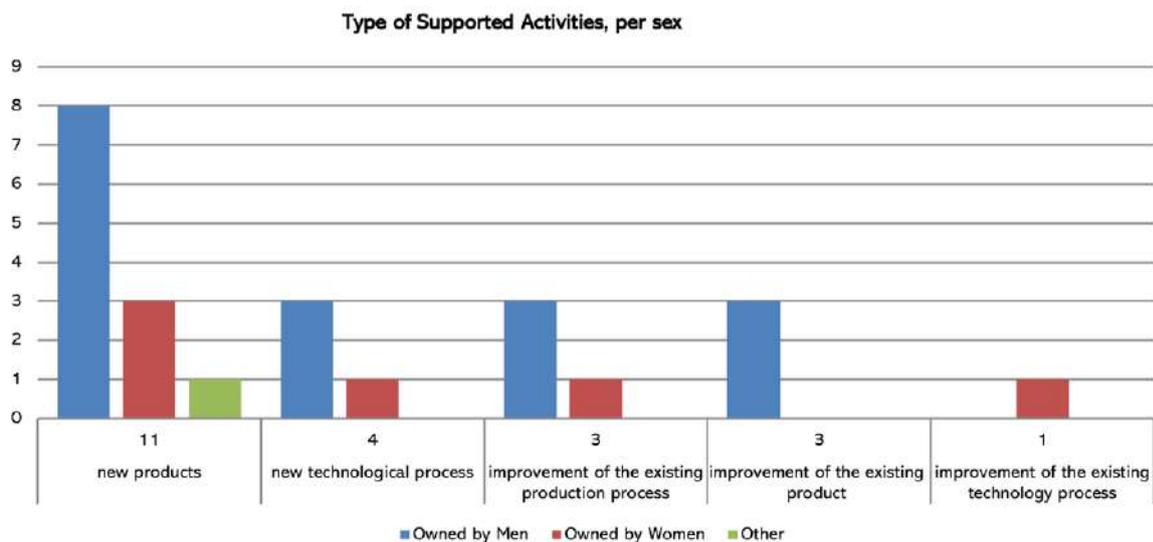
Women were awarded with 30% of the total budget or 4.75 million RSD. On average, women applicants received 791,666.67 RSD, almost 14% more than men per project. However, in total men applicants received 11,1 million RSD or 69% of the budget.

	Funds Disbursed	%	Average per beneficiary
<b>Total funds disbursed to beneficiaries, Men</b>	11,115,525.00	69%	694,720.31
<b>Total funds disbursed to beneficiary, Women</b>	4,750,000.00	30%	791,666.67
<b>Total funds disbursed to a beneficiary, other</b>	220,000.00	1%	220,000.00
Total Amount of Funds Disbursed, RSD	16,085,525.00	100%	

Analysis of funds distribution between sole proprietors, micro, small and medium firms showed that 36% of the resources were awarded to sole proprietors and micro firms, while the rest of 64% went to small and medium firms.

Beneficiaries/Legal entity	Funds Disbursed	%	Average per beneficiary
Sole-proprietors <sup>9</sup>	1,000,000.00	6%	1,000,000.00
Micro	4,763,900.00	30%	680,557.14
Small	8,500,000.00	53%	708,333.33
Medium	1,821,625.00	11%	607,208.33
Total Amount of Funds Disbursed	<b>16,085,525.00</b>		

Out of 23 projects supported, 11 were for development of new products, 4 for new technology, while the remaining 7 committed to the improvement of the existing products and/or processes. Out of 6 women-owned firms, 3 were supported for new products and 1 for the new technological process while remaining 2 for improvement of the existing products and/or processes. None of the supported projects were for the intellectual property rights/patent application, although that was also an eligible activity under the call, and it is an important activity when it comes to innovations.



#### 6.4.5. Key findings from interviews with beneficiaries

NALED team has interviewed two grantees of which one firm is owned by women and one by men. A company owned by a woman has 26 employees. She applied for the first time, and she finds program very relevant and needed. She prepared an application with a help of a consulting firm. The program helped her firm to learn and introduce a new technology process that will help them with new products for the market. In general, she emphasized that there are not enough programs to support women entrepreneurs and that more needs to be done. The only complaint was in the fact that they have to collect and submit documents that are official data and government have access to them. The second grantee that was interviewed also emphasized the importance of such programs. He leads a firm with 12 employees and used grant to bring in a new product that, according to him, helped to increase exports. He also had a complaint on documents they have to submit along with the application.

#### 6.4.6. Key findings related to the program

With disbursement at only 53,61% in this Program, it appears that there is room for improvement in outreach, including the gender dimension of outreach. In total it was 73 applicants, of which 14 sole-proprietors, 26 micro, 29 small and 4 medium sized companies. Out of 73 applicants 17 or 23.2% were women's owned businesses. In the end only 23 firms are selected for the support.

Out of 23 beneficiaries, 6 or 26% are owned by women, 16 or 70% are owned by men and 1 or 4% is owned by another firm (stock). Share of grants awarded to women's owned firms under this program is low at 26%, although it is higher compared to past records.<sup>69</sup>

**Average grant for women-owned firms exceeds that of a grant for men.** On average, women-owned firms received -791,666 RSD per project, and a total of 30% of disbursed funds. On average men's owned firms received 653,854 RSD per project and total of 69% of total funds.

**With only 23 firms supported up to 1 million RSD per firm, the program remains small scale.**

<sup>69</sup> In 2009-2010, only 12% of the beneficiaries of the Ministry of Economy's innovation subsidies were female managed/owned companies (FREN, 2012).

**Preference is given by the Program to production and processing firms, thus introducing sector bias.** This sector bias also has a gender dimension as women-owned firms tend to be concentrated in services' sector. **Preference is given to the established, experienced and successful firms. In this way, the criteria are exclusionary and biased without clear justification related to the achievement of program objectives.**

**Exclusion of sole proprietors who are in a legally allowed flat rate tax is discriminatory and against a group where there are many women-owned micro enterprises. This is related to a broader issue of understanding of the term entrepreneurship as a narrow legal form.**

There are **no gender-related evaluation criteria**. Perhaps it is possible to include gender considerations under Quality of Innovative Activity and Impact, 1.1 Type of Innovative Activity and 1.2 Importance of innovative activity and possible impact.

The data on women and men patent owners in Serbia will be available this year as a part of Gender Responsive Budgeting initiatives within The Intellectual Property office. It is known from empirical evidence, however, that **women own significantly fewer patents** than men and it is particularly important not to invest additional public resources in deepening gender-based disparities in this regard and to do everything possible to **close gender gap in patent ownership** and registering by both men and women.

## 6.5. Program: PSD for youth and women's entrepreneurship in South and Southwestern Serbia 2017

### 6.5.1. Key characteristics of the Program

Title of the Program English	PSD for youth and women's entrepreneurship in South and Southwestern Serbia
Title of the Program Serbian	Program dodele bespovratnih sredstava u oblasti omladinskog i ženskog preduzetništva u okviru Projekta podrške razvoju privatnog sektora u južnoj i jugozapadnoj Srbiji u 2017. godini za korisnike programa u 2014. i 2015. godini kojima nisu odobrena bespovratna sredstva, a čiji su projekti ocenjeni pozitivno po pitanju usaglašenosti
A year when implemented	2017
Implementing institution	DAS – Development Agency of Serbia in cooperation with Regional Development Agencies (RRA)
Source of Funding	USAID
Objectives of the program	The overall objective of the project: to improve the development of the micro, small and medium enterprises and entrepreneurship sector, increase sales, improve exports and create new jobs in the following sectors: agro-industry, fashion industry (textile industry and clothing and footwear production), light industry, in 3 cities (Vranje, Leskovac and Novi Pazar) and 9 municipalities (Presevo, Bujanovac, Medveđa, Raška, Sjenica, Tutin, Priboj, Prijepolje and Nova Varos) in the south and southwestern Serbia (hereinafter: 12 cities and municipality).  Specific objective of the project: to encourage the entrepreneurial activity of young people and women, and realization of this is envisaged through the realization of this Call. The program will support the development of youth and women's entrepreneurship through the granting of grants for procurement of equipment.

