

Country: Republic of Serbia

Sustainable Tourism for Rural Development

SPANISH MDG ACHIEVEMENT FUND FOR DEVELOPMENT AND PRIVATE SECTOR
A UN JOINT PROGRAMME IMPLEMENTED WITH THE GOVERNMENT OF THE REPUBLIC OF SERBIA

Joint Programme Outcome(s):

1. Legal and policy framework for supporting diversification of rural economy through tourism is developed and contributes to achievement of Millennium Development Goals
2. Local rural tourism and support industries are better linked and organized; and local stakeholders' capacity is improved for delivering services and products in line with national strategies

UNDAF Outcome 3.1: "Sustainable development plans that effectively respond to the needs of people, communities and the private sector, and promote rural development and environmental protection"

<p>Programme Duration: 30 months Fund Management Option(s): Pass-through Administrative Agent: UNDP Lead agency: UNDP Other participating agencies: FAO, UNICEF, UNWTO, UNEP</p> <p>Lead national partners: Ministry of Economy and Regional Development, Ministry of Agriculture, Forestry and Water Management National partners: Tourism Organization of Serbia</p>	<p>Total estimated budget: 4,000,000 USD</p> <p>Out of which: 1. Funded Budget: 4,000,000 USD 2. Unfunded budget: _____</p>
	<p>Sources of funded budget:</p> <ul style="list-style-type: none">• Government: Ministry of Economy and Regional Development - in kind contribution (office space for PIU)• FAO 1,160,238 USD• UNEP 333,709 USD• UNDP 1,048,824 USD• UNWTO 1,026,211 USD• UNICEF 431,018 USD

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2. Summary

Serbian rural economies face a number of challenges and opportunities in becoming more competitive and sustainable, requiring balance between agricultural production and other economic activities, environmental protection, and social development. In the past, rural development has focused on improving agricultural performance, increasing competitiveness, consolidating land and improving market orientation. More recent rural development policies focus on the integration of environmental protection principles in agricultural production and sustainable use of resources. Measures supporting the diversification of the rural economy in socially, economically and environmentally sustainable ways are needed for rural Serbia improve its quality of life, lower poverty and fight social and environmental degradation of natural resources.

Sustainable rural tourism is one of the key sectors with strong potential for diversifying Serbia's rural economy. In the past several years a movement has been developing toward sustainable rural tourism that counters the threats of unmanaged tourism. Sustainable tourism views tourism within destination areas as a relationship between host areas and their communities and peoples, tourists, and the tourism industry. In the past, the tourism industry has dominated this relationship. Sustainable tourism reconciles the conflicting interests between these three partners. In short, it minimizes environmental and cultural damage, optimizes visitor satisfaction, maximizes long-term economic growth, and balances tourism growth potential and the conservation needs of the environment.

There are two lead ministries that will be responsible for the implementation of this Joint Programme, namely the Ministry of Economy and Regional Development and Ministry of Agriculture, Forestry and Water Management. Moreover, the Tourism Organization of Serbia participated in the development of the Joint Programme and will contribute to its implementation. Other national and local partners will also be engaged by the lead ministries, taking into consideration their areas of expertise. In particular, the Ministry of Education, Ministry of Environment and Spatial Planning, Ministry of Culture, Nature Protection Institute and Chamber of Commerce were consulted during programme development and will support its implementation.

In addition, five UN agencies will cooperate toward the implementation of this Joint Programme under the leadership of the administrative agent, UNDP. The funding levels per agency are: UNDP (\$1,048,824); FAO (\$1,160,238); UNWTO (\$1,026,211); UNICEF (\$431,018); and UNEP (\$333,709). UNDP and UNICEF are resident agencies; FAO and UNWTO have project staff in Serbia; and UNEP is a non-resident agency.

This Joint Programme (JP) contributes specifically to UNDAF Outcome 3.1: "*Sustainable development plans that effectively respond to the needs of people, communities and the private sector, and promote rural development and environmental protection,*" through planning initiatives at national and regional levels, and interventions in targeted rural regions that address supply and demand of rural tourism. It also contributes toward eight targets under three Millennium Development Goals; addresses three relevant Government strategies; and creates synergies with a number of Government and donor funded initiatives.

The proposed JP has two key outcomes that will be achieved through a holistic approach of UN agency and partner cooperation:

Outcome 1 (National Level): Legal and policy framework for supporting diversification of rural economy through tourism is developed and contributes to achievement of Millennium Development Goals. This outcome is implemented at the national level by supporting the Government to 1.1) develop a National Rural Tourism Master Plan and 1.2) develop a National Rural Development Programme, as well as by 1.3) providing guidance for public investments.

Outcome 2 (Local and Regional Level): Local rural tourism and support industries are better linked and organized; and local stakeholders' capacity is improved for delivering services and products in line with national strategies. This outcome is implemented at the local and regional level, in four target regions, and aims to provide support in local rural planning and destination development and management. A *Joint UN Fund for Sustainable Rural Tourism* will provide investments in three thematic windows: i) Tourist Destination Development; ii) Diversification of Rural Economy through Tourism; and iii) Active Learning Tourism Investments.

In order to achieve these Outcomes, this JP will utilize several strategic approaches in its implementation, including:

Leader Approach: Leader is an approach of mobilizing and delivering development at the local level in rural communities that encourages rural communities to explore new ways to become or remain competitive by planning and implementing sustainable strategies. From 2007 Leader is no longer a separate programme but should be integrated in all EU national and regional Rural Development Programmes. Serbia will soon be eligible for using EU pre-accession funds to support development of local partnerships for strategic planning and LAG formation as a mechanism for rural development.

Local Action Groups (LAG): A LAG is a local partnership that plans and implements a local rural development strategy, allocates financial resources, and manages implementation. LAGs are an important feature of Leader, as they aggregate human and financial resources, associate local players through cooperative initiatives, strengthen dialogue and cooperation between rural actors, and facilitate local actors to adapt and improve.

Destination Management: Destination Management is the co-ordinated management of all the elements that make up a destination (attractions, amenities, access, marketing and pricing). Destination management takes a strategic approach to link-up these sometimes very separate entities in order to help to avoid duplication of effort with regards to promotion, visitor services, training, business support and identify any management gaps that are not being addressed.

3. Situation Analysis

Overview: This situation analysis presents an overview of rural and tourism development in Serbia, beginning with a brief analysis of rural economic development in Serbia and continuing with an analysis of the present state of rural tourism in Serbia. This leads into a discussion on sustainable rural tourism development and how that is defined within the framework of this project. Finally, key data regarding public investment in rural and tourism development is presented.

Serbia Rural Economy Analysis

Serbian rural economies face a growing number of challenges, in addition to several opportunities, as they try to compete nationally and beyond. A competitive Serbian rural economy requires a balance between agricultural production, other economic activities, environmental protection, and social development.

In spite of economic growth over the past eight years, regional and rural-urban disparities, and social exclusion of vulnerable groups still remain concerns in Serbia. While poverty rate was reduced from 14% to 6.6%, it still remains twice as high in rural areas (9.8%) than urban (4.3%). The significance of this problem is compounded by the fact that 85% of Serbia's territory, 55% of the population, and 41% of its GDP comes from rural areas. Roughly 75% of the rural population is engaged in subsistence agricultural production (75%), with only an estimated 20% producing for markets. These statistics show that, while the Serbian economy is highly dependent on agriculture and the rural sector, many rural economies remain underdeveloped. While official unemployment Serbia-wide is 18%, in many rural regions it approaches 25% (unemployment at the village-level would certainly be significantly higher, while in urban municipal centers, lower). Women in rural areas are particularly vulnerable as they represent 74% of people engaged in a family business without being paid for the work done, usually in agriculture. Per capita GDP in most rural regions throughout the country is 70%-85% of the Serbia-wide per capita average.

Current Trends Driving Rural Development	Strategic Priorities in Rural Development
<ul style="list-style-type: none"> Farms will become predominantly commercial and continue to get larger. The great majority of rural people will not be landowners. Agriculture's contribution to GDP will decline, in most cases to no more than 10%-15%. A larger percent of world agricultural production will be traded on international markets. An increased portion of rural income will be non-agricultural in origin (though with linkages to agriculture in most cases). Agriculture's contribution to total exports will decline, and be no higher than 10%-15% of total exports. 	<ul style="list-style-type: none"> Foster an enabling policy & institutional environment for broad-based and sustainable rural growth. Enhance agricultural productivity & competitiveness. Encourage non-farm economic growth. Improve social well-being, gender equity and risk management. Enhance sustainable management of natural resources.
<p><i>These trends and strategic priorities, published and presented by the Ideas Centre in Geneva, Switzerland, and backed up by data trends, show that the role of agriculture in the rural economy in Europe will play an increasingly smaller role in the lives of most rural people. Included in the strategic priorities of this think-tank are therefore developing non-agriculture activities and enhancing sustainable resource management. Sustainable rural tourism development provides one in a portfolio of solutions for the rural development issue.</i></p>	

Due to this situation, rural development has been a priority of the government and international donors in Serbia. Since 2000, significant resources have been invested in rural development: €25 million by the Government of Serbia from 2004-2006; over \$120 million by USAID from 2001-2007; and €70 million by EAR from 2001-2008 (including for agriculture). The 2008 IPA allocation for Serbia totaled €190.9 million, including both Component 1 (Implement Main Priorities of European Partnership) and Component 2 (Support Cross-Border Cooperation between Serbia and EU, Candidate and Potential Candidate Countries). However, IPA funds have not been invested in rural development to date.

Over the past several years, rural development has focused on improving agricultural competitiveness, consolidating land, improving market orientation, and developing rural economic infrastructure. Additional efforts focusing on the environment, diversification of rural economy and rural infrastructure were also

introduced. However, measures supporting the diversification of the rural economy toward non-agriculture and new agricultural ventures, including through improved access to markets and environmentally-friendly production, need to be made more effective.

In addition, the welfare of rural populations is also determined by access to services (e.g. healthcare, education and social protection), which implies that greater efforts are necessary to ensure rural development policy is fully cross-sectoral. Any rural development planning needs to take into consideration efforts that fully utilize existing resources. In this context, the human resources and infrastructure available within the education system in rural areas are of particular importance. Namely, village schools, having experienced a reduction in size over the past decades, mean that educated teachers, that are losing their jobs or have access only to part-time employment, represent an important resource that can be utilized for rural development. Along the same lines, village schools (usually located in the centre of village), have available space that can be used for rural development initiatives. Such measures are increasingly necessary and should help to reduce the migration of young people and the resulting loss of social capital from rural communities, as well as to provide economically and environmentally sustainable rural livelihoods.

In March 2008, the Ministry of Agriculture, Forestry and Water Management completed a draft National Rural Development Plan and draft National Rural Development Programme, with assistance of EAR. The Plan is not yet accepted, pending adoption of the Law on Agriculture and Rural Development. The Ministry

has announced that they will start preparing the IPA Rural Development (IPARD) Plan and have requested assistance. They have also launched a public discussion on the "Plan of Strategy" which should serve to deepen rural development as part of the agriculture strategy. At the local level, minimal progress in rural development has been made. Municipalities generally have local economic strategies, but they often lack the rural development perspective. At the present time, the Ministry may lack the financial resources necessary to support rural development strategies through the Rural Development Network, due to the budget deficit.

Serbia Tourism Product SWOT Analysis		
	Helpful	Harmful
Internal Origin	Strengths <ul style="list-style-type: none"> Diversified tourism product Rich cultural heritage Unspoiled natural scenery Strategic location on cross-road of Europe & Asia Hospitality of people 	Weaknesses <ul style="list-style-type: none"> Lack of attraction development Concentrated accommodation supply Few professional operators Lack of general, as well as specialty, tourism infrastructure, especially in rural areas
External Origin	Opportunities <ul style="list-style-type: none"> Existence of tourism products already experienced with international markets Rise of activity in special-interest tourism Emergence of environmentally-conscious tourism Mixing unspoiled nature with highly developed activities & sports 	Threats <ul style="list-style-type: none"> Lack of appropriate national, regional & local structures dealing with development, management, & promotion of tourism Uncontrolled tourism facility development Lack of adequate infrastructure development to match tourism projections

This SWOT of the Serbia tourism product, presented at an international conference in Halle, Germany, highlights some of the opportunities, issues and challenges targeted by the JP. Outcome 1 of the JP addresses many of the threats identified in this analysis, while Outcome 2 will build on Serbia's strengths and opportunities. This SWOT focuses on the Serbian tourism product overall, and not specifically on sustainable rural tourism.

Serbia Rural Tourism Analysis

Serbia's rural economy lacks sufficient diversification, despite having favorable natural resources. Rural tourism can help lead the way to a more diversified rural economy while creating jobs and increasing income. From 1989 to 2000 tourism globally grew 73%, while Serbian tourism halved. After 2000, tourism began to recover, and in 2007 Serbia saw more than 2 million international arrivals, 33% more than in 2006. In terms of revenue and GDP, international tourism receipts increased from \$409 million in 2006 to \$531 million in 2007. According to the UNWTO World Tourism Barometer of October 2008, there is potential to build on recent growth by developing rural tourism internationally, given that global trends increasingly favor rural tourism.

Domestic tourism accounts for 80% of overnight stays, representing more stable market demand with less seasonality than international tourists. From 2006-2007 domestic rural tourism grew by 12%. Given the international and local trends, now is the time to take stock and reorient the tourism sector to harness its potential in contributing to rural development.

Leisure Tourism in Serbia
According to Centre for Responsible & Sustainable Tourism Development research only 15% of foreign visitors visit Serbia for leisure. While this statistic is dated (September 2003) it likely reflects a lasting trend as many visitors to Serbia come for business only and often rarely have the opportunity to leave Belgrade.

Although strong data on the impact of the current economic crisis on tourism will be available after the summer season, some statistics already indicate a decline in visits. The number of tourists in Serbia fell by 6% to just under 136,000 in January 2009 compared with January 2008 (official statistics). Nevertheless, SeeNews and the Sofia Echo reported in February 2009 that Serbia anticipates about \$1.0 billion (€788

million) in tourism revenue this year despite the decline of the global economy, according to the Minister of Economy and Regional Development, Mladjan Dinkic.

Rural tourism, as a combination of different forms of tourism that showcase rural life, art, culture and heritage in rural locations, is extremely suitable for diversifying Serbian rural economy. Serbia possesses a rich heritage of biological, geological and cultural diversity and rural heritage resources to support various forms of rural tourism, such as agriculture, nature and adventure, and eco-tourism. The richness that makes Serbia attractive for rural tourism development, however, depends on traditional small scale farming practices, which face significant risks in terms of sustainability.

Rural tourism development, with its opportunities, is one solution to the problems facing the Serbian rural economy – uncompetitive small-scale farming, rural poverty, depopulation and aging, and high unemployment. Efforts need to be focused, however, on doing so sustainably. Some economists consider that high unemployment may encourage some urban dwellers to return to villages if there are viable economic opportunities. Programmes and initiatives need to mobilize underutilized rural human resources and utilize their potential for cooperation and partnership at the local level. Rural tourism, especially agro-tourism, may be a feasible strategy to attract investors and facilitate investments in rural areas.

Developing niche markets for quality products from rural Serbia, rural tourism can help rural households improve their vitality, increase sources of income, and create employment. This JP will support the participatory development of national and local rural tourism and development plans, which will enable municipalities and communities to develop projects under the Government's rural development and tourism support programmes and as a tool for a national IPARD plan.

Developing Sustainable Rural Tourism

Over the last couple decades a movement toward sustainable tourism has been developing to counter the threats which unmanaged tourism can bring. Sustainable tourism views tourism within destination areas as a tri-party relationship between host areas and their communities and peoples, tourists, and the tourism industry. Often in the past, the tourism industry has dominated the relationship. Sustainable tourism aims to reconcile the conflicting interests between the three partners to maintain long-term equilibrium. Sustainable tourism aims to minimize environmental and cultural damage, optimize visitor satisfaction, and maximize long-term economic growth for a region. It is way of obtaining a balance between the growth potential of tourism and the conservation needs of the environment.

Serbia's rural environment is one of the country's greatest assets. Much of the rural tourism potential in Serbia remains untapped or utilized at relatively low levels. This presents an obvious development dilemma: increasing rural tourism for the benefit of rural economies and communities, while avoiding the negative consequences associated with increased human traffic. This JP aims to ensure that the maximum economic and social benefits can be secured, while protecting and, wherever possible, enhancing the quality of the environment. This includes promoting educational aspects as well as the health and well-being benefits that a high quality environment provides.

While recycling represents one of the crucial elements of environmental sustainability, the existing facilities and programmes in Serbia are relatively limited. The Serbian Recycling Agency reports that in 2007 only 9% of solid waste was recycled (up from 3% in 2003). (This probably includes scrap metal which is currently recycled fairly efficiently by Roma.) Harmonization with EU member-state strategies requires a recycling rate of 25% of packaged goods. Municipal collection systems have sprouted in a number of municipalities since 2007, though many still have no public recycling programme or initiative of any kind. There are signs of progress, however, from the private sector where three relatively large scale plastic recycling plants have been built in the municipalities of Batocina, Novi Sad, and Gornji Milanovac, positioning Serbia for a jump; Serbia-wide, plastic processing capacity exceeds collected quantities by twelve times. This situation represents an opportunity to dramatically improve solid waste management issues, particularly in rural Serbia where illegal dumping abounds. This is particularly true in tourist areas because of high human traffic in and nearby tourist destinations.



Sights such as this are too common in Serbia. Solid waste is commonly dumped in the environment, often near rivers and other bodies of water. This particular dump was photographed near a hotel in a popular Serbian resort.



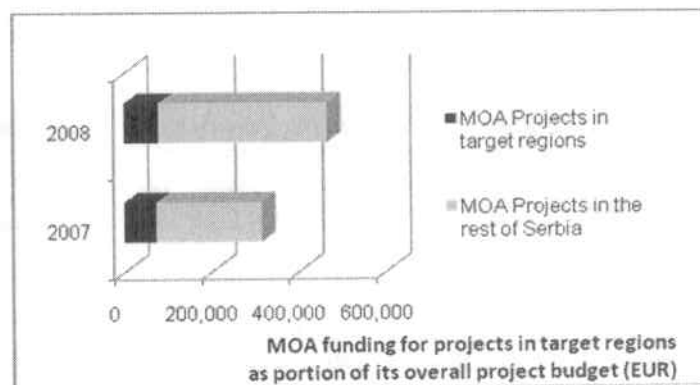
In addition to environmental factors, sustainable rural tourism must also respond to the needs of the poor rural populations by providing an economically viable option for diversifying and increasing their income. In particular, rural tourism has the potential to increase participation of the poor in private sector development because the customer comes to the product. Tourism enhances the local economy by offering opportunities for locally-processed products, handicrafts and souvenirs; and offers opportunities for rural households to develop quality home and cottage accommodation offerings. The service industry also benefits through linkages and demand for related services such as entertainment, health and beauty, and insurance. The direct benefits that local communities can achieve are therefore higher if tourism development includes poor and disadvantaged groups in service provision.

Serbia Public Investment in Tourism

The Serbian government is making significant investments in rural areas and tourism. In 2008 the Serbian government invested roughly €50 million in tourism investments, with planned investments in 2009 of €75 million. These figures include the Fund for Tourism Development and a portion of the National Investment Plan funds allocated for tourism initiatives. When Serbia reaches EU candidate status, the door will open for an additional €25.5 to €66.3 million in IPARD funding.

The Ministry of Agriculture has been providing assistance to farmers in the form of both grants and credit since 2004. The budgeted fund for 2009, including both the grant and credit funds, is €15.5 million.

Grant Fund: Since 2004, the Rural Development Support Programme of the MoA has provided farmers and processors with up to 50 percent reimbursement for some investments, such as farm equipment and machinery, quality enhancing equipment, food safety and quality systems (HACCP, ISO 9000), expenditures for new orchards and vineyards, with the aim of improving the farming sector's competitiveness. Moreover, some other rural development measures were launched



through a grant programme, offering co-financing for investments in the environment, genetic resources conservation, organic food production and rural infrastructure. Marginalized or less-favored areas were favored by a higher proportion of eligible investment (10-20% more than other areas). Rural diversification funds supported initiatives in tourism, conservation and promotion of rural traditions. In 2007, only 298 requests for rural tourism support were filed; in 2008 the number increased to 608 although the eligible territory was reduced to include only less-favored areas. Less favored areas face limitations in agricultural development, such as bad soil, high altitude and flooding, so diversification of economy is an important factor in the survival of those communities.

Credit Fund: The credit funds are provided through the commercial banking sector and include: i) short-term credit (up to one year) for use as working capital for procurement of farm inputs; and ii) medium-term credit (up to five years, with 1-3 year grace periods) for construction and procurement of machinery, orchards, greenhouses, livestock and other investments. The managing board includes the Ministers of Economy and Regional Development; Finance; Trade and Services; Agriculture, Forestry and Water Management; Infrastructure; Labour and Social Policy; and the Minister responsible for the National Investment Plan.

In addition, the Ministry of Economy and Rural Development (MERD) has established a fund to provide low-interest credit (5% annual, five-year repayment, one-year grace period) for improving the quality of tourism offers. Through investment in tourism and tourism-related infrastructure projects, MERD aims to strengthen the appeal of Serbian tourism attractions, while increasing rural employment. Priority is given to projects in underdeveloped regions and those that are already underway through other financing sources are given priority. The annual budget for the fund is roughly €19.8 million at today's rate.

The Serbian government has completed eleven separate Master Plans for targeted destinations in Serbia. In addition, they have four other Master Plans in process. All of these 15 focus on general tourism development of specific geographic regions, while the National Rural Tourism Master Plan undertaken in this JP will focus on rural tourism development throughout the entire country.

Research and Resources

The baseline assessment for this JP will build on the background information presented above, specifically developing the following sets of information: i) tourism offerings and actors database; ii) stakeholder capacity and training needs; iii) LAG potential leaders, actors and resources; iv) existing civil society and producer groups, and organizational capacity; v) tourism quality rating systems and analysis; vi) socio-economic and tourism statistics: beds, overnights, destination visits; and vii) market data and assessment. For more details refer to Section 8 of this document.

For a complete list of the documents and resources used in the preparation of this JP refer to Annex 1: Bibliography and Resources.

4. Strategies, Lessons Learned and Proposed Joint Programme

Relevant Contributions to Outcomes, Goals and Strategies

This joint programme will contribute specifically to UNDAF Outcome 3.1 with planning initiatives at national and regional levels, and interventions in specific regions that target rural development by addressing supply and demand of rural tourism:

UNDAF Outcome 3.1: *Sustainable development plans that effectively respond to the needs of people, communities and the private sector, and promote rural development and environmental protection.*

In addition to UNDAF Outcome 3.1 and national strategies, this proposal also addresses several national MDG targets for Serbia, shown in the table.

This JP also contributes to the implementation of a number of relevant Government strategies, including: 1) Strategy for Development of Tourism; 2) Strategy for Regional Development; 3) Poverty Reduction Strategy; and 4) National Sustainable Development Strategy. At the local level, the JP will support establishment of Local Action Groups (LAGs) in targeted locations. As a public-private partnership mechanism, LAGs represent local interests and are tasked with formulating local rural development strategies and proposing local projects for Government, EU and other sources of funding.

Summary of MDG Targets Addressed by JP	
MDG 1. Eradicate Extreme Poverty & Hunger	<ul style="list-style-type: none"> 1.1. Reduce unemployment rate of young by at least one third. 1.2. Reduce unemployment rate of persons with disabilities by at least 20%. 1.3. Reduce unemployment rate of women by over 45%.
MDG 7. Ensure Environmental Sustainability	<ul style="list-style-type: none"> 7.1. Integrate sustainable development principles in national documents, stop the loss of natural resources and encourage their revitalization. 7.2. Adopt and implement national programmes, strategies & laws governing sustainable development and environmental protection in Republic of Serbia by 2015. 7.5. Increase energy efficiency & usage of renewable energy.
MDG 8. Develop a Global Partnership for Development	<ul style="list-style-type: none"> 8.1. Dynamic & sustainable GDP growth based on assumptions established by the National Investment Plan, the Strategy for Promotion and Development of Foreign Investments and the Strategy for Economic Development until 2012. 8.3. Increase investments in human resource development by 70%.

Proposed Joint Programme

The proposed Joint Programme design targets two key outcomes – the first focusing on strategy development at the national level, and the second focusing on planning and destination development at the local and regional level.

Outcome 1: Legal and policy framework for supporting diversification of rural economy through tourism is developed and contributes to achievement of Millennium Development Goals. This outcome is implemented at the national level and focuses on developing a National Rural Tourism Master Plan and National Rural Development Programme, as well as providing guidance for investments in sustainable rural tourism. Three JP outcomes will help prepare Serbia for accession into the EU and will promote a strategic approach to sustainable rural tourism development at the national level:

1.1. National Rural Tourism Master Plan: The development of a Serbia-wide *National Rural Tourism Master Plan* will bring together public, private and civil society stakeholders to create a plan that addresses the needs of rural tourism actors and operators, aligning them with the demands of tourists and consumers in a country-wide strategic approach.

1.2. National Programme for Rural Development: based on an existing draft (dated March 2008) and other relevant documents, development and finalization of the National Programme for Rural Development will be supported, with the aim of obtaining Government approval. This document will improve Serbia's rural planning processes through measures for rural economy diversification,

strengthening social capital and environmental protection. This Programme will facilitate Serbia's access to the European Commission's IPARD Axes 2, 3 and 4 funding (environmental action, rural economy diversification and local partnership development), with the aim of reducing poverty in rural areas in a sustainable manner. This activity is closely linked with Output 1.1 and will be coordinated through a joint inter-ministerial working group. Special effort will be paid to ensuring a Rural Development Programme is fully cross-sectoral, taking into consideration not only the economic aspects of rural development, but also living conditions and access to services.

1.3. Investment Mainstreaming: The mainstreaming of sustainable tourism investments into national policies and priorities will be facilitated through a number of initiatives targeting national and international partnerships of public, private and civil society sectors. Moreover, lessons learned from pilot projects implemented under Outcome 2 will be used to better guide public investments in sustainable rural development.

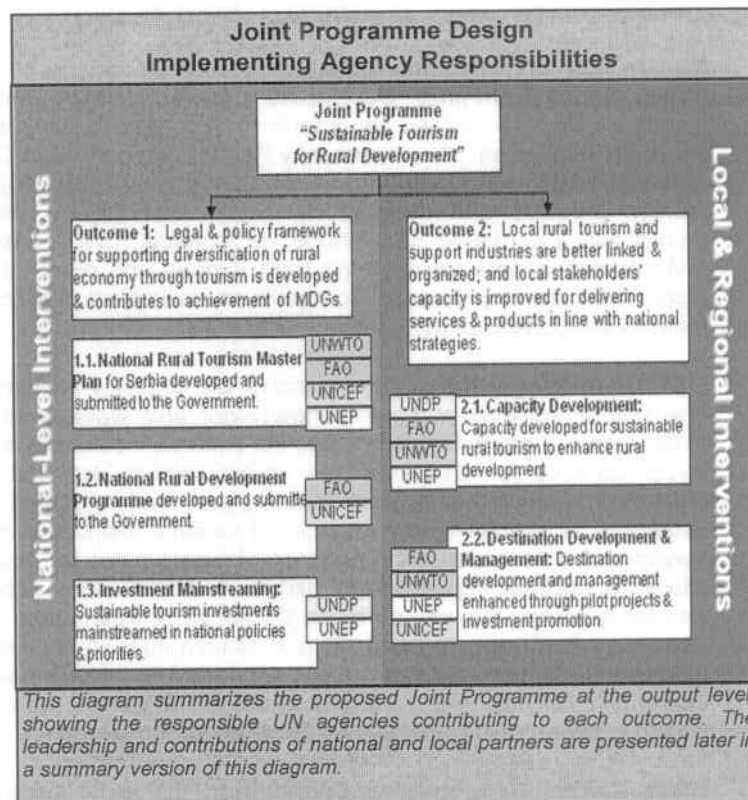
Outcome 2: Local rural tourism and support industries are better linked and organized; and local stakeholders' capacity is improved for delivering services and products in line with national strategies. This outcome is implemented at local and regional levels, in four geographic clusters including nineteen municipalities, and aims to improve the organization of local rural tourism and support industries, and develop local actors' capacity. Two JP outputs comprise Outcome 2.

2.1. Capacity Development: The JP will develop the capacity for sustainable rural tourism to enhance rural development through a portfolio of training and capacity development activities targeting a host of local actors in the public, private and civil society sectors.

2.2. Destination Development and Management: The concept and practices of Destination Development and Management will be improved in local institutions and organizations through investment facilitation activities and direct investments in sustainable tourism destinations, heritage sites, regional branding initiatives, active and child learning, and environmental management.

There are two lead ministries that will be responsible for the implementation of this Joint Programme, namely the Ministry of Economy and Regional Development and Ministry of Agriculture, Forestry and Water Management. Moreover, the Tourism Organization of Serbia participated in the development of the Joint Programme and will contribute to its implementation. Other national and local partners will also be engaged by the lead ministries, taking into consideration their areas of expertise. In particular, the Ministry of Education, Ministry of Culture, Ministry of Environment and Spatial Planning, Nature Protection Institute and Chamber of Commerce were consulted during programme development and will support its implementation.

National partners are expected to lead the Outcome 1 activities, as well as provide significant impetus at the local level under Outcome 2. Implementation of Outcome 2 will be led through a collaborate approach between the responsible UN agencies and local partners, including municipal tourism offices, the Rural Development Network and Local Action Groups, local self-governments, institutions in the field of culture and heritage, regional Chambers of Commerce, and other local public, private and civil society actors. Further information on the roles and ownership of national and local partners and actors is presented in the Sustainability of Results section of this proposal.



Collaborative and Related Development Programmes

This JP will create synergies through collaboration and application of lessons learned with ongoing and previous rural development and tourism projects, those implemented by UN agencies as well as those funded by other donors (particularly cross-border projects since 3 out of 4 target regions border with Romania and Bulgaria). In addition to the national partner agency fund mechanisms previously presented, several key related ongoing initiatives with which this JP has already established contact are presented below.

Strengthening Rural Social Capital: UNDP is currently implementing the pilot project in five municipalities in Vojvodina, one of which (Alibunar), is also targeted in this JP. Funded by the Government of Romania, this one-year project utilizes the Leader approach to strengthen rural social capital and build the capacity of local actors to form local action groups and develop local strategies. Planned activities include:

- establish working groups to unify existing local groups, associations, and the Rural Development Network;
- promote the importance of Local Action Groups (LAGs), rural development and the EU's Leader approach through publish materials and media outlets;
- revise local development strategies by establishing more clear rural development priorities;
- conduct a training needs assessment for all working groups; and
- train beneficiaries, and provide small grants to support application of training.

This project is planned to be finalized in December 2009.

USAID Tourism Portfolio: USAID has implemented three projects with tourism activities. The first, the \$20 million Serbia Enterprise Development Project (SEDP), had a rural tourism destination management component focused on two geographic hubs: Vrnjacka Banja and Zlatibor, developing offerings in those and nearby communities. The Community Revitalization through Democratic Action (CRDA) project was a \$200 million project implemented throughout Serbia; over 7,000 projects were completed, including more than 100 tourism products and destinations. SEDP and CRDA collaborated to develop rural tourism sites in municipalities bordering SEDP hubs; for example, CRDA and local partners and municipalities refurbished and developed wine trails, hiking trails, lodges and other attractions promoting day-trips from the nearby hubs. The current Enterprise Competitiveness Project, a follow-on to SEDP, has a tourism component but focuses exclusively on convention tourism.

