The European Partnership with Municipalities Programme  
CP/S Number: 2010/242-918. IPA 2010, Serbia

Overall objective:
To contribute to enhanced stability and socio-economic development in the South and South West Serbia.

Purpose:
To enhance governance, municipal and inter-municipal management capacity and social, economic and physical infrastructure in a holistic, area-focused fashion.

Total budget:
18.9 million Euros

Start date:
1 July 2010

End date:
Originally scheduled to end on 30 June 2013 and extended until 31 March 2014

Programme coverage:
Ivanjica, Nova Varoš, Novi Pazar, Priboj, Prijepolje, Raška, Sjenica, and Tutin in the South West Serbia
Blace, Žitorađa, Kuršumlija, Prokuplje in Toplica
Bojnik, Vlasotince, Lebane, Leskovac, Medveđa, Crna Trava, Bosilegrad, Bujanovac, Vlađičin Han, Vranje, Preševo, Surdulica, Trgovište in the South Serbia.

Donors:
The Delegation of the European Union (DEU)  
The Swiss Agency for Development and Cooperation (SDC)  
The Government of the Republic of Serbia

Implementing partner:
United Nations Office for Project Services (UNOPS)

Report date:
14 October 2013

Period covered:
1 July 2012 – 30 September 2013

Prepared by:
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Executive summary

There were no summer interruptions for the Programme – implementation was efficient, the number of delayed projects reduced by half (from 34 to 17), while there was only one critical project. Out of 239 contracted projects, 166 (69%) were completed, an increase of 7% compared to the Q2 2013; 44 (18%) were fully on track; one project was cancelled. To date there are 11 discontinued projects. The total Programme disbursement at the end of September 2013 was 13,457,419.10 Euros or 80.9% of the budget.

After more than a year, the economic crisis has become the biggest challenge for the Programme, along with politics. The Government revised the budget revisions in early July, and cut down the funding for the Ministries and the local self governments, while businesses struggle increasingly to provide liquidity. Using the grant methodology, EU PROGRES mitigated risks, so the Programme has continued with minimum delays. However, the possible effects of economic crises on the overall Programme’s impact, but also on the future projects and development interventions, are worrying.

On a positive note, 112 people were employed jobs over the reporting period – through two kindergarten projects, distant business incubation for Roma entrepreneurs, the Citizens’ Involvement Fund projects and by implementing the local action plans developed with EU PROGRES’ support.

It is also worth highlighting several environmental projects that have been completed: the designs for the Banjica and Meteris Regional Landfills and the Feasibility Study for the National Park Kopaonik create a basis for investments of 17.5 million Euros. Banjica specifically is a good example of inter-municipal cooperation and may also be taken as indicator of enhanced stability in the area.

Speaking about the small infrastructure, previously completed education projects reached full potential during this quarter. For example, the waiting list for enrolment of children in the Raška kindergarten doesn’t exist any longer. Five other small projects were completed: two bringing water supplies to 3500 citizens, two markets and heating for the Sports Hall in Novi Pazar. During the next quarter, it will be the health projects that will bring the good news for the inhabitants of the South and the South West Serbia.

The signing of an addendum to the Swiss Agency for Development and Cooperation contract, worth 402,850 Euros, enables the Programme to continue with support to the local gender equality mechanisms, to give grants for women empowerment and to further encourage women’s participation in local decision making.

Research is an important element of monitoring and evaluating EU PROGRES results, but also for planning of further development programmes and interventions. There are two surveys that are currently underway: the municipal competitiveness and the citizens’ satisfaction. Both surveys should finish by the end of the year and both are implemented in additional nine municipalities that should take part in the Programme that will succeed EU PROGRES.
With almost 300 media reports generated, and nearly 5,000 unique website visitors, the communication can be referred to as intense. Branding projects are starting to show the value. For example, 20 journalists from the national media visited Novi Pazar and prepared some of the most positive coverage that the City has seen in the past years.

The last quarter in 2013 will be intense. The Programme hopes for good weather, which will reduce the risk of untimely implementation of several projects. One of the key tasks will be to closely monitor the Programme finances. The Programme Steering Committee will be continuously informed, as it may need to make some quick decisions to allow for full expenditure in the closing of the Programme in March 2014.
## 2 Acronyms