Activities eligible for financing	Only equipment
Duration of Activities	
Eligible beneficiaries	Applicants (young people and women) who have participated in the Training Program for starting a business and granting grants in the field of youth and women's Entrepreneurship in 2014 and candidates who participated in the Training Program for Starting a Business and Awarding Grants in the Field of Youth and Women Entrepreneurship in 2015(hereinafter: basic programs) and whose business plans in phase II of the basic programs; Grant awarding to the best business plans; (hereinafter: Phase II) are estimated positive regarding compliance with environmental protection procedures, and for which no grant was received earlier for the procurement of equipment.
Territorial Coverage	South and Southwestern Serbia
Total number of Beneficiaries	11
Total funds allocated for the Program, RSD, (EUR)	7.868.768,00 RSD
Maximum amount per applicant	Up to 7500 USD
Total funds disbursed, RSD (EUR), and % of disbursement	7,868.768,00
<b>Type of financing (e.g. Grants, co- financing, loans)</b>	Grants, 100 %

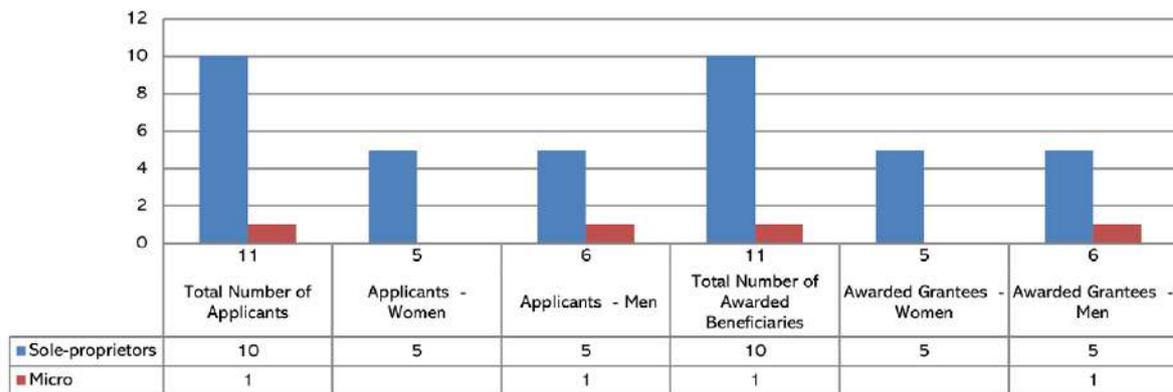
## 6.5.2. Supported Beneficiaries

	Total	Sole-proprietors	Micro
Total Number of Applicants	<b>11</b>	10	1
Applicants – Women	<b>5</b>	5	
Applicants – Men	<b>6</b>	5	1
Total Number of Awarded Beneficiaries	<b>11</b>	10	1
Awarded Grantees - Women	<b>5</b>	5	
Awarded Grantees - Men	<b>6</b>	5	1

Out of 11 applicants 5 or 45% are women-owned firms and 6 or 55% are owned by men. All applicants are from the South and Southwestern Serbia given that call was focused on that region.

	Amount Disbursed	%	Average per beneficiary
<b>Total funds disbursed to beneficiaries, Men</b>	4,464,168.00	43%	744,028.00
<b>Total funds disbursed to beneficiary, Women</b>	3,404,600.00	57%	680,920.00
<b>Total Amount of Funds Disbursed, RSD</b>	7,868.768,00		

Participation in program per size and Ownership



Out of total funds disbursed 57% is for men applicants and 43% for women. On average, they received 680,920.00 while women received on average 744,028.00. **Out of 11 start-ups, the same percentage - 45.5% are owned/managed by women and 81.8% by youth.** Most of the women and youth start-ups are in the fashion sector; while, three are in agribusiness and one in light manufacturing.

Based on the evaluation report received from DAS, **following receipt of the PSD project grant funds, 11 grantees have successfully initiated their start-ups in the targeted region, thus exceeding the target set at 10 startups for the reporting period.**

### 6.5.3. Findings from interviews

NALED team has interviewed one of grantees from the program who stated that for him the program was very relevant. He has nine employees and is a small textile manufacturer. He received the information on the program on e-mail. Conditions set for applying under the program were correct and clear. As stated, it was not complicated to apply, except the part related to a collection of some of the legal documents. The key criteria for selection was, according to grantee the quality of the business plan. The grantee believes that there is a need for special programs for MSMEs targeting women and youth. The program was very useful to the grantee and helped him, as he said, to increase exports. He recommends that government increases the number of programs to MSMEs for different stages of the business growth.

### 6.5.4. Criteria for the Award and Evaluation Committee

Complete, permitted and timely submitted applications for grants are assessed in accordance with the Program and Public Invitation to the following qualitative criteria divided into three categories:- technical approach (clearly defined business idea, clearly set goals, effective technical approach, identification of possible obstacles and problems and ways for their solution and overcoming, contribution to the development of the sector / region), - organizational skills (organization, operational strategy and human resources) and- budget and costs (financial management, ability to fulfil project objectives).

Criteria	Points	Max
A clearly defined business idea / proposal (give a clear overview of the plan / activity; includes a brief description of each subsequent plan / activity segment; shows the potential for opening and generation of revenue, improvement of the applicants capacity, etc.)	<b>0-15</b>	<b>15</b>
Market analysis (the key characteristics and needs of the target market are identified, a competitive environment is evaluated, the market acceptance of a product or service is shown)	0-12	<b>12</b>
Identified potential barriers and proposed solutions (key risks are realistically identified, with major internal and external risks that could jeopardize business and introduced feasible reserve plan in case of given risks)	0-12	<b>12</b>
Contribution to the development of the region / sector (business activities represent an innovative solution, continuation of family business, initiated / improved production or service, probability impact on the development of the sector / region)	0-8	<b>8</b>
Description of the organization (presented vision, history, current status, strategy, general goals, mission and business objectives)	0-12	<b>12</b>
Operational strategy (includes marketing, production, personnel, administrative and financial strategy for the proposed company)	0-8	<b>8</b>
Relevance of employees' skills in relation to the proposed project (information on education, experience and roles of key individuals, needs for employees, organizational structure)	0-8	<b>8</b>
The level of understanding / capacity that the potential beneficiary has on the financial aspects of the project proposal and the ability of the user to carry out activities within the required funds	0-5	<b>5</b>
The extent to which the applicant's plans to achieve project objectives with reasonable economy and efficiency	0-5	<b>5</b>
		100

In comparison to other analysed programs, this program is funded by a donor (USAID) and implemented by the DAS. The conditions of the grants, the requirements, the criteria for assessment and the type of data collected and processed are defined in cooperation with the donor. Data on grantees are available by gender of the owner, the size of the business, region. Additionally, a report on the program was available in relation to the predefined objectives and this is a good example and the practice that should be introduced in all other programs. Program criteria are well tailored to the fact that it was about those who were just about to start a business. Criteria itself, have no gender barriers that could adversely affect competition. Positive side was that amount awarded was higher than in a typical start-up programs while the negative side of the program is that it could only be used for the equipment without even a portion of funds for operating expenses (material, utilities etc.) So only applicants with additional own resources could actually benefit from the program.

## 6.6. Program: The Asset Purchase Program

### 6.6.1. Key characteristics of the Program

<b>Title of the Program English</b>	Program for Support of Small Companies for Purchase of Assets in 2017
<b>Title of the Program Serbian</b>	Program podrške malim preduzećima za nabavku opreme u 2017. godini
<b>A year when implemented</b>	2017
<b>Implementing institution</b>	Ministry of Economy in cooperation with the DAS – Development Agency of Serbia
<b>Objectives of the program</b>	Improved competitiveness of businesses, their improved operations and entrance to foreign markets, as well as creation of new jobs. Specific goals include improving production technologies, increased business turnover, reducing risks associated with financing purchase of assets, and expanding the access to finance options.
<b>Activities eligible for financing</b>	Purchase of new fixed assets, including machinery.
<b>Eligible beneficiaries</b>	Micro and small enterprises and sole proprietors and cooperatives Excluded sectors include agriculture (food processing is allowed), trade (with some exceptions), services and tourism. At least one full-time employee required.
<b>Territorial Coverage</b>	Republic of Serbia
<b>Criteria</b>	Contribution to the Program's specific goals: improving production technologies, increased business turnover, reducing risks associated with financing purchase of assets, and expanding the access to finance options.
<b>Total number of Beneficiaries</b>	396
<b>Total funds allocated for the Program, RSD, (EUR)</b>	<b>567,720,592 RSD</b>
<b>Total funds disbursed, RSD (EUR), and % of the allocation</b>	<b>560,191,722 RSD (98.7%)</b>
<b>Type of financing (e.g. Grants, co-financing, loans)</b>	<b>Up to 25% grant; up to 70% bank/leasing company's loan; at least 5% cost share.</b>

### 6.6.2. Supported Beneficiaries

<b>Total Number of Applicants</b>	426
<b>Number of Applicants - Women's Owned<sup>10</sup></b>	n/a
<b>Total Number of Awarded Beneficiaries</b>	396
<b>Total Number of Awarded Beneficiaries Women's Owned</b>	n/a
<b>Average amount per Beneficiary</b>	1,417,673 RSD
<b>Average amount per Beneficiary, Men</b>	n/a
<b>Average amount per Beneficiary, Women</b>	n/a

### 6.6.3. Information about the program and the application process

The Asset Purchase Program is one of the multi-year business-subsidy programs funded from the budget of the Republic of Serbia. As opposed to most other programs, which tend to invoke only the line item in the law on budget for the relevant year as a legal basis, this one has a tailor-made legal framework for its implementation. The Government of Serbia has adopted in January of 2017 the Decree on the Program for Support of Small Companies for Purchase of Assets in 2017. The integral part of the Decree is the document titled the Program for Support of Small Companies for Purchase of Assets in 2017 ("the Program"), which details all major segments of this public subsidy initiative.

