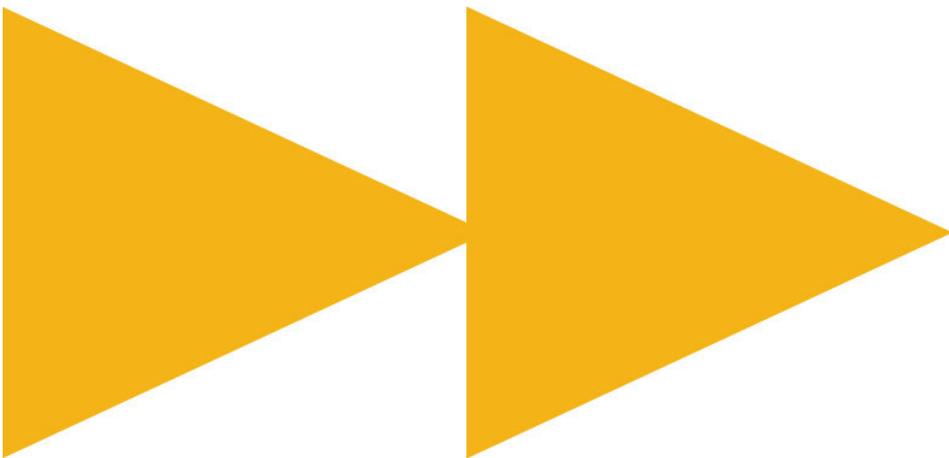




European Partnership with Municipalities Programme

# 6<sup>th</sup> Quarterly Report

1 July – 30 September, 2012



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## Executive summary

Post 6 May elections period posed a more serious challenge than expected. Although many local governments were established before the ruling coalition at the central level was in place, upon forming of the Government by the Serbian Progressive Party, the Socialist Party of Serbia and the United Regions of Serbia, changes were triggered in municipalities to mirror the national coalition. Despite the fact that the Programme has identified elections as a risk, the actual level of changes caused a slowing down and limited number of activities.

However, despite the political instability, there has been a steady advance in Programme implementation: 40% of projects were finished, 28% are on track and 27% are delayed with low risk. More than 90% of projects are implemented through grant methodology, allowing for important capacity building exercise of municipalities. Furthermore, spending increased in September, after the slower summer and a total of 825,352 Euros was expended during the month.

Key outputs within Component 1 include signing of 16 contracts within Citizens Involvement Fund 2, opening of the Citizens Advisory Service office in Preševo and refurbishment and equipping of the Albanian National Minority Council premises in Bujanovac. Following EU PROGRES capacity building exercises, Ivanjica's Gender Equality Commission received one million dinars from the Swedish government for its first project.

Within Component 2, three jobs were opened in Vranje Business Incubator Centre; a decision has been made to accommodate One Stop Shops in Vranje and Leskovac in Citizens' Assistance Centres, which will enhance delivery of services; Surdulica and Ivanjica are making fast progress in implementation of Quality Management System projects. The support for tax administration means that 11 municipalities have increased the total number of registered taxpayers by over 12,500 on a cumulative level. On average, this should cause approximate increase of 10% in local tax revenue collected over the next year.

Works on Leskovac Green Zone, implemented within Component 3, are 98% finished. Other 15 small infrastructure projects were finalised. One of the significant outcomes is that the municipalities raised more than 30 million dinars for co-funding for projects that were initiated and supported through EU PROGRES.

The highlight of the Component 4 was the branding project for Blace Plum Festival, which attracted a record of 100,000 visitors in four days and generated excellent publicity for the European Union and the Government of Switzerland. Overall Programme visibility efforts resulted in almost 300 media reports during third quarter 2012, which is by 100 more than the number planned for the entire year.

The Annual Programme Steering Committee was held in July and the second Annual Report was prepared. The Mid Term Evaluation was finalised and EU PROGRES is already implementing its recommendations: the work plan was up-dated, no cost extension request is drafted, while the monitoring and evaluation system will be strengthened.

This report is laid out in five chapters and accompanying annexes, describing the political, socio and economic situation in the South and South West Serbia, activities and results achieved, and management and administration outputs as well as visibility successes.



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## Acronyms

ANMC	Albanian National Minority Council
BIC	Business Incubator Centre
BIRN	Balkan Investigative Reporting Network
CAC	Citizens Assistance Centre
CAS	Citizens Advisory Service
CB	Coordination Body for Bujanovac, Preševo and Medveđa
CIF	Citizens Involvement Fund
CIP	Capital Investment Planning
CSO	Civil Society Organizations
CzDA	Czech Development Agency
DEU	Delegation of the European Union
DRP	Detailed Regulation Plan
EMO	European and Middle East Regional Office
EU	European Union
EU PROGRES	European Partnership with Municipalities Programme
GEM	Gender Equality Mechanism
GG	Good Governance
GRP	General Regulation Plan
LED	Local Economic Development
LSG	Local Self Government
LTA	Local Tax Administration
NES	National Employment Service
NIP	National Investment Plan
NMC	National Minority Council
OHMR	Office for Human and Minority Rights
OSDUA	Office for Sustainable Development of Underdeveloped Areas
OSS	One Stop Shop
PB	Participatory Budgeting
PSC	Programme Steering Committee
PUC	Public Utility Company
QMS	Quality and Management System
RfP	Request for Proposals
RNMC	Roma National Minority Council
SDA	Party of Democratic Action
SDC	Swiss Agency for Development and Cooperation
SDP	Sandžak Democratic Party
SEDA	Regional Development Agency of Sandžak
SEIO	Serbian European Integration Office
SME	Small and Medium Enterprises
SNS	Serbian Progressive Party
SPS	Socialist Party of Serbia
SS	South Serbia
SWS	South West Serbia
ToR	Terms of Reference
UNOPS	United Nations Office for Project Services
WWTP	Waste Water Treatment Plant



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## 1 Intervention

### 1.1 Overall objectives

Programme's overall objective is to contribute to enhanced stability and socio-economic development in Serbia's poorest and most conflict-prone areas: the South and South West.

### 1.2 Project purpose

EU PROGRES purpose is to enhance governance, municipal and inter-municipal management capacity and social, economic and physical infrastructure in a holistic, area-focused fashion.

### 1.3 Planned results

#### Component 1: Good Governance

**Result 1:** Participatory, accountable and transparent governance, respecting human rights

#### Component 2: Municipal Management and Development Planning

**Result 2:** Municipal organizational effectiveness and efficiency improved and capacities to deliver services to citizens and business increased

**Result 3:** Capacities for planning municipal and regional sustainable development strengthened and relevant development documents created

#### Component 3: Physical, Economic and Social infrastructure

**Result 4:** Projects and project documentation prepared for key economic, environmental and social projects

**Result 5:** Project financing facilitated through enabling contacts with ministries, donors and other projects

**Result 6:** Selected projects financed and implemented through EU PROGRES

#### Component 4: Public Awareness and Branding of Areas

**Result 7:** Awareness of the need for, the logic of, and the effects of changes communicated to a broad public

**Result 8:** A plan to develop the areas' images and self-images as unique areas of Europe are established and implementation begun.

### 1.4 Beneficiaries

Direct beneficiaries of EU PROGRES are the institutions (assemblies, executive councils and the municipal administrations) of the following municipalities:

- Ivanjica, Nova Varoš, Novi Pazar, Priboj, Prijepolje, Raška, Sjenica, and Tutin in the South West Serbia (SWS)
- Blace, Žitorađa, Kuršumlija, Prokuplje in the Toplica District
- Bojnik, Vlasotince, Lebane, Leskovac, Medveđa, Crna Trava, Bosilegrad, Bujanovac, Vladičin Han, Vranje, Preševo, Surdulica, Trgovište in the South Serbia (SS).

Other beneficiaries may include municipality-founded institutions and public utility companies (PUC), civil society organisations (CSO) and media on the territories of EU PROGRES participating municipalities. However, the ultimate beneficiaries are the citizens.

Where Programme activities cover larger areas such as districts or regions, or national policy envisages additional municipalities to be involved regarding a specific issue, other municipalities may benefit indirectly.



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## 2 Updates on political, social and economic developments

### 2.1 Political

During the third quarter 2012, and following 6 May elections, municipal coalitions were established and then recomposed in some cases. Political map of EU PROGRES municipalities is available in Annex V, attachments 5.1 and 5.2.

The Minister of Education, Žarko Obradović, was appointed the President of the Coordination Body for Bujanovac, Preševo and Medveđa (CB). Along with the Mayors from three towns, three Members of Parliament (MPs) from the South will be a part of the CB: Riza Halimi, Miroљjub Stojčić (former Mayor of Vranje) and Dragan Nikolić.

With the new Law on Ministries (July 2012), the Directorate of Human and Minority Rights (DHMR) ceased to exist. Portion of its jurisdiction was transferred to the Ministry of Justice and Public Administration which should be in charge of maintenance of the Registry of National Minority Councils and organisation of future election of NMCs (planned for 2014). For the purposes of work on particular issues in the field of human and minority rights, the Government of Serbia established in August the Office for Human and Minority Rights (OHMR). The new Director of OHMR was appointed in September, as well as his Deputy. The OHMR will perform professional services for the Government and relevant ministries related to the protection and promotion of human and minority rights; monitor compliance of national legislation with international treaties and other international documents on human and minority rights; initiate amendments of national legislation; deal with general issues of the status of national minorities; monitor the status of national minorities living on the territory of the Republic of Serbia and minority rights; create links of national minorities with their home countries.

The Minister without Portfolio, Sulejman Ugljanin, said during a meeting with representatives of 46 insufficiently developed municipalities that the Government of Serbia will continue to fund projects in underdeveloped areas. Twenty million Euros has been provided for priority projects in this year, especially in the field of environment, planning and project documentation, plans for recycling centres and waste water treatment facilities<sup>1</sup>.

According to the latest survey “European orientation of Serbian citizens – trends”, conducted by the Serbian European Integration Office (SEIO) the level of awareness of Serbian citizens on the EU funds has increased: 57% respondents believe that the EU is the biggest donor to Serbia, which corresponds to the real state of affairs<sup>2</sup>.

Municipalities have been preparing for the Census of Agriculture, scheduled from 1 October until 15 December. The Census will provide a summary of the status of agriculture in Serbia: resources on the one side, and shortcomings and issues to be solved on the other side. The obtained data will be useful to agricultural policy makers for their decision taking and for short-term and long-term strategies of agricultural development, as well as planning projects for the national and EU funds<sup>3</sup>.

<sup>1</sup> KORNRP (2012) *Vlada nastavlja da pomaže nedovoljno razvijenim opštinama* [Online] Available at: <http://www.kornrp.gov.rs/~kornrpgo/index.php/component/content/article/37-aktivnosti/541-29082012-vlada-nastavlja-da-pomae-nerazvijenim-optinama.html> (Accessed on 1 October 2012)

<sup>2</sup> SEIO (2012) *European orientation of Serbian citizens – trends*. [Online] Available at: [http://www.seio.gov.rs/upload/documents/nacionalna\\_dokumenta/istrazivanja\\_javnog\\_mnjenja/istrazivanje1\\_jun\\_12.pdf](http://www.seio.gov.rs/upload/documents/nacionalna_dokumenta/istrazivanja_javnog_mnjenja/istrazivanje1_jun_12.pdf) (Accessed on 12 September 2012)

<sup>3</sup> Statistical Office of the Republic of Serbia (2012) *Agriculture Census* [Online] Available at: <http://popispoljoprivrede.stat.rs/?lang=en> (Accessed on 1 October 2012)



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Recent Government adoption of 24 laws for fiscal consolidation that eliminated 138 regulations means that the municipalities cannot charge taxes for: company name publication fee, floating tourism objects, usage of river banks for entrepreneurship, pets keeping, and advertising billboards and in some cases for vehicle registration. Solidarity transfers have changed in favour of the least developed municipalities, reducing the transfers to wealthier ones. Impact analysis, based on sample budgets (larger cities compared to small rural municipalities) show that a realistic decrease would be 5-8% in 2013. For poor rural municipalities impact will be mitigated through the increase in solidarity transfer. In effect, the Government is aiming to take the burden off the small and medium enterprises (SME) sector and hopefully attract investments.