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<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>ANMC</td>
<td>Albanian National Minority Council</td>
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<td>BDZ</td>
<td>Bosniak Democratic Community</td>
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<td>BIC</td>
<td>Business Incubator Centre</td>
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<td>CAC</td>
<td>Citizens Assistance Centre</td>
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<td>CAS</td>
<td>Citizens Advisory Service</td>
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<td>CB</td>
<td>Coordination Body for Bujanovac, Preševo and Medveđa</td>
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<td>CIF</td>
<td>Citizens’ Involvement Fund</td>
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<td>CIP</td>
<td>Capital Investment Planning</td>
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<td>CSO</td>
<td>Civil Society Organization</td>
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<td>CzDA</td>
<td>Czech Development Agency</td>
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<td>DEU</td>
<td>Delegation of the European Union</td>
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<td>DRP</td>
<td>Detailed Regulation Plan</td>
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<td>DS</td>
<td>Democratic Party</td>
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<td>EU</td>
<td>European Union</td>
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<td>EU PROGRES</td>
<td>European Partnership with Municipalities Programme</td>
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<td>GEM</td>
<td>Gender Equality Mechanism</td>
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<td>GG</td>
<td>Good Governance</td>
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<td>GRP</td>
<td>General Regulation Plan</td>
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<td>LED</td>
<td>Local Economic Development</td>
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<td>LSG</td>
<td>Local Self Government</td>
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<td>LTA</td>
<td>Local Tax Administration</td>
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<td>NES</td>
<td>National Employment Service</td>
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<td>NIP</td>
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<td>NMC</td>
<td>National Minority Council</td>
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<td>OHMR</td>
<td>Office for Human and Minority Rights</td>
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<td>OSDUA</td>
<td>Office for Sustainable Development of Underdeveloped Areas</td>
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<td>OSS</td>
<td>One Stop Shop</td>
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<td>PB</td>
<td>Participatory Budgeting</td>
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<td>Programme Steering Committee</td>
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<td>PUC</td>
<td>Public Utility Company</td>
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<td>QMS</td>
<td>Quality and Management System</td>
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<td>RfP</td>
<td>Request for Proposals</td>
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<td>RNMC</td>
<td>Roma National Minority Council</td>
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<td>SDA</td>
<td>Party of Democratic Action</td>
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<td>SDC</td>
<td>Swiss Agency for Development and Cooperation</td>
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<td>SDP</td>
<td>Sandžak Democratic Party</td>
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<td>SEDA</td>
<td>Regional Development Agency of Sandžak</td>
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<td>SEIO</td>
<td>European Integration Office of the Government of the Republic of Serbia</td>
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<td>SME</td>
<td>Small and Medium Enterprises</td>
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<td>SNS</td>
<td>Serbian Progressive Party</td>
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<td>SPS</td>
<td>Socialist Party of Serbia</td>
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<td>SS</td>
<td>South Serbia</td>
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<td>ToR</td>
<td>Terms of Reference</td>
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<td>WWTP</td>
<td>Waste Water Treatment Plant</td>
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3 Review of Progress and Performance

There were no summer interruptions for the Programme and strong advancements were made during the third 2013 quarter: of 239 contracted projects, **166 or 69% were completed**, which is 7% increase in comparison to the previous reporting period, while 44 (18%) were fully on track, one project is critical; one project was cancelled. The total number of discontinued projects to date is eleven.

Efforts to speed up the implementation and reduce delays were effective: at this stage there are 17 delayed projects, in comparison to 34 at the end of the previous reporting period. This is positive trend and encouraging indicator that the Programme, if no major obstructions occur, is on the way to complete the activities by 31 March 2014.

3.1 Policy and programme context

An overview of relevant developments has been provided in Annex II.

3.2 Progress towards objectives

It has been encouraging to see how numerous projects continue to benefit citizens and the area. For example, all previously completed infrastructure projects in the field of education have clear outcomes: this may mean improved success rates, or reduced number of lost classes, elimination of waiting lists for the enrolment, or enhanced financial contributions by the local or national government. This quarter has been also marked by completion of several important projects that create base for investments into the area, primarily into environment, such as the Main Design for the Expansion of the Vranje Landfill.

On a negative side, economic crisis in Serbia, which reduced Government’s financial capacity, was formalised with budget revision in early July 2013, and may negatively affect Programme’s impacts. The Government already has decreased some of the planned investments into development of Vranje and Preševo Industrial Zones, both of which were supported through EU PROGRES. This did not endanger Programme’s projects for the Zones as they were successfully completed, but will slow down development of these locations.

Despite this challenge, EU PROGRES is moving steadily towards achieving its impact and outcomes, while most of outputs will be exceeded. A more detailed overview of progress towards achievements is available in the update of the Logical Framework in Annex I and in EU PROGRES’ Impact Matrix that is provided in Annex IV, attachment 4.1.

Social Development

There were advancements in the field of social development, in terms of completed projects as well as in continuation of benefits of previously completed actions.

Several projects assisting **vulnerable communities**, and in particular the **Roma**, have been completed and show effects. For example, the project supporting employability of Roma fulfilled its objective: Vranje Business Incubator Centre (BIC), as the implementing partner, provided during this quarter equipment to 17 selected Roma entrepreneurs enabling them to launch businesses and employ 29 persons, with potential to hire more people in the near future. Detailed Regulation Plan for Mala Guba Roma in Prokuplje was completed and essentially creates conditions for legalisation and infrastructure development of settlement with 220 Roma. The partnership projects between the civil society organisations and local self governments, supported through the second round of the Citizens Involvement Fund, have continued to be a productive tool: for example, in Vranje, two persons with disabilities
have been employed to work in a kiosk for photocopying that was provided with EU PROGRES’ support.

In the field of gender, EU PROGRES shifted focus from the establishment of institutional framework to capacitating it. The first of seven projects of local Gender Equality Mechanisms (GEM) that were supported through EU PROGRES gave results: Raška GEM project enabled 16 women to generate income through online sale of souvenirs as well as through visiting touristic and other manifestations.