The Program supports the purchase of fixed assets that can be used for the production of exportable goods. However, the Program beneficiaries are not required to be exporting firms. All sizes of businesses are eligible for the support except the medium and big businesses. As for the sectors, the program is not available for trade, services, tourism and some other types of activities.

A key feature of the program is the distribution of roles between firms, Republic Government and commercial banks and leasing companies. The firms are required to cover at least 5% of the asset's purchase price, the Government provides a grant up to 25% and remaining up to 70% of the purchase price is provided as a loan or lease by commercial financial institutions. The amounts of the grants can be between 250,000 and 2,500,000 RSD.

Banks and leasing companies interested to participate in the Program are preselected based on their readiness to accept lending conditions that are generally more favourable than the prevailing market conditions for small businesses. Participating financial organizations make the application process easier for businesses as applications can be submitted through participating banks and leasing company, which have denser network of field offices and provide business with more hands-on assistance in completing the application paperwork than regional development agencies tend to do.

On the other hand, we note that the list of supporting documents is demanding, including proofs that can be obtained from registries of other public bodies. Also, application requirements include proof that could be requested also after the award decision has been made and before the signing of the award agreement, such as the certificate on paid taxes or no criminal conviction certificate. However, given the share of applicants that receive funding (93%) it is not unreasonable to request those proofs in advance.

### 6.6.4. Criteria for the Award and Evaluation Committee

The Program and the Public Call for Applications are rather detailed and informative in terms of eligibility criteria with regards to both the sectors and sizes of businesses. Also, allowed use of the Program grants is defined in detail. However, when it comes to the evaluation criteria, both the Program and the Public Call for Applications fail to provide a sufficient level of information. The only criteria that the Program mentions are those listed as points 5.1 and 5.2 in the Public Call for Applications and none of them is prone for evaluation, but rather for verification, since all of them are mandatory conditions.

There is an authorization given to the Ministry of Economy's Commission to reject an application preselected by a bank/leasing company that meets all formal requirements on the grounds that its proposed purchase does not promote the Program's objectives. The Public Call for Proposals states that support will not be awarded to businesses that do not promote the Program's specific goals.

There were 21 applications that were successfully submitted, but still got rejected (just under 5% of all applications) –on the grounds of not promoting the Program's specific objectives.

The Program states that Commission "ranks the application", which is an indication that some sort of evaluation of compliance with the Program goals is involved. How the ranking works in the context of a "first-come-first-served" program (Commission meets once a week to review and decide on applications, and the program runs until funds are absorbed) is not quite clear. At the same time, the Commission cannot approve an application that did not pass the bank's/leasing company's preselection stage.

On the other hand, the Program does an excellent job in detailing evaluation criteria for selection of banks and leasing companies. One segment where the clarity is lacking is related with the decision of the Commission on the number on selected financial organizations. The Program states that up to five banks and up to one leasing company can be selected, but does not provide any guidance in terms of how should the Commission decide whether it should team up with one or five banks, with one leasing company or with none of them. (Maximum of five banks and one leasing companies were included in the 2017 Program, which seems to be for the best.)

The role of evaluation committee has the Commission for Award of Grants for the Program. The Commission is established by the decision of the minister of economy. It has a chairperson and four members, coming from the Ministry of Economy, Serbia Chamber of Commerce and Industry and the Development Agency of Serbia.

### **6.6.5. Allocation of Funds**

More than 560 million dinars have been awarded through this program in 2017. That is almost three times more than in the case of the next in line program from the list of our selected programs. Its 396 beneficiaries make it number one program in that category. With its 1.4 million dinars per beneficiary – again, at the top of the list of analyzed business subsidy programs.

The administrators (Ministry of Economy and Development Agency of Serbia) have managed to disburse almost 99% of the Program's fund. Number of applications the Program administrators received is 426, meaning that only 30 applicants (7%) did not receive funding. Hardly surprising, given the thorough pre-selection process implemented by the financial organizations. This number includes those who, for whatever reason, gave up on their own and those whose applications were rejected.

Due to the lack of gender disaggregated data, we could not analyze the effects of the program based on gender. However, given the importance of this program, we have decided to analyze the same program implemented in the year 2018 (data for the 2018 program were available disaggregated by gender).

## Gender disaggregated data for Asset Purchase Program in 2018

	Women	Men	% of women in gender defined	Mixed and unclear	Total
Number of beneficiaries	42	266	13.6%	21	329
Funds contracted (millions RSD)	90.2	620.3	12.7%	52.0	762.5
Funds contracted per beneficiary (millions)	2.1	2.3	47.9%	2.5	2.3
Amount of grants as a share of gross costs of asset purchase	21.9%	22.3%	49.5%	22.9%	22.3%
Average number of full-time employees	27	28	48.6%	31	28

Based on the data provided by the Program administrators, 94% of beneficiary businesses have a gender defined ownership, and for remaining 6% the ownership is either evenly distributed between women and men or it was impossible to tell whether men or women have a majority stake in ownership.

There are two points we would like to make before coming to the most important ones. The first point is that men's and women's beneficiary firms are remarkably alike in some respects – they both receive around 22% share of grants in the gross costs of asset purchase; they also have almost the same average number of employees per beneficiary firm – 28 and 27 respectively. Where women's and men's numbers start differing on the firm level is the average amount of grant: it is 8.5% higher for men-owned compared to women-owned firms.

The most important point is related to the share of women businesses in the total number of beneficiaries and in the total amount of awarded funds. Less than 14% of beneficiaries are women. This figure takes into account only gender defined firms – if mixed ownership firms were part of the equation, the share of women owned firms would fall under 13%. And, expectedly, the share of women businesses in funds awarded to all gender defined businesses (12.7%) is even below the 14% level of women's participation in the number of beneficiaries. We say 'expectedly', because we already saw that women's businesses attract smaller amounts of grants in average than men' do. Why is this case is not completely clear, as we do not have data on amounts of grants requested versus grants received. We do have data on the amounts of loans requested and find only marginal difference between men (average loan requested in the amount of 63.5% of the asset's purchase price) and women (63.1% requested). This makes a difference of less than 1% in favour of men. Average amount of grants as a share of gross costs of asset purchase for men is higher than for women, but still for less than 2%. There is more significant difference in terms of the average cost of asset to be purchased – 10.7 million RSD for men and 10.2 million for women. This difference of 4.5% in favour of men indicates that they are more ambitious in their business plans, but still not by as much as the difference between averages grants for women and men is.

In the next step we controlled type of business activity, expecting to see that relatively higher share of women's businesses among awarded grants will be in the services sector (certain type of services sector are eligible for support, such as bakeries and catering businesses that have some production involved), which by its nature might require lower costs of asset purchase. What we found is that among beneficiaries of the Program, services sector participates with 14.3% for women and 16.2% for men. In a conclusion, we can say that more than a half of the

8.6% advantage that men's businesses have in average grant awarded over women's is a result of the difference in the purchase price of the assets, while the remaining part of the difference still needs to be accounted for and fully understood.

As for the regional allocation of funds through this program, there is some consistency with the distribution of all SMEs in Serbia. For the regions of Vojvodina and Southern and Eastern Serbia, two values are within only 2 percentage point's difference.

### Regional Allocation of the Program Beneficiaries

Region	# of beneficiaries	% of beneficiaries	% of SMEs in Serbia
Belgrade	75	23%	33%
Vojvodina	78	24%	25%
Sumadija and Western Serbia	117	36%	26%
Southern and Eastern Serbia	59	18%	16%
Total	329	100%	100%

However, there are some notable departures in the allocation of funds from the distribution of SMEs in Serbia. The Sumadija and Western Serbia region accounts for only 26% of SMEs in the country, while participating with 36% among beneficiaries of the Program. The difference seems to have occurred at the expense of businesses in Belgrade region, as they account for a third of all SMEs in Serbia, but only for less than a fourth of the Program's beneficiaries.