### **Pčinja District**

#### **Bujanovac**

Talks about new coalition were going on between the Party for Democratic Action (PDD), Jonuz Musliu's Movement for Democratic Progress (PDP), Međi Zečiri's Democratic Union of the valley (DUA), and Serbian Progressive Party (SNS). Negotiations include local representatives of the Socialist Party of Serbia (SPS) and the United Regions of Serbia (URS). During his visit to Bujanovac, the Prime Minister Ivica Dačić stated that absence of Riza Halimi in Bujanovac local government caused political instability, as Halimi was a Member of Parliament (MP)<sup>4</sup>. The Mayor of Bujanovac, Nagip Arifi, reacted by saying that all attempts to change the current composition would be unsuccessful and that the composition was based on the election will of Bujanovac citizens.

The Movement for Democratic Progress (PDP) said they supported the political dialogue between Belgrade and Priština pointing that it was necessary for the representatives of Albanians from the South Serbia to participate in the process<sup>5</sup>.

#### **Preševo**

An event to mark 100 years of independence of Albania was organised in Preševo in July. In August, the Mayor Ragmi Mustafa met in Priština with the President of Albania Bujar Nishani and the President of Kosovo Atifete Jahjaga and asked for support in resolving political issues of Albanian minority. The Prime Minister Ivica Dačić attended a celebration of Police Day at the border crossing in Preševo in September. The head of the border police, Nenad Bogdanović, said the policemen prevented over 8,000 illegal border crossings during 2012, mainly from Afghanistan, Pakistan, Algeria, Morocco, Somalia and Palestine.

### **Jablanica District**

#### **Leskovac**

Despite several announcements from the state officials that the local government in Leskovac will be changed, to reflect the division of power on the central level, so far no agreement has been reached. The President of the City Assembly, Živojin Stefanović (SPS), said in a recent press conference there was no need to change the local government as it was functioning well<sup>6</sup>.

#### **Lebane**

Lebane is probably the only municipality in Serbia without opposition after the ruling coalition signed an agreement with the Democratic Party, Democratic Party of Serbia and United Regions of

<sup>4</sup>Blic (2012) *Prekomponovanje vlasti u Leskovcu i Bujanovcu* [Online] Available at: <http://www.blic.rs/Vesti/Politika/342965/Prekomponovanje-vlasti-u-Leskovcu-i-Bujanovcu> (Accessed on 1 October 2012)

<sup>5</sup>OK Radio (2012) *Albanci sa juga traže mesto u pregovorima* [Online] Available at: [http://www.okradio.rs/vesti/lokalne/albanci-sa-juga-traze-mesto-u-pregovorima\\_21324.html](http://www.okradio.rs/vesti/lokalne/albanci-sa-juga-traze-mesto-u-pregovorima_21324.html) (Accessed on 25 September 2012)

<sup>6</sup>JugMedia (2012) *Nema još dogovora o prekomponovanju vlasti u Leskovcu* [Online] Available at: <http://jugmedia.info/2012/09/18/nema-jos-dogovora-prekompovanju-vlasti-leskovcu/> (Accessed on 25 September 2012)



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Serbia. Deputy Mayor, Nenad Zagorac, said this should be a good step towards development of the municipality and attracting investments<sup>7</sup>.

## Toplica District

### Kuršumlija

In September, the President of Serbia, Tomislav Nikolić, visited Prolom banja and said he would recommend to the Government to seek funding from those who got rich while everyone else was getting poor, to finance projects in underdeveloped regions<sup>8</sup>.

Ombudsman's preliminary findings on the respect of rights of employees in public institutions, after the reports that the opposition Democratic Party and United Regions of Serbia were engaged to clean the streets, was that this was partially discriminatory and that the town is suffering from huge politicization of its administration<sup>9</sup>.

There have been increased illegal crossings from the administrative border with Kosovo and thefts of trees by Kosovo Albanians. In July, there were reports of shooting at Serbian Gendarmerie<sup>10</sup>.

## South West Serbia

There are two ministers from the South West Serbia in the new Government: Sulejman Ugljanin, the Minister without Portfolio (responsible for the Office of Sustainable Development of Underdeveloped Areas – OSDUA) and Rasim Ljajić who is heading the Ministry of Internal and External Trade and Telecommunications.

During the summer, there was only moderate activity of local governments due to holidays, but also for observing the Ramadan and celebrating Eid-al-Fitr.

In mid August, Mufti of the Islamic Community in Serbia Muamer Zukorlić met with the Mayor of Preševo Ragmi Mustafa to discuss establishment of department of the International University of Novi Pazar in Preševo, but also the current general political situation in Serbia. They concluded that situation in two municipalities was similar and that they should forge stronger cooperation<sup>11</sup>.

Mešihat of the Islamic Community in Serbia, led by Mufti Muamer Zukorlić, held elections for its lowest bodies on 2 September 2012<sup>12</sup>, while the elections for the new Mufti will be held in the summer of 2013. Mufti Adem Zilković, who heads Islamic Community of Serbia, invited Mufti Zukorlić to unite forces and settle disputes.

<sup>7</sup>Blic (2012) *Svi na vlasti: Lebane jedina opština u Srbiji bez opozicije* [Online] Available at: <http://www.blic.rs/Vesti/Politika/344366/Svi-na-vlasti-Lebane-jedina-opstina-u-Srbiji-bez-opozicije> (Accessed on 29 September 2012)

<sup>8</sup>Pravda (2012) *Nikolić: da bogati finansiraju projekte pa da ih se narod seća po dobru* [Online] Available at: <http://www.pravda.rs/2012/09/15/nikolic-bogati-da-finansiraju-projekte-pa-da-ih-se-narod-seca-po-dobru/> (Accessed on 30 September 2012)

<sup>9</sup>Blic (2012) *Janković: u Kuršumljibilopropustainepravilnosti*. [Online] Available at: <http://www.blic.rs/Vesti/Politika/340538/Jankovic-U-Kursumliji-bilo-propusta-i-npravilnosti> (Accessed on 22 September 2012)

<sup>10</sup>B92 (2012) *Šumokradice pucale na žandarmeriju* [Online] Available at: [http://www.b92.net/info/vesti/index.php?yyyy=2012&mm=08&dd=30&nav\\_category=640&nav\\_id=638789](http://www.b92.net/info/vesti/index.php?yyyy=2012&mm=08&dd=30&nav_category=640&nav_id=638789) (Accessed on 15 September 2012)

<sup>11</sup>Kurir (2012) *Zukorlić sa Ragmi Mustafom u NovomPazaru*. [Online] Available at: <http://www.kurir-info.rs/zukorlic-sa-ragmi-mustafom-u-novom-pazaru-clanak-365762> (Accessed on 22 August 2012)

<sup>12</sup>Blic (2012) *Zilković ponovio pozivu Zukorliću za pomirenje*. [Online] Available at: <http://www.blic.rs/Vesti/Politika/340781/Zilkovic-ponovio-poziv-Zukorlicu-za-pomirenje> (Accessed on 18 September 2012)



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Mufti Zukorlić registered as a citizen of Srebrenica and vowed to vote in the local elections in Bosnia and Herzegovina to be held on 7 October. He called it a ‘moral’ act towards Srebrenica<sup>13</sup>. In September, the Mufti issued a Fatwa [Islamic legal pronouncement] instructing Muslims in Sandžak not to send their children to religious education classes in state schools, but to those run by the Islamic Community in Serbia. The first impact was insignificant as children remained in classes<sup>14</sup>.

### Novi Pazar

In August, there was a move to restore Ćif-aga Hadžiahmetović, the head of Novi Pazar during World War II, by erecting a commemorative plaque in the Novi Pazar centre<sup>15</sup>. Ćif-aga is credited with preserving the City in the face of Četnik approach. He had been sentenced to death for crimes committed during the War, as he was responsible for murder of 7,000 Serbs. Minister Sulejman Ugljanin’s participation in the event infuriated the Government<sup>16</sup>. Ugljanin said he wasn’t aware what was going on<sup>17</sup>. Still, his Party of Democratic Action (SDA) issued a statement saying it was its obligation to amend the history, which was staged by the Central Committee of the Communist Party<sup>18</sup>. The Ministry of Justice and Public Administration ordered the City to remove the plaque.

The ruling coalition in the City has been trying to co-opt Serb parties into the governing system, but no agreement has been reached yet<sup>19</sup>. The Council on Inclusive Governance, which has been implementing the Regional Forum on Improvement of Dialogue with the support from UK Embassy, was in session during September with representatives from the international organizations, local parties and CSOs<sup>20</sup>. Even though a representative of Serb party’s participated in preparatory sessions, they didn’t show up at the Forum.

In September, for the second time in the last few months there was a false bomb-scare at Novi Pazar Administration building<sup>21</sup>.

Several thousand people peacefully protested against “Innocence of Muslims” movie. The protest was organised by Torcida Sandžak, Novi Pazar football supporter group<sup>22</sup>.

<sup>13</sup>Blic (2012) *Zukorlić od danas građanin BiH i Srebrenice*. [Online] Available at:

<http://www.blic.rs/Vesti/Politika/339254/Zukorlic-od-danas-gradjanin-BiH-i-Srebrenice> (Accessed on 25 August 2012)

<sup>14</sup>Radio sto plus (2012) *Učenici u Novom Pazaru i dalje idu na veronauku*. [Online] Available at:

<http://radiostoplus.com/drustvo/item/10669-u%C4%8Denici-u-novom-pazaru-i-dalje-idu-na-veronauku> (Accessed on 29 September 2012)

<sup>15</sup>SandžakLive (2012) *Otkrivena table Ćif-efendiji u Novom Pazaru* [Online] Available at:

<http://www.sandzaklive.rs/index.php/novi-pazar-drustvo/2520-otkrivena-tabla-acif-efendiji-u-novom-pazaru> (Accessed on 22 August 2012)

<sup>16</sup>RTS (2012) *Vlada o Ćif-efendiji*. [Online] Available at:

<http://www.rts.rs/page/stories/sr/story/9/Politika/1152128/Vu%C4%8Di%C4%87+tra%C5%BEi+da+vlada+raspravlja+o+Ugljaninu.html> (Accessed on 22 August 2012)

<sup>17</sup>Telegraf (2012) *Vlada o Ćif efendiji: uklanja se sporna tabla. Ugljanin tvrdi da nije znao o kome se radi*. [Online]

Available at: <http://www.telegraf.rs/vesti/politika/292878-vlada-o-acif-efendiji-uklanja-se-sporna-tabla-ugljanin-tvrdi-da-nije-znao-o-kome-se-radi> (Accessed on 22 August 2012)

<sup>18</sup>Radio sto plus (2012) *SDA: ispraviti režiranu istoriju*. [Online] Available at:

<http://www.radiostoplus.com/politika/item/10435-sda-ispraviti-reziranu-istoriju> (Accessed on 24 August 2012)

<sup>19</sup>Radio sto plus (2012) *Bez srpske liste još uvek u novopazarskoj vlasti*. [Online] Available at:

<http://radiostoplus.com/politika/item/10654-bez-srpske-liste-jo%C5%A1-uvek-u-novopazarskoj-vlasti> (Accessed on 29 September 2012)

<sup>20</sup>Radio sto plus (2012) *Forum za rešavanje problema u Sandžaku: potrebni i Srbi*. [Online] Available at:

<http://www.radiostoplus.com/drustvo/item/10653-forum-za-re%C5%A1avanje-problema-u-sand%C5%BEaku-potrebni-i-srbi> (Accessed on 29 September 2012)

<sup>21</sup>Radio sto plus (2012) *Lažna dojava o bombi u novopazarskoj opštini*. [Online] Available at:

<http://radiostoplus.com/drustvo/item/10656-la%C5%BEa-dojava-o-bombi-u-novopazarskoj-op%C5%A1tini>

<sup>22</sup>Balkan Insight (2012) *Serbia Sandžak Muslims Protest over US Film*. [Online] Available at:

<http://www.balkaninsight.com/en/article/novi-pazar-protests-over-the-innocence-of-muslims> (Accessed on 1 October 2012)



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Novi Pazar became a member of Vienna Institute of European Regions, which aims to bring European cities, regions and companies to structured fora that facilitate cooperation and investments<sup>23</sup>.