In the field of education several previously supported EU PROGRES’ projects have reached their potential: the new Ivanjica kindergarten¹, furnished and equipped with EU PROGRES’ support, is fully operational as of 1 October and enabled enrolment of 181 children. Raška kindergarten, which was constructed and equipped with the Programme’s support, started with work on 2 September, enrolled 120 children, and thus the “waiting list” ceased to exist. The director of the Elementary School in Preševo, where joinery was replaced with EU PROGRES’ assistance, confirmed that 2013 was the first school year in which pupils did not miss classes due to low temperature in the classrooms.

Five local infrastructure projects, contributing to improved communal services have been completed. In Sjenica, replacement of asbestos pipelines provided more stable and safer water supply for 2,500 people. In Vladičin Han, replacement of the magisterial water pipeline has reduced losses by 50% and created conditions for connection to water supply network of 250 additional households and 50 businesses. The works on reconstruction of the green market in Kuršumlija as well as equipping of the dairy market in Bojnik have been completed.

These communal projects mean improved living conditions, but also contribute to cleaner and healthier environment. Health is also an area in which EU PROGRES will provide contribution: tenders for the provision of medical equipment to health centres in Leskovac and Surdulica were successful and delivery is scheduled for October. The tender for the provision of equipment for Preševo Maternity Ward is ongoing and should be closed in October, thus enabling the Programme to support this major health sector project of the Government of Serbia in the South of the country.

**Economic Development**

Progress, although uneven, was made on individual projects. The construction of the building of the Regional Centre for Development of Agriculture (Pešter project) has been completed. Systematisation and business plan were adopted and predict the start of the work of the Centre for January 2014 and employment of 14 persons in the first year. The Leskovac Green Zone project advanced in terms of provision of energy supply and completion of the access road, the City is preparing public call to invite investors to set up businesses, while three local entrepreneurs reaffirmed interest to invest into the Zone. The sudden death of Leskovac Mayor’s Assistant, who contributed to these positive developments, abruptly interrupted activities. The Mayor’s new Assistant had been appointed in the second half of September and will continue the started work.

Although the start of the construction of Geox shoe factory in Vranje Free Zone was announced for September, this has not happened because the City tender for ground works

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¹ Ivanjica kindergarten project is example of donors’ synergies: technical documentation was developed through EU and Swiss funded PRO; the construction was funded by the Ministry for National Investment Plan; and the kindergarten was furnished and equipped through EU PROGRES.
was put on hold due to complaints submitted to the Republican Committee for the Protection of Bidders’ Rights. This does not endanger the agreed Geox investment of 15.8 million Euros but proves, once again, the seriousness of risks associated with public procurement processes.

EU PROGRES completed development of the Foreign Direct Investment (FDI) Plans for Leskovac, Prijepolje, Novi Pazar and Vranje. These complement Programme’s endeavours to enhance municipal management and planning, such as development of planning documentation. Among others, FDIs recognise the need for establishment of the chain of local suppliers and sub-contracting, improvement of promotional activities, development of workforce skills etc.

There were more cases proving the importance of technical documentation for facilitation of investments. For example, Caritas completed the reconstruction of the school “Dositej Obradović” in Vranje, worth 85,000 Euros, while using the documentation developed through EU PROGRES. Vranje has also, with the contribution from the Ministry of Finance and individual donors, provided about 140,000 Euros for the reconstruction of the Theatre destroyed in July 2012 fire that should be conducted on the basis of the main design developed with EU PROGRES support.

On the other hand, the national budget revision from early July introduced cuts to ministries’ budgets, thus reducing their capacity to fund projects. For example, the Ministry of Regional Development and Local Self Government cancelled two grants of 30 million Dinars, one that was planned to support the construction of the infrastructure in the Preševo Industrial Zone, and the other for the construction of the part of the bypass road to the Vranje Free Zone. EU PROGRES developed the Detailed Regulation Plan for the Preševo Zone and the Main Design for the bypass road – MRDLSG decisions clearly are not contributing to projects’ outcomes but this should only slow down and not endanger development of these locations.

Some of the employments announced during the previous reporting periods have been attained. Ivanjica and Raška kindergartens are fully functional and employed 43 people, 27 and 16 respectively. It was also positive to see how EU PROGRES’ different activities contribute to the same goal: Leskovac employed 38 graduates through the programme for professional practice thus implementing one of the actions deriving from the Local Economic Action Plan and using the funding that was allocated for this purpose but also taking into account what citizens said during the participatory budgeting project, that the youth employment was a top priority.

Environment
Advancements have been made in the implementation of the environmental projects that are significant for the whole area.

In the South, EU PROGRES completed work on the Main Design for the expansion of the Meteris Landfill in Vranje. This document creates preconditions for the continuation of efforts to transform Vranje Landfill into a regional one that should enable 243,500 inhabitants of the Pčinja District to dispose solid waste in the next 25 years. This intervention could achieve at least two impacts: firstly, the design may facilitate investment into the environmental sector of up to three million Euros. The second, Vranje and other Pčinja municipalities can, on the basis of environmental data provided within the Main Design, determine their interest for the project and enter into inter-municipal agreements.
Prospects for realisation of this project are optimistic, knowing Serbia’s obligation in the field of environment within the EU integrations as well as that it is among the national and regional priorities.