### 6.6.6. Findings from Interviews

NALED team has interviewed six beneficiaries of which four are owned by men, one by women and one is a family firm with shared women-men ownership. All firms are production firms with less than 10 employees, except one firm that has 53 employees. One of five firms applied for the second time. The program, according to beneficiaries, responds to the needs of firms. Expect one firm that received information from RRA, all others has been informed from the bank. Application process was clear, though complicated, but the bank helped them in the preparation. One firm reported support from RRA in the application process. To question what kind of programs is needed beneficiaries said the following: to start-up firms, there is a need for tax incentives, access to finance is important for faster growth of firms, more programs for start-ups and for youth, women should also be supported. Beneficiaries also said that they think they were selected because banks helped them in the process. Support helped them to increase exports, improve products, buy new equipment, introduce standards, and expand product range.

### 6.6.7. Key findings related to the Program

There is much to like about this program, from the economic point of view. Commercial banks and leasing companies are made providers of administrative services, as they receive applications, and check them for compliance with formal requirements. Being providers of loans/leases, banks and leasing companies are also providers of support to business to prepare all necessary paperwork. We assume that this support is more concrete than what businesses usually receive from the regional development agencies, given their locations and available capacities.

It is perhaps even more important service that banks and leasing companies provide to the government, as they preselect applicants with viable business ideas that can use newly purchased assets to turn them into more revenues. Commercial financial organizations have the procedures, knowledge and tools for assessing the risk associated with an investment that are more sophisticated than what public agencies tend to possess in terms of assessing viabilities of potential investments. This model minimizes the risk for the government and enables it to do more with less, compare to the model in which the government provides 100% grant or loan for purchase of assets.

Continuing with what we like about this Program, there is the Government conditioned participation of commercial banks and leasing companies in the Project with their acceptance of lending conditions. These conditions firstly prevents banks from requiring a mortgage on real estate – a widespread practice when providing loans to business entities, which is a major impediment for the access to finance. In addition to other conditions imposed on banks, including the grace period of six months and the limitation of the administrative costs to up to 1%, it is also commendable to see the Government requiring banks and leasing companies to present different elements of the cost of their financial services in a manner that is fully transparent for their clients. This set-up has enabled the Program to ensure several important concessions to businesses from the banks and leasing companies that intend to participate, only to make them compete with each other on perhaps the most important segment: the interest rate. This has been made possible by providing that only up five banks and not more than one leasing company can participate in the Program.

The advantage of this model, that it “keeps the government out of trouble”, is at the same time its major downside in the sense of the Program’s broader goals. Banks and leasing companies are intrinsically interested in the capacities of an applicant business to repay the loan – with the interest, needless to say. They are not particularly concerned with the broader government agenda, which includes improved competitiveness of the business, its improved operations and entrance to foreign markets and least of all with the creation of new jobs. The fact that the final decision is made by the Commission established by the minister of economy is a mean to remedy this issue of non-alignment of goals between the commercial banks and leasing companies on one hand and the public interest on another. Unfortunately, the program set-up and available data do not indicate that the Commission fully executes that role, as it appears that it mostly checks applications for consistency with Points 5.2 and 5.3 of the Program, which are basically of the formal nature, and given the fact that only less than 5% of submitted applications were rejected.

The point we try to make is that an asset purchase can be perfectly rational business decision from the perspective of both the firm’s owner and the commercial bank that finances the purchase. However, if the asset is not used to improve firm’s competitiveness on the foreign markets or to substitute imports (as the case seem to have been with major part of beneficiary companies), it can have sort of a cannibalization effect on local firms and jobs – the beneficiary firm’s improved productivity can lead to reduction of demand for labour in that firm; and even if the beneficiary firm keeps all of its employees (at least for the period defined in the grant agreement) and moreover engages additional ones to operate newly purchased piece of machinery, it can result in squeezing out from the market other local firms that use more outdated technologies and likely employ more workers. While these outcomes can still be seen as desirable in economics terms, they might be less desirable from the public policy standpoint and even less so when seen as use of public funds (and taxes paid by local firms) to increase productivity of some local firms that will drive other local firms out of business.

This is to say that the Program's approach that disqualifies trade, tourism, services and other non-tradeable industries, and awards grants to businesses whose products are generally tradeable, but do not necessarily export their products, might not be very consistent. What is consistent is a tendency of all programs that disqualify services, trade and tourism to further diminish women's participation in the economy. Favouring of producers of exportable goods to promote actual exporters can be defended as a pro-growth policy. When services, including tourism, are disqualified to promote manufacturers that do not export their products, but whose products in theory could be exported, then it may appear that the interests of women in business have been discriminated against for no economically sound reason.

## **6.7. Regional development agencies as a resource for implementation of analyzed programs**

Regional development agencies (RDAs) in Serbia are important source of support for businesses, providing standardized set of accredited services, including information on available assistance programs, organization of trainings and other forms of support.

An important aspect of the RDAs' activities is related with assistance to businesses to access the DAS programs, and the Ministry of Economy's programs implemented through the DAS. In this regard, RDAs have a role in the programs aiming to help close the gender gap in entrepreneurship in particular and the gap in opportunities between women and man in Serbia.

This survey is conducted in the period of January 16 to 21, 2019. The survey questionnaire, consisting of 17 questions, was sent out to RDAs, of which 7 has answered it: Zaječar, Novi Pazar, Novi Sad, Ruma, Subotica, Leskovac i Užice. These seven RDAs cover territories of 65 cities and municipalities

### **KEY FINDINGS**

Although the RDA provides significant support to businesses, local self-governments insufficiently recognize and use the RDAs when it comes to the development of entrepreneurship. Only 3 out of 7 RDAs implement programs that are designed by themselves and funded by local governments. Only 40% of local self-governments assign financial resources for the RDAs for entrepreneurship support programs on their territory.

When implementing their own entrepreneurship support programs, that most common involves education of enterprises and entrepreneurs (6/7 RDAs), financial support for startups (6/7 RDAs) and cluster development activities (4/7). Also, RDAs are engaged in programs of development of co-operatives and social entrepreneurship.

Responses to the question on the extent to which the gender equality perspective is included in entrepreneurship support programs are very different. Two out of seven RDAs say it is fully involved, and 4 that it is sporadically included, depending on the program. RDAs do not have the same approach to the topic of gender equality and there is plenty of room for improvement.

Question Below are listed strategic documents and tools. Rate by a score from 1 to 5, where 1 is the lowest and the 5 highest rating, how familiar are you with these documents:	RDA 1	RDA 2	RRA 3	RDA 4	RDA 5	RDA 6	RDA 7	AVERAGE
Strategy for the SMEs, Pillar 6.	2	4	5	1	-	1	5	3.00
Strategy for Improving Gender Equality and Improving the Position of Women, with the Action Plan	2	5	5	1	2	3	3	3.00
Law on Gender Equality, Article 40 (obligation to keep statistics by gender)	2	5	5	1	1	3	2	2.71
Gender Responsible Budgeting (mandatory under the Budget System Law)	2	3	5	1	1	2	5	2.71
European Charter on Gender Equality at the Local Level	3	5	5	1	1	1	3	2.71

Awareness of the key strategic documents in the area of gender equality, as well as the development of the SMEs, is also very low. Only 2/7 RDAs assess familiarity with the key documents as excellent or good.

Question: When it comes to the legal entities segment of user records of your programs (you should mark everything that applies to you)	Number of positive responses
We keep a record of the applicants	6/7
We keep track of users	6/7
We keep a record of the applicants, by gender	3/7
We keep a record of users by gender	2/7
We keep track by the size (micro, medium, big)	1/7
We keep records on the number of entrepreneurship as a share of the number of registered businesses	2/7
We keep records by sectors of users	1/7
We have all the data unified in a database	3/7
We keep data separate for all activities, not in the database	3/7

Data on program beneficiaries and legal entities are also not adequately recorded. Only 1/7 of the RDAs keeps user records by size, by sectoral representation, and 2/7 by sex. Also, when records are kept, they are kept separate from activities, which limits the possibility of getting the big picture.

When asked about the extent to which the Ministry of Economy or the donors shows the demand for gender disaggregated data, the answers are also different. 4/7 RDA say that the Ministry is asking those data, 1/7 that donors ask for them, and 5/7 has been asked for certain programs. 2/7 RDA stated that they were never asked for gender disaggregated data.

When these answers are cross-tabulated with the data on how much RDAs keep the information disaggregated by gender, it can be seen that data is not asked for in a systematic way from the program administration agencies.

Women as target groups were present in 3/7 RDAs; most present target group was the youth (6/7), followed by SMEs and sector-specific entrepreneurs. Two RDAs stated that they do not have specific target groups, while persons with disabilities were present in one program and Roma people in two RDAs.