### Prijepolje

In mid-August instead of holding a public debate on the Environment Impact Study for the two dams on the Lim River (organized by the Ministry of Energy, Development and Environment Protection), the supporters and the opponents of the initiative fought in the Prijepolje Assembly. Three people were injured. The Canadian company REV is expecting that the Ministry will schedule a new public debate, since the preparation of technical documentation for two dams is in the finalization phase<sup>24</sup>.

### Priboj

The new ruling coalition is negotiating whether or not to introduce the Bosnian language into the official use in the municipality. The main opposition to the move are the Socialists, and they are justifying it with increased costs – double marking, teachers at schools etc. Mayor Lazar Rvović (SNS) stated that he was under pressure from his party leaders<sup>25</sup> to make the Bosnian language official.

The Minister without Portfolio, Sulejman Ugljanin, together with the Turkish Organization for Development (TIKA), delivered keys of newly built apartments to eight families that lost their homes in recent fires and landslides in Priboj.

## 2.2 Socio-economic

### PČINJA DISTRICT

#### Vranje

In July, the National Theatre burnt to ground. Fortunately, no one was hurt in the accident. Two suspects were arrested at the end of July<sup>26</sup>.

SIMPO plans to employ 50 workers by the end of the year in its Vranje upholstery factory and Bujanovac mattresses' factory<sup>27</sup>.

Forty contracts were signed between the City, German organisation HELP and clients who've won grants within the "Support to local sustainable development through poverty reduction and economic empowerment" project. Furthermore, 40 Roma will get an opportunity to start business of collecting recyclable waste through a project initiated by CSO "Porečje" and supported by CARITAS Luxemburg.

#### Bujanovac/Preševo

The Coordination Body for Preševo, Bujanovac and Medveđa (CB) provided schoolbooks and equipment for pupils starting primary school this year. The CB will also give monthly scholarships to 200 secondary school pupils, each 6,000 dinars. The Government of Albania will pay scholarships for 182 youth from Bujanovac, Preševo and Medveđa to study in Tirana<sup>28</sup>.

<sup>23</sup> Sandžak Info.net (2012) *Novi Pazar član Instituta regiona Evrope*. [Online] Available at: <http://www.sandzakinfor.net/info/politika/6765-novi-pazar-lan-instituta-regiona-evrope> (Accessed on 29 September 2012)

<sup>24</sup> Danas (2012) *Tuča umesto javne rasprave*. [Online] Available at: [http://www.danas.rs/dodaci/sandzak/tuca\\_umesto\\_javne\\_rasprave.42.html?news\\_id=246008](http://www.danas.rs/dodaci/sandzak/tuca_umesto_javne_rasprave.42.html?news_id=246008) (Accessed on 17 August 2012)

<sup>25</sup> Tomislav Nikolić, the President of Serbia and Aleksandar Vučić, the Deputy Prime Minister

<sup>26</sup> OK Radio (2012) *Uhapšeni osumnjičeni za paljevinu teatra* [Online] Available at: [http://www.okradio.rs/vesti/lokalne/uhapseni-osumnjiceni-za-paljevinu-teatra\\_20442.html](http://www.okradio.rs/vesti/lokalne/uhapseni-osumnjiceni-za-paljevinu-teatra_20442.html) (Accessed on 1 August 2012)

<sup>27</sup> Poslovi (2012) *Vranjski "Simp" zapošljava 50 radnika* [Online] Available at: [http://www.poslovi.rs/vidi\\_vest.php?idVest=1934](http://www.poslovi.rs/vidi_vest.php?idVest=1934) (Accessed on 1 October 2012)

<sup>28</sup> OK Radio (2012) *Više studiraju u Tirani nego u Srbiji* [Online] Available at: [http://www.okradio.rs/vesti/lokalne/vise-studiraju-u-tirani-nego-u-srbiji\\_20672.html](http://www.okradio.rs/vesti/lokalne/vise-studiraju-u-tirani-nego-u-srbiji_20672.html) (Accessed on 1 October 2012)



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## Trgovište

A new bridge on the River Pčinja was built to replace the one destroyed by the catastrophic floods in May 2010. The funds were provided by the National Investment Plan (NIP)<sup>29</sup>.

The Minister without Portfolio, Sulejman Ugljanin, attending the opening of an Internet corner in the town, was quoted as saying that the Government must create basic conditions for normal life in Serbia, especially having in mind that there are about one million inhabitants, in 46 underdeveloped municipalities, whose circumstances are extremely bad<sup>30</sup>.

## Surdulica

The key result of the project "Model of cross-border cooperation in managing cultural and natural heritage and sustainable tourism development - Koprivštica and Surdulica" is improved territorial cooperation and good neighbourhood relations. A web portal was launched, containing more than 620 historic, natural and tourist sites, cultural and sporting events, institutions and ways of protecting cultural and natural heritage in the two regions. The project, worth 177,560 Euros was financed through the EU's Programme of Cross Border Cooperation between Bulgaria and Serbia.

## Bosilegrad

Television Bosilegrad started broadcasting in August.

The Bulgarian State Agency for Diaspora provided textbooks for elementary school pupils.

The blueberry fields in the municipality have been reduced by two thirds due to numerous fires in the last year. Blueberry production is one of key sources of income for Bosilegrad population.

## JABLANICA DISTRICT

The Centre for Development of Jablanica and Pčinja Districts celebrated its fifth anniversary and opened new facilities. The Mayor of Vranje, Zoran Antić, was unanimously voted the new president of the Assembly at the Centre's 17<sup>th</sup> session<sup>31</sup>.

## Leskovac

There are 38,000 unemployed in the Jablanica District, according to the data from the National Employment Service (NES). Only in Leskovac, more than 22,000 are looking for a job<sup>32</sup>. However, that number is by 2,000 smaller than several months ago due to several investments. Turkish company "Jeansylstanbul" started construction of the new factory, in the north industrial zone, which will create some 1,150 jobs by 2014<sup>33</sup>. Yura and Falke factories already employed 2,534 workers, while another 341 will get a job by the end of the year<sup>34</sup>.

There are several issues in regards education in Leskovac: 374 less first class pupils enrolled into the primary school than last year, problems with mixed classes continue in "Petar Tasić" where there are

<sup>29</sup> Jug Media (2012) *Trgovište dobilo novi most na reci Pčinji* [Online] Available at:

<http://jugmedia.info/2012/07/06/trgovistu-pusten-rad-novi/> (Accessed on 25 September 2012)

<sup>30</sup> OK Radio (2012) *Internet kutak u Trgovištu* [Online] Available at: [http://www.okradio.rs/vesti/lokalne/internet-kutak-u-trgovistu\\_22424.html](http://www.okradio.rs/vesti/lokalne/internet-kutak-u-trgovistu_22424.html) (Accessed on 25 September 2012)

<sup>31</sup> OK radio (2012) *Antić na čelu Centra za razvoj* [Online] Available at: [http://www.okradio.rs/vesti/lokalne/antic-na-celu-centra-za-razvoj\\_21868.html](http://www.okradio.rs/vesti/lokalne/antic-na-celu-centra-za-razvoj_21868.html) (Accessed on 15 September 2012)

<sup>32</sup> Južne vesti (2012) *Leskovac: Bez posla 38,000 ljudi* [Online] Available at:

<http://www.juznevesti.com/Drushtvo/Leskovac-bez-posla-38-000-ljudi.sr.html> (Accessed on 15 September 2012)

<sup>33</sup> Mondo (2012) *Počela izgradnja fabrike farmerki u Leskovcu* [Online] Available at:

[http://www.mondo.rs/s255823/Info/Ekonomija/Pocela\\_izgradnja\\_fabrike\\_farmerki\\_u\\_Leskovcu.html](http://www.mondo.rs/s255823/Info/Ekonomija/Pocela_izgradnja_fabrike_farmerki_u_Leskovcu.html) (Accessed on 20 September 2012)

<sup>34</sup> Naslovi.net (2012) *U Juri i Falkeu zaposleno 2.534 radnika* [Online] Available at: <http://www.naslovi.net/2012-09-15/beta/u-juri-i-falkeu-zaposleno-2-534-radnika/3860184> (Accessed on 30 September 2012)



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three times more Roma first class pupils than Serbian. In Agriculture and Chemistry High Schools, four classes were not registered due to lack of school children<sup>35</sup>.

The first solar plant in Jablanica District, capacity 220 kW, opened in Leskovac<sup>36</sup>.

The International Fair in Lugarno, Switzerland, awarded Leskovac with the title “City of Taste”, in the wine and food category. Leskovac is invited to present its touristic and culinary potentials at the Lugarno fair in November<sup>37</sup>.

In August, Leskovac closed the only soup kitchen leaving some 700 people, among which 100 Roma resettled from Belgrade, without a daily meal<sup>38</sup>.

The Regional Chamber of Commerce trained 75 entrepreneurs within a Cross Border project with Bulgaria, worth 200,000 Euros, aiming to increase participation of Serbian and Bulgarian companies on the EU market<sup>39</sup>.

### Crna Trava

In July, this small Jablanica municipality livens up during the mountain bike race, which is scored for the World Cup. Crna Trava is famous for its challenging bike paths.

### Vlasotince

German company “Gruner” has increased its workforce 15 times since 2007. They started with 20 and currently have 300, while the plan is to engage additional 30 people by the end of the year<sup>40</sup>.

Two projects by PBILD were finished in Vlasotince in the past months: instalment of video surveillance system, managed from the police centre, in order to improve safety in the town; and, education of 41 Roma for carpentry, mechanics and cake production.

### TOPLICA DISTRICT

Fires were raging in Toplica during August, affecting mainly forests and several agricultural facilities. The keyreason for large number of fires were extremely high temperatures and human negligence.

Some 7,500 dead fish have been removed from the two kilometres of the polluted Toplica River, while another 15 kilometres remain to be cleaned<sup>41</sup>.

### Kuršumlija

Kuršumlija Red Cross provided four tanks of drinking water for Roma settlement Barlovo, where all wells dried up. The Coordinator of the Office for Roma affairs stated the water tasted of gasoline.

<sup>35</sup> Pravda (2012) *Upisano 374 učenika manje, učitelji bez posla* [Online] Available at: <http://www.pravda.rs/2012/09/04/jablanicki-okrug-upisano-374-ucenika-manje-ucitelji-bez-posla/1-3/> (Accessed on 1 October 2012)

<sup>36</sup> Zelena Srbija (2012) *Otvorena prva solarna elektrana u Jablaničkom okrugu* [Online] Available at: <http://www.zelenasrbija.rs/srbija/2580-otvorena-prva-solarna-elektrana-u-jablanikom-okrugu> (Accessed on 15 September 2012)

<sup>37</sup> JugMedia (2012) *Švajcarska nagrada grad ukusa pripala Leskovčanima* [Online] Available at: [http://jugmedia.info/2012/09/26/svajcarska-nagrada-grad-ukusa-pripala-leskovcanima/?utm\\_source=rss&utm\\_medium=rss&utm\\_campaign=svajcarska-nagrada-grad-ukusa-pripala-leskovcanima](http://jugmedia.info/2012/09/26/svajcarska-nagrada-grad-ukusa-pripala-leskovcanima/?utm_source=rss&utm_medium=rss&utm_campaign=svajcarska-nagrada-grad-ukusa-pripala-leskovcanima) (Accessed on 30 September 2012)

<sup>38</sup> Južne vesti (2012) *Leskovac avgusta bez Narodne kuhinje* [Online] Available at: <http://www.juznevesti.com/Drushtvo/Leskovac-avgusta-bez-Narodne-kuhinje.sr.html> (Accessed on 15 September 2012)

<sup>39</sup> Južne vesti (2012) *Saradnja privrednika Srbije i Bugarske* [Online] Available at: <http://www.juznevesti.com/Drushtvo/Saradnja-privrednika-Srbije-i-Bugarske.sr.html> (Accessed on 15 September 2012)

<sup>40</sup> Jug Media (2012) *Milionska proizvodnja releja* [Online] Available at: [http://jugmedia.info/2012/09/20/milionska-proizvodnja-releja/?utm\\_source=rss&utm\\_medium=rss&utm\\_campaign=milionska-proizvodnja-releja](http://jugmedia.info/2012/09/20/milionska-proizvodnja-releja/?utm_source=rss&utm_medium=rss&utm_campaign=milionska-proizvodnja-releja) (Accessed on 30 September 2012)

<sup>41</sup> B92 (2012) *Izvađena mrtva riba iz Toplice*. [Online] Available at: [http://www.b92.net/info/vesti/index.php?yyyy=2012&mm=09&dd=30&nav\\_category=12&nav\\_id=647370](http://www.b92.net/info/vesti/index.php?yyyy=2012&mm=09&dd=30&nav_category=12&nav_id=647370) (Accessed on 30 September 2012)



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However, the results of water analysis, conducted by the Public Health Institute Niš, showed that water was not polluted<sup>42</sup>.