In the South West, the Programme completed re-designs of technical documentation for the Banjica Regional Landfill. Four involved municipalities, Nova Varoš, Priboj, Prijepolje and Sjenica, after process that took more than two years, founded joint enterprise that will manage the Landfill. This is a major milestone: it signals enhanced capacity for inter-municipal cooperation and projects as well as improved stability in the ethnically sensitive area.

The Work on the Preliminary Design for the Waste Water System for the National Park and Tourism Centre Kopaonik, which includes feasibility study and environmental impact assessment, has been completed. This creates condition for investment of 8.5 million Euros that should include construction of the WWTP, development of the main design for the collectors and their installation.

3.3 Progress towards results

Result 1 - Participative, responsible and transparent management with respect of human rights

Small projects, supported through the Citizens’ Involvement Fund (CIF), continue to contribute to the improvement of lives of some of the most vulnerable population in the South and South West Serbia. In Bosilegrad, ten families learnt how to produce wild strawberries and their earning was up to 2,000 Euros per year. Previously they didn’t have any income. Based on this project, the implementing organization, Citizens’ Association “Optimist” obtained new donations to purchase of greenhouses for 30 families.

Water was found in 40 out of 50 locations, tested with the new water finding device, purchased for the Inter-municipal Union of Agricultural Associations of Novi Pazar, Tutin and Sjenica. Ten households dug wells, while the Municipality of Sjenica is preparing a plan for the construction of water supply in the village Žabren, for 25 households, based on the three new water sources identified.

Ten organizations and institutions from eight municipalities, dealing with vulnerable groups, which successfully implemented previous CIF projects, were granted 27,700 Euros worth of equipment and goods, for projects aiming to contribute to economic empowerment and employment of people with disabilities and Roma, better education of Roma children and children with disabilities. Furthermore, 26 Roma high school children in Prokuplje will get school books, while in Leskovac, support was given to the Roma Education Centre which organizes additional classes for 70 Roma pre-school and school children.

Institutionally, improvement of the minority rights is supported by helping the 12 municipalities in the South Serbia to establish or re-activate the work of the inter-ethnic relations councils.

In Novi Pazar, after months of negotiations, the City Assembly approved the establishment of the free Legal Assistance Service that will use the methodology introduced through the

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1. Association of Poliomyelitis and Cerebral Paralysis Patients of Ivanjica, Citizens’ Association "Optimists" Bosilegrad, Citizens’ Association for Providing Assistance to Children and Adults Impaired in Development from Raška, Roma Renewal Co-operation and Alternative from Leskovac, Paraplegic Association of Novi Pazar, Association of Roma Intellectuals, Vladičin Han, Muscular Dystrophy Association of Jablanica District, Multiple Sclerosis Association of Pčinja District, two Primary Schools, “Desanka Maksimović” Novi Pazar and “Sveti Sava” Prokuplje, need adaptation of toilet premises (Novi Pazar) and floor (Prokuplje)
Citizens’ Advisory Service (CAS) project. A new Rulebook on Employees was prepared and it encompasses the personnel structure with regard to the Legal Assistance Service. The City hired four trainees on three months’ probation to work in the Service, which is in line with the new job systematization.

In September, the Swiss Agency for Development and Cooperation (SDC) approved 400,000 Euros for a new gender equality programme, to contribute to the implementation of the Gender Equality National Action Plan, and in particular to strengthening institutional framework and relevant capacities of key local actors in 25 municipalities. In particular, the Programme will: facilitate the opening of the first office outside Belgrade in Novi Pazar of the Commissioner for Protection of Equality, strengthen the institutional framework, address women reproductive or maternal health, improve capacities for self-employment, and overall entrepreneurial skills, increase women participation in local policies formulation and decision making processes, provide legal advice and protection against discrimination, including gender based violence, and improve capacities of elected or appointed men officials, to address and advocate for the GE Agenda.

The Competitiveness Baseline Study is in progress, in 34 municipalities\(^3\), already pointing to a number of issues faced by the local administrations. For example, whenever data had to be obtained from multiple departments or persons, the process came to a standstill. The municipalities submitted large quantities of relevant and less relevant data, while the questionnaires were filled in partially or in a sloppy way - sometimes, the consultancy sought amendments of the questionnaires ten or more times. Full report is expected in December 2013.

Another survey under way is the Citizens’ Satisfaction, also conducted in 34 municipalities, which will provide feedback to both elected and appointed officials on the municipal services, but also on the perceived priorities and changes. Although a proxy tool, it will inform both the Programme and other stakeholders on areas for further intervention.

Finally, during their September mission, the Swiss backstoppers gained the first hand insight on progress in 25 municipalities, which incorporated good governance principles in the small and large infrastructure projects.

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

The Citizens’ Assistance Centre (CAC) in Crna Trava opened, while works in Bosilegrad have been finalised and the opening is scheduled for October. In Novi Pazar, tenders are completed for the furniture, the IT equipment and the works for the reconstruction of the 16 local communities’ offices, which will be used for the CAC services.

In Vranje, 17 Roma entrepreneurs registered their businesses and received equipment to start the work. The Business Incubator Centre, through which the Roma received support, requested budget revision to reallocate the savings from the procurements to provision of additional equipment for the applicants who put significant contributions themselves.