## 7. Appendices

### List of annexes:

01	Methodology for selection of the program and programs selected
02	Request for Data for Selected Programs from RAS
03	Questions for Interview with Program Beneficiaries
04	Questions for Interview with Program Stakeholders
05	Online Questionnaire for Regional Development Agencies
06	Analysis of Answers from Regional Development Agencies

### Annex 1: Methodology for selection of the program and programs selected

Indicator		Max Point Value	Criteria1	Criteria2
Vrednost programa	Ukupan iznos sredstava dodeljen korisnicima između 2016. i 2017. godine	20	Uzeti razliku od najmanjeg do najvećeg iznosa, pa skalirati broj bodova od 0 do 20.	U konačnom izboru primeniti ključ da u uzorku moraju biti zastupljena najmanje jedan program koji finansira donator.
	Ukupan budžet određen za program (ako se radi o višegodišnjem programu)			Najmanje jedan program koji je namenjen za započinjanje poslovanja.
	Izvor sredstava	10	10 bodova javna sredstva, 5 bodova donator.	Najmanje jedan program koji je namenjen za žene.
Obuhvat programa	Teritorijalni obuhvat programa	15	Republika: 15 bodova; manje od toga: 10 bodova	Najmanje jedan za inovativnost/value added
	Broj korisnika koji su dobili podršku na osnovu konkursa	30	Uzeti raspon od najmanjeg do najvećeg iznosa, pa skalirati broj bodova od 0 do 30	Najmanje jedan za izvoz
	Program koji posebno cilja žene	10	10 bodova ukoliko cilja. Na osnovu naziva programa.	Najmanje jedan za preduzetničku infrastrukturu
	Kvalifikovani korisnici programa	10	MSP: 5 bodova; Ne-privredni subjekti mogu: 3 bodova, fizička lica mogu 5 bodova. Ne više od 10 bodova.	
Održivost programa	Da li program predstavlja nastavak prethodno sprovedenog programa	5	Da: 5; Ne: 0.	

RB	Naziv programa podrške	Ukupan iznos sredstava dodeljen korisnicima između 2016. i 2017. godine	Izvor sredstava	Teritorijalni obuhvat programa	Broj korisnika koji su dobili podršku na osnovu konkursa	Da li program predstavlja nastavak prethodno sprovedenog programa	Kvalifikovani korisnici programa	Da li program posebno cilja žene
10	Program podrške za započinjanje posla – 2017. godina	202.003.000, RSD	Budžet RS	Republika Srbija	357		Fizička lica i preduzetnici	NE
6	Program podrške internacionalizaciji privrednih društava, preduzetika i klastera u 2016. godini.	107.647.850 RSD	Budžet RS	Republika Srbija	240		MMSPP i klasteri	MMSPP i klasteri
5	Program podrške institucionalnoj infrastrukturi u 2016. godini	128.058.384,01 RSD	Budžet RS	Republika Srbija	46		Klasteri, poslovni inkubatori, ARRA, udruženja, zadruge, privredne komore, NIO	NE
3	Program dodele bespovratnih sredstava u oblasti omladinskog i ženskog preduzetništva u okviru Projekta podrške razvoju privatnog sektora u južnoj i jugozapadnoj Srbiji u 2017. godini za korisnike programa u 2014. i 2015. godini kojima nisu odobrena bespovratna sredstva, a čiji su projekti ocenjeni pozitivno po pitanju usaglašenosti sa procedurama zaštite životne sredine	7.868.768,00 RSD ~ \$79.000	USAID	Realizovan u 3 grada (Vranje, Leskovac i Novi Pazar) i 9 opština (Preševo, Bujanovac, Medveđa, Raška, Sjenica, Tutin, Priboj, Prijepolje i Nova Varoš) južne i jugozapadne Srbije	11	Program je segment Projekta razvoja privatnog sektora u južnoj i jugozapadnoj Srbiji koji je RAS sprovodio u periodu jun 2013 – mart 2018.	Kandidati (mladi i žene) koji su učestvovali u Programu obuke za započinjanje biznisa i dodelu bespovratnih sredstava u oblasti omladinskog i ženskog preduzetništva u 2014. godini i kandidati koji su učestvovali u Programu obuke za započinjanje biznisa i dodelu bespovratnih sredstava u oblasti omladinskog i ženskog preduzetništva u 2015. godini (u daljem tekstu: osnovni programi) i čiji su biznis planovi u fazi II osnovnih prorama „Dodela bespovratnih sredstava najboljim biznis planovima“ (u daljem tekstu: faza II) ocenjeni pozitivno po pitanju usaglašenosti sa procedurama zaštite životne sredine, a kojima nisu odobrena bespovratna sredstva za nabavku opreme.	DA
14	Program podrške inovativnim MMSPP u 2017. godini.	16.420.000,00 РСД	Budžet RS	Republika Srbija	24		ММСР	MMSPP

## Annex 2: Request for Data for Selected Programs from RAS

SPISAK PODATAKA POTREBNIH ZA RODNU ANALIZU	OBELEŽITI SA da i ne koji je dokument dostupan, i priložiti kao attachment				
	1 - Program podrške za započinjanje posla – 2017. godina	2 - Program podrške internacionalizaciji privrednih društava, preduzetnika i klastera u 2016. godini.	3 - Program podrške institucionalnoj infrastrukturi u 2016. godini	4- Progam podrške inovativnim MMSPP u 2017. godini.	5 - Program dodele bespovratnih sredstava u oblasti omladinskog i ženskog preduzetništva u okviru Projekta podrške razvoju privatnog sektora u južnoj i jugozapadnoj Srbiji u 2017. godini
	357 korisnika	240 korisnika	46 projekata	24 korisnika	11 korisnika
Politika na osnovu koje je program pokrenut (Odluka, Plan/Program/Strategija itd..)					
Tekst konkursa					
Aplikacijska forma (formulari)					
Kriterijumi za izbor					
Način bodavanja aplikacija/evaluacijski ključ					
Sastav komisije/ Odluka, neki drugi dokument/					
Informacija o ukupnom broju pristiglih prijava na konkurs					
Informacija o ukupnom broju tehnički ispravnih prijava koje su ušle u proces evaluacije					
Informacija o ukupnom broju tehnički neispravnih prijava koje nisu ušle u proces evaluacije					
Informacija o broju odobrenih prijava, i Odluka o dodeljenim sredstvima te za koju svrhu.					
Spisak aplikanata koji su odbijeni a prošli su tehničku evaluaciju (kod fizičkih lica, MSPP i preduzetnika pol osnivača/vlasnika ukoliko je dostupno), sa kontaktima					

Spisak korisnika koji su dobili sredstva (kod fizičkih lica, MSPP i preduzetnika pol osnivača/vlasnika ukoliko je dostupno), sa kontaktima, i imenom odgovornog lica koje je potpisalo Ugovor sa RAS					
Spisak korisnika udruženja, klastera, inkubatora.....kojima su odobreni projekti, sa nazivom projekta i sažetak ako postoji ciljeva odobrenih projekata i ključnih aktivnosti					
RAS izveštaji i analize o realizaciji programa					
Nezavisna evaluacija programa					
Neki drugi dokument ili podatak za koji RAS procenjuje da može da pruži dodatne korisne informacije o programima					

## Annex 3: Questions for Interview with Program Beneficiaries

### Input za pitanja za intervju sa korisnicima programa

- U kom programu ste učestvovali? Čime se bavite, koja je veličina vašeg biznisa i kako ste registrovani? Kada posmatrate vaš biznis postoji li neka prepreka da vaš biznis raste?
- Da li vam je to prvi put da učestvujete u RAS programima?
- Koliko dati program odgovara potrebama privrede? A vašeg biznisa?
- Kako ste saznali za program? Gde ste se informisali?,
- Kako procenjujete uslove konkursa, u kojoj meri su olakšavajući/otežavajući?
- Da li sistem prijavljivanja dovoljno jasan? Da li je komplikovano/jednostavno? Savladljivo? Ako je neki deo bio komplikovan koji je to deo?
- Koliko vremena je bilo potrebno da se pribavi dokumentacija za učešće?
- Koliko je koštalo da se pribavi dokumentacija za učešće?
- Da li je bilo dovoljno vremena od raspisivanja konkursa do prijavljivanja?
- Da li vam je neko pomogao kod prijavljivanja?
- Zna li koji su bili kriterijumi za ocenu vaše prijave? Da li ti kriterijumi olakšavaju vašu poziciju i zašto?
- Da li treba da postoje posebni programi namenjeni određenim ciljnim grupama ili vrstama biznisa? I Zašto?
- Šta smatrate da je bilo presudno da vaša prijava bude odobrena?
- Koliko će učešće u programu značiti vašoj firmi? Na koji način ste unapredili vaš biznis zahvaljujući učešću na konkursu?
- Kako ocenjujete korisnost ovog programa spram drugih za koje znate?
- Zna li za neke druge programe koji su privredni korisniji od ovog? Šta ih čini korisnijima?
- Da li ćete se i dalje prijavljivati na slične konkurse? Zašto?
- Imate li neku preporuku kako da se unapredi program?