MDG Joint Programmes: UN agencies are currently implementing two MDG Joint Programmes in Serbia. The first, *Promotion of Youth Employment and Management of Migration*, was awarded in 2008, and centers on a strategy that influences the policies, institutions and programmes that provide employment and social services for disadvantaged young citizens exposed to migration. It builds on three interlinked outcomes: i) mainstream youth employment and migration policy objectives into national development strategies; ii) strengthen the capacity of national institutions to develop integrated labor market and social services; and iii) implement a package of programmes for employment and social services. This current JP shares a national implementing partner in MERD. The second MDG JP, *Promoting Peace Building in Southern Serbia*, focuses on three outcomes: i) strengthen and better integrate communities in southern Serbia, so that they are better able to reduce inter-ethnic tensions and conflict risk; ii) improve and make more equitable the access to public services and welfare benefits to reduce perceptions of exclusion and inter-ethnic tension; and iii) increase overall economic prosperity of region, and reduce discrepancies in wealth between municipalities and between ethnic groups.

Black Vulture Conservation Foundation: thanks to support from the Spanish government, the Black Vulture Conservation Foundation has been supporting local eco-tourism initiatives in the Uvac region in Serbia for the last two years. This includes projects such as the "Pro-Nature Travel", which urges socio-economic development next to conservation efforts. Special attention has also been paid to the promotion of the *European Charter for Sustainable Tourism in Protected Areas*, which can raise the visibility and strengthen rural tourism initiatives in Serbia through planning and networking. As this programme will end in 2009, lessons learned and good practices from this valuable experience can be showcased in trainings implemented within the framework of this JP. The Foundation has also established a strong relationship with all key local and national stakeholders, whose support will also be crucial for the JP.



Community Connections Village and Rural Tourism Study Tour: In October 2008, USAID-sponsored ten Serbian rural tourism providers participated in a 22-day study tour to La Crosse, Wisconsin where they learned from their US counterparts, received formal training, and organized workshops to apply the principles learned upon their return to Serbia (see inset.)

The Danube – The River that Unites Europe: GTZ is working to economically develop the Danube River Destination for the countries of southeast Europe through programmes promoting tourism, investment and environmental protection in the countries of Croatia, Serbia, Romania and Bulgaria. In the priority area of tourism, the project brings together national coordination teams with Danube communities to develop and implement a tourist concept. Activities include: i) identify tourism potential and design new tourism products; ii) consult tourism enterprises; iii) support tourism marketing activities; and iv) support economic cooperation along the Danube.

<p>Profile: Community Connections Village & Rural Tourism Study Tour</p>	<p><i>In October 2008, ten Serbian rural tourism providers undertook a study tour to La Crosse, Wisconsin. The 22-day tour focused across the spectrum of rural tourism through a combination of visits, workshops and training.</i></p>
<p>Daily Topics & Training</p> <ul style="list-style-type: none"> • Destination Tourism • Rural Tourism Challenges & Opportunities • Rural Hotel & Lodging Management • Eco Tourism, Park & Trail Management • Crafts & Souvenirs • Historical Site Preservation • Agro Tourism • Regional Product Marketing • Event Organization & Management • Tourism Operators • On-Line Reservation Systems • Government's Role in Tourism & Promotion • Federal, State & Local Government Support • Public-Private Partnerships • Hospitality Training & Customer Satisfaction 	<p><i>Upon their return to Serbia the ten participants established Selo (www.selo.org.rs), a national association of village tourism providers. The organization now has 30 members and plans to publish an instructional newsletter for village tourism providers, categorize tourism households and publish a guidebook with provider & household contact information.</i></p> <p><i>Community Connections is a USAID programme that organizes study tours around priority themes. In addition to study tours, the programme has a small fund (up to \$7,000) that can be accessed by study tour participants to follow up their study tour with a local initiative.</i></p> <p><i>Community Connections received applications from 70 rural tourism providers; 30 were interviewed by a selection panel; and ten attended the study tour.</i></p>

Capacity Building for the Regulation of the Serbian Wine Sector: This EU Twinning Project assisted Serbia in complying with EU laws in the wine sector. The project partners were Serbia's Ministry of Agriculture and the Spanish Ministry of Rural Development of La Rioja. The project budget was €1.5 million, for a period of 30 months.

Government of Serbia's Cultural Tourism Project: The importance of cultural tourism in Serbia has contributed to a partnership between culture and tourism that is expected to contribute greater financial and organizational independence of cultural institutions. One main challenge facing the partnership is the neglect of tourism infrastructure, including roads, accommodations, communications and human resources. The Serbian Ministry of Culture decided that action is necessary to promote cultural sites throughout the country. Through the National Investment Plan (NIP) the Government of Serbia is supporting cultural infrastructure and tourism projects. In 2007 €22.9 million was invested (against projected budget of €33.3 million). In 2008 the budget for 26 cultural projects was €7.8 million, representing 1.3% of the total NIP budget. In the JP target regions, synergies will be sought with the archeological sites of Viminacijum and the Roman Emperors Cultural Route which crosses two of the target regions.

In the implementation of the Joint UN Fund for Sustainable Rural Tourism, all activities will be closely coordinated with the public funds described in the section "Serbia Public Investment in Tourism" above. Lessons learned from the pilot projects will be used to strengthen the management of public funds, and representatives of the lead ministries' grants offices will be invited to the PMC meetings dealing with pilot projects.

More information on regional, local and cross-border projects is available under the section "Geographic Coverage" below.

Lessons Learned

The following lessons learned were derived from interviews with actors and international projects, both UN agency and those funded by other international donors, related to Serbia rural development and tourism.

Rural Development Planning: One of the most important lessons learned so far from UNDP's *Strengthening Rural Social Capital* project in Vojvodina (previously presented) is that the process of planning needs to be considered as an integral activity, rather than simply as a means to attract resources. Therefore, it is not necessarily the specific approach that is used but the fact that key stakeholders use the opportunities available to them to begin the planning process in ways that involve the necessary actors, including those from rural communities. In some municipalities, LAGs have already developed good

municipal strategies, but in others the participatory process exists simply on paper. This JP will rely on local actors, such as the Rural Development Network (RDN) and tourism organizations, to ensure all relevant stakeholders are informed and engaged in identification of priorities and activities for sustainable rural tourism development.

Role and Support of Rural Development Network (RDN): Somewhat related to this is that while the RDN is a valuable and promising local resource, its mandate and activities should be expanded to include additional participatory planning activities. The RDN has 140 municipal and 15 regional offices across Serbia, and will be one of the key partners in the implementation of this JP. In particular, the JP will develop the RDN's capacity to include more participatory planning outputs and increased focus on sustainable rural tourism initiatives. In this way, the RDN will play a valuable role in supporting local planning and project implementation.

Training Designed for Target Audience: Trainings and education need to be based on well-designed and innovative approaches to training topics, which are tailored specifically to the rural clients and beneficiaries. Because many programmes have not achieved this standard in Serbia, some rural citizens are now hesitant to involve themselves in similar efforts. The JP will use the RDN and local tourism organizations to conduct a training needs assessment and will design capacity development events accordingly.

Public Institution Monitoring & Evaluation: monitoring and related capacities of most public institutions, national and local, are relatively weak. For publicly-funded programmes and subsidies, there is little possibility to quantify impact due to insufficient monitoring controls and evaluative tools. Therefore, the national M&E systems should be improved so that the impact and results of their programmes can be fully assessed and presented.

Key Rural Tourism Providers, Operators & Websites
<i>Serbia's tourism network is relatively well-organized in many respects. The following websites demonstrate the degree of organization and services currently available with respect to village and rural tourism:</i>
www.selo.co.rs : Village tourism in Serbia.
www.selo.org.rs : Internet portal for Serbian villages.
www.visitsrbia.org : Online reservation system for Serbia accommodations.
www.serbia-tourism.org : Tourism Organization of Serbia.
www.sedparchive.com/tourism.html : Archive of 91 rural tourism training courses & instructional manuals.

Tourism Quality Rating System: Rural tourism development in Serbia should include facilitation of a quality rating system. There are already initiatives building toward this goal, including databases of accommodations and destinations, special schools and programmes for tourism and rural tourism, as well as several providers and agencies who are listing accommodations and providing reservations (see inset). The next logical step is to mobilize and direct these initiatives and resources and to develop a system of quality marks and standards. Websites and catalogs can then reliably market accommodations and services according to class. From this, an entire branding strategy for rural tourism offers can evolve – not just upgrading standards of service but also marketing and promotion strategies.

Target Tourist Regions with Established Markets: Regions that already have an established market and history should be included as destination hubs, around which additional rural tourism offers can be added. Developing rural tourism in areas with currently limited demand has not proven successful; while targeting clusters that already possess demand, and subsequently developing and improving additional offers in the region has been successful.

Follow-Up Study Tours and Trainings with Action: Study tours represent an effective and cost-effective way to help local providers improve their offerings and services. However, the impact of study tours can be improved if the participants develop an action plan on how they plan to apply the practices and skills they learn on the tour. This same principle can apply to all training and other capacity development activities. It is therefore equally important to complement trainings with small grants opportunities and follow-up expert support.

Geographic Coverage

Based on field visits to potential target regions by the partner agencies and Ministry representatives, four geographic regions were identified: Central Serbia, Lower Danube, South Banat on the Danube and Eastern Serbia. They were selected based on pre-established criteria, field visit findings, and statistical data (see Field Visit Report in Annex 2). The selection criteria defined in the Concept Note were:

- existence of local strategies and/or gap analysis for development of rural tourism (as indicators of political support of rural tourism initiatives);
- compliance with national and local priorities (potential appeal to target markets identified in the National Rural Tourism Master Plan);
- ability to offer elements for which there is established market demand;



- potential for long-term development and financial sustainability;
- actual or potential active participation, support and interest on the part of the local private sector and population, and possibility for synergies with other projects in the region;
- environmental and natural resource sustainability;
- cultural sites, existing agricultural and ethno-tourism, or potential hub for inbound tourism;
- adequate socio-economic indicators;
- adequate infrastructure.

Statistical Data					
Targeted Geographic Regions	Key Regional Statistics	Central Serbia	Lower Danube	South Banat	Eastern Serbia
	Geographic Indicators				
	Municipalities	5	5	4	5
	Settlements	231	114	58	282
	Human Development Indicators				
	Population	190,000	153,000	134,000	222,000
	Working Age Population (15-64)	125,000 (66%)	99,000 (65%)	90,000 (67%)	142,000 (64%)
	Education, >15 years old				
	No Formal Education	29%	30%	27%	31%
	Primary School	25%	27%	27%	26%
	Secondary School	36%	33%	37%	30%
	Faculty/College	8%	7%	8%	8%
	Unknown	2%	3%	2%	5%
	Unemployment: Total	18%	18%	22%	19%
	Unemployment: Female	20%	19%	23%	21%
	Economic Indicators				
GDP (million RSD)	22,200	21,300	18,200	21,400	
GDP per capita (RSD)	117,000	139,000	136,000	96,300	
GDP per capita (Serbia = 100%)	85%	101%	98.8%	70%	
Tourism Indicators					
Number of Beds	4,619	2,718	1,414	2,074	
Beds per 1,000 Inhabitants	24.4	17.8	10.5	9.3	
Overnights: Local Tourists	291,800	179,700	29,900	109,000	
Overnights: Foreign Tourists	13,600	8,100	5,200	7,400	
Overnights per Bed	66.1	69.1	24.8	56.3	
Agriculture Indicators					
Farms	27,042	18,017	15,325	34,053	
Agricultural Land, Total (ha)	174,000	126,000	189,000	307,000	
Agricultural Land, Utilized	135,000	89,000	71,000	152,000	
Structure of Sown Area					
Cereals	50.8%	61.7%	65.3%	46.6%	
Industrial	0.2%	2.3%	18.9%	1.7%	
Vegetables	28.3%	17.7%	6.5%	29.0%	
Fodder	15.2%	10.7%	5.1%	8.8%	
Other/Left Fallow	5.6%	7.6%	4.2%	13.8%	
Cluster Municipalities					
Central Serbia	Lower Danube	South Banat	Eastern Serbia		
Ljig	Čukarica	Novi Sad	Krupanj		
Valjevo	Kula	Novi Pazar	Zajecar		
Kosjeric	Milutinovac	Čačak	Prizren		
Gornji Milanovac	Rebunovac	Mačva	Dimitrovgrad		
Mionica	Veliko Gradište	Šabac	Nedoljci		

Central Serbia: Due to a rich cultural heritage, rich sources of mineral waters, attractive landscapes and vicinity to Belgrade, this region has strong potential in rural tourism and began undertaking initiatives over 25 years ago. There are numerous sites and offers in the region and there is established market demand for attractions such as logging in "vajat" (wooden) cabins, ethno villages, the 18th-century quarter of Tesnjar on the bank of the river Kolubara in Valjevo, and several cultural and historical attractions, monuments and museums. The region also hosts several cultural events including the *Tesnjar Evenings* and *Rajac Harvest* festivals.

Rural tourism in central Serbia can be linked to many cultural, sport and educational activities; notably hiking, hunting, national cultures and cuisine, traditional crafts, and agriculture education. The gorge of the river Gradac lies south of Valjevo and boasts numerous habitats of rare plant and animal species. There are approximately 70 caves scattered throughout its gorge, some of which offer conditions for public visits. Vrujci Spa is located at the foot of the mountains, between Ljig and Mionica; the area is surrounded by picturesque hills and captivating scenery of pristine nature. The water temperature is 26-27°C year-round and attracts tourists for its therapeutic value. In Mionica the breeding of native animal species is supported by

MoA through grants. Some farmers also participate in Slow Food programmes, and there is a long tradition of mushroom and herb collection promoted through popular events.

The municipalities in this region have adopted local strategies for agriculture development, but not for rural or tourism development. The municipality of Ljig has developed a *Draft Strategy for Tourism Development*, which is awaiting assembly approval. Rural Development Network centers have conducted a participatory analysis of one typical village per municipality to identify potentials and ideas for rural development actions. This work was integrated with trainings on participatory rural assessment methodologies. Singidunum University in Belgrade published, *Justification for the Maljen-Suvobor Tourism Region* through support from the (now former) Ministry of Trade and Tourism. The region is not covered by a Master Plan, but is recognized as one of the more advanced regions for rural tourism in Serbia. Projects in this region are regularly supported by the Fund for Tourism Development and Rural Development Fund.

Lower Danube: The Lower Danube region south of the Danube features several archeological and medieval attractions including the famous medieval town of Golubac, one of key Serbian tourist attractions; Lepenski Vir, a Mesolithic-era settlement showing signs of human settlements from 7000 BC to 4800 BC; and a network of ancient roads and fortifications from Roman times, including the famed palace "Felix Romuliana," another UNESCO heritage site. In addition, the archeological complex "Viminacium" is also notable for its potential to connecting the educational, cultural, rural and scientific aspects of rural tourism. The Lower Danube region is also distinct thanks to its ethnic and cultural mix, with Serb, Romanian, Vlach and Roma communities present. At the same time, it is also strongly affected by depopulation and poverty, resulting in a strong reliance on remittances and an influx of new cultural influences from the diaspora.

In addition to cultural sights, this region also contains important natural resources. In particular, it is known for the largest European gorge and national park "Djerdap", nominated for the UNESCO Man and the Biosphere Reserve (MAB). A development plan for Rajko's Cave, near Majdanpek, features hiking tours and even sailing inside the cave. Moreover, this region (specifically around Kladovo municipality) is a wine micro-region with numerous vineyards. However, some parts of the region lost agricultural capacity when the "Djerdap" hydro-power station was constructed, and many of the remaining agricultural producers are not well linked with the surrounding tourism service providers.

Inter-municipal tourism groups are working with the support of GTZ in all municipalities which have local tourism organizations. Moreover, all municipalities also have rural development working groups and the Rural Development Network has regional centres in Veliko Gradiste and Zajecar. The Tourism Organization of Majdanpek is active and involved in numerous initiatives, including revenue-reinvestment from accommodation booking fees into catering and boat cruises, renovating historic sites, organizing community cleanups with tourism stakeholders, establishing a 24-hour tourist information service, establishing a regional brand, and implementing energy efficiency measures. The region is covered by the Lower Danube Master Plan and Roman Emperors' Road Master Plan.

GTZ has sponsored household tourism development and mapping of the region for bicycle road maps, while the Romanian government has sponsored tourism training in standards, marketing and tourism services near Golubac. The National Investment Plan is financing the reconstruction of the infrastructure and archeological site at "Lepenski vir". Various nature protection projects are also linked with the National Park authority.

South Banat on the Danube: South Banat is a multi-ethnic region of Serbs, Romanians, Hungarians and Slovaks. The region is famed for white wine vineyards and cellars, which are featured in the Tourism Organization of Serbia's *Wine Routes of Serbia* guidebook. After the privatization of the State-owned enterprise which controlled production and processing for 50 years, there are now coordinated efforts to revive the tradition of family wine-making. Key attractions include the UNESCO MAB-nominated site Deliblato Sands, largest sand dunes area in Europe, including steppe, woodlands, plantations, ponds and farmland between the Danube and West Carpathian slopes. Its impressive size, beauty and permanently changing colors of flowers, leaves, and flora account for its uniqueness. This area has a status of special reserve with a variety of rare and endangered species. Parts of the area are also used for hunting, while a few sites also have international importance for bird watching as RAMSAR wetland habitats. High nature value farming systems are also present (i.e. grazing of sheep and cattle, traditional production of semi-natural grasslands where native breeds of cattle, sheep and donkeys can be found).

The municipality of Bela Crkva has nine lakes famed for their recreation and nature. Rural tourism can be linked with cultural, sport and educational activities, including hiking, hunting and fishing, bird watching and water sports. Local municipal governments support a number of festivals and other events connected to local traditions and culture, including *Beer Days*, *Grape Ball*, *Wine Days*, *Pancevo Carnival*, and *Bacon Days*. A

new border crossing with Romania is planned near the village of Susara, which will increase cross-border cooperation and tourism.

Key Local Partners			
Central Serbia	Lower Danube	South Banat on Danube	Eastern Serbia
<ul style="list-style-type: none"> • Civil society: Rural Development Network - 11 offices in central Serbia, including NGOs Moba; women's NGO "Zlatne ruke", Association for Rural Tourism Development • Private Sector: Vrujci Spa, Voda Voda, Gala, Hotel Vrujci, Dr. Cutkovic Hotel & Wellness Center • Public sector: local tourism organizations, public enterprise "Srbija Sume" 	<ul style="list-style-type: none"> • Civil society: Rural Development Network covering all municipalities in the region • Inter-municipal Groups on Tourism in Golubac, Zajecar, and Majdanpek (hosted by the local tourism organizations and supported by GTZ). In addition to tourism, there are also groups working on rural development, project cycle management and strategic planning. • Public sector: local tourism organizations, National Park "Djerdap", public enterprise "Srbija Sume" and "Srbija Vode", hydro-electrical plant "Djerdap", Nature Protection Institute of Serbia (Belgrade) • Private sector: hotels in Kladovo, Gornji Milanovac, Veliko Gradiste, Touristic complex Srebno jezero, archaeological site "Lepenski Vir", local tourism organizations 	<ul style="list-style-type: none"> • Private Sector: Vrsacki Vinogradi, Hemofarm, family-based wine producers, tourism operators • Civil Society: Rural Development Network with 10 offices in Banat, Agroznanje; Agriculture Associations Biofarm, Ovcar, EuroBanat, Bekon, Farmer; Educational Center for Rural Development; Youth Development Fund • Public sector: local tourism organizations, public enterprise "Vojvodina Sume", and "Vojvodina Vode", Deliblato Sand and Hunting Ground Management Unit, Nature Protection Institute (Novi Sad branch) 	<ul style="list-style-type: none"> • Civil society: Rural Development Network with offices in all municipalities, Agency for Eastern Serbia (RAROS) in 7 municipalities, NGOs Nature Society "Natura Balkanika", "Pirgus", Association for Development of Stara planina, "Agroprojekt", women's NGO "Grica", Livestock Farmers' Association Stara Planina • Public sector: local tourism organizations, public enterprise "Srbija Sume", Nature Protection Institute, Local Council for Rural Development in Pirot (public-private-civil society partnership), Tourism school in Dimitrovgrad, Dairy school in Pirot • Private Sector: Local Tourism Organizations, Public Enterprise Ski Center Stara Planina, "Tigar" tire industries, "Dzersi" cheese factory, IMLEK milk products company

South Banat municipalities have adopted local strategies for agriculture and economic development, but not rural or tourism development. A plan for Deliblato Sands has been adopted, representing a key for Banat's further development. The municipal nodes of the Rural Development Network of South Banat have begun a participatory analysis of rural areas, beginning with a detailed socio-economic assessment of one typical village per municipality. Singidunum University published Synthesis Study of Natural Resources in Vrsac Municipality. This region is still not covered by the existing tourism master plans.

Ongoing development initiatives include UNDP's *Promotion of Local Action Groups* project and the EU's Leader approach, *Strengthening Rural Social Capital and Networks*, in the municipality of Alibunar that provides capacity-building through trainings and small grants. The project is funded by the Romanian Government and ends in December 2009. In autumn 2009, "Agroznanje" (a Vrsac-based NGO) will initiate a cross-border cooperation project with Romania, linking 35 Serbian and 10 Romanian NGOs promoting rural tourism. Cross-border projects also included the identification of tourist sites in Banat, conducting in cooperation with Romania.

Eastern Serbia: The Eastern Serbia region considered by this project includes the Stara Planina (Old Mountain) region bordering Bulgaria on the East and Lower Danube on the North. This region is most famous for the Nature Park "Stara planina", cross-border Peace Park shared between Serbia and Bulgaria and a candidate for UNESCO MAB Reserve.

The new ski center under development in Stara planina is increasing the appeal of this region, but local villages at the base of the mountain also have significant potential thanks to cultural and natural resources. Parts of the region along Nisava and Timok rivers host valuable nature-protected areas, including mountain and lowland landscapes, diverse grasslands, and rich forests of deciduous species and spruce. Stara planina is one of the best examples of vertical zoning of vegetation in Serbia, as vegetation varies from valleys to sub-alpine conditions, thus providing educational opportunities.

Wine production is also significant in Knjazevac, Zajecar and Negotin, and the region features several wine trails and tours. Further south, the 14th-century Poganovo Monastery near Dimitrovgrad, another UNESCO heritage site, has been completely renovated; it houses an art colony and organizes several annual exhibitions. An international fair of agro-diversity and rural heritage is held in Dimitrovgrad.

The municipality of Pirot adopted a local Tourism Development Strategy in 2006, while Dimitrovgrad has developed a draft with assistance from the National Investment Plan. Pirot recently adopted an urban plan, a

pre-condition for construction of new structures and further tourism development around the lake Zavoј, which was created by a natural catastrophe.

The area is covered by the Stara Planina Master Plan; the main investment to date consists of a ski lift, ski tracks and part of the road infrastructure. There are plans to erect a complete ski center, with ski trails in three municipalities (Knjazevac, Piroт and Dimitrovgrad). The Agency for Development of Eastern Serbia was established by seven municipalities in 2006; its members include Chambers of Commerce, private sector and several civil society organizations. Its objective is to support regional development in Eastern Serbia and create an enabling business environment.

Significant international initiatives include the World Bank's STAR project, which plans \$4 million in investment in Stara Planina, including infrastructure grants, grants for rehabilitation of traditional livestock farms and grazing land, nature park management and erecting a visitor's centre. MoA also has a rural tourism promotion project in four municipalities, including €250,000 in grants for reconstruction of traditional houses, handicrafts and investment in farms. MERD is providing training on the accommodation categorization, while UNDP's *Severance to Job* project (funded by the Austrian Development Agency) broadens the range of re-employment opportunities for redundant workers. UNEP's Carpathian Project, which aims to enhance the sustainable development of the Carpathian region, includes Serbia's Stara Planina.

Cross-Cutting Issues

Environmental Issues: Environmental conservation is perhaps the most challenging and potentially taxing issue with respect to tourism development, and particularly rural tourism. The obvious goal in any tourism initiative is to attract or increase the number of visiting tourists. With this goal naturally comes increased exposure of nature to human activity, as well as in many cases, new construction and development to increase access to destinations, improve attractions, develop infrastructure, and add a level of tourism-support offerings and services. According to UNEP, environmental sustainability must go hand in hand with rural development. In this JP, UNEP and FAO will work with project applicants to incorporate environmental requirements and will review all key documents and outputs to ensure that potentially negative environmental impacts are mitigated and propose potential positive impacts that can be included in design.

Cross-Border Cooperation: Cross-border cooperation is an important element of rural tourism development, particularly in destinations near to international borders. Three of the regions targeted by this JP border EU member states: South Banat on the Danube and Lower Danube with Romania, and Eastern Serbia with Bulgaria. The cooperation and expertise of these two and other neighboring countries can provide valuable lessons, guidance in planning and implementation, applicable study trip destinations, and a host of other support. The EU has already made available funding dedicated to cross-border projects, and this JP will seek to strengthen on-going initiatives in this field through the capacity development and other activities. Moreover, IPA deals specifically with cross-border cooperation, a factor which may provide additional opportunities to attract development resources in the target regions and neighboring countries.

Gender Issues: In Serbia, women make the largest percentage of "family helpers", in other words people engaged in a family business without being paid for the work done. While this category of active persons is vanishing in the EU (0.9% of total employment), according to the 2007 Labour Force Survey, family helpers account for 6.7% of total employment in Serbia – over 180,000 people – and 74% of them are women. In addition, the overwhelming majority of helping household members (93%) are engaged in agriculture (Labour Force Survey 2006).

Gender Best Practices
<i>In order to promote equitable gender balance and representation, local professionals working in Serbia in community and economic development initiatives developed the following gender "best practices:"</i>
<ul style="list-style-type: none"> • Ensure project staffing takes into consideration gender balance desired in project outputs. • Use community leaders both women and men to serve as examples of success. • Specifically target both women and men engaged in business and farming activities. • Incorporate genderresponsive programming that seeks inclusion of both women and men in project activities.

General Assembly resolutions 62/136 and 62/206 deal specifically with improving the situation of women in rural areas and propose the following activities:

- Create an enabling environment for improving the situation of rural women and ensuring systematic attention to their needs, priorities and contributions. This includes their full participation in the development of policies and programmes.
- Pursue the political and socio-economic empowerment of rural women and support their full and equal participation in decision making at all levels.
- Promote participation of women with disabilities in rural development programmes and strategies.



- Integrate gender perspective into the design of development policies, and ensure that the disproportionate number of rural women living in poverty is reduced.
- Ensure that women's unpaid work is recognized; support remunerative non-agricultural employment of rural women.

In order to ensure equitable participation by both women and men, this JP will incorporate the following practices in addition to those general practices outlined in the text box:

- Ensure baseline and other analyses are disaggregated according to gender where applicable.
- Ensure that rural women are informed and take an equal part in all JP trainings, forums and other events.
- Direct a portion of the pilot project funds to initiatives in which rural women are the primary beneficiaries.
- Ensure that women and men benefit equally from this initiative.

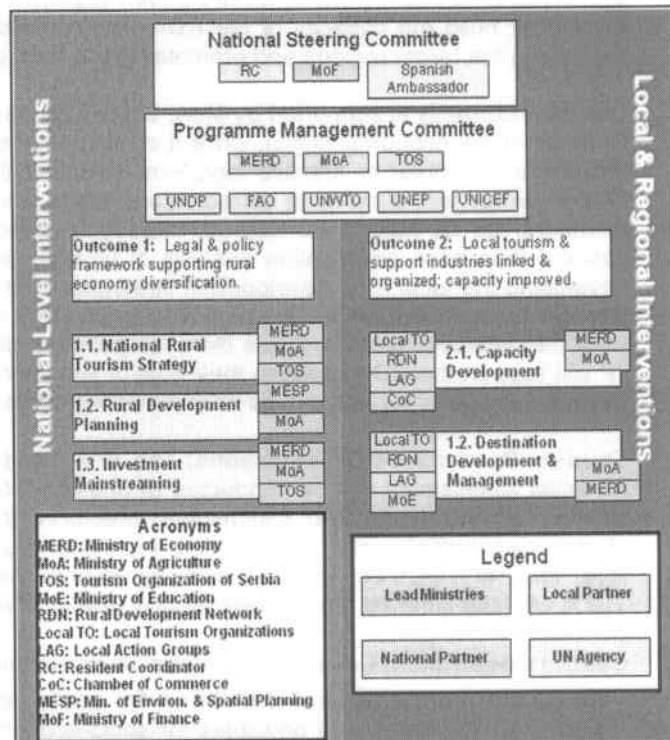
Access to services represents an important element of improving the quality of lives of rural populations. Making not only child-care services, but also health, education and social protection services more accessible for rural women increases the quality of their lives, ensures that their unpaid work is recognized and that remunerative non-agricultural employment of rural women is supported. The Living Conditions Study (Output 1.2.2.) will look at the access/lack of access women and children have to services and explore innovative solutions for bringing these services closer to women in rural areas.

Persons with disabilities: Persons with disabilities represent the world's largest minority – an estimated 650 million people worldwide and over half a million in Serbia. Although this group represents about 10% of the population, they are usually hidden from view, unnecessarily restricted to their homes or in institutions, and in Serbia 70% of them live in poverty. In addition to limited transport options, persons with disabilities face a challenge in finding and accessing rural tourism information and accommodations in Serbia. The following measures will be adopted in the JP:

- All pilot projects supported with JP funds with public access will be made accessible to persons with disabilities.
- All trainings, network forums, and other initiatives supported by the JP will address disability issues and will be accessible to persons with disabilities.
- All websites and other information developed through the JP will be accessible to persons with disabilities by ensuring that all disabled persons' organizations are included in distribution.

Sustainability of Results

National and Local Partner Ownership: The Government and local communities' ownership over the outcomes of this JP will be provided by Serbian partners at the national and local levels. There are three official implementing partners in this JP: Ministry of Economy and Regional Development (MERD), Ministry of Agriculture, Forestry and Water Management (MoA) and the Tourism Organization of Serbia. They are all members of the Programme Management Committee and have actively contributed to implementation mechanisms.



They are all members of the Programme Management Committee and have actively contributed to JP development, including definition of content and implementation mechanisms.

MoA and MERD are both lead ministries because the JP addresses specific areas in their mandates – rural tourism falls under the MERD mandate, while MoA is responsible for rural development. Moreover, the Tourism Organization of Serbia is also a key national partner and has extensive activities in this field. Numerous other agencies contribute at national and local levels, and some of the more key actors are presented in the diagram. The lead ministries will engage other national and local partners in their respective areas of expertise. In particular, the Ministry of Education, Ministry of Environment and Spatial Planning,

Ministry of Culture, Nature Protection Institute, and Chamber of Commerce were consulted during programme development and will support its implementation.