According to the Office for Rural Development estimated drought damage is more than one million Euros.

The Ministry of Internal Affairs, Department for Emergency Situations, destroyed 444 cluster bombs near Merdare.

### **Blace**

Canadian company “Ultra Lithium Inc.” started with geological investigations on lithium ore based on the line Ministry’s study from 2004, which showed Serbia holds 20% of world reserves of the ore.

### **Prokuplje**

Mayor Boban Lepojević, who was accused for abuse of authority and causing of damage to the Mineral Water Factory “Milan Toplica” in the amount of 1.7 million dinars, went on trial at the Prokuplje High Court.

Works on construction of new water supply and hydrant system started in Prokuplje hospital with the support of the Ministry of Health.

British, German, Italian and Serbian experts are working on archaeological surveys in Pločnik near Prokuplje, within a project funded by the UK Government, with a goal to examine development of metallurgical activities in the Vinča culture.

### **SOUTH WEST SERBIA**

After a prolonged drought municipalities in the South West suffered from heavy rainfall, which caused some flooding in Novi Pazar. On the other hand, drought raised the price of meat<sup>43</sup>, which can negatively impact the overall standard of living. Such changing climate conditions also had an influence on agricultural production in Ivanjica (raspberry and corn) causing the crops to yield less than previous year.

USAID call for proposal for young entrepreneurs to kick-start their own business failed in Novi Pazar due to lack of interest caused by unfavourable application criteria. Tutin approached the call in a different way, opting for a more direct methodology – educational programme for 15-20 beekeepers and purchase of bees, tools and supplies for beneficiaries. The project was a success, and those agricultural farms are making profits.

The OSDUA provided 250 heifers for the farmers from Pešter - Sjenica, Tutin and Novi Pazar.

### **Novi Pazar**

The City established yet another town twinning arrangement with Izmir, Turkey. The expanding network of twinned cities of Novi Pazar could be utilized through IPA calls.

The Centre for Elderly was opened in August and provides housing for 51 beneficiaries and employment for 43.

The EU will invest 22 million Euros in reconstruction and equipping of 27 University facilities in Serbia among which is the Novi Pazar State University. This University will get a new laboratory, which can also be used for agriculture practice.

Novi Pazar hosted the ninth annual music festival ‘Stari grad’.

<sup>42</sup> B92 (2012) *Analiza: voda u Kuršumlji ispravna*. [Online] Available at: [http://www.b92.net/info/vesti/index.php?yyyy=2012&mm=09&dd=21&nav\\_category=12&nav\\_id=645032](http://www.b92.net/info/vesti/index.php?yyyy=2012&mm=09&dd=21&nav_category=12&nav_id=645032) (Accessed on 1 October 2012)

<sup>43</sup> Radio sto plus (2012) *Suša poskupljuje meso*. [Online] Available at: <http://radiostoplus.com/privreda/item/10371-su%C5%A1a-poskupljuje-meso> (Accessed on 1 October 2012)



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### Sjenica

The Regional Centre for Agriculture and Village in Sjenica is assisting farmers in filling out requests for crop farming and fuel subsidies (6,420 RSD per hectare) from the Ministry of Agriculture.

### Raška

A cultural event “Raške duhovne svečanosti” was traditionally organised in August.

### Ivanjica

Ivanjica’s key cultural event “Nušićijada” was held at the end of August and beginning of September, gathering more than 40 000 visitors, including some international tourists.

## 3 Activities during reporting period

### Component 1: Good governance

#### **Result 1: Participatory, accountable and transparent governance, respecting human rights**

Key outputs:

- Thirty-nine CIF-1 projects operationally finished; 24 were administratively closed
- Sixteen out of 27 CIF-2 grant agreements signed
- CAS office in Preševo operational; CAS Žitorađa grant extended for four months due to savings
- Albanian NMC premises, whose equipping was supported by the Programme, opened in Bujanovac
- Contract extended for EU PROGRES Project Assistant in the OHMR
- A road-map for the good governance activities until June 2013 was produced during EU PROGRES workshop

Key outcomes:

- The staff of CAS office in Prokuplje extended their outreach and actively supported resettlement of Belvil families to the town
- Several training sessions of the staff of the newly opened CAS in Preševo means they are fully capacitated to take on the task of providing free legal services to the citizens
- Ivanjica’s Gender Equality Commission received one million dinars for its first project
- Albanian NMC fully operational and capacitated to deal with issues under its mandate

#### **Activities:**

*1.1. Citizens’ Involvement Fund supports projects that have resulted from partnerships of civil society organisations and local government institutions*

**CIF-1**— from 40 contracts, Novi Pazar Youth Office project is the sole grant that has not been finished due to irresponsible behaviour of the project manager. However, the local administration, after several interventions from EU PROGRES staff, submitted copies of invoices, payment orders and statement from finance unit to confirm realization of payments. The subsequent monitoring visit showed the planned activities were partially finished. Upon suggestion of the Mayor’s assistant, the Programme informed the Mayor. If the problem is not addressed by 8 October deadline, the Programme will seek reimbursement of funds that were not spent in accordance with the contract. Overall, 24 contracts were closed. For the remaining 16, documentation has been prepared and closure is pending Operations and Programme Managers’ review and approval. Altogether, there were 115 audits; originally 331,935 Euros were contracted but 344,406 were paid due to



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fluctuations in the exchange rate. The figure is not final, as the City of Novi Pazar may need to return some unspent funds.

**CIF-2** - 29 projects were approved by the Programme Steering Committee (PSC) in July, total value 301,446 Euros and funds requested from EU PROGRES: 248,327 Euros. However, two applicants have requested withdrawal of projects, Medveđa's "Libertas" and Vranje Society Bakija Bakić, after they failed to submit replies to the requested explanations and corrections of the applications. Three project proposals from the reserve list are being under consideration for funding and the final decision will be made by mid October. The total value of 27 CIF-2 projects currently is 279,000 Euros: 228,000 from the EU PROGRES and 51,000 Euros co-financing. The final amount of CIF-2 will be available in the next quarterly report following signing of all grant agreements. All CIF-2 projects will be finished by 31 May 2013.

By the end of September, 16 grant agreements were signed, seven are being finalised, while four contracts are pending technical documentation preparation (expected in October). Some grantees encountered a problem with opening of the subaccount and EU PROGRES produced additional instructions on how to address the issue. These problems, in some cases, may bring delays in transferring the first tranche. Further delays can be expected as the prerequisite to the first tranche payment is transfer of co-financing part by applicants.

There are eight municipalities which will not benefit from any CIF activities, while four will be a part of inter-municipal actions: Prokuplje, Kuršumlija, Medveđa and Bojnik.

Details of CIF-2 projects are available as two attachments in Annex I: 1.1 List of projects approved for financing and 1.2 CIF-2 projects by theme, municipality and lead organisation.

### *1.2 Citizens' Satisfaction Surveys*

Preparations for the second Citizens' Satisfaction Survey are on hold due to possible no cost extension of the Programme.

### *1.3 Citizens' Advisory Services provide practical assistance and information to citizens, enabling them to access their rights and entitlements*

#### **Novi Pazar**

The key issue remains the sustainability of the Citizens Advisory Service (CAS) due to misunderstandings in regards the mandate of the Office for Free Legal Assistance run by the City of Novi Pazar. According to the City officials, the Office has been operational for ten years and during the first six months of 2012 it provided 213 beneficiaries with the assistance. On the other hand, the Sandžak Committee for Human Rights and Freedoms (SCHRF), which has been implementing the EU PROGRES CAS project, claims the only interests of the Office are to assist municipal officials. There were several meetings about the issue between the EU PROGRES, the City officials and representatives of the SCHRF, but no progress has been made for a long time.

Finally, a meeting with the Head of Administration was held in September, and EU PROGRES was assured that the City would support establishing of the CAS office with the Programme methodology and assistance from the SCHRF.

Originally, the CAS project envisaged a contribution by the City of 4,450 Euros for removal of accessibility barriers for persons with disabilities, equipment for the office and six month's salary for the lawyer. As the City moved the existing Office for Free Legal Aid to another building, it turned out the new venue has all equipment and access for disabled persons and one staff on payroll. EU PROGRES will propose alternative contribution - visits to those who cannot access the office in the City. Draft agreement is prepared and will be submitted to the City in October.



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## Prokuplje

While continuing with its regular activities, CAS Prokuplje office took an active part in receiving the Roma families resettled from Belvil in Belgrade and supported the municipality in preparing a brief report to the National Ombudsman to that effect. In addition, the Office supported enrolment of Roma pupils and preparation of scholarship applications for 36 children.

The number of beneficiaries of the Centre continues to grow. Only in September 130 services were provided. CAS staff visited nearby villages and promoted different types of services and assistance available to them through this service. CSO Praxis supported the visits with practical recommendations and advice on work in the field.

## Žitorađa

Grant agreement for CAS in Žitorađa was extended for four months due to substantial savings in the budget. The number of beneficiaries keeps increasing, and in September 2012 the CAS provided services to the largest number of beneficiaries since the beginning of the project nine months ago. Most services were provided to the recipients of social care, and for the citizens who needed help for registering with the Ministry of Agriculture. The project team completed September newsletter, which is distributed freely.

## Preševo

Following a public tender, Community Resource Centre (CRC) was contracted to run the Citizens' Advisory Service (CAS) in Preševo. The municipality paid its 10% contribution in August, followed by the transfer of the EU PROGRES first instalment. An office near the municipal building was rented, furnished and IT-equipped. Two staff – a lawyer and an assistant – were hired to provide free legal assistance. Training in communication and conflict management was organised at the beginning of September for the staff, the deputy Head of Public Administration, two municipal staff members, and another support lawyer. Furthermore, three people from the Prokuplje CAS visited Preševo and shared their experience and knowledge with the new office. Finally, Preševo CAS staff also went on five-day training with the CSO Praxis in Kraljevo, which deals with the provision of legal services.

Overview of all CAS services in September is presented in Annex I, attachment 1.3.

### *1.4 Support local self-governments to conduct appropriate consultation on annual budgets, involving representatives of civil society and media*

The second phase of the **participatory budgeting** (PB) project started with the workshop for 11 municipalities, to analyse the results and recommendations of the study on existing budgetary practices in municipalities, produced during the first phase of the project in spring 2012. Prijepolje, Blace, Prokuplje, Žitorađa and Priboj did not attend the workshop due to unavailability of relevant staff and summer holidays.

During September, project implementer, the Balkan Investigative Reporting Network (BIRN) collected and analysed questionnaires on the budget planning process that were filled out by relevant budgeting officials. Expert's report on budget assessment analysis was delivered to each of 25 municipalities during a joint meeting. The overall assessment of the analysis quality was positive, while suggestions and comments have already been imported into the document.

These data, in combination with additional information gained at the meeting, are basis for tailored PB activity plans and communication strategies for each municipality. Preparation and realization of field visits – meetings with mayors and other representatives of cabinets and PR officials are ongoing.



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Previously conducted consultations with the OSCE didn't result in an agreement on a joint **anti corruption** event. Hence, EU PROGRES met with some of the key actors - Agency for Fighting Corruption, Transparency International and Ombudsman's Office to discuss possible scope of activities in this field. Terms of Reference (ToR) for the chosen approach on anti-corruption is being drafted and will be submitted for PSC approval in October.

*1.5 Assembly members and City Councils, from municipalities participating in the Programme are provided with information and resources which enable them to better monitor the performance of local institutions, including PUCs*

The re-conceptualisation of this activity was finalised with the production of a comprehensive ToR for analysis and establishment of the competitiveness level of 25 municipalities. This analysis will include public expenditure performance measurement as well and will serve as a bargaining chip for the clients in their negotiations to attract more funding and investments from the State, private investors and donor community. ToR will be advertised subject to feedback and approval from the donors.