### Input za pitanja za intervju za korisnike koji nisu prošli na konkursu

- U kom programu ste učestvovali? Čime se bavite, koja je veličina vašeg biznisa i kako ste registrovani? Kada posmatrate vaš biznis postoji li neka prepreka da vaš biznis raste?
- Da li vam je to prvi put da učestvujete u RAS programima?
- Koliko dati program odgovara potrebama privrede? A vašeg biznisa?
- Kako ste saznali za program? Gde ste se informisali?,
- Kako procenjujete uslove konkursa, u kojoj meri su olakšavajući/otežavajući?
- Da li je sistem prijavljivanja dovoljno jasan? Da li je komplikovano/jednostavno? Savladljivo? Ako je neki deo bio komplikovan koji je to deo?
- Koliko vremena je bilo potrebno da se pribavi dokumentacija za učešće?
- Koliko je koštalo da se pribavi dokumentacija za učešće?
- Da li je bilo dovoljno vremena od raspisivanja konkursa do prijavljivanja?
- Da li vam je neko pomogao kod prijavljivanja?
- Šta smatrate da je bilo presudno da vaša prijava ne bude odobrena?
- Koliko bi učešće u programu značilo vašoj firmi da vam je prijava odobrena?
- Da li ćete se i dalje prijavljivati na slične konkurse? Zašto?

## Annex 4: Questions for Interview with Program Stakeholders

### Input za pitanja za intervju sa kreatorima programa

(Ministarstvo privrede - sektor za MSP)

#### A. Kreiranje politika

- Koji su ključni dokumenti na koje se oslanjate prilikom kreiranja programa za podršku preduzetništvu i privredi?
- Da li je princip uključivanja rodne ravnopravnosti u programe, politike i budžet određen nekim propisima i politikama i ako da, kojim?
- Prilikom koncipiranja programa da li ste u vidu imali rodne aspekte? Ako da koje, i na koje su se strateške dokumente ili analize oslanjali?
- Koje su dosadašnje aktivnosti preduzete po pitanju unapređenja preduzetništva žena u RS? Da li ste zadovoljni postignutim?
- Po vama koje su ključne prepreke za preduzetništvo žena a gde vidite šanse?
- Koje prepreke su po vama ključne za rast mikro malih i srednjih preduzeća u Srbiji i da li po vama postoji prostor za dodatnu intervenciju države?
- U kojoj meri ste zadovoljni primenom principa iz Small Business Act-a? I ako da kojim segmentom jeste a gde mislite da ima prostora za poboljšanje?
- Prilikom kreiranja politika da li ste konsultujete sa udruženjima koja rade u oblasti preduzetništva i kojim?

#### B. Rodna statistika i podaci

- Da li sistemski prikupljate podatke o preduzetništvu razložene po polu a u skladu sa članom 40. Zakona o ravnopravnosti polova i koje podatke imate? Gde vidite prostor za poboljšanja? Da li vam je za to nešto potrebno?

#### C. Dosadašnja iskustva u programima podrške preduzetništvu

- Kako ocenjujete uspešnost programa podrške preduzetništvu? Koji program je po vama najuspešniji ili najmanje uspešan i zašto?
- Da li mislite da postoji dovoljno informacija o dostupnim programima? U kojoj meri ste zadovoljni promocijom programa i informisanjem?
- Da li smatrate da RAS u sprovođenju konkursa na odgovarajući način tretira rodne aspekte? Postoje li konkretne procedure i kapacitet, koje ovo omogućavaju?
- Imate li saznanja o uticaju rodnih aspekata na uspešnost programa?
- Kako ocenjuju učešće žena i muškaraca u fazi prijava?
- Kako ocenjuju zastupljenost žena i muškaraca vlasnika MMSP među korisnicima programa?
- Šta bi trebalo učini da se ojača učešće žena među podnosiocima prijava, i korisnicima sredstava?
- Šta bi trebalo učiniti da se poveća učešće žena u ekonomskoj sferi?

## Annex 5: Online Questionnaire for Regional Development Agencies

### PITANJA ZA UPITNIK

E-mail osobe koja popunjava, pozicija i kontakt/obavezno polje	
Naziv organizacije	
Adresa Organizacije	
Molimo vas da nabrojite opštine koje pokriva vaša Regionalna razvojna agencija (RRA)	

<p>Podrška preduzetništvu i razvoju MMSP predstavlja značajnu aktivnost RRA.</p> <p><b>Obeležite na koje sve načine učestvuje vaša RRA u poslednje tri godine.</b></p> <p>Molimo vas zaokružite sve odgovore koji se na vas odnose</p>	<p>Učestvujemo u kreiranju politika podrške preduzetnicima/MMSP na teritoriji koju pokriva naša RRA</p> <p>Učestvujemo u kreiranju politike podrške preduzetnicima/MMSP za nacionalni/pokrajinski nivo (dajemo doprinos kroz konsultacije npr.)</p> <p>Pružamo set standardizovanih akreditovanih usluga</p> <p>Informišemo preduzetnike/MMSP o dostupnim programima koje realizuje Ministarstvo privrede, i druga ministarstva (poljoprivrede, nauke, zaštite životne sredine...itd)</p> <p>Informišemo preduzetnike/MMSP o dostupnim programima koje realizuje RAS</p> <p>Informišemo preduzetnike o drugim programima koji se nude a realizuju ih neke druge organizacije (civilno društvo, donatori itd..)</p> <p>Pomažemo preduzetnicima/MMSP da se prijave na dostupne konkurse</p> <p>Realizujemo RRA programe podrške preduzetništvu koje sami kreiramo i za koje koristimo sredstva od lokalnih samouprava</p> <p>Realizujemo RRA programe podrške preduzetništvu koje sami kreiramo i za koje koristimo sredstva iz donatorskih izvora</p> <p><u>Nešto drugo? Molimo navedite šta</u></p>
<p>Ukoliko ste realizovali <b>vaše</b> (koje sami dizajnirate) programe za podršku preduzetništvu i MMSP (<b>u 2016, 2017 ili 2018 godini</b>) obeležite vrstu podrške (može više odgovora)</p>	<p>Edukacija za MMSP/preduzetnike</p> <p>Informisanje MMSP/preduzetnika od značaja za unapređenje poslovanja</p> <p>Bespovratna finansijska podrška za početnike</p> <p>Bespovratna finansijska podrška za unapređenje poslovanja za one koji već posluju</p> <p>Bespovratna finansijska podrška za podršku izvozu/internacionalizaciji poslovanja</p> <p>Bespovratna finansijska podrška za inovacije</p> <p>Razvoj klastera, poslovnih udruženja ili druge poslovne infrastrukture</p> <p>Ne realizujemo takve programe</p> <p>Nešto drugo</p>
<p>Kada se radi o evidencijama o korisnicima fizičkim licima vaših programa –a koje realizujete <b>obeležite sve što se na vas odnosi</b></p>	<p>Vodimo evidenciju o prijavljenima na programe</p> <p>Vodimo evidenciju o korisnicima programa</p> <p>Vodimo evidenciju o prijavljenima po polu</p> <p>Vodimo evidenciju o korisnicima po polu</p>