The three clusters completed their Training and Services Needs Assessments and Cluster Manager trainings.

\(^3\)Includes the nine new municipalities that will be covered by the European PROGRESS 2
Three One Stop Shops, in Vranje, Novi Pazar and Leskovac are fully operational, while the one in Ivanjica will be functional in October 2013. The Programme has acquired approval from the Steering Committee to procure specialized software for the municipal inventory database in 24 municipalities (Raška already has a similar product in use) by the end of the year. The software will be used to systematize the assets and property list and establish a central database as per the requirements of the Law on Public Property, analyze different property management aspects and generate reports for the municipal institutions. The Law has reinstated the right of the local self-governments to own the property they manage and they have a three-year deadline to submit the necessary documents to the Directorate for Property of the Republic of Serbia.

All five municipalities developed the Capital Investment Plans, while Vlasotince was the first to adopt it. The adoption of the Capital Investment Plan is on the agenda for the next Assembly meeting in Raška and Nova Varoš. Vlasotince and Nova Varoš have also disseminated the Instructions for budget development, to budget beneficiaries, which will ensure incorporation of the programme budget into municipal budget for 2014.

Surdulica is the first municipality that was certified for the Quality Management System and Environmental Management System, while the certification in Prokuplje, Ivanjica, Novi Pazar and Bujanovac should be finished by the end of 2013.

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

The biggest focus of the Component 2 during the reporting period was to complete all administrative and technical conditions to start the construction of the Blaževo Roma settlement water supply system (Novi Pazar). The main design has been drafted and the procurement of the water tank truck finished, with a delivery deadline of mid-December. This is greatly enhancing the capabilities of Novi Pazar to deal with the social housing needs and plan for sustainable solutions in this area. It is expected that the construction of this water supply system will be finished during the next quarter.

Priboj General Regulation Plan was approved by the line Ministry, while the municipal committees endorsed two concepts: General Regulation Plan for Prolom Banja, Kuršumlija and the Detailed Regulation Plan for Kušići village, Ivanjica. The Detailed Regulation Plan for Mala Guba in Prokuplje is completed and it will de facto enable the legalization of the Roma settlement and subsequent communal infrastructure arrangements.

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

Five designs were completed in the last quarter:

- Three for the inter-municipal projects: the Banjica Landfill re-design, the Meteris Landfill design and the Preliminary design for the Waste Water System for the National Park and Tourism Centre Kopaonik
- Two for the municipal projects: the main design for the transfer station in Bujanovac and the main design for Vranje Theatre.

Four founding municipalities – Prijepolje, Priboj, Nova Varoš and Sjenica – verified the inter-municipal contract to establish a company which would manage the Banjica Landfill, previously signed by the four Mayors and endorsed in the Municipal Assemblies. In addition, the municipalities transferred the founding capital to the bank accounts. The documents are with the Business Registers Agency for completing the entry.
Seven assemblies of the Pčinja District adopted the decisions about developing of the Regional Waste Management Plan, necessary for further activities on the Meteris Landfill, while five adopted the decision about developing the Strategic Environmental Impact Analysis with the Plan.  

Raška Recycling Centre Location permit has been obtained and the municipality is seeking private investors in order to provide funds for the construction through the public-private partnership. Raška's recycling centre project was elected as one of the eight best in the competition, "Public-Private Partnership as developmental potential" implemented by the National Alliance for Local Economic Development (NALED) with the support of USAID Sustainable Local Development project.

**Result 5 - Project financing facilitated through enabling contacts with ministries, donors and other projects**
Legal support has been extended to Medveđa to prepare the founding documents for limited liability company Termovent.

**Result 6: Selected projects financed and implemented through EU PROGRES**
Five local infrastructure projects were finished: the heating in the Novi Pazar Sports Hall, the Green Market in Kuršumlija, the water pipelines in Sjenica and Vladičin Han and equipping of the dairy market in Bojnik.

The building of the Regional Centre for Agriculture Development was constructed and the agricultural machines delivered. At the founding session of the Centre’s Assembly, the budget of 145,000 Euros was approved for the first year, and employment of 14 staff. The start of the work of the Centre is planned for January 2014. Novi Pazar’s Council already adopted the minutes of the Centre’s first Assembly session, and approved allocation of 30,000 Euros for the work of the Centre in the first year.

Contract was signed with the supplier of the fruit tree seedlings in the Pčinja District Regional Fruit project, while the agricultural machines were delivered to Vladičin Han. To secure the public interest, the good governance (GG) team will work with the Steering committee to include in the contracts a pay back modality (when the fruit trees start producing profit, the farmers will have the obligation to contribute to the common fund with the number of new fruit tree seedlings).

Three out of six structures for the regulation of the Raška River watershed are finished, while in Crna Trava, the main design for the Waste Water Treatment Plan is done.

In Novi Pazar, contract was prepared for provision of the sewing machines for the School of Textile to be used in the vocational training project.

There were four meetings in Leskovac, with the Green Zone working group, on development of the Roadmap, which was adopted in mid September. However, endorsement at the City Council is awaited.