*1.6 Support municipalities to develop and adopt Local Gender Strategies and Action Plans, with the aim of strengthening women participation in policy making processes*

Apart from Ivanjica's Gender Equality Commission, which obtained million dinars for their first project "Internet Club for Women in village Kusići" from the Kingdom of Sweden, through the Ministry of Labour and Social Policy, other local gender mechanisms (GEMs) were mainly dormant in the reporting period. The main challenge remains breaking the local bias that participation of women in local self governments should not be cosmetic but true commitment to inclusion into local policy making processes.

Consequently, the EU PROGRES prepared Terms of Reference (ToR) to continue with expert support to the established GEMs in 12 municipalities. The ToR will be advertised at the beginning of October, while the intervention will last until April 2013. The chosen expert will assist the GEMs with finalising their Gender Equality Local Action Plans and preparing the projects some of which may be funded through EU PROGRES. This approach was prepared in consultations with UN WOMEN.

*1.7 Improve the ethnic representation of local-decision making in the Programme Area*

In July, EU PROGRES transferred 7,500 Euros to the new Roma National Minority Council's (RNMC) account for "**Together towards inter-culturalism**" project, to cover eligible costs made during implementation<sup>44</sup>. However, the RNMC is experiencing financial difficulties as the state transfers were stopped due to grave irregularities in Council's financial report on spending the Government funds in the past period. The RNMC has until the end of October to recover the funds seized by the Court of Commerce order, after which the project will be reconsidered finally and recommendations will be provided.

The new offices of the **Albanian National Minority Council (ANMC)** were opened on 14 September 2012 in Bujanovac. The Municipality ceded the new National Council offices; all refurbishment was funded with the Council's own funds, while the EU PROGRES furnished the offices, provided computers and other equipment worth 9,000 Euros. The Office for Human and Minority Rights (OHMR) continued with regular financing of the ANMC which allowed publishing of the magazine "Nacionali", and implementation of other planned activities particularly in the field of education (school textbooks in Albanian language). In July, the ANMC adopted its strategy for 2012-2016.

<sup>44</sup>The implementation of project was halted as the Roma National Minority Council's bank account was emptied according to the Commercial Court order, which took some project funds as well.



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In a meeting with the newly appointed Director of OHMR it was agreed to continue the support of the EU PROGRES Project Assistant (PA) to the Office. During Q3 2012, the PA main tasks were:

- Focal point for coordination of the Experts' Monitoring Mission of the EU Commission on National Minorities in Serbia (9-13 July 2012), including support in preparing detailed agenda of the visit and organisation of meetings with the relevant state institutions, provincial authorities, local self-governments, NMCs and civil society organisations (CSOs). Additionally, PA gathered all inputs for preparation of the DHMR Report for the Government of Serbia on the Experts' Mission to Serbia.  
The conclusions of the Mission were that there was a good legal framework for the protection of minorities but poor implementation, inefficiency of the National Council for National Minority (met only once), rarely organised inter-governmental joint commissions of Serbia and Romania, poor reporting of NMCs on activities and spending.
- In August, support to the OHMR to implement affirmative measures for enrolment of Roma children to high schools and universities.
- Attendance in the conference on "Vlach issue" organised by the Centre for Development of Civil Society (CDCS), with support of the Norwegian Embassy. Recommendations were prepared for the future improvement of the status of Vlach minority in Serbia.

The **Faculty in Bujanovac** lacks adequate facilities for students. Currently, the Faculty is using two classrooms, a library and two administrative offices, which is sufficient only for the first year students. In October, when the second year starts, the Faculty will not have enough classrooms to accommodate all students. Potential locations for durable solution are being discussed between local administration, Coordination Body, Faculty and the OSCE. Before further work on technical assessment of potential locations is conducted, it is necessary to define Faculty needs in terms of classrooms, offices and general facilities. EU PROGRES is continuing close coordination with all interested parties to ascertain what kind of support would be most beneficial.

#### *1.8 Good Governance as a cross-cutting aspect of the Programme*

May elections delayed field work as the coalitions formed at an early stage were weak and prone to reshuffle and there were no appointed municipal officials who were ready to discuss and commit to introducing good governance (GG).

Finally, in August, separate meetings dedicated to GG as a crosscutting aspect of the small infrastructure projects (SIPs) were held with the representatives of 14 municipalities with the aim to establish contacts with the new officials, to introduce them to the on-going activities in this field, and to inform them of the impending activities related to their projects.

Similar situation is experienced in regards the large infrastructure projects (LIPs). Misconceptions appear to run deep regarding the Banjica Landfill project, and e.g. Sjenica representatives were conditioning the continuation of their participation in the project with building a solid waste transfer station, for which funds were already being assigned by the EU PROGRES. In a meeting held in September, called for by the Nova Varoš Mayor and attended by three other mayors, a decision was made to continue with the Banjica project and set up a joint public utility company (PUC). This is a positive development and the Programme has offered full support to municipalities, especially in terms of setting up proper project organization.

The GG team had a planning workshop during which a roadmap for the Component 1 until June 2013 was set and key milestones were agreed for each activity. The report from the workshop is available as Annex I, attachment 1.4.



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Finally, a proposal for pure governance reform in Ivanjica was drafted in August and is currently under consideration for further improvements. The activities should start during October.

## Component 2: Municipal management and development planning

### **Result 2: Municipal organizational effectiveness and efficiency improved and capacities to deliver services to citizens and business increased**

#### Key outputs:

- Training of employees completed and software for Trgovište CAC delivered
- Equipment delivered to the first tenant in Vranje BIC and three jobs opened
- Preparatory activities for formal registration of the Radan Tourism and Agro-Pešter cluster are finalised. Establishment expected in early October
- OSSs in Vranje and Leskovac will be accommodated in CAC
- Second phase of Žitorađa LTA support started
- Medveđa, Vladičin Han, Raška, Nova Varoš and Vlasotince recommended for participatory budgeting/capital investment planning projects
- Surdulica and Ivanjica ahead of plan in QMS/EMS implementation

#### Key outcomes:

- Trgovište CAC fully capacitated and operational and able to collect segregated data on services provided. It's user friendly and open environment appreciated by the citizens
- The second BIC Vranje tenant topped 5,000 Euros EU PROGRES' contribution with own 5,000 Euros and a commercial credit in the same amount in order to procure the complete equipment needed for his new business
- Accommodating OSS within CAC in Vranje and Leskovac will further enhance the service delivery to citizens
- Cumulative total number of registered tax payers, in 11 municipalities participating in the tax administration project, increased by over 12,500. On average, this represents 18% increase over the total number of taxpayers and should cause average increase of 10% in local tax revenue collected over the next year

#### **Activities:**

##### *2.1 Establishment of Citizens' Assistance Centres in municipalities where they do not exist, and further improvement of services in existing CACs*

The installation of software package and training of employees in Trgovište CAC was completed in September. As of October all applications will be recorded in the electronic registry and detailed data will be available on demand. Also, the input of all registry books (approximately 43,000 entries in total) has already begun and it is estimated that by April 2013 the entire records will be available in electronic form. The most noticeable difference thus far, according to the feedback from the citizens, is the user-friendly and open environment of the CAC.

In July, Crna Trava cancelled tender for works, as they were not able to reach an agreement with the Tax Department and Cadastre to temporarily re-settle and were looking for options to move the municipal hall. The Chairman of the Programme Steering Committee (PSC) suggested that the municipality immediately started works solely on the CAC while at the same time the EU PROGRES would provide support in negotiations with the Cadastre and Tax Department in securing their buy-in for the reconstruction of the rest of the building. The municipality lacks five-six million RSD for the works. Following the public tender for CAC works, the final decision was sent to the bidders on 23 August. One bidder submitted a formal complaint to the Commission for bidders' protection.



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This has stopped the signing of contract until mid-October earliest in accordance with legal requirements. EU PROGRES legal expert opinion is that the complaint is not legally founded.

The works on Bosilegrad CAC are progressing in accordance with the plan and the CAC should be functional by the end of 2012. So far, the annex to the municipal hall building was constructed and interior craftsmanship works commenced<sup>45</sup>.

EU PROGRES has reviewed and finalised documents for issuance of the contract for Novi Pazar CAC expansion. There are some issues that need to be clarified with the Mayor, which will be done in 1 October meeting.

## *2.2 Strengthening of LED offices in their abilities to provide coherent and strategic support to business growth in their municipalities through promoting innovativeness and competitiveness of SMEs, and Industrial Park and Business Incubator Cluster Developments*

### **Business Incubator Centre (BIC) in Vranje**

The contract for provision of machinery for one of two new tenants was signed in early August. A plywood formalizer machine for furniture production was delivered in September and three jobs were opened immediately. In September, the third tranche was transferred to BIC enabling procurement of machinery for the second tenant. This tenant topped 5,000 Euros available from EU PROGRES with his own 5,000 Euros and a commercial credit in the same amount in order to procure the complete equipment needed for his new business.

Further, in efforts towards achieving sustainable functioning of the BIC on a long run the BIC begun action on creation of 1) Sustainable business plan for the next 3-5 years; 2) Mapping of services and processes in the BIC and 3) Conceptualizing and starting distant incubation services. Furthermore, EU PROGRES Local Economic Development (LED) expert has provided support for development of a project for distant incubation in the entire Pčinja District, primarily targeting Roma population. The concept was submitted to EU PROGRES on 28 September. This is a part of efforts to enhance sustainability of the BIC.

### **Clusters**

EU PROGRES organized cluster training and workshops for all three cluster initiatives in August. This was followed by visits to future cluster members and collection of data and information needed for development of cluster business plans. All events have been supported and facilitated by the RDAs from Novi Pazar, Leskovac and Niš, which have been worthy partners in this process. However, following the changes of local governments during the summer, the new management of the RDA “South” in Niš decided to step out of the Radan Mountain Tourism Cluster initiative. Since voluntary participation of members is crucial for the success of any cluster, this move will not impact negatively further work.

Radan Mountain Tourism and Agro-Pešter clusters have scheduled Founding Assembly meetings for early October. This is the last step to be completed before submission of registration acts to the Agency for Commercial Registries (APR) i.e. formal establishment of the clusters. As for the South Serbia Fruit cluster, the founding assembly session cannot be expected any time prior to the end of October due to the fact that the final list of founders and text of founding members statute have not yet been agreed due to potential founders’ business obligations connected to the fruit season.

### **Competitiveness Baseline Study**

Terms of Reference for the Competitiveness Baseline Study was finished during August and sent to donors for review and consideration. The study should show the current state of affairs and rank

<sup>45</sup>Photographs and video of works are available at EU PROGRES.



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the competitiveness of municipalities in the South and South West Serbia when it comes to attracting investment, managing development projects, but also dealing with public finances and identifying priorities for administrative reform processes.

### *2.3 Technical Assistance to municipalities in establishing 'One Stop Shops' and simplifying administrative procedures for small and medium sized businesses*

Following PSC approval to annex the contract with the Regional Development Agency Kragujevac to expand the One Stop Shop (OSS) establishment onto Novi Pazar and Ivanjica, all necessary documents were prepared and submitted to Copenhagen for approval (expected in the first week of October).

In Vranje and Leskovac, the municipal working groups were formed and held first meetings; offices were assigned for OSS in the existing CAC, which will further enhance the service delivery to citizens. In both cities the initial draft design for premises adaptation is in preparation.

The "Protocol of cooperation between local self government and public utility companies" was endorsed in September. The Protocol will regulate communication procedures and deadlines for completion of steps within the permitting process through specialized web based software.

The work plan foresees that the opening of the OSS offices in Vranje and Leskovac can be expected in January 2013, while the Novi Pazar and Ivanjica OSS can be expected by the end of March 2013. The opening of the OSS should enable shorter and less complicated issuance of building permits, meaning easier and cheaper start of construction and/or business doing.

### *2.4 Support to LSG to improve the rates of collection of property taxes*

With the exception of Priboj and Lebane all local tax administration (LTA) projects finished at the end of August. In Lebane, there were significant savings and the municipality requested additional 15 days extension for appropriate budget revisions and reallocations within the approved budget, so the project was extended till mid-September. Priboj had problems with procurement of LTA database software from the Institute Mihajlo Pupin. Since the Institute is the sole provider of this software, they have misused their monopolistic position and submitted an offer, which is not in line with the municipal needs and requirements and is outside of all legal procedures when it comes to a transparent public procurement. The municipality was advised to initiate a direct negotiation process or to re-advertise the tender in line with valid legislation. The procurement of the database software extended the project till the end of November.