<p>Kada se radi o evidencijama o korisnicima pravnim licima vaših programa –a koje realizujete <b>obeležite sve što se na vas odnosi</b></p>	<p>Vodimo evidenciju o prijavljenima  Vodimo evidenciju u korisnicima  Vodimo evidenciju o prijavljenima i po polu  Vodimo evidenciju o korisnicima i po polu  Vodimo evidenciju po veličini (mikro, malo srednje, veliko preduzeće)  Vodimo evidenciju o broju preduzetničkih radnji u odnosu na broj onih koji su registrovani kao preduzeća  Vodimo evidenciju po sektorskoj zastupljenosti korisnika  Imamo sve podatke objedinjene u bazi  Vodimo podatke odvojeno za sve aktivnosti a ne u bazi  Drugo_____</p>
<p>Da li vaša RRA <b>u poslednje tri godine</b> imala programe podrške preduzetništvu u kojima cilja neke posebne ciljne grupe unutar MMSP i preduzetnika? Obeležite sve što se na vas odnosi</p>	<p>Nemamo. Ciljamo sve preduzetnike/ce i MMSP iz svih sektora  MMSP/preduzetnike iz tačno određenih sektora  Poljoprivrednike/ce  Žene  Mladi  Seosko stanovništvo  Romi  Osobe sa invaliditetom  Drugo, navedite</p>
<p>Prema vašoj proceni koliko je u sve programe podrške preduzetništvu/MMSP u poslednje tri godine a koje realizujete uključena perspektiva rodne ravnopravnosti</p>	<p><b>Uključena je u potpunosti</b> (dostupni su podaci po polu, prepoznat je rodni jaz u dokumentima, potrebe su jasno definisane i određeni su ciljevi, ulaže se napor da se stigne do ciljne grupe, RRA ima interne kapacitete za te aktivnosti)  <b>Uključena je delimično</b> (vodi se statistika po polu i izveštaji sadrže te informacije) Na koji način tačno dopišite_____</p> <p><b>Uključena je sporadično u zavisnosti od programa</b>  <b>Nije posebno uključena</b>, svi mogu da se prijave na sve programe na koje žele  Nešto drugo  Ne znam</p>
<p>Prema vašem iskustvu u kojoj meri ministarstvo i RAS kod realizacije njihovih programa a u kojima vi učestvujete insistiraju na podacima po polu, ili na uključivanju rodnog aspekta</p>	<p>Traže od nas da sve podatke koje imamo o korisnicima dostavljamo razloženo i po polu  Nekada traže podatke za neke programe  Ne traže uopšte  Ne znam</p>
<p>Prema vašem iskustvu u kojoj meri donatori uz čiju podršku realizujete aktivnosti insistiraju na podacima po polu, ili na uključivanju rodnog aspekta</p>	<p>Traže od nas da sve podatke koje imamo o korisnicima dostavljamo razloženo i po polu  Nekada traže za neke programe  Ne traže uopšte  Ne znam</p>
<p>Prema vašem saznanju da li je neka od lokalnih samouprava finansirala <b>poslednje tri godine</b> programe koji su namenjeni preduzetništvu žena? (ili je finansirala poslednje tri godine)</p>	<p>Da  Ne  Ne znam</p>
<p>Ako da, navedite koje su to opštine,</p>	

<p>Da li znate za neki dobar primer prakse koji se realizovao na teritoriji koju pokriva vaša RRA u poslednje tri godine a da je bio namenjen preduzetništvu žena? Ako da, navedite neki primer i ko ga je realizovao.</p>	
<p>Koliko ste upoznati sa sledećim strateškim dokumentima i alatima? Zaokružite ocenu od 1 -5 kao u školi, gde je 1 najniža a 5 najviša ocena</p> <p>Strategija za MSP sektor, stub 6.  Strategija za unapređenje rodne ravnopravnosti i poboljšanje položaja žena i akcioni plan  Zakon o ravnopravnosti polova, član 40. (obaveza vođenja statistike po polu)  Rodno odgovorno budžetiranje (obavezno po Zakonu o budžetskom sistemu)  Evropska povelja o rodnoj ravnopravnosti na lokalnom nivou</p>	<p>1 2 3 4 5</p>
<p>Iz vašeg iskustva, koja bi intervencija pomogla kako bi se unapredilo preduzetništvo/MMSP sektor na teritoriji koju pokriva vaša RRA?</p>	
<p>Iz vašeg iskustva, koja bi intervencija pomogla kako bi se unapredilo žensko preduzetništvo/MMSP sektor na teritoriji koju pokriva vaša RRA?</p>	

## Annex 6: Analysis of Answers from Regional Development Agencies

Regionalne razvojne agencije u Srbiji predstavljaju važnu podršku preduzetnicima/cama kroz standardizovani set akreditovanih usluga, pružajući druge informacije o dostupnim programima, organizuju edukacije i druge vidove podrške MMSP. Takođe, značajna je uloga koju imaju u podršci preduzećima da koriste i RAS programe odnosno programe koje realizuje Ministarstvo privrede preko RAS-a. RRA su u tom smislu imaju značajnu ulogu i programima koji imaju za cilj da doprinesu zatvaranju rodnog jaza u preduzetništvu ali i uopšte jaza u ekonomskim šansama koje postoje za žene i muškarce u Srbiji.

Anketa je sprovedena u periodu od 16. do 21. januara 2019. Upitnik je poslat na adrese Regionalnih razvojnih agencija a odgovorilo je ukupno 7 RRA, i to iz Zaječara, Novog Pazara, Novog Sada, Rume, Subotice, Leskovca i Užica. Ove agencije svojim radom pokrivaju teritoriju 65<sup>70</sup> lokalnih samouprava. Upitnik se sastojao od ukupno 17 pitanja.

<b>Pitanje Podrška preduzetništvu i razvoju MMSP predstavlja značajnu aktivnost RRA. Obeležite na koje sve načine učestvuje vaša RRA u poslednje tri godine.</b>	<b>Broj odgovora/ukupan broj odgovora</b>
Učestvujemo u kreiranju politika podrške preduzetnicima/MSPP na teritoriji koju pokriva naša RRA	4/7
Učestvujemo u kreiranju politike podrške preduzetnicima/MMSP za nacionalni/pokrajinski nivo (dajemo doprinos kroz konsultacije npr.)	5/7
Pružamo set standardizovanih akreditovanih usluga	7/7
Informišemo preduzetnike/MSPP o dostupnim programima koje realizuje Ministarstvo privrede, i druga ministarstva (poljoprivrede, nauke, zaštite životne sredine...itd)	7/7
Informišemo preduzetnike/MSPP o dostupnim programima koje realizuje RAS	7/7
Informišemo preduzetnike o drugim programima koji se nude a realizuju ih neke druge organizacije (civilno društvo, donatori itd..)	7/7
Pomažemo preduzetnicima/MSPP da se prijave na dostupne konkurse	7/7
Realizujemo RRA programe podrške preduzetništvu koje sami kreiramo i za koje koristimo sredstva od lokalnih samouprava	3/7
Realizujemo RRA programe podrške preduzetništvu koje sami kreiramo i za koje koristimo sredstva iz donatorskih izvora	7/7

**Iako RRA pruža značajnu podršku preduzećima lokalne samouprave nedovoljno prepoznaju i koriste RRA kada je u pitanju razvoj preduzetništva. Samo 3 od 7 RRA sprovodi programe koje sami kreiraju a da ih finansira lokalna samouprava. Svega 40% lokalnih samouprava odvaja finansijska sredstva ka RRA za programe podrške preduzetništvu na svojoj teritoriji.**

<b>Pitanje Ukoliko ste realizovali vaše (koje sami dizajnirate) programe za podršku preduzetništvu i MMSP (u 2016, 2017 ili 2018 godini) obeležite vrstu podrške.</b>	<b>Broj odgovora/ukupan broj odgovora</b>
Edukacija za MSPP/preduzetnike	6/7
Informisanje MSPP/preduzetnika od značaja za unapređenje poslovanja	6/7
Bespovratna finansijska podrška za početnike	4/7
Bespovratna finansijska podrška za unapređenje poslovanja za one koji već posluju	4/7
Bespovratna finansijska podrška za podršku izvozu/internacionalizaciji poslovanja	1/7
Bespovratna finansijska podrška za inovacije	3/7
Razvoj klastera, poslovnih udruženja ili druge poslovne infrastrukture	4/7
Ne realizujemo takve programe	
Nešto drugo	razvoj socijalnog preduzetništva, pomoć i podrška zadrugama, osnivanje novih zadruga isl.

70 Majdanpek, Kladovo, Negotin, Bor, Zaječar, Boljevac, Knjaževac, Sokobanja, Tutin, Sjenica, Novi Pazar, Novi Sad, Sombor, Temerin, Apatin, Odzaci, Titel, Zabalj, Vrbas, Sremski Karlovci, Bac, Backa Palanka, Backi Petrovac, Srbobran, Beocin, Becej, Kula, Sremska Mitrovica, Ruma, Irig, Pećinci, Indija, Stara Pazova, Šid, Subotica, Bačka Topola, Mali Idoš, Senta, Čoka, Novi Kneževac, Kanjiža, Leskovac, Vranje, Vlasotince Crna Trava, Lebane, Bojnik, Medveđa, Vladičin Han, Surdulica, Bosi legrad, Trgovište, Bujanovac, Preševo, Užice, Priboj, Prijepolje, Nova Varoš, Čajetina, Bajina Bašta, Arilje, Požega i Kosjerić

**Kada realizuju sopstvene programe podrške preduzetništvu to najčešće uključuje edukaciju za preduzeća i preduzetnike (6/7 RRA), finansijsku podršku za početnike (6/7 RRA) i aktivnosti na razvoju klastera (4/7). Takodje, RRA su angažovane i na programima razvoja zadrugarstva i socijalnog preduzetništva.**

Pitanje Kada se radi o evidencijama o korisnicima fizičkim licima vaših programa –a koje realizujete obeležite sve što se na vas odnosi.	Broj odgovora/ukupan broj odgovora
Vodimo evidenciju o prijavljenima na programe	7/7
Vodimo evidenciju o korisnicima programa	6/7
Vodimo evidenciju o prijavljenima po polu	4/7
Vodimo evidenciju o korisnicima po polu	3/7