By creating a process within which national and local partners can take the lead in shaping policies on the one hand, and programmatic activities on the other, significant ownership will be built. In addition, a special effort shall be made to include other ministries and local actors in the process, that are important for securing overall quality of life in rural areas (e.g. education, health and social protection). Their engagement will ensure that truly integrated rural development policies are developed (looking beyond purely economic activity). In addition, engagement of different sectors will also ensure that any rural development engagement relies as much as possible on existing human and infrastructure resources that can be further strengthened and developed (e.g. freed highly educated human resources in the education sector). Building on and strengthening *existing* networks, human and infrastructural resources is also central to ensuring sustainability of this initiative.

Rural Development Network (RDN): The RDN is a network of separately-registered local civil society groups that were established by the Ministry of Agriculture in 2007 to i) disseminate information about MoA subsidy and rural development grant programmes; ii) assist users in completing applications and responding to inquiries; iii) organize information campaigns through the media and local presentations; and iv) conduct participatory sessions and needs assessments using the Participatory Learning & Action and Participatory Rural Appraisal (PLA/PRA) methodologies to produce village ID cards (detailed analysis, resource mapping, and opportunities of the entire socio-economic system of every rural community). Since that time the RDN has proven an effective instrument to support MoA activities, in addition to local NGOs and producer associations, to begin working toward a joint strategy through shared experiences and cooperation. This JP will further build the capacity of the RDN through additional training and engaging the RDN as a service provider in the target regions and promoter of the local partnerships for rural development.

The RDN currently is supported by MoA, but will continue functioning even if MoA decreases its support (i.e. because of the economic crisis), since it consists mainly of NGOs that existed already before the RDN was established. In order to achieve long-term sustainability, the RDN will be registered as an association of NGOs, which will allow it to attract more funds and continue systematic capacity development of its members. So far half of the network already received training on PLA/PRA and have started building a national data base on baseline analysis of villages on their territories, which will serve as a baseline for developing the local rural development strategies. The JP will continue developing the capacity of the RDN through its work with LAGs, in which respective RDN members (one per region-cluster) will be selected as local partners/coordinators. While increasing their expertise with rural tourism development facilitation, the JP will support the RDN to reach their goal of specializing particular RDN nodes in different aspects of rural development, in order to serve as disseminations centers in other parts of Serbia.

Tourism Governance Organizations: The JP will address from the outset long-term performance of TGOs. An initial assessment will be conducted of possible TGO models that can be applied in Serbia, along with existing organizational and institutional structures that can be built upon to provide destination and cluster management services, including municipal tourism offices. The exact organizational structure and legal form of TGOs depends on local conditions; therefore, in the four targeted regions of the JP, the TGOs will take different forms, depending on the local resources, conditions, and capacity of current actors.

Central Government Level: At the central level, sustainability is addressed on a number of levels:

European standards and principles for socio-economic development: The JP will promote the European standards and principles for socio-economic development, thus integrating its interventions into Serbia's long-term development strategy. In particular, this includes emphasis on cooperation with NGOs and entrepreneurs, as well as support for cross-border initiatives.

Policy Planning: The development of the National Rural Tourism Master Plan will lead central-level stakeholders through a strategic planning process that will build a unified vision and a framework for sustainable rural tourism investments over the medium-term. The policy will also ensure that true *sustainability*, economic and environmental, is mainstreamed and considered for all rural tourism investments; and that women, children and vulnerable groups can benefit from the new opportunities.

Investment Monitoring: The JP will help MoA and MERD to develop a monitoring and evaluation framework to assess the effectiveness and results of their investments from the National and IPARD Rural Development Funds and Fund for Tourism Development.

Child, Family & School-Centered Tourism: By making sure the concepts of family-oriented sustainable rural tourism, youth tourism (back-pack) and school tourism are further developed and fully incorporated into the Master Plan for Rural Tourism, an effort shall be made to fully institutionalize types of tourism



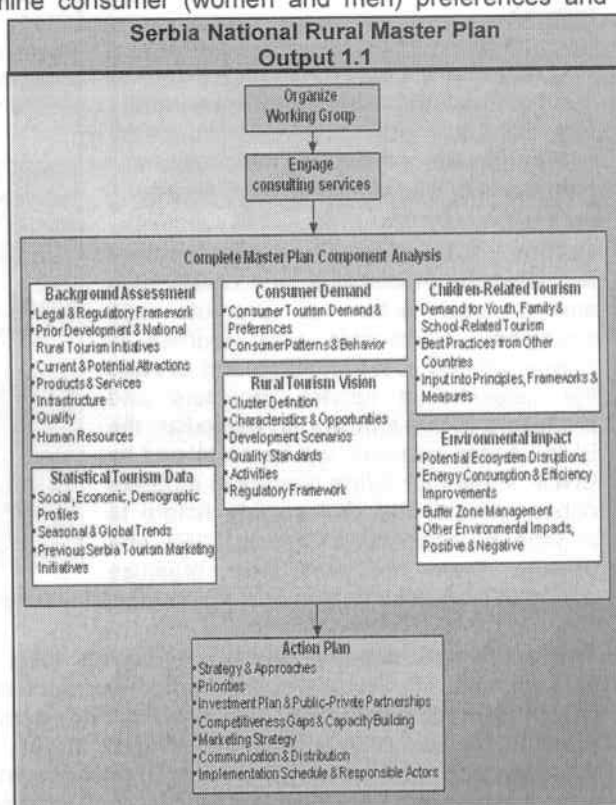
engagement which increase tourism access for children on the one hand, and contribute to poverty reduction in rural areas, on the other. Guidelines/standards developed for schools and tourism-providers (for the organization of field visits, excursions and 'recreational learning') present a medium to longer-term tool to increase quality of tourism-services. In addition, by focusing on stimulating demand from schools for tourism-services (through adapting them to the needs of schools and increasing the quality of education-related elements) an effort is made to develop a stable relationship between schools and tourism-providers, whereby schools shall continue to organize field-trips/educational visits to the given destination areas long-after completion of project cycle.

5. Results Framework

Outcome 1: Legal and policy framework for supporting diversification of rural economy through tourism is developed and contributes to achievement of Millennium Development Goals.

Output 1.1 National Rural Tourism Master Plan will be led by a national-level working group consisting of MERD, MoA, TOS, participating UN agencies and other key stakeholders from public, private and civil society sectors. This group will write the Terms of Reference for consulting services to be contracted through a joint tender administered by UNWTO. The tender will total \$339,000: (UNWTO: \$324,000; FAO: \$20,000; UNICEF: \$20,000 and UNEP: \$15,000). The policy content is presented in the diagram below. Background research to complete the policy document will identify and assess:

- Statistical tourism data; social, economic, demographic profiles; seasonal and global trends; and the effectiveness of previous Serbia tourism marketing campaigns.
- Consumer demand, through surveys to determine consumer (women and men) preferences and trends, and thereby project potential rural tourism demand for specific offerings and regions.
- Visions for sustainable rural tourism in Serbia, including clusters, characteristics, opportunities, development scenarios, quality standards, activities, and the necessary regulatory framework.
- Potential of small rural households to benefit from diversification of their farm incomes through introduction of rural tourism activities. Special attention will be paid to the contribution of both women and men to development of rural tourism activities, their roles and how they benefit from these activities.
- Potential contribution of rural tourism to reduce poverty in small rural households and farms, including the impact on employment of young farmers and women, and impact on diversification of agriculture, forestry and processing activities,
- Potential for cooperation of small farmers (farmers associations) in order to increase community cohesiveness and improve rural tourism development.
- Possible models for linking small scale agriculture production with processing and with rural tourism activities as an option for creating local markets.
- Possibilities for different brandings, certifications and standards for adding value to agriculture products for rural tourism.
- The development of child-friendly rural tourism concepts (family-based rural tourism, youth-oriented tourism and school-related tourism) and how these concepts can be mainstreamed so as to increase tourism access to families, youth and school children.



Output 1.2 National Rural Development Programme is of strategic importance for facilitating Serbia's access to the European Union's IPARD Axis 2 and 3 funds. FAO will support the development of this document, ensuring that sustainable rural tourism and related activities in the agriculture and rural sector, particularly cross-cutting social and environmental issues, are incorporated. This refers also to the

evaluation criteria, the framework for supporting LAGs, and agro-environmental measures related to rural economy diversification (e.g. rural tourism). Moreover, UNICEF will provide strategic inputs related to issues of access to services (health, education and social protection) for children and women in rural areas. This activity will be led by a joint inter-ministerial working group and is closely linked with the National Rural Tourism Master Plan (Output 1.1).

Output 1.3 Investment Mainstreaming consists of national initiatives that encourage, facilitate and/or measure rural tourism investments in line with the National Rural Tourism Master Plan. In particular, UNDP will seek to leverage public and private investments in rural tourism initiatives, while promoting Public Private Partnership. It will also ensure that lessons learned from monitoring and evaluation of pilot projects in the JP are used to strengthen the public grants schemes. UNEP will seek to mainstream sustainability into tourism development investments through the SIFT network; its role is to i) develop and share best practices in tourism investments; ii) match demand for sustainable tourism products in developing country destinations with financial resources; and iii) provide network members with research, capacity development, publications and workshop and event opportunities. UNEP will facilitate Serbia's membership in SIFT by identifying organizational or individual representation to SIFT and providing training and capacity development for the focal point. Stakeholders in Serbia will benefit through SIFT best practices, resources and access to its investment network.

Outcome 2: Local rural tourism and support industries are better linked and organized; and local stakeholders' capacity is improved for delivering services and products in line with national strategies.

Output 2.1. Capacity development facilitates the mobilization and cooperation among local actors to promote and strengthen sustainable rural tourism in Serbia, identify local priorities and expand the networks of service providers and producers in this industry. In particular, the EU's Leader approach will be employed by UNDP in the four target regions to mobilize public, private and civil society actors to engage in Local Action Groups (LAG), and engage them to plan and organize available resources to plan and implement a local development strategy.

EU Instrument for Pre-Accession (IPA) – Rural Development (Rural Development is fifth component of IPA)	
Axis	Measures
Priority Axis 1: Improving market efficiency & implementation of community standards.	<ul style="list-style-type: none"> Invest in agriculture holdings to restructure & upgrade to standards. Support establishment of producer groups. Invest in processing & marketing of agriculture & fishery products to restore & upgrade to standards.
Priority Axis 2: Completing preparatory actions for implementing agro-environmental measures & local rural development strategies.	<ul style="list-style-type: none"> Improve the environment & countryside. Prepare & implement local rural development strategies.
Priority Axis 3: Developing the rural economy.	<ul style="list-style-type: none"> Improve & develop local infrastructure. Diversify & develop rural economic activities. Improve training.

IPA, or Instrument for EU Pre-Accession Assistance, is now the sole EU pre-accession instrument for the period of 2007-2013. IPA replaces four previous funding instruments: Phare, ISPA, SAPARD and CARDS. The five components of IPA are: 1) Transition Assistance & Institution Building; 2) Cross-Border Cooperation; 3) Regional Development; 4) Human Resources Development; and 5) Rural Development (IPARD). The financial envelope allocated for all countries and components from 2007-2013 is €10.2 billion, of which 1.2 billion is designated for Serbia under IPA Components 1 and 2.

The MoA has already begun developing local capacities for participatory strategic planning and collaboration. The Rural Development Network, consisting of selected NGOs supported through grants, is a crucial resource in this area. The JP will provide capacity building and training-of-trainers to assist them to: i) promote Ministry programmes and IPARD; ii) support and mentor local NGOs and other groups in local initiatives and proposal development; iii) facilitate and promote local partnerships; iii) motivate and mobilize local partners for LAG development; and iv) provide inputs for national rural development database and policy changes at the national level.

All national partners and participating UN agencies will provide capacity building to enable local stakeholders, both women and men, to develop sustainable rural tourism priorities and projects in a participatory way. Trainings will include organizational capacity building, marketing and promotion, energy efficiency and alternative energy, sustainable resource management, agriculture quality standards, product development, and coordination with National Strategy and Master Plan. Recipient organizations will include LAGs, RDN, TGOs, tourism organizations, agriculture and non-agriculture associations, private product and service providers, local government institutions, formal and in-formal groups of individuals and enterprises in the production, processing and marketing chain, and civil society organizations. These trainings will be complemented by destination management support and pilot projects provided under output 2.2. Both outputs will seek to strengthen cross-border partnerships and exchange of experience.



Output 2.2. Destination Development and Management will create a concerted effort to increase the investment appeal and visibility of target regions, and to build the capacity of local actors through pilot projects. UNWTO will build the capacity of local tourism organizations to create Tourism Governance Organizations (see inset on their *Destination Management* role) that will provide specialized services for resource organization and management. This activity will draw increased attention to specific destinations in the target regions, and will be accompanied by an Investment Forum organized by UNEP.

The Leader Approach	Local Action Groups
<p><i>Leader stands for "Links Between Actions of Rural Development." It is a method of mobilising and delivering development at the local level in rural communities. Leader is not a fixed set of measures but rather a holistic approach that encourages rural communities to explore new ways to become or remain competitive, make the most of their assets, overcome challenges, and to plan and implement sustainable development strategies.</i></p> <p><i>For the 2007-2013 period Leader is no longer a separate programme but will be integrated, or mainstreamed, in all EU national and regional Rural Development Programmes.</i></p> <p><i>The seven features of Leader are:</i></p> <ol style="list-style-type: none"> 1) Area-based local development strategies, 2) Bottom-up strategy planning & implementation, 3) Local Action Groups: public-private partnerships, 4) Integrated & multi-sector actions 5) Innovation, 6) Cooperation, and 7) Networking. 	<p><i>A Local Action Group (LAG) is a local partnership that identifies and implements a local development strategy, allocates financial resources, and manages implementation. LAGs are an important feature of Leader, as they:</i></p> <ul style="list-style-type: none"> • aggregate human & financial resources from public, private, and civil society sectors; • associate local players around collective projects & actions through synergy & cooperation; • strengthen dialogue & cooperation between rural actors; and • facilitate local actors to adapt & change in areas of agriculture, environment, rural economy diversification, and quality of life. <p><i>LAGs may have differing organizational structures and degrees of autonomy; and may be based on either existing or new partnerships or structures; but they should be a model that can positively influence policy, and represent populations of 10,000-100,000 citizens.</i></p> <p><i>LAGs generally include professional organizations & unions, trade associations, citizens and their local organizations, local political representatives, environmental associations, cultural & community service providers, media, women's associations and young people. Private partners & associations must make up at least 50% of the decision-making structure.</i></p>

UNICEF will contribute to enhancing the demand by promoting school visits/excursions/recreational learning to given destination areas, as well as giving pupils and teachers an opportunity for provide feedback. This will provide the basis for drafting guidelines (standards) for schools (when organizing such visits) on the one hand, and tourism providers (when catering for schools) on the other.

The *Joint UN Fund for Sustainable Rural Tourism* will invest significant resources (\$680,000 total) to support pilot projects and local competitions, representing a stimulus for capacity development of local stakeholders, awareness-raising about opportunities for income diversification through rural tourism, and opportunities to test measures for inclusion in the National Rural Tourism Master Plan (Output 1.1). These initiatives will also demonstrate the value of establishing cooperation in the vertical chain of production-marketing, as well as horizontally within the local communities in order to promote shared actions in rural tourism. Pilot projects will also address the sustainability of rural tourism initiatives by examining their environmental impact and assessing financial sustainability.

The *Joint UN Fund for Sustainable Rural Tourism* will have three thematic windows:

1. Tourist Destination Development: UNWTO with advisory support the Ministry of Economy and Regional Development and the other participating UN agencies;
2. Diversification of Rural Economy through Tourism: FAO with advisory support of the Ministry of Agriculture, Forestry and Water Management and the other participating UN agencies;
3. Active Learning Tourism Investments: UNICEF, in cooperation with the Ministry of Economy and Regional Development, Ministry of Education and the other participating UN agencies.

Destination Management
<p><i>The term "destination" refers to an area where tourism is important and where the economy may be significantly influenced by tourism revenues. Destination management is complicated by the fact that a single destination may include several municipalities or other government entities - in some cases it may be considered as an entire country.</i></p> <p><i>Destination management includes land use planning, business permits and zoning controls, environmental and other regulations, business association initiatives, and a host of other techniques to shape the development and daily operation of tourism-related activities.</i></p> <p><i>Participating governance structures, with the involvement of the private and civil society sectors, make up "Tourism Governance Organizations" (TGOs). Often TGOs take the form of local tourism boards, councils, or development organizations.</i></p> <p style="text-align: right;"><i>UNEP-DTIE Sustainable Tourism Project</i></p>

Pilot project funds will be distributed using two mechanisms: grant applications and awards. This approach will (i) build project development capacities that can subsequently be used to apply for public and donor funding, (ii) decentralize the selection process, and (iii) in case of awards, raise awareness about rural tourism among youth and in schools.

Advantage will be given to projects which support poverty reduction, inclusion of women and marginalized groups, promotion of cultural and natural diversity, provide employment for young people, and support biodiversity and traditions conservation and sustainable use of natural resources, including use of renewable energy from biomass and efficiency in energy use. All projects will be accessible to persons with disabilities.

Joint UN Fund for Sustainable Rural Tourism			
Manager	Thematic Window	Investment Focus	Selection & Limits
FAO	Diversification of Rural Economy Through Tourism	<ul style="list-style-type: none"> • Conservation & maintenance of traditional cultural & national heritage • Production of food and non-food products and activities for local/regional rural tourist market • In cooperation with UNEP, support for environmentally sustainable tourism projects 	Local Action Groups Household: \$5,000 Organizations: \$20,000
UNWTO	Tourist Destination Development	Development of Basic Tourism Services <ul style="list-style-type: none"> • Development of Attractors • Development of specific attractive niche products • Development of Tourism Clusters 	Tourism Governance Organizations Average: \$10,000
UNICEF	Active Learning Tourism Investments	<ul style="list-style-type: none"> • Child, family & school centered content • Active learning education elements, including on environmental aspects of rural tourism • Ministry of Education-approved active learning curricula 	Competition & Jury Selection Eight Competitions: 1 st Place: \$8,000 2 nd Place: \$5,000 3 rd Place: \$2,000

Further details on the administration of funds are presented in Annex 3: Joint UN Fund Grants Manual and in Section 7: Fund Management Arrangements section of this proposal.

Results Framework for Joint Program – Sustainable Tourism for Rural Development

JP Outcomes	SMART Output	Agency priority or country programme	Responsible UN Agency	Implementing Partner	Indicative Activities for Each Output	Resources (USD)		
						Year 1	Year 2	Year 3
JP Outcome 1: Legal and policy framework for supporting diversification of rural economy through tourism is developed and contributes to achievement of Millennium Development Goals.								
<p>1.1. National Rural Tourism Master Plan for Serbia developed and submitted to the Government.</p> <p>Indicators:</p> <ul style="list-style-type: none"> Serbia Rural Tourism Master Plan is submitted to the Government by the end of Year 1. Number and type of organizational stakeholders & partners involved in development of Master Plan. Representatives of rural women included in development of Master Plan. Number of workshops, presentations and coordination meetings held during preparation and adoption of Master Plan. All Input Assessments are completed, reviewed, presented and adopted in Master Plan. Specific niche products and services targeted for development. Resources and basic factors for tourism inventoried and evaluated. Necessary support structures identified and evaluated. Product Priority Plan agreed. <p>Baseline:</p> <ul style="list-style-type: none"> 11 individual Master Plans for various tourist destinations in Serbia, 4 in progress; but no broad-based Rural Tourism Master Plan / Policy with national strategy. 	<p>UNWTO PoW 2008-2009</p> <p>Strategic Objective B: Promote the sustainable development of tourism in line with the Global Code of Ethics to contribute to the Millennium Development Goals and to socio-economic development.</p> <p>Specific Objectives:</p> <p>B1- Facilitate the integration of sustainability and quality criteria in national, regional and local tourism policies and development plans. Apply these criteria to the destination and encourage their application by the private sector.</p> <p>B2- Promote and facilitate the widespread use of indicators of sustainability and quality; promote the establishment of a tourism sustainability observatory and encourage benchmarking among the tourism destination and companies.</p> <p>B3- Ensure the social and cultural sustainability of tourism with a special focus on local communities, and provide guidance for the practical implementation of the Global Code of Ethics.</p> <p>B4- Deepen the knowledge of the contribution of tourism to poverty alleviation and its distribution among different stakeholders and host communities; in order for enhance both, policy formulation by public administration and management practices by companies</p> <p>Strategic Objective C: Ensure that the government, the NTA's, tourism destinations, the private sector and other tourism stakeholders establish: a) the necessary education and training tools, b) suitable partnerships and collaboration frameworks, c) proper governance structures and management systems to optimize results and ensure adherence to the Global Code of Ethics, and d) obtain the necessary technical assistance and financing support. Specific Objective C3: Identify and analyze the tourism development needs and provide and provide technical assistance specific to these needs</p>	<p>UNWTO</p>	<p>MERD</p>	<p>1.1.1.a. In cooperation with FAO and lead ministries, establish an inter-ministerial working group, with a sub-group for development of National Rural Tourism Master Plan.</p> <p>1.1.1.b. Conduct permanent information and decision making activities with all stakeholders and ensure incorporation of studies by other participating UN agencies (1.1.2.4 and 1.2.1).</p> <p>1.1.1.c. Develop specific programs within the National Rural Tourism Master Plan in the following fields: analyzing, sustaining, knowing, excelling, innovating, promoting and governing.</p> <p>1.1.1.d. Make formal official presentation of National Rural Tourism Master Plan.</p>	<p>360,000</p>	<p>60,000</p>	<p>10,000</p>	<p>430,000</p>

Sustainable Tourism for Rural Development

JP Outcomes	SMART Output	Agency priority or country programme	Responsible UN Agency	Implementing Partner	Indicative Activities for Each Output	Resources (USD)			
						Year 1	Year 2	Year 3	Total
	<p>1.1.2. Principles & Framework for Children-Related Tourism: Define principles & framework for children-related tourism, including family-based tourism, school-focused tourism and youth (back-pack) tourism, and define measures that need to be implemented to stimulate the development of these types of tourism.</p>	<p>UNICEF's Serbia CPAP Results and Resources Framework – Outcome 1.1. Strategies and policies preventing and redressing exclusion of children are applied.</p> <p>Outputs:</p> <p>1.1.1 Key decision making bodies apply data, knowledge and skills for child rights based policy development</p> <p>1.1.2 Transparent and participatory policy development processes are applied</p>	UNICEF	MERD	<p>1.1.2.a. Conduct surveys to identify demand: i) by citizens for family tourism, ii) by youth for youth-related (esp. backpack) tourism, especially back-pack tourism, iii) by schools for school tourism.</p> <p>1.1.2.b. Identify best practices from other countries.</p> <p>1.1.2.c. Establish cross-sector working group that shall, based on surveys & good practices and with assistance of tourism specialists provided by contractor, provide input into principles, frameworks & measures.</p>	20,000	30,000	0	50,000
	<p>1.1.3. National Study on Sustainable Tourism: Provide environmental information for the development of the National Rural Tourism Master Plan, including recommendations following first draft of this Policy, within the first 12 months of JP.</p>	<p>UNEP Medium-term Strategy 2010-2013, Thematic Priority F 'Resource Efficiency- sustainable consumption and production' - Expected accomplishment "Increased investment in efficient, clean and safe industrial production methods through public policies and private sector action"</p>	UNEP	MERD	<p>1.1.3 a. Conduct a National Environmental Study to assess capacity by collecting and using locally available environmental information/data.</p> <p>1.1.3 b. Identify potential impact of National Rural Tourism Master Plan by examining: i) potential impacts on ecosystems from proposed options; ii) energy consumption & efficiency; iii) buffer zone management; iv) other environmental impacts.</p>	30,000	20,000	0	50,000
	<p>1.1.4 Assessment of the potential contribution of rural tourism to small farming sector and rural development in general: Complete assessment in the first 6 months of JP, for inclusion in the National Rural Tourism Master Plan.</p>	<p>Strategic Objective D: Improved quality and safety of foods at all stages of the food chain. Organizational Result D4: Countries establish effective programmes to promote improved adherence of food producers/businesses to international recommendations on good practices in food safety and quality at all stages of the food chain, and conformity with market requirements</p> <p>Strategic Objective G: Enabling Environment for Markets to Improve Livelihoods and Rural Development. Organizational Result G2: Rural employment creation, access to land and income diversification are integrated into agricultural and rural development policies, programmes and partnerships</p>	FAO	MOA	<p>1.1.4 a. Conduct an assessment of the potential contribution of rural tourism to small farming sector, including potential benefits in terms of income diversification for both men and women, branding, certification and standards.</p>	32,000	0	0	32,000

Sustainable Tourism for Rural Development

JP Outcomes	SMART Output	Agency priority or country programme	Responsible UN Agency	Implementing Partner	Indicative Activities for Each Output	Resources (USD)		
						Year 1	Year 2	Year 3
<p>1.2. Rural Development Program Planning: Rural Development Program planning is mainstreamed in Serbia's national policies; National Program for Rural Development for IPARD Axes 2 & 3 developed & submitted to Government.</p> <p>Indicators:</p> <ul style="list-style-type: none"> National Program for Rural Development prepared based on existing draft and other relevant documents, and submitted to the Government for adoption by end of JP. Number and type of organizational stakeholders & partners involved in development of Rural Development Program. Representatives of rural women included in development of Rural Development Program. Number of workshops, presentations & coordination meetings held during preparation and adoption of Rural Development Program. <p>Baseline:</p> <ul style="list-style-type: none"> IPA financial envelope 2007-2013: €10.2 billion (all candidate countries). 	<p>Strategic Objective D: Improved quality and safety of foods at all stages of the food chain. Organizational Result D4: Countries establish effective programmes to promote improved adherence of food producers/businesses to international recommendations on good practices in food safety and quality at all stages of the food chain, and conformity with market requirements</p> <p>Strategic Objective F: Sustainable management of land, water and genetic resources and improved responses to global environmental challenges affecting food and agriculture. Organizational Result F4: An international framework is developed and countries' capacities are reinforced for responsible governance of access to and secure tenure of land and its interface with other natural resources</p> <p>Strategic Objective G: Enabling Environment for Markets to Improve Livelihoods and Rural Development. Organizational Result G2: Rural employment creation, access to land and income diversification are integrated into agricultural and rural development policies, programmes and partnerships.</p> <p>Functional Objective X: Effective collaboration with Member States and stakeholders. Organizational Result X3: Key partnerships and alliances that leverage and complement the work of FAO and partners</p> <p>UNICEF's Serbia CPAP Results and Resources Framework – Outcome 1.2. Strategies and policies preventing and addressing exclusion of children are applied.</p> <p>Outputs:</p> <p>1.1 Key decision making bodies apply data, knowledge and skills for child rights based policy development</p> <p>1.1.2 Transparent and participatory policy development processes are applied</p>	<p>1.2.1. In cooperation with UNWTO and MERD, establish an inter-ministerial working group, with a sub-group for elaboration of National Rural Development Programme.</p> <p>1.2.1.b. Identify & engage expert group of outside & supporting resources to complete program development, including studies undertaken as part of Output 1.1.</p> <p>1.2.1.c. Conduct assessment & prepare plan in accordance with requirements, including detailed description of Axis 2 and 3 (measures related to rural economy diversification with emphasis on rural tourism and measures related to preparation of measures to support sustainable management of the natural resources and environmental protection in rural areas).</p> <p>1.2.2.a. Conduct study on present access to services in rural areas, barriers to access, and potential solutions. Data will be obtained through official statistics, surveys, focus groups representing children, women, health practitioners, in social protection practitioners, and other actors and community groups.</p> <p>1.2.2.b. Present at national level and at regional events in all JP targeted regions.</p> <p>1.2.2.c. Publish study shall as a stand-alone with recommendations inputted into IPARD plan.</p>	FAO	MOA	80,000	60,000	10,000	150,000
<p>1.2.2. IPARD Life-Conditions Study: Provide strategic input into IPARD with life-conditions so as to ensure integrated rural tourism development addresses issues of access to services (health, education & social protection) for children & women in rural areas.</p>	<p>UNICEF</p>	MOA	24,231	35,196	0	59,427		

Sustainable Tourism for Rural Development

JP Outcomes	SMART Output	Agency priority or country programme	Responsible UN Agency	Implementing Partner	Indicative Activities for Each Output	Resources (USD)		
						Year 1	Year 2	Year 3
<p>1.3. Investment Mainstreaming: Sustainable tourism investments mainstreamed in Serbia's national policies.</p> <p>Indicators:</p> <ul style="list-style-type: none"> Amount of public investment made in line with Rural Tourism Master Plan. Number of individual public investments made in line with Rural Tourism Master Plan. Amount of private funds secured for realization of Rural Tourism Master Plan. Number of tourist destinations receiving public investment. M&E strategy and indicators developed and adopted by Government for Rural Development Fund & Fund for Tourism Development. <p>Baseline:</p> <ul style="list-style-type: none"> 2008 public tourism investment: €50M. 2009 public tourism investment: €75M. 	<p>1.3.1. Public Investments toward Rural Tourism Master Plan: Serbia public sector commits minimum \$75 million in rural tourism initiatives and supporting infrastructure in line with Rural Tourism Master Plan by end of JP.</p> <p>1.3.2. Public-Private Partnership Guidelines: Functional guidelines for successful public-private partnerships developed and institutionalized, evidenced by completion of at least six PPP initiatives by end of JP.</p> <p>1.3.3. SIFT Network: National focal point established for Sustainable investment and Finance in Tourism (SIFT) Network.</p>	<p>UNDP Country Programme Document, Serbia and Montenegro, 2005-2009, Annex I – Results and Resources Framework, Programme component – Sustainable Development, Outcome “Sustainable development plans/policies effectively respond to the need of stakeholders, as well as promote employment and environmental protection”</p> <p>UNDP Country Programme Document, Serbia and Montenegro, 2005-2009, Annex I – Results and Resources Framework, Programme component – Sustainable Development, Outcome “Sustainable development plans/policies effectively respond to the need of stakeholders, as well as promote employment and environmental protection”</p> <p>UNEP Medium-term Strategy 2010-2013, Thematic Priority F ‘Resource Efficiency- sustainable consumption and production’ - Expected accomplishment “increased investment in efficient, clean and safe industrial production methods through public policies and private sector action”</p>	<p>UNDP</p> <p>UNDP</p> <p>UNEP</p>	<p>MERD</p> <p>MERD</p> <p>MERD</p>	<p>1.3.1.a. Identify public, private and external resources that can leverage one another in rural tourism initiatives.</p> <p>1.3.1.b. Engage with all relevant line ministries to promote public investments that are in line with Rural Tourism Master Plan and environmentally sustainable.</p> <p>1.3.2.a. Produce strategy guidelines for securing and leveraging public-private partnerships.</p> <p>1.3.2.b. Provide strategic investment training for target group of public decision-makers and private investors.</p> <p>1.3.2.c. Support and monitor at least six PPP initiatives in rural tourism.</p> <p>1.3.3.a. Identify organizations and/or individuals to serve as SIFT focal point and/or working group members.</p> <p>1.3.3.b. Provide training to focal point or working group on benefits and expectations as member of SIFT network.</p> <p>1.3.3.c. Engage SIFT network to share best practices, match destination demand with financial resources, & build network capacity.</p> <p>1.3.4.a. As part of M&E of the JP, adopt at least three indicators for evaluation of pilot projects.</p> <p>1.3.4.b. Examine lessons learned from pilot project implementation and present recommendations for government's investment/grants of similar kind.</p>	<p>6,249</p> <p>50,000</p> <p>35,000</p> <p>59,500</p> <p>10,000</p> <p>20,000</p> <p>17,305</p>	<p>12,500</p> <p>18,001</p> <p>17,305</p> <p>5,000</p>	<p>68,749</p> <p>112,501</p> <p>47,305</p> <p>25,000</p>
	<p>JP Outcome 2: Local rural tourism and support industries are better linked and organized; and local stakeholders' capacity is improved for delivering services and products in line with national strategies.</p>	<p>1.3.4. Investment Monitoring & Evaluation Strategy: Formal process installed to feed lessons learned from Outcome 2 into public tourism investments.</p>	<p>UNDP Country Programme Document, Serbia and Montenegro, 2005-2009, Annex I – Results and Resources Framework, Programme component – Public Administration Reform, Outcome “Improved efficiency, accountability and transparency of the public sector”</p>	<p>UNDP</p>	<p>MOA</p>	<p>10,000</p> <p>10,000</p>	<p>10,000</p> <p>5,000</p>	<p>25,000</p>
	<p>2.1. Capacity developed for sustainable rural tourism in order to enhance rural development</p> <p>Indicators:</p> <ul style="list-style-type: none"> Number of LAGs established and trained Number of tourism stakeholders trained, disaggregated by gender and public vs. private sector. Number of local development strategies that include rural tourism Number of projects developed as a result of JP capacity building, mentoring support. 	<p>2.1. Local Action Groups: Capacity of public, private and civil society sector stakeholders strengthened to enable establishment of six Local Action Groups (representing 10,000-100,000 citizens) and develop local rural development strategies, by end of JP.</p>	<p>UNDP Country Programme Document, Serbia and Montenegro, 2005-2009, Annex I – Results and Resources Framework, Programme component – Public Administration Reform, Outcome “Improved efficiency, accountability and transparency of the public sector”</p>	<p>UNDP</p>	<p>MOA</p>	<p>2.1.1.a. Identify resources and existing initiatives to serve as possible foundation for LAGs</p> <p>2.1.1.b. Using the EU's Leader approach, mobilize public, private & civil society actors to engage in Local Action Groups and support them in increasing benefits for rural population from available financing & donation instruments.</p> <p>2.1.1.c. Build capacity & cohesiveness of Local Action Groups through trainings suited to target region and expert support, including to strengthen the role of women in LAGs.</p>	<p>60,000</p> <p>146,233</p> <p>16,000</p>	<p>222,233</p>