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

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4 Vladičin Han and Preševo are expected to do so in October.
During the Q3 2013, over 290 media reports were generated in all media outlets, clearly emphasizing the European Union and the Government of Switzerland support through various project and Programme activities. This is a valuable outcome comparing to the planned 50 reports per quarter.

There were 4,892 unique website visitors during the quarter, almost half of the annual planned number.

The third annual Programme Steering Committee meeting was organized in Bujanovac with over 60 participants, including representatives of the European Union, the Government of Serbia, municipal officials and the civil society organisations.

Five local summer festivals, visited by over 146,500 people have been successfully supported in August: Blace Plum Festival, Raška Holy Festivity, Priboj Lim Fest, Kuršumlija Summer Festival and “Nušičijadă” festival in Ivanjica.

Draft concept for EU PROGRES Calendar Competition 2014 was prepared with the selected theme “Responsibility towards nature has no limits” aiming to inspire the secondary school students to explore and learn about environmental protection, recycling and energy efficiency. The competition is completing the third public awareness campaign that focuses on environment, which is conducted under the slogan “Where is your threshold of responsibility?”

The public awareness campaign, “Europe that is you”, launched in March 2013, was successfully completed. Through numerous communication channels tens of thousands of citizens were introduced to the relevant subjects related to the European values, the EU and Serbia integration process. About 600 representatives of specific target groups (media, municipal administrations, agriculture producers and business community, high-school pupils, students), were directly involved in the campaign activities.

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

Within the “Novi Pazar Way of Living” project, 20 journalist from national media visited Novi Pazar. A journalist from one of the most popular websites in the country, B92, published an article recommending Novi Pazar as a great place to visit, only five hours away from Belgrade, which offers so many activities, from diverse historic monuments to great food, wonderful people and youth, to great fun at night.⁵

The “Cherry Festival” project has set up basis for inter-municipal cooperation between Leskovac, Lebane and Merošina, which signed a Cooperation Agreement for the production and placement of sour cherry.

The brochure for Golija Lakes and that one for Vranje will both contribute to increased income. While the first sheds a light on the beauty of the mountain, its lakes and nature and should improve the tourists’ visit, the latter has been designed in four languages – Serbian, English, German and Italian – and will promote the City as the investment friendly zone.

Both the Market analysis and development of the marketing plan within the project “Branding of the Pešter Products” and the Tourism Strategic Marketing Plan for (part of the) the South West Serbia are in the final stage of production and will be finished in October.

### 3.4 Activities undertaken

**Component 1: Good governance**

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

Activities:

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

Out of 26 Citizens’ Involvement Fund 2 (CIF) projects, 25 are finished, while Ivanjica’s “Learning from Nature” project was extended until 30 November 2013. The Programme disbursed 201,500 Euros. The co-funding of the implementing partners was around 36,000 Euros. The final audit of Žitorađa project “Citizens Involvement in Municipal Budget Decision Making Process” was not positive. Although only eight out public hearings were realized, the presented expenditure was for 20 originally planned. After the review of all documents the project implementer will be asked to return the funds that were not eligible or justified.

1.2 Citizens’ Satisfaction Surveys

The implementing partner adjusted the methodology and the survey questionnaire from the previously conducted Citizens’ Satisfaction Surveys, taking into account the lessons learned and comments from the Programme, donors and the European Integration Office of the Government of the Republic of Serbia (SEIO), which is chairing the Programme Steering Committee. The questionnaire was produced in Serbian, English and Albanian.

By the last week of September, the interviewers completed around 60% research units. A representative sample for 34 municipalities is projected at 8,450 interviewees, but no less than 200 individuals and no more than 400 per municipality.

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

Novi Pazar: the City Assembly voted for the decision to establish the Legal Assistance Service in June 2013. A new Rulebook on Employees was prepared and it encompasses the personnel structure with regard to the Legal Assistance Service. The City hired four trainees on three months’ probation to work in the CAS, which is in line with the new job systematization and the recommendations of the EU PROGRES and the CAS’ implementing partner Sandžak Committee for Human Rights and Freedoms.

The CAS in Žitorađa continues working, but the municipality didn’t pass a decision on appointment of a person who would officially perform tasks regarding the provision of free legal assistance services.

Despite previous assurances from the municipal representatives pertaining to finding an institutional model for continued operation, Prokuplje office ceased to work. The municipality didn’t draft a new job classification based on which it would have the legitimacy to extend employment contracts with the CAS office and the methodology hasn’t been taken over by another service dealing with the provision of legal assistance to citizens. A new round of discussions with the Mayor is scheduled for October.

The project in Preševo is currently being closed down in financial and operational terms. The implementing partner still didn’t take on board the comments on the draft final report. The free legal aid office wasn’t integrated into the municipal administration.

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

The activity has been finalised and reported upon previously.

1.5 Conducting a baseline study on competiveness level in the twenty five municipalities

The grantee couldn’t find a contractor with required attest for playground equipment, and asked for reallocation of the budget for establishment of purchase of more tables and benches. As the proposed budget changes didn’t change the original idea and objectives of the project, the motion was approved.
The research within the **Competitiveness Baseline Study**, which is being prepared by an expert company in 34 municipalities, has already pointed to a number of issues faced by the local administrations. For example, whenever data had to be obtained from multiple departments or persons, the process came to a standstill. The municipalities submitted large quantities of relevant and less relevant data, while the questionnaires were filled in partially or in a sloppy way - sometimes, the consultancy sought amendments of the questionnaires ten or more times.