The second phase in Žitorađa started in the first week of September. An increase of another 850 – 900 registered taxpayers from the rural areas of the municipality is expected.

The cumulative total number of registered taxpayers, in all eleven municipalities, increased by over 12,500. On average, this represents 18% increase over the total number of taxpayers. This should cause and expected average (realistic) increase of 10% in local tax revenue collected over the next year. For example, prior to intervention Sjenica had 2,870 taxpaying households. Just after a month work it has 3,000 while the end results will be significantly higher. In Priboj, e.g., after initial data collection 5,747 tax payers have been recorded in urban area only, while the number of all tax payers in the municipality, including rural areas, in 2011, was 5,698. However, the exact data in terms of increased tax collection and realized revenues will be available in March 2013 when the municipalities finalize their Annual Financial and Budget reports.

### *2.5 Support LSG to implement Programme budgeting*

Thirteen municipalities sent letters to EU PROGRES in July, expressing their interest to participate in the programme budgeting and capital investment planning (PB & CIP) process<sup>46</sup>. The preliminary

<sup>46</sup> Novi Pazar, Medveđa, Kuršumljija, Leskovac, Vlasotince, Nova Varoš, Bujanovac, Prokuplje, Preševo, Priboj, Raška, Sjenica and Trgovište.



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selection was concluded based on the criteria in previous participation in similar activities (participatory budgeting), participation in the study tours organised in May, dispersion of EU PROGRES activities, sequenced approach and territorial coverage. Five municipalities were recommended: Medveđa, Vladičin Han, Raška, Nova Varoš and Vlasotince.

Tender for PB & CIP implementation in five municipalities was closed on 24 September, following a ten day prolongation due to low numbers of received offers (only two). As no new offers were received during the extended period, the two received offers were opened in the last week of September. The technical evaluation is ongoing and contracting can be expected in early October, whilst the start of activities is planned for 15 October.

The final confirmation of the selection of municipalities will be done in consultations with the chosen contractor.

### *2.6 Introduce Quality Management System in Municipal Administration*

The first round of meetings was organised by the Faculty of Organizational Sciences (FON) in five municipalities: Bujanovac, Surdulica, Prokuplje, Novi Pazar and Ivanjica to present standards, how are they measured, ISO classification, obtaining of certificate and preparation process. The importance of political goodwill and support in this process was emphasized.

The municipal QMS task force groups in Ivanjica and Surdulica already produced the first municipal services and municipal process catalogue (drafts) and are ahead of the schedule. Novi Pazar has appointed the task force members and will complete the catalogues during October, while Prokuplje and Bujanovac haven't made any progress due to political instability. Namely, the task force members in Prokuplje have been changed, while Bujanovac hasn't even appointed them in anticipation of ruling coalition changes. The implementation in these two municipalities is put on hold until stabilization of political circumstances and confirmation of key municipal staff appointments.

### **Result 3: Capacities for planning municipal and regional sustainable development strengthened and relevant development documents created**

Key outputs:

- Delivery of geodetic instruments to Leskovac and Novi Pazar completed
- Works on water supply pipeline construction in Čoška Roma settlement in Vranje started

#### **Activities:**

##### *3.1 Support to municipalities in preparation of spatial, urban and waste management plans*

#### **General Regulation Plans (GRP)**

Nova Varoš GRP is with the line Ministry waiting for endorsement. However, due to post-election changes and new appointments, the Commission hasn't worked over the past month and all urban documents submitted since 1 August are on hold. Having in mind that the last technical and financial details of the GRP production process were completed in late May /early June, and that the only remaining task is the GRP adoption at the local assembly, this project will be operationally closed over the next month.

Priboj draft GRP has been submitted to the municipal planning commission for review.

Prijepolje draft GRP has entered the public review stage, which will end on 17 October.

In Bujanovac the contractor has prepared the final draft of the elaborate and will most probably have it ready for public review by mid October.

GRPs for Kuršumlijska and SijarinskaBanja, from the third call, have been contracted and the implementation will start on 1 October.

#### **Detailed Regulation Plans (DRP)**

Raška draft DRP has been prepared and received by the municipal planning commission. Upon endorsement the plan will enter the public review stage.



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Tutin draft DRP has been submitted to the municipal planning commission for review and endorsement.

Ivanjica DRP was scheduled for the planning commission meeting for the first week of September. However, due to new appointments and personnel changes in the planning commission, the meeting still did not happen thus causing the first delay in the implementation of this project.

Tenders for Trgovište DRPs for the Industrial Zone and the Sport Centre were advertised and subsequently extended. The opening is scheduled for the first week in October.

Two DRPs in Vranje, for Neradovac and Bunuševac, were contracted, the first tranches were paid and the implementation started.

Two DRPs for the Industrial zone in Vladičin Han and one for border crossing in Bosilegrad have been contracted and implementation will start on 1 October. Vladičin Han DRP for Jovac and Kukavica were extended till the end of January 2013 due to delays caused by the contractor.

Draft DRP for Blace Centre I was submitted and is being reviewed by the municipal planning commission.

Tender for DRP for Brestovac Lake in Bojnik was finished. Contract is expected in early October.

The delivery of geodetic instruments for Novi Pazar and Leskovac was completed by 15 September.

### **3.2 *Re-conceptualized. Assistance to municipalities to establish effective and sustainable mechanisms for capital investment planning***

The Capital Investment Planning process will go hand-in-hand with the implementation of the Programme Budgeting. Please refer to 2.5 for more info.

### **3.3 *Support to LSGs in planning to improve citizen access to key public services and social welfare entitlements regardless of citizenship status or ethnicity***

Grant agreement for the Čoška settlement in Vranje was issued in August 2012 and the works on the construction of the primary supply pipeline started on 24 September. The works should be completed over the next two months bringing fresh water to some 30 households, eight of which are Belville re-settlers. The project will effectively increase the quality of housing and life in the settlement.

Novi Pazar voted to declare Blaževo as a temporary settlement under the auspices of the valid urban acts of the City, enabling licensed infrastructure works to commence when time is due. However, despite earlier assurance that the hydro-geology survey for finding a suitable water source for an independent water supply system started, it was learnt in September that nothing was done to that effect. EU PROGRES immediately considered alternative actions and started looking into possibilities to change joinery and insulation on the existing houses in the settlement. Such an action would enhance the housing and living conditions through increased energy efficiency. A meeting is scheduled with the Mayor of Novi Pazar for the beginning of October to agree the final approach. Finally, Roma settlement activities led Novi Pazar and the Commissariat for Refugees to complement the EU PROGRES supported activities. Coordination meeting will take place in October to define contribution of each stakeholder.

## **Component 3: Physical, economic and social infrastructure**

### **Result 4: Projects and project documentation prepared for key economic, environmental and social projects**

Key outputs:

- Banjica Landfill – the mayors of Priboj, Prijepolje, Nova Varoš and Sjenica agreed imminent action plan for establishing a common PUC to manage the Landfill. Containers delivered to Priboj and Prijepolje



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- Technical evaluation of offers for development of the main design for Meteris Landfill and Bypass road to the Industrial Zone in Vranje
- Contract signed with Vodotehnika for the preliminary design with feasibility study for the Waste Water System for Kopaonik. Offers received for Technical Study of Underground Drinking Water Reserves for Raška are being evaluated
- Recycling centres: in Raška main design completed. In Nova Varoš, works on geodetic survey started. Vranje grant administratively closed

#### Key outcomes:

- People inhabiting municipalities that are a part of Banjica Landfill are aware of the advantages and the income generating opportunities that recycling offers, while the municipalities are aware of the importance of the regional approach in waste management

#### Activities:

##### *4.1 Support to prepare documentation for inter-municipal economic, environmental and social infrastructure projects*

**Banjica Landfill** – work on redesign started and should finish by the end of November. A presentation was organised for all four mayors (Prijepolje, Priboj, Nova Varoš and Sjenica) in September, upon their request for update on all activities regarding the redesign, and it included information on integrative regional waste management solutions. Imminent action plan for establishing a common PUC Banjica Landfill was agreed: by 10 October, all municipal Assemblies to adopt a decision to form the common PUC “Banjica”; by 20 October, Prijepolje will organise the next meeting where the contract for founding PUC “Banjica” will be signed by the four mayors; by 15 December, all municipalities will adopt the Statute of PUC “Banjica”; Sjenica and Prijepolje to appoint persons for direct contact with EU PROGRES regarding this project (Nova Varoš and Priboj have already done so); furthermore, by the beginning of October, all municipalities should name contact persons for technical aspects of the project, from local PUCs; the project coordinator will be from Priboj, for all four municipalities.

Following the meeting, minutes were forwarded to the OSDUA who expressed willingness to coordinate the establishment of the PUC. OSDUA will organise the follow up meeting with four municipalities planned for mid October.

**Containers** were delivered to Priboj and Prijepolje.

**Sjenica transfer station** – the municipality informed EU PROGRES that the location for the waste disposal exists in the draft spatial plan; however the Assembly has not yet adopted the plan. As the land belongs to the Forests of Serbia, the municipality sent a letter to the Ministry of Finance, requesting permission to declare public interest over the location for the transfer station.

**Meteris Landfill** – upon closing date (7 August), four offers were received in tender for development of main design with EIA. Evaluation of bids is in progress.

**Development of main design for the bypass road to Industrial Zone in Vranje**– seven offers were received by the closing date and a contract soon issued.

**Waste Water System for the National Park and Tourism Centre Kopaonik**–following evaluation of offers and contract signing with Vodotehnika Belgrade for the preliminary design with the feasibility study, preliminary activities started (surveys and data collection).Vodotehnika will deliver the concept solution by mid October.

**Technical Study of Underground Drinking Water Reserves for Raška Municipality** – the request for proposals (RFP) had to be re-advertised in August as only one offer was received. Tender was closed in mid-September and the technical evaluation of offers is ongoing.



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#### *4.2 Support selected municipalities to prepare documentation for municipal economic, environmental and social infrastructure projects – SLAP data base*

##### **Recycling Centres**

**Raška** – Envitech completed technological design and presented it to the municipality. In September, the main design was finished. Tender for technical control of the main design is in progress; deadline for the technical control is the end of October.

**Nova Varoš** – Envitech completed technological design, and included the comments from the municipality. The recommendation is that the full main design is not necessary, and that simple adaptation of the buildings is sufficient to accommodate the equipment. Envitech also delivered specification of the key equipment to EU PROGRES. Nova Varoš started working on geodetic survey and the technical documentation for the adaptation of the building. EU PROGRES facilitated coordination between the CLEAN project, the municipality and the design company to make sure that overlapping does not happen. CLEAN, which implements projects from Cross Border Cooperation between Serbia, Montenegro and Bosnia and Herzegovina, vowed to partially equip the recycling centre. Confirmation in writing is expected in early October.

The Project Officer for Banjica developed a proposal with revised activities that include the promotional campaign. This was considered necessary, as there were signals from the citizens that they would not accept the recycling centre in the neighbourhood. The proposal envisages engagement of a consulting company. The revised budget, which includes promotional activities was submitted by the municipality on 21 August.

**Vranje** – grant closed. The City has sent an official request to the line Ministry to enquire about the validity of the contract previously signed for the construction and the equipment of the recycling yard. No official answer has been received yet, only an explanation that the contract was on stand-by.

**Development of Technical Documentation** – after long delays, Tutin and Novi Pazar submitted project proposals and scope of services for development of main designs (five for Novi Pazar and three for Tutin).

Out of four contracts to be directly tendered through EU PROGRES, grant contracts were issued for two: Nova Varoš and Trgovište. Tenders have been re-advertised for other two designs - Jošanička Banja and Prokuplje, due to big difference in prices from the received offers. This indicated that the ToRs should be improved.

For seven grants signed already: design companies continue work on main designs on five: Bosilegrad, Vlasotince, Vranje, Ivanjica and Leskovac. Bujanovac is still waiting for the water management company's approval to tender. Blace advertised for the main design for extension of the kindergarten, selection of the design company is due in October.