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JP Outcomes	SMART Output	Agency priority or country programme	Responsible UN Agency	Implementing Partner	Indicative Activities for Each Output	Resources (USD)			
						Year 1	Year 2	Year 3	
<ul style="list-style-type: none"> Number and type of different training courses provided over life of JP. Increase in the training participants' income from rural tourism activities, and capacity to receive tourists (number of beds before and after JP) <p>Baseline:</p> <ul style="list-style-type: none"> Rural Development Network currently exists and is functional. Numerous formally-registered agricultural associations throughout Serbia previously supported by numerous international donor programs. Formally-registered Ethno-Network association with regional groups in Serbia. 	<p>2.1.2. Rural Development Network: Capacity of national Rural Development Network strengthened in the target regions to lead development and facilitation of Local Action Groups, independently lobby for development initiatives and secure resources for regional development by end of JP.</p>	<p>Strategic Objective D: Improved quality and safety of foods at all stages of the food chain. Organizational Result D4: Countries establish effective programmes to promote improved adherence of food producers/businesses to international recommendations on good practices in food safety and quality at all stages of the food chain, and conformity with market requirements</p> <p>Strategic Objective G: Enabling Environment for Markets to Improve Livelihoods and Rural Development. Organizational Result G2: Rural employment creation, access to land and income diversification are integrated into agricultural and rural development policies, programmes and partnerships</p>	FAO	MOA	2.1.2.a. Provide capacity building and Training-of-Trainers for RDN to serve as outreach & implementation tool to i) promote Ministry programs & IPARD; ii) support and mentor local NGOs and other groups in local initiatives and proposal development; iii) facilitate and promote local partnerships; iv) motivate and mobilize local partners for LAG development; v) provide inputs for policy changes at the national level.	10,000	25,000	7,899	42,899
	<p>2.1.3. Local planning: All 19 target municipalities have included sustainable rural tourism measures in local development strategies, by the end of JP.</p>	<p>UNDP Country Programme Document, Serbia and Montenegro, 2005-2009, Annex I – Results and Resources Framework, Programme component – Public Administration Reform. Outcome "Improved efficiency, accountability and transparency of the public sector"</p>	UNDP	MOA	2.1.3.a. Follow-up with target municipalities on the implementation of gender-responsive local development strategies and provide expert support for inclusion of sustainable rural tourism initiatives where appropriate.	21,557	49,048	15,896	86,501
	<p>2.1.4. Organizational Capacity Development: 500 men and women trained via 20 workshops, representing at least 50 different tourism and rural stakeholder entities trained on organizational subjects by end of JP.</p>	<p>Strategic Objective G: Enabling Environment for Markets to Improve Livelihoods and Rural Development. Organizational Result G2: Rural employment creation, access to land and income diversification are integrated into agricultural and rural development policies, programmes and partnerships</p>	FAO	MOA	2.1.4.a. In cooperation with UNWTO (activity 2.1.5.a), survey RDN, LAGs, TGOs, and agriculture & non-agriculture producer groups on organizational capacity and needs. 2.1.4.b. Provide targeted training, technical assistance and mentoring on topics of organizational management, project management; fundraising; proposal development and advocacy; product creation & management; competitiveness, marketing & commercialization.	26,000	9,000	0	35,000
	<p>2.1.5. Marketing & Promotion: local tourism stakeholders trained via 15 workshops on product development issues, marketing and promotion in Years 2 and 3 of the JP.</p>	<p>UNWTO PoW 2008-2009 Strategic Objective D: Support in fields of information technologies, management techniques, documentation and the use of latest available technologies to enhance the image of the tourism sector directly and through its partnerships. Specific Objective D2: Enhance the ability to make the best possible use of information and communication technologies (ICT) in tourism development, management and marketing</p>	UNWTO	MERD	2.1.5.a. Local Stakeholders helping designing strategic marketing (including positioning issues) and collaborating in promotional campaigns 2.1.5.b. Provide training to targeted stakeholders and organizations, especially pilot project stakeholders, in rural tourism quality standards.	0	25,000	10,000	35,000

Sustainable Tourism for Rural Development

JP Outcomes	SMART Output	Agency priority or country programme	Responsible UN Agency	Implementing Partner	Indicative Activities for Each Output	Resources (USD)			
						Year 1	Year 2	Year 3	Total
	<p>2.1.6. Energy Efficiency & Alternative Energy: 300 men and women trained via 12 workshops, representing at least 100 different organizations, architecture & engineering firms, construction firms, and public officials trained on energy efficiency and alternative energy technical matters and funding opportunities by end of JP.</p> <p>2.1.7. Rural Tourism-Oriented Networks: Twelve groups of regional tourism-oriented producers and processors provide a common touristic offer (integrating local services and products) by end of JP.</p>	<p>UNEP Medium-term Strategy 2010-2013, Thematic Priority F 'Resource Efficiency- sustainable consumption and production' - Expected accomplishment 'Increased investment in efficient, clean and safe industrial production methods through public policies and private sector action'</p>	UNEP	MERD	<p>2.1.6.a. Assess regional initiatives in energy efficiency and alternative energy, including potential for improvements in this field, both locally and through funding opportunities, and provide technical input for FAO activity 2.2.7.</p> <p>2.1.6.b. Deliver training to building and residence designers, construction firms, public officials, tourism providers and other interested stakeholders.</p>	5,000	31,514	0	36,514
	<p>Strategic Objective G: Enabling Environment for Markets to Improve Livelihoods and Rural Development.</p> <p>Organizational Result G2: Rural employment creation, access to land and income diversification are integrated into agricultural and rural development policies, programmes and partnerships</p>		FAO	MOA	<p>2.1.7.a. Develop database of agriculture and non-agriculture products important for tourism development in targeted geographic regions.</p> <p>2.1.7.b. Conduct market analysis of traditional and regional products and craft markets in targeted regions.</p> <p>2.1.7.c. Support producer groups through training, capacity building and organizational development activities, including branding of products and regions.</p> <p>2.1.7.d. Organize networking events of tourism and agriculture stakeholders (women & men) in pilot project areas to improve linkages and strengthen local and regional brands and present themselves together with regional tourism offer on the national and international tourism markets.</p>	54,805	79,805	29,000	163,610
	<p>2.1.8. Product Development: Local tourism stakeholders actively participating in Product Development discussions through the TGOs and are trained to become active stakeholders in Tourism Master Plan implementation.</p>	<p>UNWTO PoW 2008-2009</p> <p>Strategic Objective C: Ensure that the government, the NTA's, tourism destinations, the private sector and other tourism stakeholders establish: a) the necessary education and training tools, b) suitable partnerships and collaboration frameworks, c) proper governance structures and management systems to optimize results and ensure adherence to the Global Code of Ethics, and d) obtain the necessary technical assistance and financing support. Specific Objective C1: Increase strategic capacity in areas of tourism education and knowledge management</p>	UNWTO	MERD	<p>2.1.8.a. Facilitate active participation of local stakeholders in fine-tuning of National Rural Tourism Master Plan through established TGOs, especially with regards to product development.</p> <p>2.1.8.b. Provide training through workshops and seminars, engaging when necessary UNWTO experts and delegates of steering group</p> <p>2.1.8.c. In coordination with all agencies, include strategies and management techniques for environmental and cultural issues within the National Rural Tourism Master Plan.</p> <p>2.1.8.d. Address all issues regarding quality and consumer satisfaction through the establishment of quality circles and expertise as needed.</p>	40,000	30,000	12,000	82,000

JP Outcomes	SMART Output	Agency priority or country programme	Responsible UN Agency	Implementing Partner	Indicative Activities for Each Output	Resources (USD)			
						Year 1	Year 2	Year 3	
	<p>2.1.9. Sustainable Resource Management: 300 men and women trained via 12 workshops, representing at least 100 different tourism stakeholders in sustainable resource management by end of JP.</p>	<p>UNEP Medium-term Strategy 2010-2013, Thematic Priority F 'Resource Efficiency-sustainable consumption and production' - Expected accomplishment "Increased investment in efficient, clean and safe industrial production methods through public policies and private sector action"</p>	UNEP	MOA	<p>2.1.9.a. Identify tourism stakeholders, including destination managers, tourism offices, park & nature reserve managers, RDN, TGOs, LAGs, private companies, and local officials who are impacted by improved (or lack of) sustainable resource management principles.</p> <p>2.1.9.b. Adapt UNEP Sustainable Management Training for delivery in targeted Serbian regions; provide training to identified stakeholders.</p> <p>2.1.9.c. Conduct environmental studies of the target regions examining that aspect of rural tourism sustainability, and present at trainings.</p>	50,000	58,000	20,000	128,000
	<p>2.1.10. Agriculture Quality Standards Training: 600 producers, farmers and processors trained via 25 workshops in agriculture quality production and standards.</p>	<p>Strategic Objective D: Improved quality and safety of foods at all stages of the food chain. Organizational Result D4: Countries establish effective programmes to promote improved adherence of food producers/businesses to international recommendations on good practices in food safety and quality at all stages of the food chain, and conformity with market requirements</p> <p>Strategic Objective G: Enabling Environment for Markets to Improve Livelihoods and Rural Development.</p> <p>Organizational Result G2: Rural employment creation, access to land and income diversification are integrated into agricultural and rural development policies, programmes and partnerships</p>	FAO	MOA	<p>2.1.10.a. Provide 4 Training-of-Trainers (one in each target region) and coordination for National Agriculture Extension Services, Cooperative Union of Serbia and Rural Development Network in organic production and ECEAT certification.</p> <p>2.1.10.b. Train formal and informal groups of farmers in resource-based planning, quality and production standards, HACCP, GlobalGAP quality standards & certification.</p>	10,000	50,000	12,814	72,814
<p>2.2. Tourism governance structures enhanced in target regions through dedicated organizations, pilot projects, investment promotion</p> <p>Indicators:</p> <ul style="list-style-type: none"> Number of TGOs established and trained based on needs assessment and with attention to gender and PPP. Amount of public and private investment leveraged through JP pilot projects and investments. Guidelines/standards for schools and tourism service providers catering for 	<p>2.2.1. Tourism Governance Organizations (TGOs) in four regions (one per target region) established throughout JP through expert support, while engaging local stakeholders.</p>	<p>UNWTO POW 2008-2009</p> <p>Strategic Objective C: Ensure that the government, the NTA's, tourism destinations, the private sector and other tourism stakeholders establish: a) the necessary education and training tools, b) suitable partnerships and collaboration frameworks, c) proper governance structures and management systems to optimize results and ensure adherence to the Global Code of Ethics, and d) obtain the necessary technical assistance and financing support. Specific Objective C1: Increase strategic capacity in areas of tourism education and knowledge management</p>	UNWTO	MERD	<p>2.2.1.a. Assess the needs of the Tourism Governance Organizations in the target regions, including possible models and existing capacities (namely the Local Action Groups and local tourism organizations)</p> <p>2.2.1.b. Establish Tourism Governance Organizations according to results of Assessment in the target regions.</p>	17,931	45,000	36,000	98,931

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JP Outcomes	SMART Output	Agency priority or country programme	Responsible UN Agency	Implementing Partner	Indicative Activities for Each Output	Resources (USD)			
						Year 1	Year 2	Year 3	Total
<ul style="list-style-type: none"> children submitted to the Ministry of Education for endorsement by the end of JP. Number of pilot projects financed and functional over life of project. Number of pilot projects supported through the JP which are accessible to persons with disabilities. Number of pilot projects supported through the JP which specify rural women as beneficiary. 	<p>2.2.2. Child-Related Tourism Supply & Demand: Guidelines/standards for schools and tourism service providers catering for children submitted to the Ministry of Education for endorsement by the end of JP.</p>	<p>UNICEF's Serbia CPAP Results and Resources Framework – Outcome 3.1 Sustainable community initiatives for promotion, protection and fulfilment of children's rights are developed and implemented. Output 3.1.1. Local community members form partnerships, develop, implement and monitor community based, child centered, gender sensitive and inclusive initiatives claiming delivery of better quality services and addressing identified priorities for children</p>	UNICEF	MERD	<p>2.2.2.a. Provide input, through presentations and facilitation, into workshops, seminars & planning processes organized with LAGs, RDN and TGOs on child-related tourism issues.</p> <p>2.2.2.b. Produce guidelines for rural tourism service providers and schools on catering to children and pupils.</p>	15,239	20,795	10,834	43,868
<p>Baseline:</p> <ul style="list-style-type: none"> Rural Development Network is existing & functional. Projects supported through public funds are not accessible for persons with disabilities. Ministry of Agriculture, Forestry and Water Management provides grants for rural women's NGOs. Tourism Governance Organizations do not exist in Serbia. 	<p>2.2.3. Investment Forum: One national investment forum organized in Year 2 of JP.</p>	<p>UNEP Medium-term Strategy 2010-2013, Thematic Priority F 'Resource Efficiency - sustainable consumption and production' - Expected accomplishment "Increased investment in efficient, clean and safe industrial production methods through public policies and private sector action"</p>	UNEP	MERD	<p>2.2.3.a. Identify existing initiatives which can collaborate in the Investment Forum organization (Tourism Fair, NALED, Standing Conference of Towns & Municipalities, Municipal Investment Forum).</p> <p>2.2.3.b. Organize the Investment Forum.</p>	9,059	41,000	0	50,059
<ul style="list-style-type: none"> Ministry of Agriculture, Forestry and Water Management provides grants for rural women's NGOs. Tourism Governance Organizations do not exist in Serbia. 	<p>2.2.4. Joint UN Fund for Sustainable Rural Tourism / Thematic window on Diversification of Rural Economy through Tourism: 23 projects for developing rural tourist sites, products & services supported by the end of JP.</p>	<p>Strategic Objective D: Improved quality and safety of foods at all stages of the food chain. Organizational Result D4: Countries establish effective programmes to promote improved adherence of food producers/businesses to international recommendations on good practices in food safety and quality at all stages of the food chain, and conformity with market requirements</p> <p>Strategic Objective G: Enabling Environment for Markets to Improve Livelihoods and Rural Development. Organizational Result G2: Rural employment creation, access to land and income diversification are integrated into agricultural and rural development policies, programmes and partnerships</p>	FAO	MOA	<p>2.2.4.a. In cooperation with participating UN agencies, support Local Action Groups in defining priority interventions and designing the TOR for this Thematic Window, to be approved by PMC.</p> <p>2.2.4.b. LAG subcommittees collect & evaluate proposals in (i) integrated rural tourism and agriculture development on the rural community level; (ii) Conservation & maintenance of traditional rural cultural & natural heritage for integrated rural and rural tourism development; (iii) Diversification and upgrade of the production of food and non-food products and activities for local/regional rural tourist markets.</p>	150,000	350,000	88,012	588,012

JP Outcomes	SMART Output	Agency priority or country programme	Responsible UN Agency	Implementing Partner	Indicative Activities for Each Output	Resources (USD)			Total
						Year 1	Year 2	Year 3	
	<p>2.2.5. Joint UN Fund for Sustainable Rural Tourism / Thematic window on Tourism Destination Development: Basic tourism services, Development of attractions, specific niche products and tourism clusters in target regions enhanced, in the last two years of JP. (Average project investment \$10,000)</p>	<p>UNWTO PoW 2008-2009 Strategic Objective C: Ensure that the government, the NTA's, tourism destinations, the private sector and other tourism stakeholders establish: a) the necessary education and training tools, b) suitable partnerships and collaboration frameworks, c) proper governance structures and management systems to optimize results and ensure adherence to the Global Code of Ethics, and d) obtain the necessary technical assistance and financing support. Specific Objective C1: Increase strategic capacity in areas of tourism education and knowledge management</p>	UNWTO	MERD	<p>2.2.5.a. Support the development of basic tourism services such as accommodation, food and beverage, reservation systems and tourism offices. 2.2.5.b. Support the development of attractions (tourism products such as nature, interpretation, etc.) 2.2.5.c. Support the development of specific attractive niche products. 2.2.5.d. Complete all aspects of tourism cluster development.</p>	5,000	189,430	118,715	313,145
	<p>2.2.6. Joint UN Fund for Sustainable Rural Tourism Fund / Thematic Window on Active-Learning Tourism Investments: 20 tourist sites developed through 8 child-, family-, and school-centered tourism competitions organized (4 per year, 2 in Lower Danube region due to higher number of municipalities; top 3 awards per competition).</p>	<p>UNICEF's Serbia CPAP Results and Resources Framework - Outcome 3.1 Sustainable community initiatives for children's rights are developed and implemented. Output 3.1.1 Local community members form partnerships, develop, implement and monitor community based, child centered, gender sensitive and inclusive initiatives claiming delivery of better quality services and addressing identified priorities for children</p>	UNICEF	MOA	<p>2.2.6.a. Establish criteria for school-centered rural tourism activities to be Ministry of Education-approved course curricula. 2.2.6.b. Organize school committees of students & teachers in the 4 regions; assess regional rural tourism sites & opportunities for active learning elements & organized school field trips. 2.2.6.c. Conduct training and workshop on active learning and child-centered tourism to tourist stakeholders; stakeholders form consortia to compete for active learning programs. 2.2.6.d. Presentations & competition organized; students and teachers vote for winning sites and programs; winning competitors work with UNICEF to detail and install child-centered and active-learning components.</p>	30,000	150,000	66,526	246,526
Management Coordination and Monitoring & Evaluation									
JP Management & Coordination	A functioning and coordinated Program Implementation Unit (PIU) is established and operating throughout the life of the JP.	See all above	UNDP	MOA & MERD (lead ministries)	a. Establish a Program Implementation Unit (PIU) under direction of Program Manager.	117,841	111,591	55,795	285,226
Program Monitoring & Evaluation	Baseline Assessment The content posted to the right in this row represents key pieces of knowledge or data that are either useful or necessary to gain prior to undertaking activities. Objective	See all above	UNDP	MOA & MERD (lead ministries)	Baseline Assessment Outline Tourism Offerings & Actor Database Stakeholder Capacity & Training Needs Local Action Group Members Existing Groups & Organizational Capacity Local Tourism Investment Priorities	20,000	0	0	20,000

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JP Outcomes	SMART Output	Agency priority or country programme	Responsible UN Agency	Implementing Partner	Indicative Activities for Each Output	Resources (USD)			
						Year 1	Year 2	Year 3	Total
	1 generally includes the collection of key gender disaggregated data as part of National Rural Tourism Master Plan creation; therefore, this information applies primarily to Objective 2.				Municipal Capacity Index Assessment Quality Rating System Beds & Overnights (previous period) Destination Visits & Current Market Socio-Economic Indicators, including the Role and Benefits Women and Men in this Sector				
	Monitoring & Evaluation System An information-management M&E system is developed and used to assess the performance of the program in terms of relevance, effectiveness, efficiency and impact by the end of the first six months.	See all above	UNDP	MOA & MERD (lead ministries)	a. Design M&E system requirements for each outcome of the JP. b. Conduct regular program performance monitoring to measure relevance and efficiency; input findings into the JP implementation system. c. Present monitoring & evaluation information back to key stakeholders and partners to improve programming.	36,000	36,000	18,000	90,000
	Final Program Assessments Independent final program evaluation complete by external evaluator.	See all above	UNDP	MOA & MERD (lead ministries)	a. Prepare ToR for evaluation; identify external evaluator; complete evaluation; disseminate findings and lessons learned.	0	0	50,000	50,000

	Year 1	Year 2	Year 3	Total
UNDP - programme costs	306,647	462,371	191,192	960,209
UNDP - formulation costs	20,000	0	0	20,000
UNWTO	422,931	349,430	186,715	959,076
FAO	362,805	573,805	147,725	1,084,335
UNICEF	119,470	205,991	77,360	402,821
UNEP	104,059	170,514	37,305	311,878
SUB-TOTAL	1,335,911	1,762,111	640,296	3,738,318
GMS (7%)	93,514	123,348	44,821	261,682
TOTAL	1,429,425	1,885,458	685,117	4,000,000
	36%	47%	17%	

Cost categories - all years	UNDP	UNEP	UNWTO	FAO	UNICEF	Total (USD)
1.1 Supplies, commodities, equipment and transport	58,691	17,935	46,048	51,410	19,741	193,825
1.2 Personnel (staff, consultants, travel and training)	316,250	124,500	215,765	338,000	178,001	1,172,516

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1.3 Training of counterparts	59,755	46,105	113,000	92,323	0	311,183
1.4 Contracts	515,025	120,000	574,000	591,000	200,769	2,000,794
1.5 Other Direct Costs (incl. formulation advance for UNDP)	30,488	3,337	10,262	11,602	4,310	60,000
Total Direct Costs	980,209	311,878	959,076	1,084,335	402,821	3,738,318
2.0 UN Agency Indirect Cost (7%)	68,615	21,831	67,135	75,903	28,197	261,682
Grand Total	1,048,824	333,709	1,026,211	1,160,238	431,018	4,000,000

6. Management and Coordination Arrangements

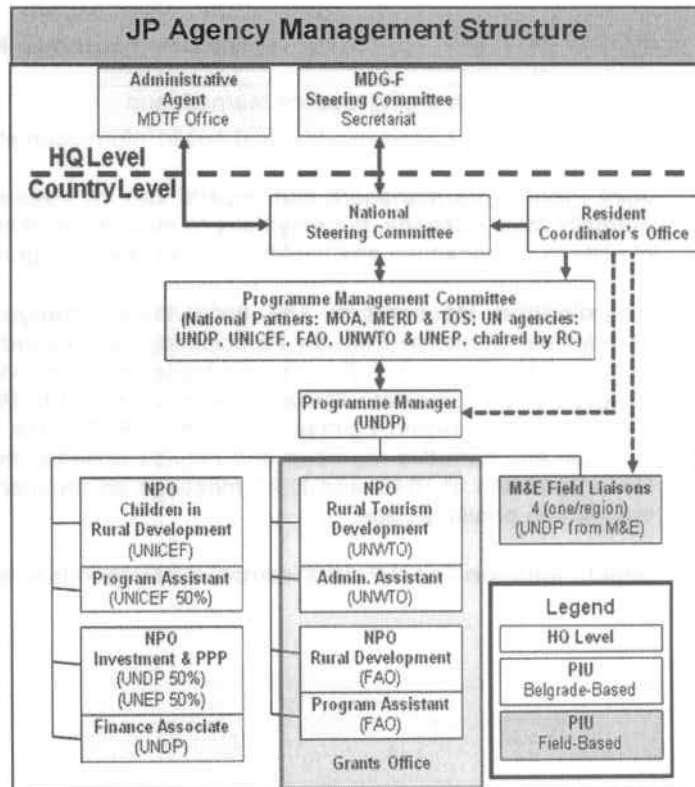
Five UN agencies will cooperate toward the implementation of this programme: UNDP, FAO, UNWTO, UNICEF and UNEP. UNDP and UNICEF are resident agencies; FAO and UNWTO have project staff in Serbia; and UNEP is a non-resident agency. UNDP has been appointed as lead agency for this JP. The programmatic contributions and responsibilities of each agency are summarized in the table below (see also *Joint Programme Design* diagram presented previously in this section).

Agency Budget and Responsibilities Summary		
Agency	Budget	Responsibilities
UNDP	\$1,048,824	<p>Outcome 1 (Central Level):</p> <ul style="list-style-type: none"> • Monitor and facilitate public investments in the National Rural Tourism Master Plan; • Assist MoA and MERD in developing an investment M&E strategy for the Rural Development Fund and Fund for Tourism Development, respectively. <p>Outcome 2 (Local Level):</p> <ul style="list-style-type: none"> • Facilitate the formation of, and develop capacity of, Local Action Groups; • Support the inclusion of sustainable rural tourism initiatives in local development strategies. <p>Programme Monitoring & Evaluation:</p> <ul style="list-style-type: none"> • Lead baseline, mid-term, and final assessments; • Design, maintain and ensure the accuracy of an ongoing M&E data management system.
FAO	\$1,160,238	<p>Outcome 1 (Central Level):</p> <ul style="list-style-type: none"> • Provide rural tourism inputs into the National Rural Tourism Master Plan; • Develop strategic guidelines for inclusion of rural tourism activities to IPARD Axes 2 and 3 activities. <p>Outcome 2 (Local Level):</p> <ul style="list-style-type: none"> • Develop and strengthen the capacity of the Rural Development Network; • Develop organizational capacities of local stakeholders; • Support groups of regional tourism-oriented producers and processors in providing a common rural tourism offer (integrating local services and products); • Provide trainings on resource-based planning, quality and production standards, HACCP, GlobalGAP quality standards & certification; • Support pilot projects through the Joint UN Fund for Sustainable Rural Tourism (Thematic Window on Diversification of Rural Economy Through Tourism).
UNWTO	\$1,026,211	<p>Outcome 1 (Central Level):</p> <ul style="list-style-type: none"> • Lead the development of the Rural Tourism Master Plan with input from UNEP, FAO and UNICEF-managed components. <p>Outcome 2 (Local Level):</p> <ul style="list-style-type: none"> • Establish and facilitate the TGOs and regional destination management activities; • Coordinate regional & municipal tourism investments in line with the National Rural Tourism Master Plan; • Support pilot projects through the Joint UN Fund for Sustainable Rural Tourism (Thematic Window on Tourist Destination Development); • Provide training courses including marketing & promotion and tourism quality.
UNICEF	\$431,018	<p>Outcome 1 (Central Level):</p> <ul style="list-style-type: none"> • Develop child-related tourism components of Master plan; Provide input to the National Rural Development Programme as related to access to services (education, health, social protection) for children and women in rural areas; Support Ministry of Education in defining guidelines/standards for schools and tourism-providers in context of school field visits, excursions and "recreational learning". <p>Outcome 2 (Local Level):</p> <ul style="list-style-type: none"> • Provide training in child, family and school-centered tourism and ensure concepts integrated into local rural tourism planning and development; • Manage Active Learning Fund.
UNEP	\$333,709	<p>Outcome 1 (Central Level):</p> <ul style="list-style-type: none"> • Provide environmental input & recommendations into National Rural Tourism Master Plan; • Facilitate Serbia's participation in SIFT Network. <p>Outcome 2 (Local Level):</p> <ul style="list-style-type: none"> • Provide training & capacity development in areas of Energy Efficiency & Alternative Energy and Sustainable Resource Management. • Organize Investment Forum bringing together Serbian tourism stakeholders with investors and banking institutions.
UNESCO	N/A	UNESCO experts will be engaged as necessary by UNWTO to support individual outputs and activities.

National Steering Committee (NSC) has been established to provide oversight and strategic guidance to this Joint Programme and other MDG-F funded Joint Programmes, in accordance with the fund terms of reference.

Responsibilities of the NSC include:

- Approving the strategic direction for the implementation of the Joint Programme within the operational framework authorized by the MDG-F Steering Committee;
- aligning MDG-F funded activities with the UN Strategic Framework or UNDAF approved strategic priorities;
- Approving the documented arrangements for management and coordination;
- establishing programme baselines to enable sound monitoring and evaluation;
- Approving the annual work plans and budgets as well as making necessary adjustments to attain the anticipated outcomes.
- Reviewing the Consolidated Joint Programme Report from the Administrative Agent and provide strategic comments and decisions and communicate this to the Participating UN Organizations.
- Suggesting corrective action to emerging strategic and implementation problems.
- Creating synergies and seeking agreement on similar programmes and projects by other donors.
- Approving the communication and public information plans prepared by the PMCs.



The NSC is comprised of the UN Resident Coordinator (Chairperson), the Ambassador of the Spanish government and the Serbian Assistant Minister of Finance in charge of Programming, Management of EU Funds and Development Assistance. The NSC will meet at least twice per year. When possible, the NSC will use coordination mechanisms set up in Serbia to plan stakeholder consultations.

Programme Management Committee (PMC) will provide operational coordination of the JP. The RC or his/her designate will chair the PMC. PMC representatives include:

- Participating UN agencies, with UN Resident Coordinator as chair,
- Ministry of Economy and Regional Development (MERD),
- Ministry of Agriculture, Forestry and Water Management (MoA),
- Tourism Organization of Serbia (TOS).

Other relevant institutions are also regularly invited to participate as observers, including representatives of the Spanish Embassy and Ministry of Finance. Moreover, representatives of the MERD and MOA's Grants Offices will also be invited to meetings regarding the local pilot projects.

The responsibilities of the PMC will include:

- ensuring operational coordination
- appointing a Programme Manager or equivalent thereof;
- managing programme resources to achieve the outcomes and output defined in the programme;
- establishing adequate reporting mechanisms in the programme;
- integrating work plans, budgets, reports and other programme related documents; and ensures that budget overlaps or gaps are addressed;
- providing technical and substantive leadership regarding the activities envisaged in the Annual Work Plan;
- agreeing on re-allocations and budget revisions and make recommendations to the NSC as appropriate;
- addressing management and implementation problems;

- i. identifying emerging lessons learned; and
- j. establishing communication and public information plans.

Joint Programme managers and experts can be invited to the PMC meetings as needed. The PMC will normally meet quarterly, but may have to meet more often depending on the need to address issues related directly to management and implementation of the programme.