The most problematic issues identified in the first findings are:

- Insufficient knowledge on how to systematically implement **local economic development** activities, follow up and reporting on local strategic plans’ implementation (including measurement of impact of projects and budget spending on local economy), lack of clear records on cooperation with private sector and investors and poor record on implemented projects/financial details.
- Lack of training for the **Local Tax Administration** offices, unfinished process of registration of property in rural areas; adoption/enforcement of Laws on the central level which don’t take into account local annual budgeting and accounting practices; failure to make public the list of biggest debtors, as stipulated by the Law, etc.
- Low transparency of **public procurements**.
- Most municipalities didn’t start the work on creating **property inventory**, and there was poor communication with the Cadastre.
- **Urban planning documentation** for the infrastructure connections.
- Almost non-existent **capital investment planning**.
- Lack of uniform approach to **energy management**, poor human and financial resources, knowledge and skills necessary for determining energy baseline status and strategic planning.
- Small scale of production that limits negotiation power and eliminates far-away markets, ineffectiveness of associations of businesses or **SMEs**, insufficient activity of **clusters**.
- The biased process of financial support to **agriculture producers**, lack of continuous education and limited access to new products and services used in agriculture, access to markets, lack of appropriate mechanisation, refrigerators and transport, weak capacity for associations and joining cooperatives, non-existent value chains, highly unconsolidated agricultural plots, problems with irrigation, lack of infrastructure to access remote land plots, suitable for berry-growing.
- **Civil society organisations** are largely disconnected from the decision making process in municipalities, and lack qualified personnel.
- Cooperation among the LSGs, private sector and educational institutions on curriculum development and skill development does not exist. In some municipalities, **brain drain** is critical.

The Study will be ready in December 2013.

**The Skills Gap Survey**

In July, the Programme Steering Committee approved the conduct of the Skills Gap Survey, which will be led by the International Labour Organisation (ILO). The details of the proposal are being finalised and the implementation contract will be signed in mid-October 2013.

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**

Seven projects are on-going; it is expected that all but one (Ivanjica) will be finished by 15 November, despite the delays in start.
Raška successfully organized training on souvenir production for 16 women (six more than originally planned). The trainees opened a Facebook page and started selling their handmade products online. The training for tourist guides attracted 19 participants, nine more than envisaged originally.

In Priboj, a training related to health prevention gathered 40 women. Training on business starting for women was organized in Žitorađa and the participants gained knowledge about business plan writing, business start, and establishment of cooperatives.

The SDC funded gender project
The SDC signed a contract with EU PROGRES in September, for implementation of a new gender project, worth 402,850 Euros.

1.7 Improve the ethnic representation of local-decision making in the Programme Area
The project “Together towards interculturalism” is being financially and operationally closed down. The implementing organisation, the Roma National Minority Council, submitted the draft final report, which is being analysed by the Programme.

Support to municipalities to establish inter-ethnic relations councils (IERC): field assessment included visits to 13 municipalities and the three National Councils (Albanian, Bulgarian and Roma). Although nine municipalities established the Councils, with some exceptions, they haven’t been active, mostly due to the fact that there were no bylaws regulating the rules of procedure. The composition of the IERCs is usually aligned with the requirements from the Law: none of the ethnic groups can have the majority in the Council and each group that has more than 1% of the population in the municipality must be represented.

Support was extended to Prokuplje, Žitorađa, Vladičin Han, and Lebane to prepare municipal decisions for establishment of the IERC. Žitorađa already adopted the change, but declined to enter the long list of jurisdictions to the IERC, which shows the necessity to assist the IERCs to understand what they can do and how can they do it. The Roma National Minority Council said they needed more time to appoint members of the IERC.

In Bujanovac and Preševo the analysis showed that both municipalities do not have proper legal framework and the Programme drafted decisions that were tailored to reflect the presence of the three ethnic groups who must be represented. In Preševo there is a specific situation where there are no Serbs in the local assembly. The proposed solution is that the local Administrative Commission elects Serb representatives.

Leskovac received support to draft decision on establishing the local IERC.

The Programme drafted the model Manual on procedures that will serve as a work guide for the members of the local IERCs. This is the first step in preparation of capacity development activities.

Support to Roma Education
Purchase of books for Roma high schoolchildren in Prokuplje: 26 out of 30 children who attended preparation classes enrolled into the high school. The EU PROGRES allocated 2,500 USD to purchase up to 60% of their books. Preparing the list of books is in process, as some children haven’t yet decided which course to take.

Continuing work of the Roma Education Centre in Leskovac: Purchase of snacks, in the amount of 2,500 USD, will enable the work of the Centre from October 2013 to March 2014. Around 70 Roma pre-school and school children will attend the classes up to three times per week, while three teachers/pedagogical assistants will conduct classes on voluntary bases. The snacks will be given to the children between classes.

