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Project Summary:

LocalInterAct Network



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MUNICIPAL COOPERATION AND EXPORT SUPPORT

Problem

Export-oriented SMEs have successfully developed capacity and competitiveness in area of production, exporting mainly products with relatively low added value to the Western and Southeast Europe markets. In order to increase added value and achieve better quality of employment, it is necessary to find new customers, including improvement of the position in the value chains through investments and innovations (of products, processes and business model) and provision of quality workforce. Companies cannot do this without support of institutions, while local institutions cannot develop and maintain such advanced targeted support to companies alone.

The municipal administrations of Prnjavor, Derventa and Laktaši are showing an increasing interest in supporting export-oriented companies to face these challenges and to help them to preserve and further improve their competitive position, but they do not have appropriate analytical tools and financial and non-financial support instruments. In addition, modalities and mechanisms of inter-municipal cooperation are not sufficiently developed.

Key Idea

Eda's experiences in implementation of the CREDO Krajina project show that tools and instruments of advanced support to exporters can be successfully developed and used, thus developing mutual trust and mechanisms of inter-municipal cooperation. Therefore, the key idea of the project is **transfer and implementation of tools and instruments, that have been successfully developed and tested through the CREDO Krajina project, in the municipal administrations of Prnjavor, Derventa and Laktaši in order to provide desired support to export-oriented companies.** For some forms of support, resource pooling and establishment of inter-municipal support mechanisms for exporters are necessary.

Objectives and Expected Results

Overall objective: Improved competitiveness of export-oriented sectors and enterprises, with improved competitiveness of locations. Bearing in mind limited resources of specific municipalities, inter-municipal cooperation should enable joint activities that should increase available capacities for exporters' support without additional burden on specific municipalities regarding resolving issues which are more rational and easier to resolve through inter-municipal cooperation.

Specific objective: Established mechanisms of advanced municipal and inter-municipal support for exporters based on the Small Business Act. Based on identified shortcomings in capacities of exporters, shortcomings of specific services in the consulting market, as well as other mechanisms that should provide exporters with necessary services and support for development of export and reduction of business risks, the project will establish mechanisms in each of the partner municipalities, as well as cooperation mechanisms between partner municipalities which will enable providing necessary support to exporters including adoption of new tools and improvement of support measures for exporters, along with capacity building needed to implement new approach in supporting exporters.

Expected results:

1. Municipal teams use new tools to support exporters
2. Established mechanisms of common (inter-municipal) support for exporters.

Key Activities

1. **Strengthening capacity of municipal teams for implementation of new tools for support of exporters** such as: analytical tools for competitiveness and export orientation, business linking tools, value chain analysis, financial support instruments for exporters. The application of these tools will be implemented through the following stages: initial training, demonstrations, implementation with coaching, reflections and improvements with preparation of a guide for application of each tool in the future.
2. **Joint activities of the Network:** joint workshops with representatives of supporting institutions, international projects and donors, business service providers, joint location marketing, PCM / preparation of projects for export support, thematic regional forum of exporters, barometer of business environment. Potential joint activities of the Network will be first tested / probed, while at least three of them will be fully implemented within the project.

Roles in the Project

- Lead implementer: Eda - Enterprise Development Agency, Banjaluka
- Partners: Municipal administration of Laktasi municipality, Municipal administration of Prnjavor municipality and Municipal administration of Derventa municipality.

Project Implementation Period

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