Coordination Mechanism: The coordination arrangements have been established according to the *Operational Guidance Note for Participating UN Organizations*. The JP will function on the basis of Pass-Through Management. A Programme Implementation Unit (PIU) will be established and will work under the direction of a Programme Manager, who will report to PMC and NSC through RCO. Office space is to be provided as an in-kind contribution by the MERD. The PIU will implement JP activities, be in charge of financial and narrative reporting and provide updates and technical inputs to the Programme Manager for the preparation of PMC and NSC meetings as required. The JP management structure is shown in the diagram on previous page.

Implementation Focal Points' contact information is available in Annex 4.

7. Fund Management Arrangements

Grant Management Arrangements for Pilot Projects: The following procedures outline the administrative procedures regarding the *Joint UN Fund for Sustainable Rural Tourism*. The fund will have three thematic windows: 1) Tourist Destination Development; 2) Diversification of Rural Economy through Tourism; and (3) Active Learning Tourism Investments. The first thematic window will use Tourism Governance Organizations as a means to decentralize the grant making procedures, the second will use LAGs, while the third will be structured around an award competition in order to engage and inform schools and children more effectively (see inset).

The LAGs will include representatives of the Rural Development Network, municipal tourism organizations, local self-governments, civil society and private sector representatives in target regions. LAGs will establish at least two subcommittees that will draft the call for project proposals, then collect and rank incoming proposals. The draft ToR and evaluation of project proposals will be approved by the Programme Management Committee before allocation of funds accordingly. This selection process will be supported by a Grants Office within the Programme Implementation Unit, consisting of NPOs and Assistants from UNWTO and FAO. At the local level, the functioning of Local Action Groups and their sub-committees will be supported by the Rural Development Network. During the selection process, priority will be given to projects that support poverty reduction, inclusion of women and marginalized groups, promotion of cultural and natural diversity, generating employment for young people, supporting biodiversity and traditions, conservation and sustainable use of natural resources. All projects designed for public access will be accessible to persons with disabilities.

UNICEF Active Learning Fund
<i>Students and teachers will form jury panels for a competition-style event whereby tourism stakeholders will develop and present child, family and school-centered content and activities. UNICEF will organize four competitions in Years 1 and 2 (one each per cluster). Competition events and judging will be held at a local tourist destination and attended by students and teachers from throughout the region; active-learning activities and demonstrations will accompany the event, creating a festival-like atmosphere.</i>

In the terms of reference, LAGs will base their procedures and criteria on IPARD and Leader initiatives for rural development. Draft terms of reference will be prepared by the Grants Office, then modified and adopted by the LAGs for their respective regions. Project proposals will be sent to the Secretariat, the Rural Development Network office, in each region. All projects will be evaluated according to established criteria and will be ranked for endorsement by the PMC. The procedures will be as similar as possible to IPARD measures in order to prepare local stakeholders for application for EU funds. The PMC will authorize FAO to issue Calls for Project Proposals. The Grants Office will prepare a grant agreement between the beneficiary and the donor agency, which will lay out in detail the disbursement schedule and other conditions' the Grants Office will then monitor disbursements and ensure effective implementation.

Fund Management Arrangements: The fund management arrangements will follow the guidelines of the MDG-F *Operational Guidance Note for the Participating UN Organizations*. The administration of the JP follows the Pass-Through fund management option, in accordance with the planning and financial procedures as explained in *"United Nations Development Groups (UNDG) Guidance Note on Joint Programming."* Per these guidelines, the arrangements for management, review and coordination should be documented, including the roles and responsibilities of the Administrative Agent.

Administrative Agent, UNDP: UNDP will serve as Administrative Agent for this JP and will act in accordance with the policy, *"Accountability when UNDP is acting as AA in UNDP Multi-Donor Trust Funds and/or UN Joint Programmes"*. Per this policy, accountability for UNDP's Administrative Agent function rests with the Executive Coordinator of the Multi Donor Trust Fund (MDTF) Office. However, specific tasks can be performed by UNDP Resident Representative with explicit delegation and authorization from the Executive Coordinator of the MDTF Office. The Administrative Agent will be responsible for:

- disbursing approved resources to participating UN agencies;
- consolidating narrative and financial reports from participating UN;
- providing narrative reports to the National Steering Committee;
- providing *Consolidated Joint Programme Progress Reports* and other donor reports as appropriate;
- streamlining reporting systems and harmonizing formats based on JP best practices;
- facilitating the work of the participating UN agencies to ensure adherence to a results-based reporting structure around outcomes and outputs;
- ensuring that fiduciary fund management requirements are in compliance.

Agency Fiduciary and Programmatic Responsibilities: Each participating agency assumes complete programmatic and financial responsibility for the funds disbursed to it by the Administrative Agent and can determine its execution process with its partners and counterparts following the its own applicable regulations. Each agency is required to establish a separate ledger account for the receipt and administration of disbursed funds, and provide certified financial reports according to the budget provided as outlined in the *MDG-F Operational Guidance Note* issued by MDG-F. Agencies will deduct their indirect costs on contributions in levels not to exceed 7% of the JP budget in accordance with the MDG-F Memorandum of Understanding signed between the Administrative Agent and participating agencies.

Financial Installments and Advances: Installments will be released in accordance with the annual work plans approved by the NSC. The release of funds is subject to the minimum commitment threshold of 70% of the previous funds released to participating agencies combined. If the 70% threshold is not met for the JP as a whole, funds will not be released to any Agency, regardless of the individual agency's performance. Each subsequent year's advance can be requested at any point after the combined commitment against the current advance has exceeded 70% and the work plan requirements have been met. If the overall commitment of the JP reaches 70% before the end of the twelve-month period, the participating agencies may request, via the UN Resident Coordinator, the release of the next installment ahead of schedule, after endorsement by the NSC.

8. Monitoring, Evaluation and Reporting

The M&E strategy consists of four parts: 1) baseline assessment, 2) mid-term evaluation, 3) final evaluation, 4) ongoing information-management to track and report on JP results, progress toward outcomes and activities. UNDP, the lead agency, has designated responsibility for all M&E initiatives, and 4% of the total JP budget (\$160,000) is designated for M&E. Four field-based M&E Field Liaisons (one per cluster) will provide oversight, archive, and evaluation support for JP activities and will be financed from the M&E budget line.

The JP will engage the RDN to: i) provide input in the Baseline Assessment; ii) develop and update regional database(s) of products and services to attract or augment other regional tourism offerings; iii) monitor regional statistics through ongoing or scheduled data collection; iv) conduct independent field assessments on project activities; and v) monitor JP pilot projects. (The last of these, iv and v, shall be done in such a way that RDN is not monitoring or evaluating its own work.)

Baseline Assessment: Within the first three months of the JP, the programme team, led by an independent consultant, will complete a Baseline Assessment. The contents of the Baseline Assessment will likely include, but are not limited to:

- Tourism Offerings & Actor Database
- Stakeholder Capacity & Training Needs
- Local Action Group Members
- Existing Groups & Organizational Capacity
- Local Tourism Investment Priorities
- Municipal Capacity Index Assessment
- Quality Rating System Outlined/Identified
- Beds & Overnights (previous period)
- Destination Visits & Current Market
- Socio-Economic Indicators

Mid-Term Evaluation: At roughly the mid-term point of the JP an external evaluator will conduct an assessment of the entire JP. After receiving the mid-term evaluation, all agencies and partners will conduct a workshop to determine how to improve the JP activities and design for the coming period. The contents of the mid-term evaluation will likely include, but are not limited to:

- Progress toward achieving desired outcomes;
- Relevance and effectiveness of interventions;
- Review of results measurement on basis of indicators of achievement;
- Tourism sustainability assessment in terms of environmental & economic indicators;
- Quality of services provided by the JP (from client and partner interviews);

Sustainability & functionality of groups supported;
Overall JP management and support structure & mechanism;
Agency contribution & coordination.

Final Evaluation: In the final three months of the JP an external evaluator will conduct an assessment of the entire JP. The structure and content of the final evaluation will be similar to that for the mid-term evaluation, but will also include assessing the methods and degrees to which recommendations from the mid-term evaluation were incorporated into the programme design.

Quarterly Progress Reports: Quarterly progress reports will be prepared by each agency together with their government counterparts, and will be submitted through the PMC and UN Resident Coordinator to MDG-F Secretariat.

Annual Reporting: The MDTF Office is responsible for producing the annual Consolidated Joint Programme Progress Report based on inputs from each participating agency. This report will consist of three parts:

1. **Management Brief:** Analysis of the certified financial report and narrative report; management brief will identify key management and administrative issues, if any, to be considered by the NSC.
2. **Narrative JP Progress Report:** The progress report will be produced according to the integrated JP reporting arrangement; it will be reviewed and endorsed by the PMC before it is submitted to the MDTF office on the specified date of each year.
3. **Financial Progress Report:** Each participating UN agency will submit to the MDTF Office a financial report stating expenditures incurred during the reporting period.

The annual narrative report will be submitted by 31 March each year, and the financial report by 30 April each year.

Programme Monitoring Framework: The participating agencies are committed to achieving the specific and measurable results of the JP as depicted in the Programme Monitoring Framework below. The framework will assess the JP performance in terms of relevance, effectiveness, efficiency and impact in accordance with annual work plans. The annual work plan indicates the activities to be implemented by each agency; it will be updated annually for the coming year and will describe in detail the required inputs and expected results within the timeframe. The managers of each agency will carry out field visits at regular intervals to verify the progress and interact with the target group, helping to assess how the JP is affecting these groups.

Programme Monitoring Framework (PMF)

Expected Results (Outcomes & Outputs)	Indicators (with Baselines & Indicative Timeframe)	Means of Verification	Collection Methods (Indicative Timeframe & Frequency)	Responsibilities	Risks & Assumptions
<p>JP Outcome 1: Legal and policy framework for supporting diversification of rural economy through tourism is developed and contributes to achievement of Millennium Development Goals.</p>					
<p>1.1. National Rural Tourism Master Plan for Serbia developed and submitted to the Government.</p>	<p>Indicators</p> <ul style="list-style-type: none"> • Serbia Rural Tourism Master Plan is submitted to the Government by the end of Year 1. • Number and type of organizational stakeholders & partners involved in development of Master Plan. • Representatives of rural women included in development of Master Plan. • Number of workshops, presentations and coordination meetings held during preparation and adoption of Master Plan. • All Input Assessments are completed, reviewed, presented and adopted in Master Plan. • Specific niche products and services targeted for development. • Resources and basic factors for tourism inventoried and evaluated. • Necessary support structures identified and evaluated. • Product Priority Plan agreed. <p>Baseline: 11 individual Master Plans for various tourist destinations in Serbia; 4 in progress; but no broad-based Rural Tourism Master Plan / Policy with national strategy.</p> <p>Timeframe: Year 1 of JP</p>	<p>Inter-ministerial working group meeting minutes & attendance.</p> <p>Complete deliverables for all Master Plan components.</p> <p>Complete deliverable of Rural Tourism Master Plan submitted to Government.</p> <p>Progress reports working group and contractor.</p>	<p>Quarterly progress reports.</p>	<p>Inter-ministerial working group, led by chairperson.</p> <p>Lead Agency: UNWTO</p> <p>Contributing Agencies: UNICEF, UNEP, FAO</p> <p>Partner: MERD</p>	<p>Risks</p> <ul style="list-style-type: none"> • Political and/or economic shocks shift the attention of policy-makers away from tourism and rural development. • Delays due to contracting procedures or performance. • National institutions fail to agree or cooperate on activities, or fail to honor prior commitments. • Turnover of policy makers and civil servants results in delays. • Private, public and/or civil society sectors are reluctant to cooperate. <p>Assumptions</p> <ul style="list-style-type: none"> • No major institutional change of any partner occurs during the implementation of the project. • The commitments taken at policy level are executed. • There is a reliable and timely flow of information and data among the partners and within the working group. • No changes in roles and responsibilities of partners, contributing local organizations.
<p>1.2. Rural Development Program Planning: Rural Development Program planning is mainstreamed in Serbia's national policies; National Program for Rural Development for IPARD Axes 2 & 3 developed & submitted to Government.</p>	<p>Indicators:</p> <ul style="list-style-type: none"> • National Program for Rural Development prepared & submitted to Government by end of JP. • Number and type of organizational stakeholders & partners involved in development of Rural Development Program. • Representatives of rural women included in development of Rural Development Program. • Number of workshops, presentations & coordination meetings held during preparation and adoption of Rural Development Program. <p>Baseline: • IPA financial envelope 2007-2013: €10.2 billion (all candidate countries).</p> <p>Timeframe: Year 1 of JP</p>	<p>Working Group(s) meeting minutes & attendance.</p> <p>Complete deliverable of National Program for Rural Development submitted to Government.</p>	<p>Quarterly progress reports.</p>	<p>Working group, led by chairperson.</p> <p>Lead Agency: FAO</p> <p>Contributing Agencies: UNICEF</p> <p>Partner: MOA</p>	
<p>1.3. Investment Mainstreaming: Sustainable tourism investments mainstreamed in Serbia's national policies.</p>	<p>Indicators:</p> <ul style="list-style-type: none"> • Amount of public investment made in line with Rural Tourism Master Plan. • Number of individual public investments made in line with Rural Tourism Master Plan. • Amount of private funds secured for realization of Rural Tourism Master Plan. • Number of tourist destinations receiving public investment. • M&E strategy and indicators developed and adopted by Government for Rural Development Fund & Fund for Tourism Development. <p>Baseline:</p>	<p>Copies of project payments and delivery receipts through public investment.</p> <p>Reports & public records of investments.</p> <p>Reports from M&E monitoring agency on fund</p>	<p>Quarterly collection & updates.</p>	<p>Local agent ultimately tasked with Government investment M&E.</p> <p>Lead Agency: UNDP</p> <p>Contributing Agencies: UNEP</p>	

Expected Results (Outcomes & Outputs)	Indicators (with Baselines & Indicative Timeframe)	Means of Verification	Collection Methods (Indicative Timeframe & Frequency)	Responsibilities	Risks & Assumptions
	<ul style="list-style-type: none"> • 2008 public tourism investment: €50M. • 2009 public tourism investment: €75M. <p>Timeframe: 2009-2011</p>	investments.		Partner: MERD	
JP Outcome 2: Local rural tourism and support industries are better linked and organized; and local stakeholders' capacity is improved for delivering services and products in line with national strategies.	<p>Indicators:</p> <ul style="list-style-type: none"> • Number of LAGs established and trained • Number of tourism stakeholders trained, disaggregated by gender and public vs. private sector. • Number of local development strategies that include rural tourism • Number of projects developed as a result of JP capacity building, mentoring support. • Number and type of different training courses provided over life of JP. • Increase in the training participants' income from rural tourism activities, and capacity to receive tourists (number of beds before and after JP) <p>Baseline:</p> <ul style="list-style-type: none"> • Rural Development Network is existing & functional. • Projects supported through public funds are not accessible for persons with disabilities. • Ministry of Agriculture, Forestry and Water Management provides grants for rural women's NGOs. • Tourism Governance Organizations do not exist in Serbia. <p>Timeframe: 2009-2011</p>	<p>Training attendance records, tabulated & recorded in M&E system.</p> <p>Training participants profile information collected.</p> <p>Revenue/destination usage and entry records.</p> <p>Copies of project payments and delivery receipts.</p>	<p>Quarterly progress reports.</p> <p>Individual agency management field visits.</p> <p>Training participant profile forms.</p>	<p>Contributing Agencies: UNDP, UNWTO, FAO, UNEP</p> <p>Partners: MERD & MoA, by output level.</p> <p>Programme activities, results, participation, information tracking: PIU</p>	<p>Risks</p> <ul style="list-style-type: none"> • Political and/or economic shocks shift the attention of policy-makers away from tourism & rural development. • Delays due to contracting procedures or performance. • Local institutions fail to agree or cooperate on activities, or fail to honor prior commitments. • Turnover of local government officials and civil servants results in delays. • Private, public and/or civil society sectors are reluctant to cooperate. <p>Assumptions</p> <ul style="list-style-type: none"> • No major institutional change of any partner occurs during the implementation of the project. • No changes in roles and responsibilities of partners, contributing local organizations.
<p>2.1. Capacity developed for sustainable rural tourism in order to enhance rural development</p>	<p>Indicators:</p> <ul style="list-style-type: none"> • Number of TGOs established and trained based on needs assessment and with attention to gender and PPP. • Amount of public and private investment leveraged through JP pilot projects and investments. • Guidelines/standards for schools and tourism service providers catering for children submitted to the Ministry of Education for endorsement by the end of JP. • Number of pilot projects financed and functional over life of project. • Number of pilot projects supported through the JP which are accessible to persons with disabilities. • Number of pilot projects supported through the JP which specify rural women as beneficiary. <p>Baseline:</p> <ul style="list-style-type: none"> • Rural Development Network is existing & functional. • Tourism Governance Organizations do not exist <p>Timeframe: 2009-2011</p>	<p>Training attendance records, tabulated & recorded in M&E system.</p> <p>Copies of project payments and delivery receipts.</p>	<p>Quarterly progress reports.</p> <p>Individual agency management field visits.</p>	<p>Contributing Agencies: UNWTO, FAO, UNEP, UNICEF</p> <p>Partners: MERD & MoA, by output level.</p> <p>Programme activities, results, participation, information tracking: UNDP</p>	
<p>2.2. Tourism governance structures enhanced in target regions through dedicated organizations, pilot projects, investment promotion</p>					

9. Legal Context or Basis of Relationship

Agency Operations in Serbia Legal Context: The UNCT in Serbia is comprised of 18 resident agencies (funds, organizations and agencies) and one associated agency. All JP partner organizations are part of the UNCT. The legal agreement between the Government of Serbia and each of the participating agencies is summarized in the table below.

Participating Agency	Agreement
UNDP	This JP document shall be the instrument referred to such as in Article 1 of the Standard Basic Assistance Agreement (SBAA), signed on 24 March 1988 between UNDP and the Government.
FAO	The Republic of Serbia is a member of FAO and with the acceptance of its membership on 2 November 2001, technical assistance provision to the country by FAO is included in the agreement of Serbia with the Basic Text of FAO.
UNWTO	Convention on Privileges and Immunities of the Specialized Agencies and its Annex on UNWTO were ratified by Serbia on 12 March 2001.
UNICEF	The assistance envisaged in the JP document is regulated by the Basic Cooperation Agreement (BCA) concluded between the Government and UNICEF on 20 November 1947, which provides the basis of the relationship between the Government and UNICEF.
UNEP	The mandate and objectives of UNEP are set out in General Assembly resolution 2997 (XXVII) of 15 th December 1972 and subsequent amendments adopted by the United Nations Conference on Environment and Development (Report A/CONF.151/26/Rev.1 (Vol. I), para. 38.22), as well as in the Nairobi Declaration on the Role and Mandate of the UNEP adopted at the nineteenth session of the UNEP Governing Council.

MDG-F Legal Context: FAO, UNWTO, UNICEF and UNEP have signed, as participating agencies, a Memorandum of Understanding regarding the Operational Aspects of the UNDP-Spain Millennium Development Goals Achievement Fund (MDG-F) and, therefore, have agreed that UNDP serves as the Administrative Agent responsible for the administration of the MDG-F. Each agency will carry out the JP activities in accordance with the regulations, rules, directives and procedures applicable to it. Accordingly, personnel shall be engaged and administered; equipment, supplies and services purchased; and contracts signed; in accordance with the provisions of such regulations, rules, directives and procedures.

Termination or Expiration of Agreement: On the termination or expiration of this Agreement, the matter of ownership shall be determined in accordance with the regulations, rules, directives and procedures applicable to the participating agencies including, where applicable, its basic agreement with the Government concerned.

10. Work Plans and Budgets

Work Plan: The Annual Work Plan for the first year of operations is presented in the following table:

UN Organization-Specific Annual Targets	UN Organization	Activities (numbers correspond to activity designation in Results Framework)	Timeframe				Implementing Partner	Source of Funds	Planned Budget Description	Amount (USD)
			Q1	Q2	Q3	Q4				
JP Outcome 1: Legal and policy framework for supporting diversification of rural economy through tourism is developed and contributes to achievement of Millennium Development Goals.										
<p>1.1. National Rural Tourism Master Plan for Serbia developed and submitted to the Government.</p> <p>Targets:</p> <ul style="list-style-type: none"> 1.1.1. National Rural Tourism Master Plan: Developed and submitted to the Government for approval by end of Year 1. 1.1.2. Principles & Framework for Children-Related Tourism: Define principles & framework for children-related tourism, including family-based tourism, school-focused tourism and youth (back-pack) tourism; and define measures that need to be implemented to stimulate the development of these types of tourism. 1.1.3. National Study on Sustainable Tourism: Provide environmental information for the development of the National Rural Tourism Master Plan, including recommendations following first draft of this Policy, within the first 12 months of JP. 1.1.4 Assessment of the potential contribution of rural tourism to small farming sector and rural development in general. Complete assessment in the first 6 months of JP, for inclusion in the National Rural Tourism Master Plan. 	UNWTO	1.1.1.a. In cooperation with FAO and lead ministries, establish an inter-ministerial working group, with a sub-group for development of National Rural Tourism Master Plan.					MERD	MDG-F	NPO Rural Tourism Development Administrative Assistant Supplies/Communications/Operations Misc. Agency Management Support (7%) Sub-total	5,000 3,000 3,641 1,000 885 13,525
		UNWTO	1.1.1.b. Conduct permanent information and decision making activities with all stakeholders and ensure incorporation of studies by other participating UN agencies (1.1.2.4 and 1.2.1).					MERD	MDG-F	National Rural Tourism Master Plan NPO Rural Tourism Development Administrative Assistant Vehicle, Fuel, Maintenance Supplies/Communications/Operations Misc. Domestic travel International travel ICT/Equipment/Furniture Agency Management Support (7%) Sub-total
	UNWTO	1.1.1.c. Develop specific programs within the National Rural Tourism Master Plan in the following fields: analyzing, sustaining, knowing, excelling, innovating, promoting and governing.					MERD	MDG-F	National Rural Tourism Master Plan NPO Rural Tourism Development Administrative Assistant Vehicle, Fuel Maintenance Misc. Domestic travel Agency Management Support (7%) Sub-total	230,000 6,000 3,000 3,000 1,000 3,000 17,220 263,220
	UNWTO	1.1.1.d. Make formal official presentation of National Rural Tourism Master Plan.					MERD	MDG-F	National Rural Tourism Master Plan NPO Rural Tourism Development Administrative Assistant Vehicle, Fuel, Maintenance Misc. Agency Management Support (7%) Sub-total	24,000 5,000 2,375 1,169 1,105 2,355 36,004
	UNICEF	1.1.2.a. Conduct surveys to identify demand: i) by citizens for family tourism, ii) by youth for youth-related (esp. backpack) tourism, especially back-pack tourism, iii) by schools for school tourism.					MERD	MDG-F	NPO Children in Rural Development Programme Assistant Child friendly tourism policy Supplies/Communications/Operations Agency Management Support (7%) Sub-total	5,000 5,000 20,000 1,000 2,170 33,170
	UNICEF	1.1.2.b. Identify best practices from other countries.					MERD	MDG-F	NPO Children in Rural Development Programme Assistant Local consultants	5,000 3,000 3,000

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UN Organization-Specific Annual Targets	UN Organization	Activities (numbers correspond to activity designation in Results Framework)	Timeframe				Implementing Partner	Source of Funds	Planned Budget	
			Q1	Q2	Q3	Q4			Budget Description	Amount (USD)
								Agency Management Support (7%) Sub-total	770 11,770	
	UNICEF	1.1.2.c. Establish cross-sector working group that shall, based on surveys & good practices and with assistance of tourism specialists provided by contractor, provide input into principles, frameworks & measures.				MERD	MDG-F	NPO Children in Rural Development Programme Assistant Supplies/Communications/Operations ICT/Equipment/Furniture Misc. Agency Management Support (7%) Sub-total	3,000 2,000 1,000 500 1,500 560 8,560	
	UNEP	1.1.3 a. Conduct a National Environmental Study to assess capacity by collecting and using locally available environmental information/data.				MERD	MDG-F	NPO Investment & PPP (50%) National Environmental Study ICT/Equipment/Furniture Supplies/Communications/Operations Domestic travel Agency Management Support (7%) Sub-total	15,000 550 2,000 1,750 1,701 26,001	
	UNEP	1.1.3 b. Identify potential impact of National Rural Tourism Master Plan by examining: i) potential impacts on ecosystems from proposed options; ii) energy consumption & efficiency; iii) buffer zone management; iv) other environmental impacts.				MERD	MDG-F	Internal Expert Review of the Rural Tourism Master Plan ICT/Equipment/Furniture Agency Management Support (7%) Sub-total	5,000 700 399 6,099	
	FAO	1.1.4 a. Conduct an assessment of the potential contribution of rural tourism to small farming sector, including potential benefits in terms of income diversification, branding, certification and standards.				MOA	MDG-F	NPO Rural Development Programme Assistant Potential contribution of rural tourism to small farming ICT/Equipment/Furniture Agency Management Support (7%) Sub-total	4,000 4,000 20,000 4,000 2,240 34,240	
	FAO	1.2.1 a. In cooperation with UNWTO and MERD establish an inter-ministerial working group, with a sub-group for elaboration of National Rural Development Programme.				MOA	MDG-F	NPO Rural Development Programme Assistant Agency Management Support (7%) Sub-total	8,000 5,000 910 13,910	
	FAO	1.2.1 b. Identify & engage expert group of outside & supporting resources to complete program development, including studies undertaken as part of Output 1.1.				MOA	MDG-F	NPO Rural Development Programme Assistant Rural Development Programme Agency Management Support (7%) Sub-total	4,000 4,000 20,000 1,960 29,960	
	FAO	1.2.1.c. Conduct assessment & prepare plan in accordance with requirements, including detailed description of Axis 2 and 3 (measures related to rural economy diversification with emphasis on rural tourism and measures related to preparation of measures to support sustainable management of the natural resources and environmental protection in rural areas.				MOA	MDG-F	NPO Rural Development Programme Assistant Rural Development Programme FAO & International Rural Dev'l Expertise Agency Management Support (7%) Sub-total	4,000 1,000 20,000 14,000 2,730 41,730	

1.2. Rural Development Program Planning: Rural Development Program planning is mainstreamed in Serbia's national policies; National Program for Rural Development for IPARD Axes 2 & 3 developed & submitted to Government for adoption.

Targets:

- 1.2.1. IPARD National Agriculture & Rural Development Program (2010-2013): Strategic guidelines for inclusion of rural tourism & related activities to Axes 2 & 3 developed, facilitating Serbia's access to EC IPARD Axis 2 & 3 funds.
- 1.2.2. IPARD Life-Conditions Study: Provide strategic input into IPARD with life-conditions so as to ensure

UN Organization-Specific Annual Targets	UN Organization	Activities (numbers correspond to activity designation in Results Framework)	Timeframe				Implementing Partner	Planned Budget		
			Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount (USD)
integrated rural tourism development addresses issues of access to services (health, education & social protection) for children & women in rural areas.	UNICEF	1.2.a. Conduct study on present access to services in rural areas, barriers to access, and potential solutions. Data will be obtained through official statistics, surveys, focus groups representing children, women, health practitioners, in social protection practitioners, and other actors and community groups.					MOA	MDG-F	NPO Children in Rural Development Programme Assistant IPARD Life Conditions Study Vehicle, Fuel, Maintenance Supplies/Communications/Operations ICT/Equipment /Furniture Misc. Domestic travel Agency Management Support (7%) Sub-total	5,000 2,000 10,000 2,000 1,000 2,000 224 2,007 1,696 25,927
	UNDP	1.3.1.a. Identify public, private and external resources that can leverage one another in rural tourism initiatives.				MERD	MDG-F	Supplies/Communications/Operations International travel Agency Management Support (7%) Sub-total	2,249 1,500 262 4,011	
	UNDP	1.3.1.b. Engage with all relevant line ministries to promote public investments that are in line with Rural Tourism Master Plan and environmentally sustainable.				MERD	MDG-F	International consultants Supplies/Communications/Operations Agency Management Support (7%) Sub-total	2,000 500 175 2,675	
	UNDP	1.3.2.a. Produce strategy guidelines for securing and leveraging public-private partnerships.				MERD	MDG-F	PPP Guidelines Supplies/Communications/Operations Agency Management Support (7%) Sub-total	23,025 475 1,645 25,145	
	UNDP	1.3.2.b. Provide strategic investment training for target group of public decision-makers and private investors.				MERD	MDG-F	Support for PPP Initiatives Local consultants Agency Management Support (7%) Sub-total	2,500 3,250 403 6,153	
	UNDP	1.3.2.c. Support and monitor at least six PPP initiatives in rural tourism.				MERD	MDG-F	Support for PPP Initiatives Local consultants Agency Management Support (7%) Sub-total	2,500 3,250 403 6,153	
	UNEP	1.3.3.a. Identify organizations and/or individuals to serve as SIFT focal point and/or working group members.				MERD	MDG-F	NPO Investment & PPP (50%) Agency Management Support (7%) Sub-total	2,500 175 2,675	
	UNEP	1.3.3.b. Provide training to focal point or working group on benefits and expectations as member of SIFT network.				MERD	MDG-F	NPO Investment & PPP (50%) International consultants International travel Agency Management Support (7%) Sub-total	2,500 4,000 1,000 525 8,025	
	UNDP	1.3.4.a. As part of M&E of the JP, adopt at least three indicators for evaluation of pilot projects.				MOA	MDG-F	Local consultants Agency Management Support (7%) Sub-total	10,000 700 10,700	
	JP Outcome 2: Local rural tourism and support industries are better linked and organized; and local stakeholders' capacity is improved for delivering services and products in line with national strategies.									
2.1. Capacity developed for sustainable rural tourism in order to enhance rural development Targets: • 2.1.1. Local Action Groups: Capacity of public, private	UNDP	2.1.1.a. Identify resources and existing initiatives to serve as possible foundation for LAGs.				MOA	MDG-F	Local Action Groups (support & capacity development) Supplies/Operations/Communications Agency Management Support (7%) Sub-total	7,000 2,000 630 9,630	
	UNDP	2.1.1.b. Using the EU's Leader approach, mobilize public, private &				MOA	MDG-F	Local Action Groups (support & capacity)	15,000	