#### ***Result 5: Project financing facilitated through enabling contacts with ministries, donors and other projects***

##### **Activities:**

##### ***5.1 Support inter-municipal partnerships to develop project finance plans***

The legal expert and the economist work on organizational model and founding documents as well as the business plan for the Pešter Agro Business Development Centre. The meetings with the stakeholders took place during September, where the experts presented different modalities. The municipalities agreed that the Centre for Rural Development, established with the OSDUA support, becomes the core of the new enlarged Pešter Agro Business Development Centre. Its founding documents will be the basis of the new founding documents for the Centre. The new Centre will be registered by the end of November. It will be a legal entity able to receive the laboratory equipment



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that the Czech Development Agency (CzDA) will donate as a part of the Pešter Development Project. The business plan for the future Centre will be finished during October.

### **Result 6: Selected projects financed and implemented through PROGRES**

Key outputs:

- Toplica infrastructure – Blace published tender for the entrance to health clinic. Grant agreement is signed for the water supply project in Džepnica village. In Kuršumljia works are ongoing on the Laboratory; tender for external works on the Sports Hall re-advertised; grant agreement for the construction of green market is signed. Žitorađa is preparing tender package for the construction of the dairy market. Prokuplje evaluated offers for Straževačka River
- Small municipal infrastructure – works finished on 15 projects; works ongoing on six projects; two grant contracts signed
- Leskovac Green Zone – works on utility infrastructure are 98% finished
- Pešter Development project – final version of preliminary design completed and accepted by the Urban Department in Sjenica; tender for preparatory works published; development of detailed regulation plan for the parking lot in Melajein progress
- Surdulica prepared tender documentation for water supply to Roma settlement in Jelašnica
- EU PROGRES advertised for the procurement of the effluent meters for Pčinja District
- Grant agreement was signed for WWTP Trgovište
- Tender for clearing land to establish orchard within Pčinja District Regional Fruit Production Centre project was advertised

### **Key outcomes:**

Equipment delivered to Nova Varoš resulted in 2,779 dental examinations in the first nine months of 2012 (compared to 1,883 for the entire 2011), 1,440 tooth fillings implanted (808 in 2011), there were 448 ultra sound examinations of pregnant women in six months (compared to 592 in 2011). In Bosilegrad, 48% of population is included in waste management collection following provision of specialised truck, compared to 30% before the project. In Prijepolje, biomass boilers were put in place to heat municipal building, kindergarten, School of Economics and Technics and Museum, which will decrease energy loss, decrease greenhouse gas emission and improve management of wood waste. It is estimated that the municipal budget will have savings of 20% for heating.

Furthermore, although not registered in the project accounts, municipal co-funding for small infrastructure projects is higher than the amount signed in the grant agreements. E.g.: Tutin signed contracts worth seven million dinars for additional improvement of heating and electrical systems for the kindergarten; Priboj signed additional contract for 1.4 million dinars for the Museum, to utilise the attic as well; Sjenica invested additional seven million dinars to improve electrical installations at the pump station and at the water source; Raška signed contracts worth 8.7 million dinars for additional improvement on heating systems, energy efficiency and landscaping for the kindergarten; Surdulica signed another contract worth four million dinars to construct additional utility rooms for the sports hall; Prijepolje signed additional contracts worth 1.3 million dinars to renovate boiler rooms where the new boilers were installed; in Blace the Ministry of Education paid additional 2.1 million dinars for the sewage and water maintenance works at the school.

### **Activities:**

#### **6.1 Implementation of small municipal infrastructure projects in Blace, Kuršumljia, Prokuplje and Žitorađa municipalities**

**Kuršumljia:** construction of the Laboratory in progress; offers received in tender for the Sports Hall were much higher than estimated so the municipality had to re-advertise; the municipality finalised another proposal for the construction of green market, approved in April 2012, which enabled signing of the grant contract.



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**Blace:** school toilets grant was closed after technical commissioning. Apart from better sanitary-hygienic conditions for 711 pupils, it is estimated that the risks from infections will be decreased by 60%. There were delays in preparing tender documents for the extension of the entrance to the emergency clinic project, due to lack of staff in municipality; tender was published in September. In August Blace finally got positive reply from Forestry Serbia to proceed with issuing the location permit for the water supply project in village Džepnica, which enabled signing of the contract.

**Prokuplje:** evaluation of offers collected during public tender ForStraževačka River was finalised; however one company filed a complaint and the final decision on contractor is due in mid October.

**Žitorađa:** commissioning of works on stadium stands and handover were completed. For the reconstruction of the dairy market project, the municipality contracted independent company for project management and is preparing the tender package.

### 6.2 Call for proposals for small scale municipal or inter-municipal projects

**Implementation of 20 grants:** works are finished on 12 projects, in Novi Pazar, Leskovac, Nova Varoš, Prijepolje, Vladičin Han, Priboj, Lebane, Bosilegrad, Surdulica, Bojnik, Vranje and Sjenica. For six projects works are going on: Raška, Tutin, Trgovište, Preševo, Medveđa and Ivanjica.

**Impact is already seen** in finished projects. For example, in Nova Varoš, 2,779 dental examinations were conducted since delivery of the equipment (compared to 1,883 for the entire 2011), 1,440 tooth fillings implanted (808 in 2011), there were 448 ultra sound examinations of pregnant women in six months (compared to 592 in 2011). In Bosilegrad, 48% of population is included in waste management collection following provision of specialised truck, compared to 30% before the project. In Prijepolje, biomass boilers were put in place to heat municipal building, kindergarten, School of Economics and Technics and Museum, which will decrease energy loss, decrease greenhouse gas emission and improve management of wood waste. It is estimated that the municipal budget will have savings of 20% for heating.

Vlasotince selected the contractor, works scheduled to start in October. Novi Pazar did not finish tender documentation. Currently, the project has been delayed for two months and EU PROGRES engaged an engineer to revise the mechanical design. The project implementation overview is attached as Annex II, attachment 2.1.

### 6.3 Financially and technically support the implementation of the projects of inter-municipal or national importance

**Leskovac Green Zone** – works on utility infrastructure slowed down in July as the contractor was trying to negotiate with the City price adjustment for bitumen. Two meetings were held with the grant manager and supervisors to clarify the obligations under the grant contract. The Mayor was advised how to handle the problem – cancel the contract and advertise for bitumen. In August, the Mayor agreed to pay extra from the City budget rather than use the contractual clauses and availability of the funds from the project budget. At the end of September, works on utility infrastructure are 98% finished and the handover and commissioning of works is expected in the first half of October. The contract expired on 30 September and will not be extended. The remaining 200,000 Euros are sufficient to complete all the works as per contract between the City and the contractor. The City was given 10 October deadline to come up with the project proposal for works related to the Green Zone (roundabout, fence, or similar) after which the money would be reallocated to other activities.

In October, Leskovac Assembly is expected to adopt the criteria for future investors in the Zone and agree which of the four suggested organisational modalities (developed by the EU PROGRES expert) will be used.



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**Pešter Agro Business Development Centre project** – Čačak Faculty of Agronomy drafted the feasibility study in July and forwarded to EU PROGRES expert who advised most of the sections were well written and pointed to two flaws: the lack of water supply analysis and exaggerating the size of laboratory. The study was adjusted accordingly and resubmitted to EU PROGRES.

Tutin Municipal Council adopted decision to develop detailed regulation plan (DRP) for Melaje parking lot, and works are in progress.

The “Kontra Studio” completed preliminary design, accepted by the Urban Department in Sjenica and SEDA. Tender for preparatory works is published, closing date 2 October. The selected contractor will finish earth works and prepare the foundation slab for the prefabricated building structure by the end of October. Tender for the building works will be published beginning October. CzDA visited the area on 30 and 31 July and it was agreed that they would procure half of the laboratory equipment this year.

Grant agreement with Surdulica was signed in August for **Water supply to Roma settlement in Jelašnica village** and Surdulica prepared tender package.

EU PROGRES advertised for the procurement of **effluent meters for Pčinja District**.

#### *6.4 Implementation of municipal infrastructure projects in Pcinjski District municipalities*

##### **Establishment of Pčinja District Regional Fruit Production Centre**

Vladičin Han, the lead municipality in the initiative, signed the project proposal and allocated land for the experimental orchard - a fully-grown, neglected apple trees orchard covering 1.16ha area. Clearing of the site in order to establish new orchard costs up to 30,000 Euros. Since clearing has not been previously envisaged by the proposal a letter was sent to the Mayor proposing two options: 1) the municipality clears the site and uses/sells all trees by the end of September, or 2) EU PROGRES procures for works and the money comes from the budget line: procurement and distribution of tree seedlings to registered households. The municipality agreed with the option 2.

The activities on establishing the orchard must be split into two tenders: for the site clearance and for the design and planting. The tender for site clearance was published, while a short term expert is engaged to develop the ToR for the establishment of the experimental orchard. Furthermore, Vladičin Han sent a request to all Pčinja municipalities to provide a list of potential registered fruit producers who could be project beneficiaries. The tender for design and planting of the orchard should be published by the end of October 2012.

##### **Waste Water Treatment Plant (WWTP) Trgovište**

Trgovište prepared full proposal answering all questions regarding sustainability and affordability of the system raised by the PSC voting members in July meeting. The grant agreement was signed in late September. A consultant will be assigned to the municipality to support preparation of tender documents. Public procurement is expected in November.

#### **Component 4: Public awareness and branding of areas**

##### **Result 7: Awareness of the need for, the logic of, and the effects of changes communicated to a broad public**

Key outputs:

- Second Annual PSC meeting successfully organised in Raška with more than 70 participants
- Annual Report in Serbian and English finalised and available at EU PROGRES website. Executive summary of the Report translated into minority languages
- Annual Newsletter distributed to over 1,000 e-mail addresses
- New Facebook page available at <http://www.facebook.com/EUPROGRES>



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- Thirteen articles on gender equality published within Sandžak Danas compared to 12 planned by the project
- Plan for visibility events for the last quarter in 2012 prepared
- ToR for purchase, transport and instalment of signboards for municipalities advertised
- Preparations for Calendar Competition 2013 started
- Communication plan for Nova Varoš recycling yard prepared
- ToR for “Bringing Europe Closer” campaign advertised
- Good Governance film documentary broadcast 49 times on more than 20 TV stations

#### **Key outcomes:**

- Increased awareness of Programme’s objectives and activities as well as donors’ support to the South and South West Serbia
- Municipal websites more transparent, allowing participation of citizens and wider accessibility to marginalised population
- Good quality of EU PROGRES website content resulted in 120% increase of visitors compared to the same period last year

#### **Activities:**

##### *7.1 Communicate Achievements of Governance, Municipal Management, Development Planning, and Infrastructure Components*

The **Second Annual EU PROGRES Steering Committee** meeting was successfully organised in Raška, with more than 70 participants, including donors and municipal officials. The press material prepared by the Programme and the Programme Manager interview to local media resulted in over 40 media stories in the national newspapers Blic, Danas and Privredni pregled, news agencies FoNet and Beta, regional media Radio Sto Plus, Sandžak News, TV Jedinstvo, TV Forum, TV Novi Pazar and TV Raška. The meeting venue was decorated with large printed photos depicting projects funded through EU PROGRES.

**Annual Report** in Serbian and English was posted on the Programme website together with the Executive Summary in minority languages (Albanian, Bulgarian and Roma).

The **Annual Newsletter** was distributed in September, to over 1,000 e-mail addresses in English and Serbian. The issue contains overview of EU PROGRES outcomes during the second year of implementation, including four real life stories about finalised projects: educational-therapeutic Centre “Sunce” in Ivanjica, benefits from new CAC in Trgovište, elementary school in Kumarevo and EU PROGRES calendar competition. Besides positive feedback on the contents and design, two regional media reported about the new issue of the newsletter – Radio Sto Plus and Sandžak Press.

EU PROGRES **Fast Facts in English** were finalised. The attractive, two-page, document contains all basic information about the Programme. The Fast Facts in English will be printed digitally as needed. Publication “**Obstacles to Infrastructure Development**” is in the final stage of preparation and should be ready by the end of October.