**Kada su u pitanju evidencije o korisnicima programa fizičkim licima koje RRA sprovode ima prostora za poboljšanja. Posebno kod vođenja statistike i po polu. Svega 3 od 7 RRA vodi evidenciju po korisnicima po polu.**

Pitanje Kada se radi o evidencijama o korisnicima pravnim licima vaših programa –a koje realizujete obeležite sve što se na vas odnosi.	Broj odgovora/ukupan broj odgovora
Vodimo evidenciju o prijavljenima	6/7
Vodimo evidenciju u korisnicima	6/7
Vodimo evidenciju o prijavljenima i po polu	3/7
Vodimo evidenciju o korisnicima i po polu	2/7
Vodimo evidenciju po veličini (mikro, malo srednje, veliko preduzeće)	1/7
Vodimo evidenciju o broju preduzetničkih radnji u odnosu na broj onih koji su registrovani kao preduzeća	2/7
Vodimo evidenciju po sektorskoj zastupljenosti korisnika	1/7
Imamo sve podatke objedinjene u bazi	3/7
Vodimo podatke odvojeno za sve aktivnosti a ne u bazi	3/7

**Podaci o korisnicima programa a koji su pravna lica takođe nisu adekvatno evidentirani. Svega 1/7 RRA vodi evidenciju korisnika po veličini, i po sektorskoj zastupljenosti, a 2/7 I po polu. Takođe I kada se vode evidencije one se vode odvojeno po aktivnostima što sužava mogućnost sagledavanja celokupne slike i planiranja.**

Pitanje Da li vaša RRA u poslednje tri godine imala programe podrške preduzetništvu u kojima cilja neke posebne ciljne grupe unutar MMSP i preduzetnika? Obeležite sve što se na vas odnosi	Broj odgovora/ukupan broj odgovora
Nemamo. Ciljamo sve preduzetnike/ce i MSSPP iz svih sektora	2/7
MMSP/preduzetnike iz tačno određenih sektora	6/7
Poljoprivrednike/ce	3/7
Žene	3/7
Mladi	6/7
Seosko stanovništvo	4/7
Romi	2/7
Osobe sa invaliditetom	1/7
Drugo, navedite	n/a

Žene kao ciljna grupa zastupljene su bile u 7/3 RRA, do su najviše bili zastupljeni mladi 7/6, i MMSP i preduzetnici iz tačno određenih sektora. Dve RRA su navele da nemaju tačno određenu ciljnu grupu, a osobe sa invaliditetom su bile zastupljene u programima kod jedne a Romi kod dve RRA.

Pitanje Prema vašoj proceni koliko je u sve programe podrške preduzetništvu/MMSP u poslednje tri godine a koje realizujete uključena perspektiva rodne ravnopravnosti	Broj odgovora/ukupan broj odgovora
Uključena je u potpunosti (dostupni su podaci po polu, prepoznat je rodni jaz u dokumentima, potrebe su jasno definisane i određeni su ciljevi, ulaže se napor da se stigne do ciljne grupe, RRA ima interne kapacitete za te aktivnosti)	2/7
Uključena je delimično (vodi se statistika po polu i izveštaji sadrže te informacije) Na koji način tačno dopišite_____	n/a

Uključena je sporadično u zavisnosti od programa	4/7
Nije posebno uključena, svi mogu da se prijave na sve programe na koje žele	1/7

**Na pitanje u kojoj meri je u programe podrške preduzetništvu uključena perspektiva rodne ravnopravnosti odgovori su jako različiti. Dve od sedam RRA kažu da je u potpunosti uključena, a 4 da je sporadično uključena u zavisnosti od programa. RRA nemaju isti pristup temi rodne ravnopravnosti i tu ima dosta prostora za poboljšanje.**

<b>Pitanje U nastavku su izlistani strateški dokumenti i alati. Ocenite ocenom od 1 do 5, gde je 1 najniža, a 5 najviša ocena, koliko ste upoznati sa ovim dokumentima.</b>	RRA 1	RRA 2	RRA 3	RRA 4	RRA 5	RRA 6	RRA 7	<b>PROSEK</b>
Strategija za MSP sektor, stub 6.	2	4	5	1	-	1	5	3.00
Strategija za unapređenje rodne ravnopravnosti i poboljšanje položaja žena i akcioni plan	2	5	5	1	2	3	3	3.00
Zakon o ravnopravnosti polova, član 40. (obaveza vođenja statistike po polu)	2	5	5	1	1	3	2	2.71
Rodno odgovorno budžetiranje (obavezno po Zakonu o budžetskom sistemu)	2	3	5	1	1	2	5	2.71
Evropska povelja o rodnoj ravnopravnosti na lokalnom nivou	3	5	5	1	1	1	3	2.71

**Upoznatost sa ključnim strateškim dokumentima iz oblasti rodne ravnopravnosti ali i razvoja MSP je takođe jako niska. Svega 2/7 RRA ocenjuju odličnu ili dobro upoznatost sa ključnim dokumentima.**

<b>Pitanje Prema vašem iskustvu u kojoj meri ministarstvo i RAS kod realizacije njihovih programa a u kojima vi učestvujete insistiraju na podacima po polu, ili na uključivanju rodno aspekta</b>	<b>Broj odgovora/ukupan broj odgovora</b>
Traže od nas da sve podatke koje imamo o korisnicima dostavljamo razloženo i po polu	4/7
Nekada traže podatke za neke programe	1/7
Ne traže uopšte	2/7
Ne znam	-

<b>Pitanje Prema vašem iskustvu u kojoj meri donatori uz čiju podršku realizujete aktivnosti insistiraju na podacima po polu, ili na uključivanju rodno aspekta</b>	<b>Broj odgovora/ukupan broj odgovora</b>
Traže od nas da sve podatke koje imamo o korisnicima dostavljamo razloženo i po polu	1/7
Nekada traže podatke za neke programe	5/7
Ne traže uopšte	-
Ne znam	1/7

**Na pitanje u kojoj meri ministarstvo privrede ili donator pokazuju tražnju za podacima po polu odgovori su isto različiti. 4/7 RRA kažu da im ministarstvo traži, 1/7 da im sve podatke traže donator, a 5/7 da im traže za pojedine programe. 2/7 RRA kažu da im nikada ne traže.**

**Kada se ovi odgovori ukrste sa podacima koliko RRA ima podatke razložene i po polu vidi se da se podaci ne traže na sistematičan način.**

<b>Pitanje Prema vašem saznanju da li je neka od lokalnih samouprava finansirala poslednje tri godine programe koji su namenjeni preduzetništvu žena? (ili je finansirala poslednje tri godine)</b>	<b>Broj odgovora/ukupan broj odgovora</b>
Da	5/7
Ne	-
Ne znam	2/7

<b>Pitanje Ukoliko znate da je neka od lokalnih samouprava finansirala programe namenjene preduzetništvu žena, molimo vas navedite koje su to lokalne samouprave.</b>	<b>Broj odgovora/ukupan broj odgovora</b>
Sokobanja, Zaječar, Boljevac, Knjaževac, Novi Pazar, Sremski Karlovci, Novi Sad, Leskovac, Vladičin Han, Kosjerić	5/7

<b>Pitanje Da li znate za neki dobar primer prakse koji se realizovao na teritoriji koju pokriva vaša RRA u poslednje tri godine a da je bio namenjen preduzetništvu žena? Ako da, navedite neki primer i ko ga je realizovao.</b>	<b>Broj odgovora/ukupan broj odgovora</b>
<p>PODRŠKA ZA BUDUĆNOST - Sokobanja, Knjaževac; FEMINA – Zaječar  PSD Projekat koji je realizovan u saradnji sa RAS, RRA Kraljevo, RRA Leskovac, RRA Zlatibor i RRA SEDA Novi Pazar, uz finansijsku podršku USAID-a; Projekat "NOVI PAZAR - NOVI POSLOVI" sproveda RRA SEDA u partnerstvu sa Gradom Novim Pazarom, IDC iz Beograda uz finansijsku podršku GIZ-a preko Programa SKGO  Programi podrške preduzetništvu žena - subvencije za samozaposljavanje žena - Novi Sad, Gradska uprava za privredu.. Grantovi za samozaposljavanje žena sa inovativnim idejama, Sremski Karlovci  UDRUŽENJE ŽENA PREDUZETNICA, EDUKACIJE  Projekat podrške razvojuprivatnog sektora u južnoj i jugozapadnoj Srbiji/USAID  Projekat za konkurs za razvoj ženskog preduzetništva ministarstva za inovacije. Nosilac je opština Kosjerić, ARRA Zlatibor je partner. Naziv projekta je "Inovacije za razvoj ženskog preduzetništva i inovacije u poslovanju malih gazdinstava"</p>	