Sustainable Tourism for Rural Development

UN Organization-Specific Annual Targets	UN Organization	Activities (numbers correspond to activity designation in Results Framework)	Timeframe				Implementing Partner	Source of Funds	Planned Budget Description	Amount (USD)
			Q1	Q2	Q3	Q4				
<ul style="list-style-type: none"> and civil society sector stakeholders strengthened to enable establishment of six Local Action Groups (representing 10,000-100,000 citizens) and develop local rural development strategies, by end of JP. 2.1.2. Rural Development Network: Capacity of national Rural Development Network strengthened in the target regions to lead development and facilitation of Local Action Groups, independently lobby for development initiatives and secure resources for regional development by end of JP. 2.1.3. Local planning: All 19 target municipalities have included sustainable rural tourism measures in local development strategies, by the end of JP. 2.1.4. Organizational Capacity Development: 500 individuals trained via 20 workshops, representing at least 50 different tourism and rural stakeholder entities trained on organizational subjects by end of JP. 2.1.5. Marketing & Promotion: local tourism stakeholders trained via 15 workshops on product development issues, marketing and promotion in Years 2 and 3 of the JP. 2.1.6. Energy Efficiency & Alternative Energy: 300 individuals trained via 12 workshops, representing at least 100 different organizations, architecture & engineering firms, construction firms, and public officials trained on energy efficiency and alternative energy technical matters and funding opportunities by end of JP. 2.1.7. Rural Tourism-Oriented Networks: Twelve groups of regional tourism-oriented producers and processors provide a common touristic offer (integrating local services and products) by end of JP. 2.1.8. Product Development: Local tourism stakeholders actively participating in Product Development discussions through the TGOs and are trained to become active stakeholders in Tourism Master Plan Implementation. 2.1.9. Sustainable Resource Management: 300 individuals trained via 12 workshops, representing at least 100 different tourism stakeholders in sustainable resource management by end of JP. 2.1.10. Agriculture Quality Standards Training: 600 producers, farmers and processors trained via 25 workshops in agriculture quality production and standards. 	<p>UNDP</p> <p>FAO</p> <p>UNDP</p> <p>FAO</p> <p>FAO</p> <p>FAO</p> <p>FAO</p> <p>FAO</p> <p>FAO</p>	<p>civil society actors to engage in Local Action Groups and support them in increasing benefits for rural population from available financing & donation instruments.</p> <p>2.1.1.c. Build capacity & cohesiveness of Local Action Groups through trainings suited to target region and expert support, including to strengthen the role of women in LAGs.</p> <p>2.1.2.a. Provide capacity building and Training-of-Trainers for RDN to serve as outreach & implementation tool to i) promote Ministry programs & IPARD; ii) support and mentor local NGOs and other groups in local initiatives and proposal development; iii) facilitate and promote local partnerships; iv) motivate and mobilize local partners for LAG development; v) provide inputs for policy changes at the national level.</p> <p>2.1.3.a. Follow-up with target municipalities on the implementation of gender-responsive local development strategies and provide expert support for inclusion of sustainable rural tourism initiatives where appropriate</p> <p>2.1.4.a. In cooperation with UNWTO (activity 2.1.5.a), survey RDN, LAGs, DMOs, and agriculture & non-agriculture producer groups on organizational capacity and needs.</p> <p>2.1.4.b. Provide targeted training, technical assistance and mentoring on topics of organizational management, project management; fundraising; proposal development and advocacy; product creation & management; competitiveness, marketing & commercialization.</p> <p>2.1.6.a. Assess regional initiatives in energy efficiency and alternative energy, including potential for improvements in this field, both locally and through funding opportunities, and provide technical input for FAO activity 2.1.7.</p> <p>2.1.7.a. Develop database of agriculture and non-agriculture products important for tourism development in targeted geographic regions.</p>	<p>Q1</p> <p>Q2</p> <p>Q3</p> <p>Q4</p>	<p>MOA</p> <p>MOA</p> <p>MOA</p> <p>MOA</p> <p>MOA</p> <p>MOA</p> <p>MERD</p> <p>MERD</p>	<p>MDG-F</p> <p>MDG-F</p> <p>MDG-F</p> <p>MDG-F</p> <p>MDG-F</p> <p>MDG-F</p> <p>MDG-F</p> <p>MDG-F</p>	<p>development)</p> <p>Supplies/Operations/Communications</p> <p>Domestic travel</p> <p>Misc.</p> <p>Agency Management Support (7%)</p> <p>Sub-total</p> <p>Local Action Groups (support & capacity development)</p> <p>Supplies/Operations/Communications</p> <p>Domestic travel</p> <p>Misc.</p> <p>Agency Management Support (7%)</p> <p>Sub-total</p> <p>NPO Rural Development</p> <p>Programme Assistant</p> <p>ICT/Equipment/Furniture</p> <p>Misc.</p> <p>Domestic travel</p> <p>Rural Dev't Network trainings</p> <p>Agency Management Support (7%)</p> <p>Sub-total</p> <p>Mentoring on local dev't planning</p> <p>Supplies/Operations/Communications</p> <p>Misc.</p> <p>International consultants</p> <p>Agency Management Support (7%)</p> <p>Sub-total</p> <p>NPO Rural Development</p> <p>Programme Assistant</p> <p>Misc.</p> <p>Domestic travel</p> <p>Agency Management Support (7%)</p> <p>Sub-total</p> <p>NPO Rural Development</p> <p>Programme Assistant</p> <p>Misc.</p> <p>Organizational Capacity Building</p> <p>Supplies/Communications/Operations</p> <p>Vehicle, Fuel, Maintenance</p> <p>Agency Management Support (7%)</p> <p>Sub-total</p> <p>Energy Efficiency & Alternative Energy trainings</p> <p>Local consultants</p> <p>Agency Management Support (7%)</p> <p>Sub-total</p> <p>NPO Rural Development</p> <p>Programme Assistant</p> <p>Database support</p>	<p>2,000</p> <p>500</p> <p>1,000</p> <p>1,295</p> <p>19,795</p> <p>28,000</p> <p>2,611</p> <p>500</p> <p>1,389</p> <p>2,275</p> <p>34,775</p> <p>1,000</p> <p>1,000</p> <p>1,000</p> <p>1,000</p> <p>5,000</p> <p>700</p> <p>10,700</p> <p>15,000</p> <p>2,751</p> <p>1,806</p> <p>2,000</p> <p>1,509</p> <p>20,122</p> <p>5,000</p> <p>1,000</p> <p>2,000</p> <p>3,000</p> <p>770</p> <p>11,770</p> <p>5,600</p> <p>1,000</p> <p>1,641</p> <p>3,000</p> <p>282</p> <p>3,477</p> <p>1,050</p> <p>16,050</p> <p>3,000</p> <p>2,000</p> <p>350</p> <p>5,350</p> <p>1,000</p> <p>1,000</p> <p>25,000</p>			

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UN Organization-Specific Annual Targets	UN Organization	Activities (numbers correspond to activity designation in Results Framework)	Timeframe				Implementing Partner	Source of Funds	Planned Budget	
			Q1	Q2	Q3	Q4			Budget Description	Amount (USD)
								Agency Management Support (7%)	1,890	
								Sub-total	28,890	
	FAO	2.1.7.b. Conduct market analysis of traditional and regional products and craft markets in targeted regions.				MERD	MDG-F	NPO Rural Development Programme Assistant Market analysis Agency Management Support (7%) Sub-total	1,000 1,000 10,000 840 12,840	
	FAO	2.1.7.d. Organize networking events of tourism and agriculture stakeholders (women & men) in pilot project areas to improve linkages and strengthen local and regional brands and present themselves together with regional tourism offer on the national and international tourism markets.				MOA	MDG-F	NPO Rural Development Programme Assistant Rural Tourism Networks (product & service chains) International travel Supplies/Communications/Operations Vehicle, Fuel, Maintenance Agency Management Support (7%) Sub-total	2,000 2,000 5,000 1,000 4,000 1,805 1,106 16,911	
	UNWTO	2.1.8.a. Facilitate active participation of local stakeholders in fine-tuning of National Rural Tourism Master Plan through established TGOs, especially with regards to product development.				MERD	MDG-F	NPO Rural Tourism Development Administrative Assistant Local consultants Agency Management Support (7%) Sub-total	5,000 1,000 900 483 7,383	
	UNWTO	2.1.8.b. Provide training through workshops and seminars, engaging when necessary UNWTO experts and delegates of the inter-ministerial working group				MERD	MDG-F	NPO Rural Tourism Development Administrative Assistant Product development Agency Management Support (7%) Sub-total	3,000 500 25,000 1,995 30,495	
	UNWTO	2.1.8.c. In coordination with all agencies, include strategies and management techniques for environmental and cultural issues within the National Rural Tourism Master Plan.				MERD	MDG-F	NPO Rural Tourism Development Administrative Assistant Agency Management Support (7%) Sub-total	2,600 2,000 322 4,922	
	UNEP	2.1.9.a. Identify tourism stakeholders, including destination managers, tourism offices, park & nature reserve managers, RDN, DMOs, LAGs, private companies, and local officials who are impacted by improved (or lack of) sustainable resource management principles.				MOA	MDG-F	NPO Investment & PPP (50%) Domestic travel Agency Management Support (7%) Sub-total	5,000 250 368 5,618	
	UNEP	2.1.9.b. Adapt UNEP Sustainable Management Training for delivery in targeted Serbian regions; provide training to identified stakeholders.				MOA	MDG-F	NPO Investment & PPP (50%) Local consultants Misc. Agency Management Support (7%) Sub-total	2,000 8,000 80 706 10,786	
	UNEP	2.1.9.c. Conduct environmental studies of the target regions examining that aspect of rural tourism sustainability, and present at trainings.				MOA	MDG-F	NPO Investment & PPP (50%) Regional environmental studies Domestic travel Vehicle, Fuel, Maintenance Agency Management Support (7%) Sub-total	3,000 30,000 1,000 670 2,427 37,097	
	FAO	2.1.10.a. Provide 4 Training-of-Trainers (one in each target region) and coordination for National Agriculture Extension Services, Cooperative Union of Serbia and Rural Development Network in				MOA	MDG-F	NPO Rural Development Programme Assistant Local consultants	4,000 1,000 5,000	

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UN Organization-Specific Annual Targets	UN Organization	Activities (numbers correspond to activity designation in Results Framework)	Timeframe				Implementing Partner	Source of Funds	Planned Budget Description	Amount (USD)
			Q1	Q2	Q3	Q4				
		organic production and ECEAT certification.						Agency Management Support (7%) Sub-total	700 10,700	
	UNWTO	2.2.1.a. Assess the needs of the Tourism Governance Organizations in the target regions, including possible models and existing capacities (namely the Local Action Groups and local tourism organizations)				MERD	MDG-F	NPO Rural Tourism Development Administrative Assistant Local consultants Destination management (assessment, manual, trainings) Agency Management Support (7%) Sub-total	1,000 1,000 3,100 5,000 707 10,807	
	UNWTO	2.2.1.b. Establish Tourism Governance Organizations according to results of Assessment in the target regions.				MERD	MDG-F	NPO Rural Tourism Development Administrative Assistant International consultants Vehicle, Fuel, Maintenance Agency Management Support (7%) Sub-total	1,000 1,000 5,000 831 548 8,379	
	UNICEF	2.2.2.a. Provide input, through presentations and facilitation, into workshops, seminars & planning processes organized with LAGs, RDN and DMOs on child-related tourism issues.				MERD	MDG-F	NPO Children in Rural Development Programme Assistant Agency Management Support (7%) Sub-total	5,000 489 384 5,873	
	UNICEF	2.2.2.b. Produce guidelines for rural tourism service providers and schools on catering to children and pupils.				MERD	MDG-F	NPO Children in Rural Development Guidelines for schools & service providers / child-friendly capacity building Agency Management Support (7%) Sub-total	1,000 8,750 683 10,433	
	UNEP	2.2.3.a. Identify existing initiatives which can collaborate in the Investment Forum organization (Tourism Fair, NALED, Standing Conference of Towns & Municipalities, Municipal Investment Forum).				MERD	MDG-F	NPO Investment & PPP (50%) International travel Supplies/Communications/Operations Vehicle/Fuel/Maintenance Misc. Agency Management Support (7%) Sub-total	2,800 1,000 2,005 2,000 1,255 634 9,694	
	FAO	2.2.4.a. In cooperation with participating UN agencies, support Local Action Groups in defining priority interventions and designing the ToR for this Thematic Window, to be approved by PMC.				MOA	MDG-F	NPO Rural Development Programme Assistant FAO & International Rural Dev't Expertise Local consultants Domestic travel International travel Supplies/Communications/Operations Vehicle, Fuel, Maintenance Agency Management Support (7%) Sub-total	2,000 4,000 16,000 7,000 500 3,000 1,000 1,000 2,415 36,915	
	FAO	2.2.4.b. LAG subcommittees collect & evaluate proposals in (i) integrated rural tourism and agriculture development on the rural community level; (ii) Conservation & maintenance of traditional rural cultural & natural heritage for integrated rural and rural tourism development; (iii) Diversification and upgrade of the production of food and non-food products and activities for local/regional rural tourist markets.				MOA	MDG-F	NPO Rural Development Programme Assistant Joint UN Fund/Diversification of Rural Economy Local fund management Vehicle, Fuel, Maintenance Domestic travel Supplies/Communications/Operations	4,000 4,000 84,000 16,000 3,000 500 4,000	

UN Organization-Specific Annual Targets	UN Organization	Activities (numbers correspond to activity designation in Results Framework)	Timeframe				Implementing Partner	Source of Funds	Planned Budget					
			Q1	Q2	Q3	Q4			Budget Description	Amount (USD)				
								Agency Management Support (7%)	8,085					
								Sub-total	123,585					
	UNWTO	2.2.5.a. Support the development of basic tourism services such as accommodation, food and beverage, reservation systems and tourism offices.				MOA	MDG-F	NPO Rural Tourism Development Administrative Assistant Supplies/Communications/Operations Agency Management Support (7%)	4,000 431 569 350					
								Sub-total	5,350					
	UNICEF	2.2.6.a. Establish criteria for school-centered rural tourism activities to be Ministry of Education-approved course curricula.				MERD	MDG-F	NPO Children in Rural Development Programme Assistant Vehicle, Fuel, Maintenance Supplies/Communications/Operations Domestic travel Agency Management Support (7%)	21,600 5,511 1,448 448 993 2,100					
								Sub-total	32,100					
Joint Programme Management, Coordination and Monitoring & Evaluation														
JP Management & Coordination Target: Functioning, coordinated Program Implementation Unit (PIU) established & operating throughout life of JP.	UNDP	a. Program Implementation Unit (PIU) established under direction of the Program Manager.						Programme Manager NPO Investment and PPP (50%) Finance Associate Vehicle, Fuel, Maintenance ICT/Equipment/Furniture Agency Management Support (7%)	48,000 22,800 32,400 8,391 6,250 8,249					
								Sub-total	126,090					
Baseline Assessment Target: Baseline Assessment complete, identifying key information indicated in Results Framework.	UNDP	a. Create ToR for Baseline Assessment, recruit external consultant to lead. b. Collect data, prepare & present findings to stakeholders and partner agencies.						Baseline assessment Agency Management Support (7%)	20,000 1,400					
								Sub-total	21,400					
Monitoring & Evaluation System Target: M&E system designed and installed to track program activities and results of all JP activities and partner agencies.	UNDP	a. Design general requirements for M&E system. b. Determine M&E roles and responsibilities within PIU and local partners. c. Design database and tracking system used to track program outputs, activities, results.						M&E system, including regional liaison Agency Management Support (7%)	36,000 2,520					
								Sub-total	38,520					
Cost categories - Year 1														
1.1 Supplies, commodities, equipment and transport			UNDP	27,226	UNEP	7,924	UNWTO	21,419	FAO	23,564	UNICEF	9,396	Total (USD)	89,530
1.2 Personnel (staff, consultants, travel and training)				126,200		46,800		83,406		126,600		69,600	452,606	
1.3 Training of counterparts				15,000		3,000		30,000		13,000		0	61,000	
1.4 Contracts				134,025		45,000		284,000		195,000		38,750	696,775	
1.5 Other Direct Costs (incl. formulation advance for UNDP)				24,195		1,335		4,105		4,641		1,724	36,000	
Total Direct Costs				326,647		104,059		422,930		362,805		119,470	1,335,911	
2.0 UN Agency Indirect Cost (7%)				22,865		7,284		29,605		25,396		8,363	93,514	
Grand Total				349,512		111,343		452,535		388,201		127,833	1,429,425	

Joint Programme Budget:

Category	Agency	Line Item Description	Units	No. of Units	Unit Cost (USD)	Total Cost (USD)
1. Personnel	UNWTO	NPO Rural Tourism Development (PIU)	months	30	3,800	\$114,000
		Administrative Assistant	months	30	1,776	\$53,265
		International Consultants	days	25	500	\$12,500
		Local Consultants	days	40	250	\$10,000
	UNDP	NPO Investment and PPP (PIU) (50%)	months	30	1,900	\$57,000
		Programme Manager (PIU)	months	30	4,000	\$120,000
		Finance Associate (PIU)	months	30	2,700	\$81,000
		International Consultants	days	20	500	\$10,000
		Local Consultants	days	165	250	\$41,250
	UNICEF	NPO Children in Rural Development	months	30	3,800	\$114,000
		Programme Assistant (50%)	months	30	1,500	\$45,000
		International Consultants	days	0	0	\$0
		Local Consultants	days	30	250	\$7,500
	UNEP	NPO Investment and PPP (PIU) (50%)	months	30	1,900	\$57,000
		International Consultants	days	20	500	\$10,000
		1.1.3.b. Internal Expert Review of the Rural Tourism Master Plan	days	20	500	\$10,000
		Local Consultants	days	100	250	\$25,000
	FAO	NPO Rural Development (PIU)	months	30	3,800	\$114,000
		Programme Assistant	months	30	2,500	\$75,000
		FAO and International Rural Development Expertise	days	150	500	\$75,000
Local Consultants		months	12	2,500	\$30,000	
2. Contracts	UNWTO	1.1.1. National Rural Tourism Master Plan Production	total	1	324,000	\$324,000
		2.2.5. Local Grant Management via TGOs	regions	4	12,500	\$50,000
		2.2.5. Joint UN Fund for Sustainable Rural Tourism / Thematic Window on Tourism Destination Management	total	1	200,000	\$200,000
	UNDP	1.3.1.a. Identify investments toward Rural Tourism Master Plan	contract	3	5,000	\$15,000
		1.3.1.b. Promote investment in line with Rural Tourism Master Plan	funds	2	20,000	\$40,000
		1.3.2.a. Public-Private Partnership Guidelines	contract	1	23,025	\$23,025
		1.3.2.b&c. Support for PPP initiatives	initiatives	3	25,000	\$75,000
		2.1.1. Local Action Groups support & capacity development	regions	4	50,500	\$202,000
	UNICEF	1.1.2. National Rural Tourism Master Plan: Child friendly tourism policy	contract	1	20,000	\$20,000
		1.2.2. IPARD Life-Conditions Study / Access to services	contract	1	25,769	\$25,769
		2.2.2. Guidelines for schools and rural tourism service providers / child-friendly tourism capacity building	contract	4	8,750	\$35,000
		2.2.6. Joint UN Fund for Sustainable Rural Tourism Fund / Thematic Window on Active-Learning Tourism Investments	projects	20	6,000	\$120,000
	UNEP	1.1.3.a. National Rural Tourism Master Plan: National Environmental Study	total	1	15,000	\$15,000
		1.3.3. SIFT Network Focal Point Established	total	1	15,000	\$15,000
		2.1.9.c. Environmental studies in target regions	regions	4	15,000	\$60,000
2.2.3. Investment Forum		forum	1	30,000	\$30,000	



	FAO	1.1.4. National Rural Tourism Master Plan: potential contribution of rural tourism to small farming	report	1	20,000	\$20,000
		1.2. Rural Development Program for IPARD Axes 2 & 3	years	2	40,000	\$80,000
		2.1.7.a. Database Support	total	5	5,000	\$25,000
		2.1.7.b. Market analysis of traditional and regional products and craft markets	programs	6	5,000	\$30,000
		2.1.7.d. Support for branding of products and regions	events	8	4,500	\$36,000
		2.2.4. Local Grant Management via RDN	regions	4	10,000	\$40,000
		2.2.4. Joint UN Fund for Sustainable Rural Tourism / Thematic window on Diversification of Rural Economy	projects	23	15,652	\$360,000
3. Training	UNWTO	2.1.5. Marketing & Promotion (e-marketing, online reservation system and web portal)	regions	4	5,000	\$20,000
		2.1.8. Product development (tourism quality, service development)	regions	4	10,500	\$42,000
		2.2.1. Destination Management (assessment, manual and trainings)	regions	4	12,750	\$51,000
	UNDP	2.1.3. Mentoring on local development planning	municipalities	19	3,145	\$59,755
	UNEP	1.3.3.b. Trainings for SIFT Network Focal Point	trainings	1	5,905	\$5,905
		2.1.6.b. Energy Efficiency & Alternative Energy	trainings	12	1,650	\$19,800
		2.1.9. Sustainable Resource Management	trainings	12	1,700	\$20,400
	FAO	2.1.2. Rural Development Network trainings	years	2	13,500	\$27,000
		2.1.4. Organizational Capacity Building	trainings	20	500	\$10,000
		2.1.7.d. Rural Tourism Networks (product & service chains)	groups	12	1,500	\$18,000
2.1.10. Agriculture Quality Standards Training		groups	25	1,493	\$37,323	
4. Transport	UNWTO	Vehicle, Fuel, Maintenance	% budget	2%	1,026,211	\$20,524
	UNDP	Vehicle, Fuel, Maintenance	% budget	2%	1,048,824	\$20,976
	UNICEF	Vehicle, Fuel, Maintenance	% budget	2%	431,018	\$8,620
	UNEP	Vehicle, Fuel, Maintenance	% budget	2%	333,709	\$6,674
	FAO	Vehicle, Fuel, Maintenance	% budget	2%	1,160,238	\$23,205
5. Supplies & Commodities	UNWTO	Supplies, Consumables, Communications, Maintenance, Postage, Other Supplies/Operations	% budget	2%	1,026,211	\$20,524
	UNDP	Supplies, Consumables, Communications, Maintenance, Postage, Other Supplies/Operations	% budget	3%	1,048,824	\$31,465
	UNICEF	Supplies, Consumables, Communications, Maintenance, Postage, Other Supplies/Operations	% budget	2%	431,018	\$8,620
	UNEP	Supplies, Consumables, Communications, Maintenance, Postage, Other Supplies/Operations	% budget	3%	333,709	\$10,011
	FAO	Supplies, Consumables, Communications, Maintenance, Postage, Other Supplies/Operations	% budget	2%	1,160,238	\$23,205
6. Equipment	UNWTO	ICT Equipment, Furniture	per person	2.0	2,500	\$5,000
	UNDP	ICT Equipment, Furniture	per person	2.5	2,500	\$6,250
	UNICEF	ICT Equipment, Furniture	per person	1.0	2,500	\$2,500
	UNEP	ICT Equipment, Furniture	per person	0.5	2,500	\$1,250
	FAO	ICT Equipment, Furniture	per person	2.0	2,500	\$5,000
7. Travel	UNWTO	International Travel	est. trips	4	1,500	\$6,000
		Domestic Travel	years	2.5	8,000	\$20,000
	UNDP	International Travel	est. trips	3	1,500	\$4,500
		Domestic Travel	years	2.5	1,000	\$2,500

	UNICEF	International Travel	est. trips	1	1,501	\$1,501
		Domestic Travel	years	2.5	4,000	\$10,000
	UNEP	International Travel	est. trips	5	2,000	\$10,000
		Domestic Travel	years	2.5	5,000	\$12,500
	FAO	International Travel	est. trips	12	2,000	\$24,000
		Domestic Travel	years	2.5	8,000	\$20,000
8. Miscellaneous	UNWTO	Miscellaneous	% budget	1%	1,026,211	\$10,262
	UNDP	Miscellaneous	% budget	1%	1,048,824	\$10,488
	UNICEF	Miscellaneous	% budget	1%	431,018	\$4,310
	UNEP	Miscellaneous	% budget	1%	333,709	\$3,337
	FAO	Miscellaneous	% budget	1%	1,160,238	\$11,602
9. Formulation Advance	UNDP	Formulation Advance				\$20,000
10. Monitoring & Evaluation	UNDP	Lead Agency M&E	% budget	4%	4,000,000	\$160,000
11. Agency Subtotals	UNWTO					\$959,076
	UNDP					\$980,209
	UNICEF					\$402,821
	UNEP					\$311,878
	FAO					\$1,084,335
12. Agency Management Support (7%)	UNWTO		% budget	7%	959,076	\$67,135
	UNDP		% budget	7%	980,209	\$68,615
	UNICEF		% budget	7%	402,821	\$28,197
	UNEP		% budget	7%	311,878	\$21,831
	FAO		% budget	7%	1,084,335	\$75,903
13. Total Budget by Agency	UNWTO					\$1,026,211
	UNDP					\$1,048,824
	UNICEF					\$431,018
	UNEP					\$333,709
	FAO					\$1,160,238
14. Grand Total						\$4,000,000

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Annex 2: Field Visit Report

Joint Programme "Sustainable Tourism for Rural Development"

Field Visit Report: 31 March – 9 April 2009

Eastern Serbia, Lower Danube Region & Central Serbia

Context

Concept Note: The Concept Note for the "Sustainable Tourism for Rural Development" project was approved by the Secretariat of the Spanish MDG Achievement Fund in March 2009. Field visits and desk research were organized in March and April to collect information and inform decisions on potential target regions. Following this research, field visits were made to three regions in Serbia: Eastern Serbia, Lower Danube region, and Central Serbia (wider Valjevo region).

Regional Selection & Indicators: The Concept Note for the Joint Programme "Sustainable Tourism for Rural Development" specified that activities will be carried out in three clusters of municipalities (functional regions) to be selected during programme development based on the following criteria:

- existence of local strategies and/or gap analysis for development of rural tourism (as indicators of political support of rural tourism initiatives);
- compliance with national and local priorities (potential market appeal to target markets identified in the Master Plan);
- ability to offer elements for which there is established market demand;
- potential for long-term development and financial sustainability;
- actual or potential active participation, support and interest on the part of the local private sector and population, and possibility for synergies with other projects in the region;
- environmental and natural resource sustainability;
- cultural sites, existing agricultural and ethno-tourism, or potential hub for inbound tourism;
- adequate socio-economic indicators;
- adequate infrastructure.

Partner Agencies: Five UN agencies are involved in the development of this programme: UNDP (lead agency), UNWTO, UNICEF, FAO and UNEP. UNDP and UNICEF are resident agencies; FAO and UNWTO have project staff in Serbia; and UNEP is a non-resident agency. All agencies with staff in Serbia (all with the exception of UNEP) participated in the field visits. As the lead agency, UNDP, with support of FAO, drafted this report; it was reviewed and recommendations approved by the Programme Management Committee on April **, 2009.

National Partners: Several national partners also participated in the field visits: Ministry of Agriculture, Forestry and Water Management; Ministry of Economy and Regional Development; and the Tourism Organization of Serbia.

Potential Target Regions: Based on the criteria above, four regions were considered as potential target regions (see map on following page): Lower Danube region, Central Serbia (wider Valjevo region), and Golija Mountain in southwestern Serbia. At the field visit planning meeting held on 30 March 2009, UN agencies and national partners reviewed the background profiles of each region, discussed the alternatives and made preliminary decisions. Golija Mountain was excluded on the basis of underdeveloped social capital and infrastructure, considering the limited resources and nature of programme activities. Golija is currently targeted by the ongoing UNDP PRO programme, whose activities would partially overlap with this proposed project. South Banat, Lower Danube region and Central Serbia (wider Valjevo region) were selected for field visits and further evaluation.

Recommendations

General Recommendations: The following general recommendations are applicable to all regions as related to the program strategy:

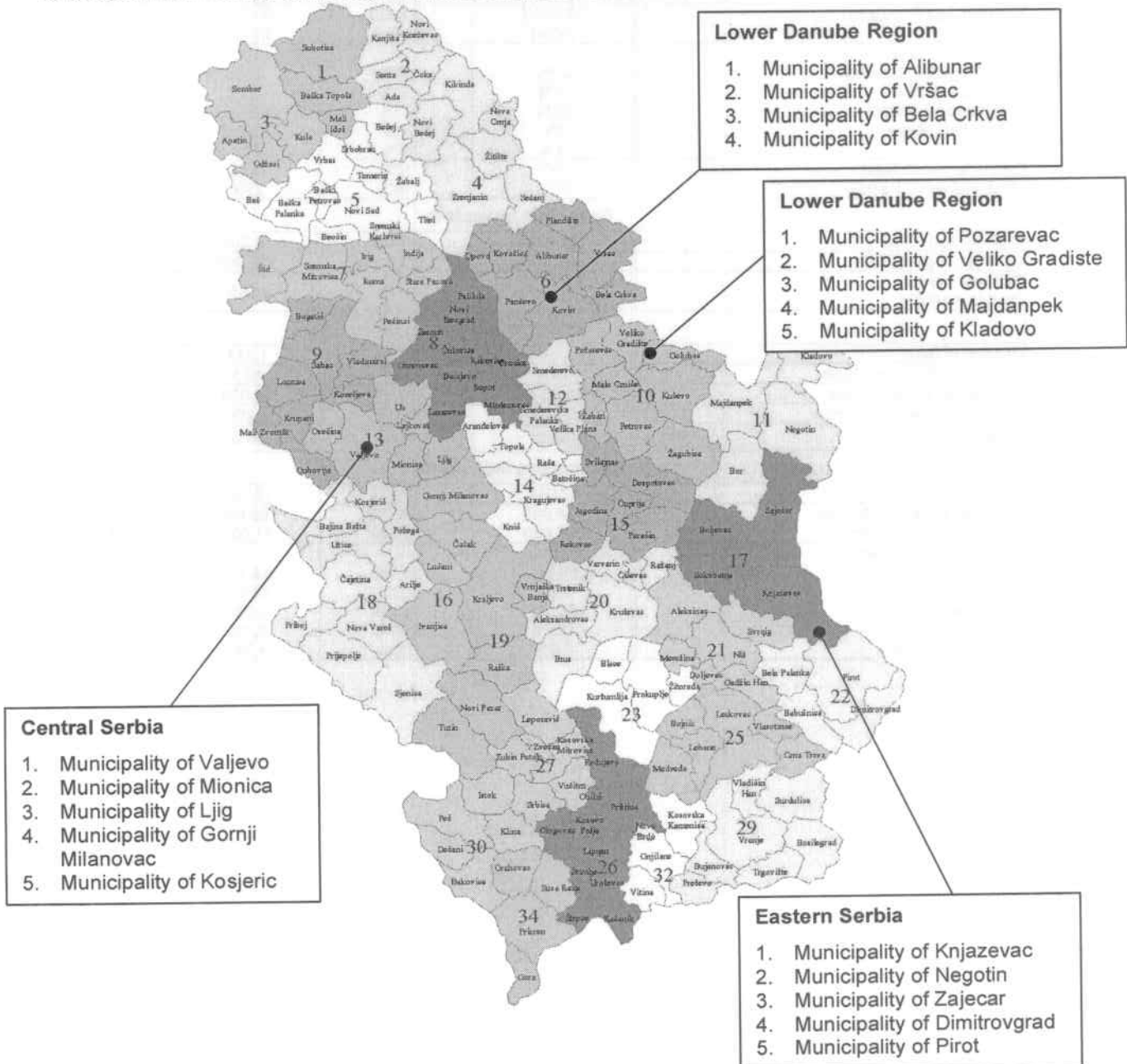
1. Support the integration of rural development and tourism agendas and policies, including inter-sector exchange of information using local networks, specifically the Rural Development Network and Local Economic Development (LED) Offices.

2. In addition to grants, the programme should consider building local capacity for micro-finance and explore existing challenges that rural tourism entrepreneurs face in accessing credit. This is an important pre-condition for financing the local contribution in applying for EU funds.
3. The importance of rural tourism merits continued and stronger awareness-raising at the local level.
4. The Joint Programme will benefit from new stakeholder involvement whose support and contribution is crucial for program success. In particular, this includes the Nature Protection Institute and Chamber of Commerce.