The **Programme website** [www.euprogres.org](http://www.euprogres.org) was hacked in July by the so called "Albanian Hacker's Terrorist". EU PROGRES Communications Team reacted quickly by removing the hacker’s page with nationalist messages, Albanian flag and machine gun sound effects. The website was fully restored within two days. All Programme news, photos, videos, tenders, job adverts and blogs on developmental topics have regularly been posted to the website.

New **Facebook page** was launched at <http://www.facebook.com/EUPROGRES>. The page contains all relevant information about EU PROGRES, and donors’ logos are clearly shown in the profile picture.



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Preparations for **Calendar Competition 2013** are being finalised. This year, the secondary school students will visually present their views on Europe and their homeland within “Welcome to my Europe” theme, which provides wide opportunity for illustrations on culture, youth, sport, food, science, cities, nature, etc. The competition will be advertised in October.

**Sandžak Danas** project is in its final stage: the second narrative report will be submitted in October and will be followed by the final payment. So far the newspaper has published 13 articles on gender equality compared to 12 that were planned by the project.

EU PROGRES has been supporting **Nova Varoš** in drafting Terms of Reference for a **public relations (PR) campaign** following rumours among the inhabitants that the recycling centre in the town would become a landfill. The campaign is supposed to be educational and inform people on the benefits of having a recycling centre in their municipality. The municipality is looking to hire an agency to implement the campaign.

The Programme is supporting **Prokuplje Festival of Children’s Creativity FEDES** to prepare visibility materials: logo, posters, billboards, leaflets, TV advertisement, radio jingle, plaques for the winners and costumes for the choir. The Festival will be organised in November, in Toplica municipalities.

As for **wider visibility efforts**, the staff received new EU PROGRES business cards and the ToR for purchase, transport and instalment of signboards for municipalities was advertised and closes on 22 October. A list of projects that will finish in near future has been used as a basis for a visibility plan for the last 2012 trimester. The plan was shared with the donors in order to allow for timely planning of visits in the coming months.

## *7.2 Information-education and/or advocacy campaigns are implemented in partnership with civil society*

### **Good Governance Campaign**

The **film** about good governance was broadcast 49 times on more than 20 local and cable television stations throughout Serbia, including: Novi Pazar, Kragujevac, Kraljevo, Zrenjanin, Šabac, Loznica, Vršac, Bor, Kruševac, Aranđelovac, Raška, Prijepolje, Bosilegrad, Blace and Priboj. The documentary was also uploaded on YouTube and Programme website, it was promoted through social networks and with a press release distributed to media.

Analysis of municipal **websites** and recommendations how to align them with the good governance principles was done. So far: Ivanjica included sound to enable persons with impaired sight to follow the presentation; Bojnik, Nova Varoš, Sjenica and Leskovac introduced an option to directly contact the Mayors from their homepages; Žitoradja, Tutin, Surdulica and Novi Pazar uploaded their budgets for this year; Nova Varoš uploaded municipal newsletter and introduced a question on priorities for investment. Furthermore, in September, a seminar was organised for local officials and web administrators in order to present ways on how to provide better services to citizens and increase transparency of local self-governments.

Concept for **Open Door activity** was prepared in order to provide municipalities with mechanism for increasing transparency and citizens’ participation.

Texts with facts about good governance in Preševo and Medveđa were translated into Albanian.

Finally, there was a no cost extension of the contract with the campaign implementers, BIRN and Executive Group, until 4 November, due to changes in the local self governments and as some campaign events will gain higher visibility if organised in the autumn.



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## Bringing Europe Closer to the People of the South and South West Serbia Campaign

ToR for the second campaign “Bringing Europe Closer to the People of the South and South West Serbia” was finalised as per comments received, and advertised. The start of the campaign is expected at the end of November 2012.

### **Result 8: A plan to develop the areas’ images and self-images as unique regions of Europe is established and implementation begun**

Key outputs:

- Blace Plum Festival attracts a record of 100,000 visitors

Key outcomes:

- Increased income in Blace resulting from the activities connected to Blace Plum Festival: e.g. the number of overnight stays doubled compared to previous years

### **Activities:**

#### *8.1 Designs of plans and implementation of projects for image building in partnership with relevant organisations*

In July four contracts were signed for four branding projects – Blace Plum Festival, Golija Lakes Myths and Legends (Ivanjica), Vlasina Health Factory (Surdulica) and Novi Pazar Way of Living. Proposal for the Cherry Festival (Leskovac) was re-submitted according to EU PROGRES comments, however it has been decided to provide technical support to the applicant in finalisation of the bid. Contract will be signed upon satisfactory completion of the proposal.

**Blace Plum Festival**, which was held from 23 till 26 August, celebrated its tenth anniversary this year and a record visit of 100,000 (last year it was 60,000). The main objective of the project is to support branding/promotion of Blace and Toplica fruit potentials as well as to attract visitors to the area. Along with the Festival, there were six lectures on robotisation in agriculture, ecological safety of agricultural products, new technologies in plum processing, new standards in plum growth, health protection of fruit and writing of a business plan, which gathered more than 200 participants. The competition for the best young entrepreneur in agriculture had nine contestants, for the first time there were two women. The organisers used every opportunity during events to thank the EU and the Government of Switzerland for support. Visibility was also ensured through billboards, posters and promotional materials. EU PROGRES put efforts to mitigate possible risks – for example to influence local government to avoid drinking contest as well as to use the Festival to promote safe driving. No negative reports were registered.

Following the Festival, the first narrative report was submitted and audit visit finalised which allowed for the processing of the second tranche. Remaining activities include preparation of the brochure and equipment for the Info Centre.

**Vlasina Health Factory** and **Golija Lakes Myths and Legends** projects have received first tranches. The EU PROGRES engineers are engaged in preparation of technical specification for two tenders as both Vlasina and Golija projects are procuring outdoor furniture, intended to improve tourism infrastructure.

The first tranche for **Novi Pazar Way of Living** project was processed in September following payment of the City’s contribution. Technical support was provided to grantee to translate project contract from English to Serbian. The City is preparing activities in consultation with the EU PROGRES.



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The contract with Yellow Railroad consultancy was closed after the consultancy completed all obligations and redrafted five branding plans. The plans will be further developed in consultations with local stakeholders.

## 4 Management and administration

### 4.1 Procurement

EU PROGRES was compliant with the Q2 accrual verification process by the United Nations Office for Project Services (UNOPS) headquarters.

Project Inventory status was updated, forms for the transfer of equipment to project beneficiaries drafted.

Summaries of tenders/tender status and grants are available in Annex IV, attachment 4.1.

### 4.2 Human resources

Good Governance Coordinator resigned as of 30 September 2012. The vacancy was advertised and interviews for replacement are scheduled for 4 October. After meeting with the newly appointed director of the Office for Human and Minority Rights, the contract of the Assistant for National Minority Councils was extended until 31 December 2012. Summary of all recruitments is available in Annex IV, attachment 4.2.

EU PROGRES Learning Plan was submitted to Europe and Middle East Regional Office (EMO) for review, and learning funds were approved in the amount of 1,500 USD from the corporate budget.

### 4.3 Finance

Exchange rate fluctuation and commitments level are carefully monitored. Request for the third EU payment was submitted in August, transfer is expected in October/November.

Verification of expenditures for grant agreements is in progress.

Voucher compliance sample for Q1 and Q2 sent to EMO in July. Still awaiting comments.

EU PROGRES mid-year review and UNOPS delivery target reviewed. Programme should hit the target for 2012 set at 7.2 million USD.

After consultations with donors and Mid Term Evaluation process, decision made to prepare a No Cost Extension Proposal. The proposal should be ready by mid October.

After slow July and August, delivery in September picked up – total paid during the month was 825,352 Euros.

### 4.4 Security

In mid July, Programme's website [www.euprogres.org](http://www.euprogres.org) was hacked by the so-called "Albanian Hacker's Terrorist". The hacker's page contained nationalist messages, Albanian flag and machine gun sound effects. The website was fully restored within two days.

### 4.5 Logistics/travel

On 13 August, while travelling on official duty in the SWS, a staff member lost control of the vehicle and skidded off the road. No injuries occurred. Damage of the project assets will be covered by the insurance company.

### 4.6 ICT

All ICT equipment is functioning normally. Antivirus software licenses have been extended, UPS devices have been serviced and batteries replaced.



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## 4.7 General

There was a monitoring mission by the Swiss Agency for Development and Cooperation (SDC) Finance and Administration Officer. The report positively assessed implementation of grant methodology in terms of capacity building as well as introduction of some international practices in projects implementation, such as FIDIC contract modality. EU PROGRES will consider report recommendations, primarily referring to conduct of cost benefit analysis and introduction of independent audits of municipalities.

EMO Regional Director and EMO Deputy Regional Director visited projects in Serbia during September. One of the outcomes was approval of 25,000 USD for UNOPS activities in Serbia in 2012. EU PROGRES was compliant with the quality assurance exercise conducted by the EMO.

A number of EU PROGRES staff attended a meeting with the UN Secretary General during his visit to Serbia in September.

## 5 Visibility

The Log Frame envisaged 200 media reports per year; only in this quarter there were more than 275. Full details of media coverage are available in Annex III, attachment 3.1.

In **July**, there were more than 100 media reports, which was a 100% increase compared to May. Most were about the Annual Steering Committee meeting (over 40, including Blic, Danas and Privredniprojed, and four interviews by the Programme Manager), preliminary announcement of EU PROGRES support to the reconstruction of Vranje National Theatre (14), development of clusters and branding projects (e.g. nine for Blace Plum Festival). PR interview with the Good Governance Component Manager was published in five different media.

In **August**, over 70 media reports were generated, mostly focussing on the Blace Plum Festival (over 20 in Večernjenovosti, Blic, Press, Tanjug, Topličke vesti, Južne vesti, TV stations Blace and Belami), preparation for establishing OSS in Vranje (ten), start of QMS implementation and infrastructure projects. Within a project with "Danas" daily, there was an article on gender equality, pointing to the fact that no women held mayoral positions.

In **September**, there were over 105 media reports, mainly thanks to the broadcast of documentary film on Good Governance (49 times). Media attention was also focussed on the construction of water supply pipeline in the Roma settlement Čoška in Vranje (seven), opening of the new office for Albanian National Minority Council in Bujanovac (four) and renovation of the library in Vlasotince. All reports had a positive tone, except the neutral one on Banjica waste management project where all delays and problems were pinpointed.

More than half of published reports were based on official press releases and announcements. In all reports, financial support of the European Union and the Government of Switzerland was clearly stated.

Additional visibility for donors was secured through production and distribution of **promotional materials** for projects: 2,250 copies of Guide to CAC Trgovište; 1,000 leaflets for Vranje recycling yard project; 4,000 flyers, 1,000 pens and 50 planners for Lebane filter fields project; one roll up banner for elementary school in Kumarevo; and Blace Plum Festival website [www.danisljive.com](http://www.danisljive.com) with donors' logos on homepage, 200 t-shirts, 25 billboards, 1,000 posters, 10,000 leaflets and one promotional film.



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The **Programme website** attracts approximately 1,700 visitors each month (1,840 in July, 1,562 in August, 1,704 in September). Compared to the same period last year, there is over 120% increase. The most popular pages were vacancy announcements, news, blogs and photo galleries. Most redirections come from Facebook, and the DEU, United Nations Serbia, Blace Plum Days, MISP and municipal Internet presentations.

The **Programme Facebook** group currently has 356 members – about 70 more than at the beginning of the year. In addition, the **Facebook page** provided wider outreach. Page has 59 likes and this number increases daily. According to the insights, the majority of the followers are men (54.2%), and the biggest portion of the audience is between 25 and 44 years old.

## Annex I

[Attachment 1.1 List of projects approved for financing within CIF-2](#)

[Attachment 1.2 CIF-2 projects by theme, municipality and lead organisation](#)

[Attachment 1.3 Overview of CAS services](#)

[Attachment 1.4 Component 1 roadmap October 2012 – June 2013](#)

## Annex II

[Attachment 2.1 Infrastructure projects implementation overview matrix](#)

## Annex III

[Attachment 3.1 Media coverage July-September 2012](#)

## Annex IV

[Attachment 4.1 Summary of tenders/tender status and grants](#)

[Attachment 4.2 Summary of recruitments](#)

## Annex V

[Attachment 5.1 Elections results in EU PROGRES municipalities](#)

[Attachment 5.2 Political map of EU PROGRES municipalities](#)