Target Region Recommendations: After thorough discussion of the regions and indicators, the following four regions were unanimously selected by the UN agencies and national partners (see map):

1. Eastern Serbia (municipalities of Pirot, Knjazevac, Zajecar, Dimitrovgrad and Negotin);
2. Lower Danube region (municipalities of Pozarevac, Veliko Gradiste, Golubac, Majdanpek and Kladovo);
3. South Banat on the Danube (municipalities of Alibunar, Bela Crkva, Kovin, Vrsac)
4. Central Serbia (municipalities of Valjevo, Ljig, Gornji Milanovac, Kosjeric and Mionica).

Nota bene: it was necessary to narrow down the regions of South Banat and Eastern Serbia, as after the field visits it was concluded that they were too large, considering the types of support and funding available. Therefore, South Banat was limited to municipalities on the Danube, and Eastern Serbia to five municipalities around Stara Planina mountain, which are all largely turned to Bulgaria as a potential source of tourists. The district of Nis in South-East Serbia could not be included at this stage, but will be prioritized if additional funds are found.



Key Statistics

Target Region Statistical Comparison: The following table summarizes key statistics from the four selected regions.

Key Regional Statistics				
	Central Serbia	Lower Danube	South Banat	Eastern Serbia
Geographic Indicators				
Municipalities	5	5	4	5
Settlements	231	114	58	282
Human Development Indicators				
Population	190,000	153,000	134,000	222,000
Working Age Population (15-64)	125,000 (66%)	99,000 (65%)	90,000 (67%)	142,000 (64%)
Education, >15 years old				
No Formal Education	29%	30%	27%	31%
Primary School	25%	27%	27%	26%
Secondary School	36%	33%	37%	30%
Faculty/College	8%	7%	8%	8%
Unknown	2%	3%	2%	5%
Unemployment: Total	18%	18%	22%	19%
Unemployment: Female	20%	19%	23%	21%
Economic Indicators				
GDP (million RSD)	22,200	21,300	18,200	21,400
GDP per capita (RSD)	117,000	139,000	136,000	96,300
GDP per capita (Serbia = 100%)	85%	101%	98.8%	70%
Tourism Indicators				
Number of Beds	4,619	2,718	1,414	2,074
Beds per 1,000 Inhabitants	24.4	17.8	10.5	9.3
Overnights: Local Tourists	291,800	179,700	29,900	109,000
Overnights: Foreign Tourists	13,600	8,100	5,200	7,400
Overnights per Bed	66.1	69.1	24.8	56.3
Agriculture Indicators				
Farms	27,042	18,017	15,325	34,053
Agricultural Land, Total (ha)	174,000	126,000	189,000	307,000
Agricultural Land, Utilized	135,000	89,000	71,000	152,000
Structure of Sown Area				
Cereals	50.8%	61.7%	65.3%	46.6%
Industrial	0.2%	2.3%	18.9%	1.7%
Vegetables	28.3%	17.7%	6.5%	29.0%
Fodder	15.2%	10.7%	5.1%	8.8%
Other/Left Fallow	5.6%	7.6%	4.2%	13.8%

Field Visit Findings

South Banat

Participants:

- Branislav Miletic, Advisor, Department of Tourism, Ministry of Economy & Regional Development
- Ljubica Milojevic, UNWTO
- Suzana Djordjevic-Milosevic, FAO
- Milena Isakovic, UNDP

Agenda: 31 March 2009

- 09:00 – 10:30 Travel from Belgrade to Vrsac
- 10:30 – 11:15 Regional Centre for Rural Development, Municipality of Vrsac:
Meeting with Mr. Mirko Dobrosavljevic, Vice-President of Municipality, Ms. Snezana Kremic, Regional Coordinator of the Rural Development Network, Ms. Zorica Velimirovic, Manager of the Regional Centre for Rural Development, and Mr. Jovan Kolar, Member of local assembly in charge of rural development
- 11:30 – 14:00 Gudurica village – visiting four family wineries at different stages of development (part of the wine route):
Milutin Stojicic ("Selecta") – two wine cellars and accommodations (50,000 bottles per year)
Aleksandar Cosic – new wine cellar owner, significant renovations needed
Josif Nedin – wine cellar finished, plan for accommodations
Jablan Vrekic – wine cellar (8,000 litres per year)
- 14:30 – 15:30 Susara village on the brink of the nature-protected area of Deliblato sands (the largest sand area in Europe)
- 15:45 – 17:30 Visiting the Kasting company involved in the protection of Podolian cattle and Mangalutza pig. Visiting the renovated farms of the "salas" type, holding native animal species
- 17:30 – 19:00 Return to Belgrade

Background: Banat is a geographical and historical region in central Europe divided between three countries: an eastern part in Romania, a western part in Serbia (the Serbian Banat, mostly located in the Vojvodina region, except for a small part located in central Serbia), and a small northern part in Hungary. The South Banat District is a northeastern district of Serbia, covering a land area of 4,245 km² and including the municipalities of Alibunar, Bela Crkva, Kovacica, Kovin, Opovo, Plandiste and Vrsac; its capital is Pancevo. The region has a population of 314,000 (2002) and includes several ethnic groups: Serbs (70%), Romanians (7%), Hungarians (5%), Slovaks (5%), Macedonians (2%), Roma (2%) and other Slavs (2%).

Local Strategies for Rural Tourism Development: The municipalities in South Banat have adopted local strategies for agriculture and economy development, while strategies for rural development or rural tourism development do not yet exist. A spacial plan for the Deliblato sand area has also been adopted and represents one of key documents for South Banat's further development.

The municipalities of South Banat have started conducting a participatory analysis of the situation in rural areas, starting with a detailed socio-economic assessment of one typical village per municipality (needs assessment, available resources and possibilities for diversification of the local economy). Financed by the Government's PRPS team and Sector for Rural Development at the Ministry of Agriculture, these reports can be a key input for drafting rural development strategies in this region. Moreover, in 2007, the University "Singidunum" from Belgrade, with support from the former Ministry of Trade and Tourism, published the "Synthesis Study of Natural Resources in the Vrsac Municipality".

Compliance with National & Local Priorities: South Banat is included in the Lower Danube Area Tourism Master Plan, adopted by the Government of Serbia. Projects in this region are supported by the *Fund for Tourism Development* of the Ministry of Economy & Regional Development (infrastructure), as well as by the Rural Development Fund of the Ministry of Agriculture, Forestry and Water Management.

In 2005, the Ministry of Agriculture, Forestry and Water Management identified two municipalities in this region as less favoured, allowing a higher contribution of the State budget to be invested in agriculture, processing, environment and diversification initiatives (through its rural development competitive fund).

Elements of Established Market Demand: The region around Vršac is famed for its vineyards, especially white wine. The largest private sector producer is "Vrsacki Vinogradi," but a number of smaller individual producers have also appeared since 2000 (grape production totaling about 120 ha). These efforts aim to revive the tradition of family wine production that this area used to be famous for. Four family-owned wine cellars in the village of Gudurica, all at different

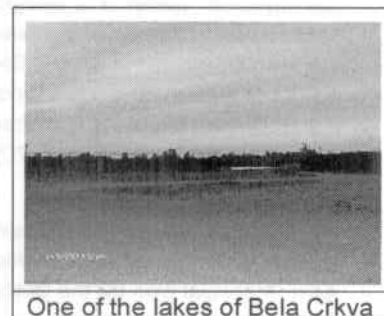
stages of development, were visited: There are significant differences in the development of these wine cellars and tourism accommodations in Gudurica. As a consequence, the relative underdevelopment of some village locations and community infrastructure will decrease the initial profitability of the more advanced investors.

<p>Milutin Stojicic ("Selecta")</p> <ul style="list-style-type: none"> • Two wine cellars – one using traditional barrels and the other using the most modern technology • 18ha of land under vineyards plus another 12ha currently uncultivated, 50,000 bottles/year (exporting to Russia at 5 EUR/bottle) • Tourism accommodations available (3 double bedrooms, full kitchen and bathroom, wine hall/restaurant) • All profits re-invested in new land, another cellar and expansion/upgrading of accommodations 	<p>Jablan Vrelic</p> <ul style="list-style-type: none"> • Wine cellar (2ha of vineyards, 8,000 litres/ year) • Landscaping work ongoing • Plans for tourism accommodations (including architecture plans and cost estimates) finalized, outlining a 100,000 EUR initiative (needs to be broken down into phases) • Half of the profits are re-invested into new barrels and new land • Raising the native grape sort of Kreacer
<p>Josif Nedin</p> <ul style="list-style-type: none"> • Wine cellar renovated, new equipment bought with support of the Ministry of Agriculture • Plan for accommodations, unsuccessfully applied for funding from the Vojvodina Secretariat 	<p>Aleksandar Cosic</p> <ul style="list-style-type: none"> • New wine cellar owner: bought an old house with 3 cellars (2 are currently flooded) • Extensive farm reconstruction necessary, the owner interesting in preserving the traditional look

The village of Susara is an example of location that has rural tourism potential and is beginning to make the first steps in that direction, trying to combat the strong depopulation trend. Sixty years ago this largely Hungarian village had 1,500 inhabitants; now it has only 350. Its rural tourism potential is related mainly to its proximity to the Deliblato sands, a nature-protected area unique in Europe, as well as some cultural sites. There is a plan to renovate the 1903 windmill used to extract water from the sandy soil, and build a technology museum at its base. The target group for rural tourism is older Hungarian tourists who are visiting nearby villages, plus students and athletes. The village of Skorenovac had 5,000 overnight stays last year (up from 21 overnights just seven years ago). Susara has only 64 beds (compared to 120 in Skorenovac). Interesting rural tourism topics in Susara include the promotion of traditional crafts, nature tours, honey production, and visit to the archeological site of Zidovar.

In addition to Vrsac, the municipalities of Kovacica and Bela Crkva also stand out as relatively developed rural tourism destinations in this region. Kovacica is famed for its naive painters and crafts, while Bela Crkva's potential revolves around nine lakes and related infrastructure. Due to the time limitation, this field visit included only a drive by the Bela Crkva lakes, but the tourism potential of these destinations is well documented.

Local Participation, Support & Synergies: South Banat is attractive for its nature and multiethnic culture. Local developers rely to a large extent on development of tourism (including rural, agro, wine roads). Cultural and gastronomic events are also popular, including the Beer Days, Grape Ball, Wine Days, Pancevo Carnival, and Bacon Days.



One of the lakes of Bela Crkva

Key local partners include:

- Rural Development Network, with its regional centre in Vrsac and ten field offices in south and middle Banat. Field offices consist of local NGOs working on rural development, which are provided with offices space in the local municipality. The Rural Development Network works on awareness-raising about Local Action Groups, support for funding applications, and networking. It is largely financed from grants provided by the Ministry of Agriculture, Forestry & Water Management.
- Private sector: "Vrsacki vinogradi," Hemofarm, family-based wine producers and tourism operators.
- Local tourism organizations (in each municipality).
- NGOs working on rural development: Association of agronomists "Agroznanje", Associations of Cattle Raisers "Biofarm", "Ovcar" and "Farmer", Educational Center for Rural Development, Youth Development Fund, Association "Bekon", Association of Agricultural Producers "EuroBanat", Rural Development Association.

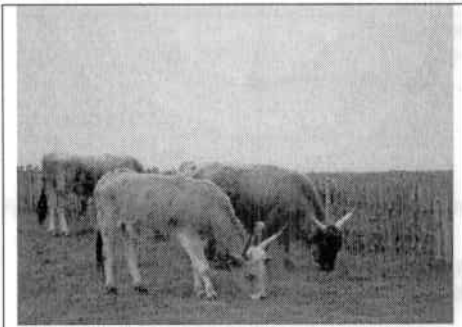
Municipality of Vrsac has appointed a person in its management board for rural development issues and cooperation with the Rural Development Network, which has a regional office in Vrsac.

Ongoing initiatives include UNDP's project for promotion of Local Action Groups and the EU's LEADER approach, entitled *Strengthening Rural Social Capital & Networks*. The project covers the municipality of Alibunar in South Banat and includes capacity building through trainings and small grants. The project is funded by the Romanian Government and ends in December 2009. In autumn 2009, "Agroznanje" (a Vrsac-based NGO) will initiate a cross-border cooperation project with Romania, linking 35 Serbian and 10 Romanian NGOs promoting rural tourism.

Potential for Long-Term, Sustainable Development: Rural tourism in Banat can be linked with many cultural, sport and educational activities that will support long-term development. These include aquaculture (fish production and fishing), hunting, bird watching, hiking, national cultures and cuisines, traditional crafts, and farming/animal education. Local municipal governments have supported these activities through a number of festivals and cultural events. The



Ministry of Economy and Regional Development is providing low interest credit lines for expansion of tourism accommodations and related industries. There is also a strong base in wine making, and the local economy can further be diversified through promotion of local honey and expansion of native animal species (Podolian cattle and Mangalutza pig). Certificate of geographic origin can be provided by the local agriculture stations. It is also worth noting that a new border crossing with Romania will be opened near Susara village, helping to increased cross-border cooperation and tourism.



Podolian cattle in South Banat

Environmental Sustainability & Natural Resources: Deliblatska Pescara (Deliblato Sands) is a large (33,000 hectares) mosaic area of sandy steppe, woodlands, plantations, ponds and farmland. Breeding birds include Saker, Red-footed Falcon, Booted and Short-Toed Eagles, Long-Legged Buzzard, Barn Owl, Corncrake, Hoopoe, Roller, Bee-eater, Nightjar, Woodlark, Barred Warbler, Lesser Grey Shrike and many other exciting lowland species. The area lies just one hour to the east and northeast of Belgrade and is bordered to the south by the River Danube.

South Banat is also an important site for breeding species of forest and scrub. Species of global conservation concern include *Haliaeetus albicilla* (wintering), *Aquila heliaca* (breeding) and *Crex crex* (breeding). Other present bird species include the Eurasian Nightjar (*Caprimulgus europaeus*), Eurasian Wryneck (*Jynx torquilla*), Grey-faced Woodpecker (*Picus canus*), Red-backed Shrike (*Lanius collurio*), Wood Lark (*Lullula arborea*), Eurasian Skylark (*Alauda arvensis*), Barred Warbler (*Sylvia nisoria*), Common Nightingale (*Luscinia megarhynchos*) and Whinchat (*Saxicola rubetra*).

On the other hand this region is famous for the Pancevo Oil Refinery, the "Azotara Pancevo" Fertilizers, and the Pancevo Petrochemical Company. These are high polluters and the resulting jobs are unable to prevent the depopulation of the region, which suffers from rural poverty. While the province of Vojvodina is known as the breadbasket of southeast Europe, the South Banat region is suffering from rural depopulation mainly because of limitations of the agricultural production (hard soils, high water plots, saline and sandy soils, flooding, wind erosion, and outdated farming practices).

The main environmental threats are the deforestation of pasture and steppe habitats with pine *Pinus* and false acacia *Robinia*, overgrowth by scrub, and intensive hunting. Work to remove *Robinia* and *Crataegus* from grasslands has begun, and watering holes have been constructed. There are plans to make this area a Biosphere Reserve. A management plan exists for the site.

Cultural Sites, Existing Ethno-Tourism, Hub Potential: The symbol of the town is the Vrsac Tower (Vršacka kula), dating back to the mid-15th century. It stands on top of the hill (399 m) overlooking Vrsac. There are also two Serbian Orthodox monasteries, namely the Mesic monastery (15th century) and Srediste monastery. Moreover, in Kovacica, there are a number of local art galleries and craft stores.

Eastern Serbia

Participants:

- Branislav Miletic, Advisor, Department of Tourism, Ministry of Economy and Regional Development
- Ljubica Milojevic, UNWTO
- Olgica Miljkovic, Tourism Organization of Serbia
- Suzana Djordjevic-Milosevic, FAO
- Katlin Brasic, UNICEF
- Zeljko Radosevic, State Secretary, Ministry of Agriculture, Forestry and Water Management
- Dragan Stefanovic, Ministry of Agriculture, Forestry and Water Management
- Milena Isakovic, UNDP

Agenda:

1 April 2009

- 13:00 – 17:30 Travelling from Belgrade to Dimitrovgrad
- 17:30 – 18:30 Meeting with local stakeholders from Pirot and Dimitrovgrad
- Sergej Ivanov, team leader of the World Bank STAR project (GEF financed component 3)
- Sladjana Mancic, Coordinator of the Rural Development Centre in Pirot and representative of NGO Pigrus, as well as Dragana Stanova and Dragana Ristic from NGO "Pigrus"
- Aleksandar Vasov, Coordinator of the Rural Development Centre in Dimitrovgrad and representative of the NGO "Natura Balkanika"
- Sneza Tosev, NGO "Natura Balkanika" and administrator of the World Bank STAR project, GEF financed component 3
- Dragan Jovanovic, Director, Tourism Organization in Pirot

Zoran Dimitrov, Director, Tourism Organization in Dimitrovgrad
Branislav Kostic, Deputy President, Municipality of Pirot
Biljana Ratomir, Advisor for Environmental Protection, Municipality of Pirot
Marija Stavro, Expert, Municipality of Dimitrovgrad

2 April 2009

- 08:30 – 11:00 Travelling from Dimitrovgrad to Babin Zub ski center
- 11:00 – 13:00 Babin zub ski center - meeting with Meeting with the local tourism organization and Rural Development Center in Knjazevac
Dragana Jovic, Director, Tourism Organization in Knjazevac
Sladjan Nedeljkovic, public enterprise "Skijaliste Srbije"
- 12:00 – 14:00 Meeting at the Municipality of Knjazevac
Marija Jelenkovic, Head of Economy Department, Municipality of Knjazevac
Branimir Bozinovic, Coordinator, local Rural Development Office in Knjazevac
- 14:00 – 15:30 Lunch and visit of the ethno-house "Torlaci" near Knjazevac (rural tourism example)
Bratislav Djordjevic, owner
Vladimir Jeremic, Director, RARIS
Jelena Nakic, Manager, RARIS
Branko Milic, GTZ
Zoran Stamenkovic, Director, Tourism Organization of Zajecar
Ljubinko Cvetkovic, Director, Tourism Organization of Soko Banja
Sasa Bogicevic, Head of Office for Local Economic Development in Golubac
- 15:30 – 17:00 Meeting with inter-municipal group for tourism in the regional RD center RARIS in Zajecar
Natasa Djordjevic, Manager, NGO "Agroprojekt" in Timok (local Rural Development Centre)
Zoran Milovanovic, Expert for Economic Development, RARIS
Vladimir Jeremic, Director, RARIS
Jelena Nakic, Manager, RARIS
- 17:00 – 19:00 Visit to Felix Romuliana (Roman palace from the 4th century)
Rade Stojcic, Editor of the rural development and agriculture program, RTV Zajecar
Natasa Djordjevic, Manager, NGO "Agroprojekt" in Timok (local Rural Development Centre)
- 22:00 Dinner in the Rajacke Pimnice wine cellars - example from the Timocka Krajina Wine Roads

3 April 2009

- 09:00 – 11:30 Travelling to Donji Milanovac
- 11:30 – 12:30 Meeting in Donji Milanovac – Vesna Vandic, Director, Tourism Organization in Majdanpek
- 12:30 – 13:00 Veliko Gradiste, with a short stop at the national park under the Golubac town
Snezana Jovanovic, manager of the Regional Centre for Rural Development in Veliko Gradiste and president of the Women's association "Jefemija" engaged in souvenir production
Vera Stokić, Director, Tourism Organization of Veliko Gradište
Dragiša Jovanovic, Deputy Mayor
Ljiljana Stevic, Mayor's Assistant
Zika Sekulic, Ram, representative of the local business sector, tourism and services
Vladimir Nojkovic, Tourism Organization of Majdanpek
Dušan Stankovic, representative of local farmers community
- 13:00 – 14:00 Meeting with Tatjana Miloradovic, Director, Tourism Organization of Golubac with a short stop at the National park Djerdap
- 16:00 – 19:00 Visit to the Viminacium archeological site and Centre for new technologies. Presentation of the Roman emperors' road and masterplan for its development, including rural tourism. Presentation of the centre for high technologies by Dr. Miomir Korac and Nemanja Mrdjic, Archeological Institute of the Serbian Academy of Science and Arts
- 19:00 – 21:00 Travelling back to Belgrade

Background: Administratively, Eastern Serbia includes the Branicevski, Borski, Zajecarski, Niski and Pirotski districts. It borders with Romania and Bulgaria, and includes the Carpathian and Balkan mountains. On the North, Danube represents the natural border of this region, while in the East there is the mountain range of Stara planina (West Balkan Mt.). Municipalities of Dimitrovgrad, Knjazevac, Pirot and Zajecar fall in the area of Stara planina.

The region is multiethnic. People of the region belong to 3 major nationalities – Serbs, Bulgarians (Shoppe ethnic group) and Romanians (Valachians). The largest population of Roma also lives here (mainly in the Nis area). The major urban centers of the region are the municipalities of Pozarevac, Kladovo, Negotin, Zajecar, Nis and Pirot.



The economy is focused on the electronic, mechanical, shoe and textile, rubber, agro-food and mining industries. Except for rubber and partly food, the industry has completely collapsed. The surplus of labor is returning to rural areas through daily seasonal migration or leaves the region striving either to reach Belgrade or leave the country. Looking at the neighboring areas in Bulgaria, it is expected that the relaxation of the visa regime will completely depopulate rural and part of urban areas due to the high poverty rate.

Local Strategies for Rural Tourism Development: The municipality of Pirot adopted a local Tourism Development Strategy in 2006, while Dimitrovgrad has developed a draft using resources from the National Investment Plan. Moreover, the municipality of Pirot recently adopted the urbanism plan, which is a pre-condition for construction of new objects and further tourism development. Unfortunately, some villages in this and neighbouring municipalities are not accessible by bus, which limits their

tourism potential.

Some research on the tourism potential of this region has already been published. In 2007, University "Singidunum" from Belgrade published a report on "Justification for the Iron Gate tourism area", with support from the former Ministry of Trade and Tourism.



Compliance with National & Local Priorities: The area is covered with 3 master plans for tourism development – Lower Danube region, Stara planina region and the Roman emperors' road. Separate plans have also been drafted for Gamzigrad (Roman palace and spa resort) and Soko banja (spa resort) areas.

The economy of this region has high expectations from tourism development along Danube, Stara planina and the Roman emperors' road. The main investment to date is a ski lift on Stara planina, and there are plans to erect a complete Ski center at that location.

In Majdanpek, resources from the National Investment Plan were used to renovate the historic location "Lepenski vir". The Tourism Organization in Majdanpek is also supporting community-building by engaging the local population, who is interested in rural tourism, in cleaning up and beautifying the area. They are interested in establishing a regional brand, which could include energy efficiency. The Tourism Organization in Majdanpek established a 24-hour information service for tourists (providing information on anything from bike rentals to emergency healthcare). They also organized a field visit for journalists and have a strong cooperation with the media.

Elements of Established Market Demand: Currently most of the rural tourism promotion in South-East Serbia revolves around skiing in Stara planina. However, the local villages at the base of the mountain also have significant potential thanks to their cultural and natural resources. In the Lower Danube region, the nature-protected area of Djerdap, historic location "Lepenski vir" and fortress in Golubac represent significant resources.

School trips focus strongly on this region with most Serbian schools visiting Soko banja, Nis (with its "Cele kula" – tower of skulls), Lepenski vir, Golubac fortress, and other sites.

Local Participation, Support & Synergies:

Key actors are:

- Local tourism organizations
- Rural Development Centres in Zajecar and Nis
- RARIS (Agency for Development of Eastern Serbia) was established by 7 municipalities in 2006 (Majdanpek, Kladovo, Bor, Boljevac, Zajecar, Knjazevac and Soko banja). Its members also include the regional Chamber of Commerce from Zajecar, NGO "Timocki klub" and two enterprises – "Vodogradnja" and "Preduzece za puteve". RARIS is engaged in identifying regional projects, preparing and implementing regional project activities, promoting rural development and networking, lobbying and advocacy, and trainings. Its objective is to support regional development in Eastern Serbia and create an enabling business environment.
- Tourism school in Dimitrovgrad

- Inter-municipal Groups on Tourism in Golubac, Zajecar, Soko banja and Majdanpek (hosted by the local tourism organizations and supported by GTZ). In addition to tourism, there are also groups working on rural development, project cycle management and strategic planning.
- Association for Development of Stara Planina region (mirrored with a similar association on the Bulgarian side of the mountain), with possibility of joint promotional activities. This association is part of the Euroregion initiative aiming to promote joint tourism projects, including through EU funding
- Local Council for Rural Development in Pirot (similar to Local Action Groups: it includes municipal, private sector and NGO representatives), which is currently drafting a Rural Development Strategy
- Women's NGOs such as "Grica" working on souvenir production

In spite of significant potential, links between sites of interest in this region, as well as between tourism organizations and other local rural development stakeholders are rather weak.

The most significant on-going initiative is the World Bank's STAR project, which will last for the next 4 years and foresees investment of USD 4 million in the Stara planina area. It includes a study of local rural infrastructure and capacity building support for the management of the nature-protected areas (monitoring plan and infrastructure works). The programme will also provide subventions for agricultural production using improved techniques and promoting native species and organic production. A pilot rural tourism project will be supported in three villages, including sheep milk production centres.

The Ministry of Agriculture, Forestry and Water Management is supporting a rural tourism promotion project in the four municipalities in the Stara planina region, which ends in May 2009. It includes the printing of promotional material and trainings. Moreover, this Ministry is providing grants of up to EUR 250,000 for women's NGOs working on rural tourism.

The Ministry of Economy and Regional Development is supporting trainings on the categorization of rural tourism accommodations, in partnership with RARIS.

In 2008, GTZ supported rural tourism development in this area through CEFA trainings for small households (including information on tourism standards). The Romanian Government further strengthened these efforts in 2009 with trainings on tourism standards, marketing and service provision for households near Golubac.

NGO "Agroprojekt", established six years ago in Zajecar, is taking local action plan development to the level of villages and raising awareness about the importance of this process. It also acts as the local branch of RARIS. Similarly, the Regional Centre for Environmental Protection is also supporting the development of local environment action plans.

UNDP's "Severance to job" project aims at broadening the range of re-employment opportunities through provision of incentives for a productive use of severance payments and at supporting the National Employment Service and the Ministry for Economy and Regional Development in implementing and monitoring nation-wide active labor market programs, thus allowing for a better-informed policy making in labor and employment field. Funds for the Project's implementation were donated by the Austrian Development Agency. Moreover, the Government of the Republic of Serbia has also substantially supported the Project. The project ends in September 2009.

UNEP's Carpathian Project aims to enhance the sustainable development of the Carpathian region based on its rich natural and cultural heritage. The Carpathian region – which spans the Czech Republic, Hungary, Poland, Romania, Serbia (Stara planina), Slovak Republic and Ukraine – is one of Europe's largest mountain ranges, harbouring a unique natural and cultural heritage, providing a haven for wildlife and acting as an ecological link within Europe. Initiated in 2005, the Carpathian Project analyzes the available information base, develops strategies and policy instruments, and implements pilot activities with regional and national stakeholders. The project builds on the transnational framework established by the Carpathian Convention (2003) to apply EU policies through the Carpathian region. UNEP Vienna – Interim Secretariat of the Carpathian Convention leads the project with the support of the seven Carpathian Convention Signatories.

Potential for Long-Term, Sustainable Development: This region has significant cultural resources, revolving around the ancient Roman emperors' roads and historical sites built during the Turkish occupation. Some locations, such as the 4th century Felix Romuliana palace, could be further developed and advertized. This particular location has 40,000 visitors every year, but hosts only one small exhibition at the site itself (most artifacts are shown at the local museum) and lacks any accompanying objects (i.e. restaurant, souvenir store). Long-term development will depend on the local ability to strengthen the presentation of these valuable resources and link accommodation providers with historical sites.

In addition to its historical importance, the region is rich in forests and game, while the Zajecar valley has a favorable climate and soil for crop production. Wine production is also significant, especially in Nis, Knjazevac, Zajecar and Kladovo. A few producers in the region have already started wine tourism. The majority of land ownership is private, except for forests which are largely State-owned.

There is also significant potential for using village capacities for logging, which would help diversify the income structure of small scale agriculture workers.

The municipality of Knjazevac established a revolving fund three years ago, that still successfully functions today. All resources paid back into the fund are loaned back out to local entrepreneurs.

The Tourism Organization of Majdanpek is investing its profits (made from accommodation booking fees) into catering services and boat cruises.

Environmental Sustainability & Natural Resources: Extremely valuable nature-protected areas of the region, rich mountain and lowland landscapes, a variety of preserved high nature value farming sites including bio-diverse grasslands managed by grazing and mowing and native animals of the region, rich forest composed of deciduous species and spruce on higher altitudes make this area interesting for scientists, tourists and economists.

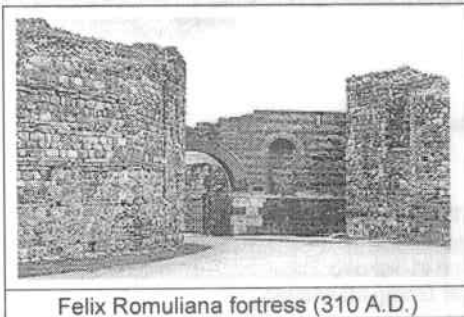
The largest gorge in Europe – Danube Iron Gate, old Danube flows, small water streams, mountain plains, valleys and lowlands make the region even more interesting. The largest waterfalls in Serbia (Piljski vodopadi, 64m) are also found in this region.

Small scale farming is an important feature of this region, important from the point of biodiversity protection and anthropo-zoogenic landscapes. A large area within the region is nature-protected by the State, and is a candidate for UNESCO's Programme on Man and the Biosphere.

Near Majdanpek, a development plan has been made for Rajko's Cave ("Rajkova pecina") – including hiking tours and sailing inside the cave. This part of the region also has interesting bird-watching potential in the swamp areas.

Waste management (including waste disposal in rivers) was emphasized as the main problem by all local experts. Some municipalities (i.e. Pirot) have a strategy for waste management, but stronger infrastructure is needed.

Cultural Sites, Existing Ethno-Tourism, Hub Potential: In the area closer to the Danube, there is significant potential for developing tourism around existing fortress remains, similar to the Warwick example in the UK, where the traditional way of life is demonstrated. Heritage trails (Roman roads) are also an important component of rural tourism in this region, which merits increased visibility.

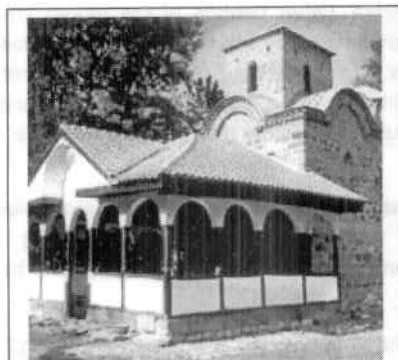


Felix Romuliana fortress (310 A.D.)

Romans built a sequence of military fortifications along their roads in Eastern Serbia, on which the legions marched on to conquer barbarian tribes across the Danube. Merchants and artisans, who built towns along all important communication lines, followed the military. The palace "Felix Romuliana" is one of the best known of its kind – it was declared a UNESCO heritage site in 2007. As many as 17 emperors, who ruled over the Roman Empire in times of deep crises and transition, were born on

the territory of contemporary Serbia. This includes Constantine the Great, best known for legalizing christianity, who was born in the vicinity of the city of Nis.

Archeological Park Viminacium has become a testing ground for integrating this history in rural tourism. This program is conducted in Serbia for the first time, and as such is playing a crucial role in improving local infrastructure and providing staff training. In Viminacium a visitor can discover costumed guides, obtain interactive presentation of life in Roman town and military campus, eat food prepared according the original Roman recipes, see various exhibitions or enjoy spectacular concerts.



Monastery of Poganovo (14th century, protected by UNESCO)

Further south, the Monastery of Poganovo (14th century, near Dimitrovgrad) is protected by UNESCO and has been completely renovated (pictured here). The monastery houses an art colony and supports the organization of annual exhibitions.

An international fair of native animals and rural heritage is held in Dimitrovgrad every September since 2003. People from throughout Serbia as well as the neighbouring countries come to showcase their animals, cuisine, music and handcrafts.

Traditional handcraft production can be renewed through marketing, branding of products and regions, development and upgrade of existing products and revitalization of forgotten production methods. This region is particularly known for its Pirot rugs, produced from wool from native types of sheep.

Central Serbia

Participants:

- Olgica Miljkovic, Tourism Organization of Serbia
- Vlada Ivanovic, NGO MOBA
- Branislav Miletic and Zeljko Bolevic, Ministry of Economy and Regional Development
- Ljubica Milojevic, UNWTO
- Vladan Atanackovic, UNICEF
- Jelena Milovanovic, FAO
- Milena Isakovic, UNDP

Agenda:

Wednesday, 8 April 2009

- 09:00 Departure from UNDP Belgrade Office (Internacionalnih bridaga 69)
- 10:00 Internet Klub in Ljig (www.selo.co.yu) – meeting with its Manager Vladimir Ivanovic and Dragan Sajic from the Regional Centre for Rural Development. Visit to Banja Ljig and Old Watermill (accompanied by the women's NGO "Zlatne ruke")
- 11:45 Vrujci Spa
- 12:45 Lunch and sightseeing at the village Kljuc (Agricultural household "Lepenica") in the municipality of Mionica
- 14:30 Valjevo museum visit (museum tour by the director Vlada Krivosejev), meeting with Dragic Tomic from the NGO "Domacin" and Association of Rural Tourism Entrepreneurs
- 15:15 Visit to the nature-protected area of Gradac
- 16:45 Coffee and tour of the ethno-house Kutlacic
- 17:45 Visit to rural household in Podbukovica village near Valjevo
- 19:15 Dinner at Gostoljublje accommodations in Razana (in ethno-suites built in "vajat" style)

Thursday, 9 April 2009

- 09:00 Departure from Razana
- 10:30 Meeting with Zlatana Petrovic, Tourism Programme Organizer, Tourism Organization of Gornji Milanovac
- 11:00 Visiting accommodations "Rajski konaci" in Leusici (www.rajskikonaci.com)
- 12:00 Tour of the Museum dedicated to the Second Serbian Insurrection in Takovo
- 12:30 Visiting accommodations "Tri hrasta" in the village Klaticevo, near Gornji Milanovac
- 13:00 Lunch in ethno-restaurant "Takovski vrt" in the village Klaticevo
- 15:20 Meeting with Mira Mirkovic, Director, Tourism Organization of Gornji Milanovac, and visiting two villas in the Rudnik Mountain:
- Veljic Milena in Klaticevo village (eight beds in two houses)
- "Rudnik zvezda" in Rudnik village (including two houses – Villa Jelena and Stefanov konak – and ethno-suites built in "vajat" style)
- 17:00 Arriving to Belgrade

Background: Central Serbia is a hilly area with a population of 312,160. The city of Kragujevac is the center of the region, and the administrative center of the Sumadija District in Central Serbia. Other centers of the region are the municipalities of Ljig, Valjevo, Gornji Milanovac and Mionica. Sumadija is characterized by mixed farming which used to be done mostly done part-time. After the collapse of strong industrial centers, this hilly region presented an interesting opportunity for diverse agriculture production, mainly livestock and fruit growing. Due to cultural heritage and vicinity of Belgrade, the region has a strong potential to develop rural tourism. Rural tourism in Serbia therefore started here over 25 years ago.

Local Strategies for Rural Tourism Development: The municipalities in this region have adopted local strategies for agriculture development, while strategies for rural development or rural tourism development are missing. The municipality of Ljig has developed the Draft Strategy for Tourism Development, but it is still waiting for approval by the assembly.

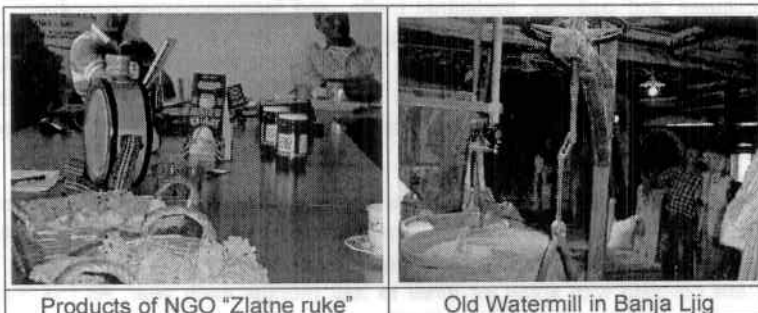
The Rural development network centers in municipalities of Central Serbia have conducted a participatory analysis of the situation of one or two typical villages in their area (including needs assessment, available resources, possibilities for diversification of the local economy, etc). Financed by the Government's PRPS team and Ministry of Agriculture, these reports will be a key input for the drafting of rural development strategies in this region. Moreover, in 2007, University "Singidunum" from Belgrade published a report on the "Justification for the Maljen-Suvobor tourism region", with support from the former Ministry of Trade and Tourism.

Compliance with national and local priorities: This region is not covered by one of the Masterplans developed by the Ministry of Economy and Regional Development, but is recognized as one of the more advanced regions for rural tourism in Serbia. It also proved as a possible back-up option in case of the lack of accommodations in Belgrade (i.e. during large events such as Eurovision).

Projects in this region are regularly supported by the Fund for Tourism Development of the Ministry of Economy and Regional Development (infrastructure), and by the Rural Development Fund of the Ministry of Agriculture, Forestry and Water Management.

Elements of Established Market Demand: Rural tourism offer of the region is significant and the market demand has already been established. In 2004, the Internet Club and NGO "Moba" from Ljig (represented by Vlada Ivanovic and Dragan Sajic, our hosts during this visit) established a database of rural tourism offer in Serbia and presented it on the website www.selo.co.yu. The database is a result of the project supported by the Ministry of Agriculture, Forestry and Water Management, and it contains information on rural tourism offer in 60 municipalities and 140 villages throughout Serbia, including description, pictures, capacities and contacts. Information gathering is conducted in cooperation with the Tourism Organization of Serbia. The website is visited by 600-1,000 people every day and, according to the developer's statistics, accounts for 250-750 overnights per household per year. Guests are mainly domestic, but there are around 20% of foreign guests.

NGO "Moba" has established cooperation with many other NGOs which can support rural tourism initiatives, such as agricultural and handcrafts producers and processors. For example, women's NGO "Zlatne ruke" produces souvenirs, food and brandy, which are sold at health food stores, catering enterprises and restaurants. However, they still do not have their own brand name, symbol and stores.



Products of NGO "Zlatne ruke"

Old Watermill in Banja Ljig

Local Participation, Support & Synergies:

Central Serbia is attractive for its nature and agro-forestry landscape. Local developers rely to a large extent on development of tourism, including rural tourism. Cultural and gastronomic events are also popular, including the traditional festival "Kosidba na Rajcu" (established in 1965, it showcases the customs and ceremonies related to the end of the mowing season), "Lekovitim stazama

Valjevskih planina" (organized annually by the Association of Household Keepers from Valjevo, includes field trainings and seminars on medical plants recognition, sustainable use and conservation), "Dani gljiva – Divcibare" (also organized by the Association of Household Keepers from Valjevo, includes field trainings and seminars on mushroom recognition, cooking, sustainable use and conservation, followed by the exhibition of the most important fungi species) and many others.

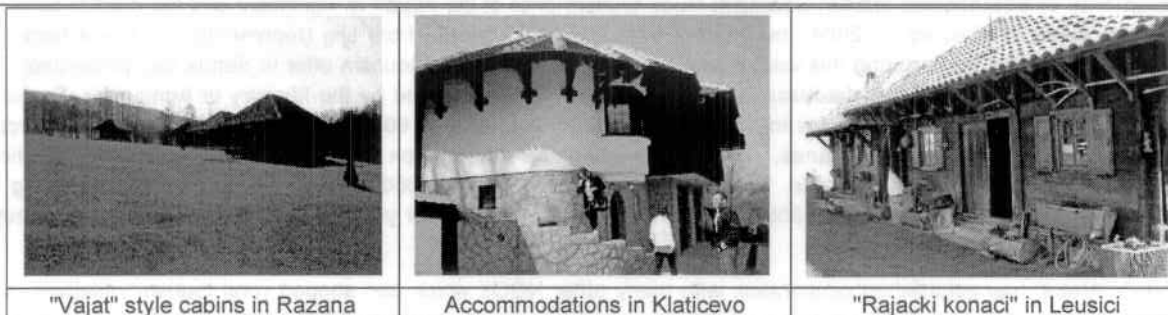
Key partners include:

- Rural Development Network, which has a regional centre in Ljig with 11 field offices in central Serbia. Field offices belong to local NGOs working on rural development, which have been given office space in the local municipality buildings and equipment. The Rural Development Network raises awareness about public-private partnership, provides support for funding applications and facilitates networking. It is largely financed from grants provided the Ministry of Agriculture, Forestry and Water Management.
- Private sector: "Voda Voda", "Gala" (they provide rural households dealing with tourism in village Kljuc municipality of Mionica with underground water pumped by their pumps for pool filling), Hotel "Vrujci" in Vrujci Spa (privatized), "Dr. Cutkovic" enterprise (building a large hotel and wellness centre in Vrujci Spa with 146 beds and 5 stars category, which will be in function at the end of 2009), family-based ethno households and tourism operators.
- Local tourism organizations
- NGOs dealing with rural development: NGO "Moba", women's NGO "Zlatne ruke", Association of Household Keepers in Valjevo, and NGO "Moba" in Ljig. In 2008, NGO Moba established the National Association for Rural Tourism Development, which includes 10 local associations from different parts of Serbia and its main purpose is to support rural tourism programming, lobbying and mainstreaming.

Through the project supported by the Ministry of Agriculture, Forestry and Water Management, all centers of the Network for Rural Development will prepare presentations for promotion of rural life and tourism in Serbia, to be held in May 2009 at the Republic Square in the centre of Belgrade. This event will provide opportunity to all product and service providers to present themselves and establish or enlarge the market.

Rural households which combine agricultural production and tourism services, or which could support a neighbor as a supplier, need expert support to improve market access and accept association / chaining.

The field visit included a tour of smaller and larger scale accommodations. Individual ethno-suites built in traditional "vajat" style (in individual, wooden cabins) stand out as a regional characteristic with significant tourism potential. Each cabin includes a bedroom, entrance area and bathroom.



Potential for Long-Term, Sustainable Development: Rural tourism in this area can be linked with many different cultural, sport and educational activities, which will support their long-term development. In particular, this includes the development of hunting, hiking, national cultures and cuisines, traditional crafts, and farming/animal education, with promotion through many local events. For example, the municipality of Mionica has the largest number of animal breeds per inhabitant and many poultry farms. Breeding of native animal species is supported by the Ministry of Agriculture, Forestry and Water Management through grants for genetic resources and can contribute to diversification of local economy. Certificate of geographic origin can also provide added value to agricultural products, such as cheese (especially *kajmak*), meat, and local brandy (*rakija*).

Environmental Sustainability & Natural Resources: Divcibare is situated on the mountain Maljen, south-east of Valjevo, at the altitude of 980 meters above sea level. The local climate is moderate, it has a favorable geographical position and the locality abounds in flora and fauna, springs and streams, as well as beautiful landscapes. The surrounding mountain peaks and saddles are covered with snow for three to four months each year. All this makes Divcibare attractive in the summer and winter as one of the most popular resorts in Serbia.

The river Gradac belongs to the less known natural resources of Serbia. Nevertheless, this region is very well known and highly rated among experts and environmentalists. The gorge (source) of the river lies South of the town of Valjevo. Besides an attractive source of river erosion, there are also smaller environmental sections with valuable landscape characteristics. There are also numerous habitats of rare plant and animal species, including the otter, wildcat, gray partridge, spring trout, etc. The gorge is rich in underground forms of carst erosion, characterized by a large number of caves (around 70). Some of the larger caves have all the conditions required for public visits, which would significantly contribute the tourist attractions of this region. The location includes Paleolithic localities, refuges from the classical period and monk cells of the nearby monastery.

The Vrujci Spa is located at the foot of the mountains Suvobor and Maljen, between Ljig and Mionica. It belongs to the Mionica municipality. The Vrujci Spa and its area are surrounded by picturesque hills and captivating scenery of pristine nature. The temperature of the water that springs in the very centre of the spa is 26-27°C, which places it in the category of oligomineral waters. The water is used for therapeutic purposes, bathing and drinking. The therapeutic properties of the spa water and mud are used for treating rheumatic ailments, sterility, sciatica, varicose veins, high blood pressure, skin diseases, etc.

Cultural Sites, Existing Ethno-Tourism, Hub Potential: Valjevo municipality has many significant cultural and historical sites. Quarter Tesnjar, on the right bank of the river Kolubara, is located at the entrance of Valjevo. The houses and little shops, dated in the 18th century, have remained unchanged since and host artisans such as saddlers, wavers, potters and skirt producers. This well known quarter of Valjevo was the most important in the town until World War I. Today it is a pleasant place to have coffee and enjoy the "Tesnjar Evenings" festival.

The Nenadovic Tower is symbolic monument of Valjevo's struggle for independence in the 19th century. Erected in 1813 by Vojvoda Nenadovic, this three-story square tower of stone was determined to defend the town, which was liberated from the Turks in 1804. Unfortunately, the tower was scarcely used because in 1813 it fell in the hands of Ottomans, who transformed it into a prison. This is where the leaders of the first two Serbian insurrections were tortured.

The Square of Vojvoda Misic was built in Central European style, and the Grand Hotel is located there. An atmosphere of calm comes from the large walking street and the Vojvoda Misic monument. This Serbian general is well known for the victorious counter-offensive against the Germans in 1914. The museum of Valjevo is located in the building constructed in 1870 and hosts an interesting permanent exhibition entitled the "Third Dimension of the Past, View to the Future".

At the central square in Mionica stands a monument of the most famous man from Mionica, General Zivojin Misic, one of the greatest generals in World War I (represented riding a horse). The birth house of Zivojin Misic in Struganik was reconstructed and turned into a museum in 1977. In the village Kljuc near Mionica stand the remains of Velimir's Palace from the 15th and 16th century.

The recorded history of the Ljig settlement begins in 1911, when a railroad was built between Lajkovac and Gornji Milanovac. The ruins of the Vavedenje monastery, however, include impressive sarcophagi dating back to the 15th century, and are believed to belong to the Serbian despots Stefan Brankovic and Djuradj Brankovic. According to the legend, Djuradj's wife, Jerina, was buried there as well.

The municipality of Kosjeric is particularly characteristic for the large number of ethno-houses "Vajati", which offer accommodations in individual, wooden cabins, decorated in traditional style.

ANNEX 3: MANUAL FOR JOINT UN FUND FOR SUSTAINABLE RURAL TOURISM

The aim of the Joint UN Fund for Sustainable Rural Tourism is to support in the framework of the National Rural Tourism Master Plan and the National Rural Development Program, a number of pilot projects in four target regions, namely South Banat on the Danube, Lower Danube, Central Serbia and Eastern Serbia.

All UN Agencies and relevant governmental bodies involved in the Joint Programme agreed to work closely together in order to ensure coherence in the implementation process and provide relevant expertise.

With financial contributions from three UN agencies (UNWTO, FAO, UNICEF) and in cooperation with the lead ministries and the Tourism Organization of Serbia, the Joint UN Fund will support local projects in the target regions.

This Manual outlines the mechanisms put in place to ensure that grants are allocated in an objective and transparent fashion. It explains the rules in terms of eligibility of applicants and the ways in which grant applications will be processed and evaluated. The Manual also details the ways in which grant payments will be made and how the progress of grant-funded projects will be monitored, how reporting is organized and the manner in which impact will be evaluated.

The Joint UN Fund will have three thematic windows:

1. **Diversification of Rural Economy through Tourism** (FAO in cooperation with the Ministry of Agriculture, Forestry and Water Management and the other participating UN agencies);
2. **Tourism Destination Development** (UNWTO in cooperation with the Ministry of Economy and Regional Development and the other participating UN agencies); and
3. **Active Learning Tourism Investments** (UNICEF in cooperation with the Ministry of Economy and Regional Development, Ministry of Education and the other participating UN agencies).

During the selection process, advantage will be given to projects which support poverty reduction, inclusion of women and marginalized groups, promotion of cultural and natural diversity, provide employment for young people, and support biodiversity and traditions conservation and sustainable use of natural resources, including use of renewable energy from biomass and efficiency in energy use. All projects will be accessible to persons with disabilities.

The **Grants Office** will consist of 1-3 persons located in the Programme Implementation Unit, and will work under the supervision of the responsible UN Agencies within each Thematic Window. The Grants Office will prepare the Agreement for signature between the beneficiary and the donor agency, which will lay out in detail the disbursement schedule and other conditions. The Grants Office will monitor disbursements and ensure effective implementation.

Programme Management Committee (PMC), coordinated by UNDP, consists of leading ministries, other national partners and the participating UN agencies' representatives. PMC will guide and oversee implementation of the project activities, in particular by endorsing the allocation of grant funds through open and competitive processes. Therefore, the PMC is entitled to formally approve any decision made by local level committees and will ensure projects are in line with the MDG goals, national strategies and Joint Programme objectives.

PMC will authorize agencies to issue the Calls for Project Proposals, upon approval of the detailed criteria and ToRs. PMC will monitor project implementation through quarterly reports.

A "**Winners Meeting**" will be organized after every grant approval cycle to establish linkages with successful applicants, explain the rationale and rules of the grant facility and respond to any questions.

Thematic Windows on Diversification of Rural Economy through Tourism

This thematic window will use **Local Action Groups (LAGs)** as a means for decentralizing the decision-making procedure for project selection. The LAGs will include representatives of the Rural Development Network, municipal tourism organizations, Local Governments, civil society, private sector representatives and other stakeholders in target regions. UNDP will develop their capacity for project development and selection.

The **Rural Development Network** will act as a secretariat for the LAG (it will organize meetings, take minutes, prepare meeting material, and support LAG members administratively). The JP will pay for the travel costs and per diems for LAG members, while the local tourism organizations will provide the meeting facilities.

FAO and UNDP will support the LAGs in development of regional rural development strategies and multi-annual action planning. LAGs will propose annual work programs and budgets for rural development activities to be supported under this Thematic Window.

LAGs will establish subcommittees that will draft the call for project proposals, collect and evaluate proposals focusing on:

1. Conservation & maintenance of traditional cultural & national heritage;
2. Production of food and non-food products and activities for local/regional rural tourist market;
3. Support for environmentally sustainable tourism projects (with advisory support from UNEP).



Draft ToR will be prepared by the Grants Office based at the Programme Implementation Unit in Belgrade, to be modified and adopted by the four LAGs for their respective region. Final criteria for each region will be submitted to the PMC for adoption before publication. Project proposals will be sent to the Secretariat (Rural Development Network – office in each region).

There will be two steps in project approval – Concept note and final Project approval. All projects will be evaluated according to pre-established criteria and provide a ranking of projects for endorsement by the PMC. The procedures will be as similar as possible to IPARD measures in order to prepare local stakeholders for application for EU funds.

The role of **experts from FAO's Regional Office for Europe and Central Asia** is advisory and monitoring. Representatives of this office are members of the PMC.

The Grants Office and Rural Development Network will identify any problems and propose solutions for resolving them in consultation with the LAG. They will also seek to identify potential synergies with other ongoing and planned governmental, donor and locally funded activities, and propose collaborative activities. In this regard, they will also facilitate cross-border cooperation and cooperation with other internationally funded projects in pilot region and on the national level.

The following approach will be applied:

- Grant announcements will be well-publicized and easily accessible for all potential beneficiaries;
- Decision-making on grant approval is open and transparent;
- Grant recording and filing is organized according to existing MAFWM practice;
- Beneficiaries will be well-informed and trained in the use and control of grants;
- M&E of sub-projects approved for grant funds to ensure outstanding results;
- Information on grant-funded sub-projects being considered as public domain;
- Clear procurement rules and prevention of conflicts of interest and corruption; and
- Smooth financial and disbursement procedures according to the conditions of the project Grant Agreements.

Eligible applicants are:

- Registered farmers or village residents groups, organized around mutual goals in development of rural tourism, and having at least six months of continuous residence and property in the target regions.
- The other group of beneficiaries will be local communities or cluster communities suggesting action which will help integrated tourism offers on the community level.

No grants will be approved to individual applicants, neither private business entity nor individual farmer or village resident.

The **project criteria** are:

- Existence of cooperation between individual farmers and/or other rural inhabitants holding food or non-food production or tourist activity to be locally marketed through any kind of rural tourism and other holders of the rural tourism offer (accommodation, catering etc., promotion etc. such as NGOs from the certain territory), in the value chain.
- Development of a tourism product as a final output – complete tourism package / program of activities, logging, food, guided or organized activities etc. for at least one day (excursions), 2-3 days (weekend activities) or holidays (7 days minimum).

These criteria and the minimum/maximum project budget will be further defined by the LAG (based on the draft provided by the Grants Office at the first LAG meeting).

Calls for project proposals will be advertised in local and one national newspaper, as well as through postings at the Rural Development Network. Two cycles are foreseen, one for 2010 and one for 2011.

Thematic Window on Destination Development

This thematic window will also Tourism Governance Organizations as a means for decentralizing the decision-making procedure for project selection. The draft ToRs for the call for proposals will be finalized by the Grants Office in Belgrade and in UNWTO Headquarters in Madrid. Final criteria for each region will be submitted to the Programme Management Committee (PMC) for adoption before publication.

The TGOs will first rank the proposals according to a prepared evaluations scheme and send them together with the evaluation to the Grants Office in Belgrade. The Grants Office will do a second evaluation and prepare the presentation of all proposals to the PMC. The PMC will decide on the winners and allocation of funds accordingly. The same procedure will be applied to the other Phases as outlined above.

Eligible applicants are:

- Registered residents having at least six months of continuous residence in one of the target regions.
- Local communities proposing action which will help integrated tourism offers on the community level.

Three cycles within the framework of this Thematic window are foreseen:

- Cycle I: Focus will be on basic tourism services such as accommodation, food and beverage, reservation systems and tourism offices
- Cycle II: Focus will be on Development of Attractions (Tourism Products such as tourism cultural activities, activities in nature, interpretation, etc.)
- Cycle III: Focus will be on the development of specific attractive niche products

Calls for project proposals will be advertised in local and national newspapers.

Thematic Window on Active Learning Investments

With a renewed focus on "active-learning" in education reform efforts, field visits and school excursions are again gaining in importance. From the tourism standpoint, school visits to newly conceptualized tourist destinations that focus on child tourism and educational elements can also help increase demand for both established and new tourism providers. The aims of the Active Learning Investments are to: i) increase interest and demand of teachers and pupils in tourism offers, and ii) support new tourism products that respond to active-learning needs of the education system. This will be achieved by bringing children and teachers into the very design process of new tourism products, decision-making, and input into the further development of such tourism products. In this way, the fund will create win-win situations, whereby the concept of active-learning so central to education reforms is promoted through alternative routes (the traditional route being mainstream efforts of the Ministry of Education), and stimulating tourism services by helping them respond to the needs of this special tourism niche (field visits and excursions). Special attention will also be paid to ensure funded activities contribute to sustainable community development and inclusive development.

The Thematic Window on Active Learning will be managed by UNICEF, and the activities supported will:

- a) Support tourism services and products to take into consideration the needs and interests of the child and the main principles of child-focused rural tourism by linking different actors in the local community – those engaged with children, education and sports with those engaged in tourism, and between actors outside the local community who can support and conceptualize tourism products. Funded activities will link schools, service providers and specialists to help them shape offerings and services.
- b) Develop tourism services and products that are examples of good in line with child-centred sustainable rural tourism. In the context of school field visits, this includes:
 - work closely with tourism service providers so that they either: i) increase the quality of tourism services to cater more adequately for children (e.g. increase the quality of tours through linking schools and tourism service providers so as to apply active-learning approaches linked with school curricula); or ii) improve the way existing attractions are interpreted for children (e.g. open farms). Special attention will be paid to projects promoting educational projects on environmental sustainability.
 - mobilize local communities that are near to existing cultural and historical heritage sites visited by schools, to provide value-added tourism services linked to knowledge about local customs and tradition, local production, environmental sustainability, and safeguarding species.

UNICEF will, in the selected regions, link local schools with tourism service providers. Schools will be involved throughout the process by expressing their interests and priorities, participating in developing tourism services and products, ensuring educational and active-learning aspects, and finally participating in visits and field trips to the developed destinations. UNICEF will ensure that all planning and conceptual development organized by UNDP, UNWTO and FAO take into consideration the development of various types of child-based tourism (e.g. family-based, school-based, back-pack).

In addition, given the challenges small village schools face with reduced pupil enrollment, the resources schools possess in terms of underutilized indoor and outdoor space can be utilized in the context of sustainable rural development; village schools can thus become centres for developing village products.

Eligible Participants: All tourism and support industry providers from the targeted municipalities will be eligible to participate in the competition as consortium members. Eligible groups include:

- Tourism destination providers;
- Sports and outdoor clubs;
- Regional clubs, such as dance troupes, scouts, arts, performance;
- Restaurants and hotels;
- Tourism offices;
- Civil society organizations;
- Environmental groups and clubs.
- National Park authorities
- Alternative educational and museum-like sites (e.g. household mini-museums and collections, women's rural cooperatives, traditional food and non-food producers).

Eligibility criteria: All investments must have both an educational characteristic and be part of a wider child-friendly sustainable rural tourism concept. This concept will be fully developed through the National Rural Tourism Policy, and

further elaborated at regional level, to develop key elements and to demonstrate the importance of this work for promoting inclusive development. Initiatives that are led by and implemented by communities shall be supported, and typically not initiatives of private sector representatives or investors from outside the region who merely include the local community as passive employees. Educational elements of tourism products are not only important due to their relevance to the school curriculum, but also to the extent that they promote: i) awareness-raising and understanding of environmental protection and sustainability, and ii) interest among children for local traditions and customs of particular region. The investments will help shape tourism services that contribute to social inclusion of local children by enabling the use of facilities by the community, both during and outside of peak season, such as for event organization; this criterion will be included in the selection process.

Consortia: Individuals and groups from the above categories will be required to form a consortium with at least one other eligible provider.

Competitions: There will be a total of eight competitions: two in each of four clusters (in Years 1 and 2).

Awards: There will likely be three awards for each competition: 1st Place: \$8000; 2nd Place: \$5000; 3rd Place: \$2000.

Local Partner: A local partner (RDN, LAG, Destination Management Office) will provide logistical and public outreach support during the planning phase, be able to assist with proposal offers during the project development phase, and assist in the organization of the selection event.

Competition Procedures

Identify Potential Applicants: UNICEF will organize a public outreach campaign to identify all tourism and tourism-related stakeholders in the targeted areas and to inform them about the upcoming opportunity and competition criteria. All stakeholders on the tourism stakeholder database (prepared by the JP during the Baseline Assessment) will also be invited to participate.

Introductory Meeting: UNICEF will organize an introductory meeting where all stakeholders will be invited to attend. At the meeting UNICEF will present the concepts of child, family and school based tourism with active learning content. The competition criteria, regulations and guidelines will be presented.

Stakeholder Consortia: Stakeholders will then have a period of time (several weeks) to form consortia or partnerships consisting of at least two local providers.

Project Development: The consortia will develop their own plans to adapt their tourism offerings to include child, family and school based tourism offerings with active learning elements.

Selection Event: UNICEF will organize a public event at a popular regional tourist destination. Students and teachers from schools in the targeted municipalities will be invited to attend the event. The day's events will feature new, innovative, active-learning activities that the students can participate in throughout the day. Regional clubs, such as dance troupes, scouts and sports clubs will be invited to attend and offer demonstrations.

Jury Selection: Each competing consortium will host a stand at which they will present their active-learning tourism ideas to the general public; then each will have a specified period of time (5-10 minutes) to present their proposals to a jury panel consisting of students, teachers and regional "opinion-leaders," such as mayors, business leaders and other public figures. The jury will rank all competing consortia and award the top three awards.

Public Selection: The public may also be invited to submit ballots for their favorite, resulting in additional selection(s), though the same consortium would not be eligible for two awards (i.e. from both public and jury).

Project Development: UNICEF and the local partner will work with the winning consortia to develop specifications for the materials and equipment necessary to introduce the active-learning elements that they identified in their proposal.

Project Implementation: UNICEF will manage the procurement for all materials and equipment for all winning consortia through competitive tender processes.

Marketing & Promotion

Marketing & Promotion Tools: After the selection event, UNICEF and the local partner will work with both the winning and other participating consortia to develop some basic marketing and promotion materials targeting children, families and schools to raise awareness and attract these special tourists to the region's destinations. UNICEF may introduce additional, low-cost active-learning elements to supplement those from the contest, though these investments would be minimal and targeted.

Distribution Channels: UNICEF will work with the Ministry of Education to endorse (and perhaps ultimately officially accredit) the tourist sites as approved active-learning curricula for schools; the agencies will work together to develop effective distribution channels to reach target audiences.

Media Outlets: UNICEF will work with local and national media outlets to raise public awareness about the targeted regions' active learning opportunities.

Annex 4: Implementation Focal Points

UN agencies (mailing group: mdg-dps@un.org.rs):		
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Annex 5 – Acronyms

AA	Administrative Agent
CoC	Chamber of Commerce
CPAP	Country Programme Action Plan
CRDA	Community Revitalization through Democratic Action
EU	European Union
FAO	Food and Agriculture Organization
IPA	Instrument for Pre-Accession
IPARD	Instrument for Pre-Accession for Rural Development
ISO	International Organization for Standardization
JP	Joint Programme
LAG	Local Action Group
M&E	Monitoring and Evaluation
MAB	Man and the Biosphere
MDG	Millennium Development Goals
MDTF Office	Multi Donor Trust Fund Office
MERD	Ministry of Economy and Regional Development
MESP	Ministry of Environment and Spatial Planning
MOA	Ministry of Agriculture, Forestry and Water Management
MOE	Ministry of Education
NGO	Non-Governmental Organization
PLA/PRA	Participatory Learning & Action and Participatory Rural Appraisal
POW	Programme of Work
RC	Resident Coordinator
RDN	Rural Development Network
SEDP	Serbia Enterprise Development Project
SIFT	Sustainable Investment and Finance in Tourism
TGO	Tourism Governance Organization
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	UN Education, Science and Culture Organization
UNICEF	United Nations Children's Fund
UNWTO	United Nations World Tourism Organization