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Žitorađa, Leskovac, Medveđa, Bojnik, Preševo, Bujanovac, Vranje, Surdulica, Bosilegrad

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

Small Infrastructure Projects (SIPs): meetings were held with the municipalities that failed to entirely meet the requirements and activities pertaining to the introduction of GG into infrastructural projects (Trgovište, Vladičin Han and Prijepolje), whilst it is necessary to meet the officials in Medveđa, Preševo and Lebane in the forthcoming period.

Trgovište submitted the Decision on rational consumption of water, which is in the procedure in the Municipal Council, which has been delayed due to the change in the municipal government. Taking into account that rural population will now be connected to the network of the Municipality, it will be necessary to set clear criteria for subsidising socially vulnerable population.

Vladičin Han submitted the Rulebook on kindergarten’s work, the price list and kindergarten users’ survey. The kindergarten does not have clearly defined criteria for the admittance of children, and it was agreed that amendments are made to the Rulebook upon the submission of the current documentation, or that the decision is made with clear criteria and price list for the admittance of children, which will include anti-discrimination articles. The Municipal Council already adopted the decision on the exemption of payment for kindergarten services for a third child.

Prijepolje adopted a decision on re-allocation of resources saved during the course of the project in addition to the Rulebook on the consumption and regulation of energy generating products in public institutions financed from the municipal budget. The Rulebook is to be submitted to EU PROGRES over the forthcoming period.

Software for kindergartens in Raška, Ivanjica and Tutin has been created with the aim of assisting institutions to enable a clear insight into assessments for services rendered to users and possibility of improvement of further work and service provision.

Pure good governance reform

The main focus in Ivanjica was on the proposed amendments of job classifications within the public enterprises. The changes are to be adopted after the directors’ selection and appointment process in October. The proposed list of changes to the Statute and Rules of Procedure was sent to the Assembly secretary.

The backstoppers’ (BS) mission was organized from 10-14 September and included the workshop on good governance, where the municipalities presented small and large infrastructure projects and the way they applied good governance principles in the implementation. Fifty representatives of 25 municipalities took part in the workshop. There is a general consensus that the participants have gained basic knowledge of the introduction of the GG concept into infrastructural projects. It has also been noticed that the representatives of the local economic development office possess the largest degree of knowledge and skills required for work on this issue; hence it was proposed at the meeting with the BS that these existing capacities should be used for further work.

One of the topics discussed with the backstoppers was the preparation of the GG booklet. Based on the analysis of the submitted material it has been agreed that the texts should focus more on specific situations in order to be user friendly and understandable to the target group of readers. The booklet should be published in February 2014, and a new timeline for the submission of final documents has been established.

Further dynamics have also been agreed for the preparation of the vertical dimension booklet, as well as cooperation with the SCTM. The document prepared by the EU PROGRES consultant will be organized in a different manner to present the so far results within the vertical dimension, by the beginning of October and forwarded to the SCTM for comments.
Backstoppers are to prepare a new document containing its proposals and including the subsidiarity principle, as well as the principles of fiscal equivalence and accountability.

**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**

**Activities:**

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

**Crna Trava** CAC was opened on 12 September, and it has three counters and back office space, equipped with the most modern IT and office equipment with an upgraded software and renewed municipal web-site through which citizens can also submit their administrative requests ([http://www.opstinacrnatrava.org.rs/licna-dokumenta.html](http://www.opstinacrnatrava.org.rs/licna-dokumenta.html)).

In **Bosilegrad**, the municipal procurement committee dismissed a complaint of one of the bidders on the software tender. Upon the swift reaction from the Programme and the Republican Committee for Protection of Bidders Rights, there was technical re-evaluation, which confirmed the negligence of the local procurement commission. The case was resolved, the contract was signed with the best bidder (not the one who complained) and the software was delivered in August. However, the official opening of the CAC was postponed to October, as the Mayor failed to sign the official re-assignment of employees and complete the branding and visibility signboards for the CAC.

The tenders for equipment and furniture for the expansion of **Novi Pazar** CAC were successfully finalised in July. No offers were received in re-advertised tender for works. Following the consultations with the City officials, and in line with the savings from the procurement of the furniture and IT equipment, it was agreed that the new estimated costs would be increased and that the City would cancel the old tender and prepare for re-advertisement. The offers were opened on 2 September and the contract was awarded to a local company, with the best bid. The works are scheduled to finish in November.

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

**Vranje Business Incubator Centre** (BIC) completed procurements and delivery of the equipment for the Roma entrepreneurs. During a study tour to Bulgaria, 15 Roma entrepreneurs visited a similar initiative in Custendil, a business fair and had a chance to engage in the new business arrangements. The BIC submitted request for budget revision in order to re-allocate the savings from procurements to provision of additional equipment for the applicants who put significant contributions themselves. This would also entail the extension of the grant agreement for two months.

**Clusters**

All three clusters’ managers and chairmen of boards underwent three-module cluster management capacity building trainings on innovation and diversification of cluster products. The Training and Services Needs Analyses (TSNA) were produced, identifying all training and service enhancement needs for all members of clusters for a two years period, giving the cluster managers strategic insight and focus into the needs of member businesses. **South Serbia Fruit Cluster:** preparation of the financial guide for the cluster members initiated. The Cluster web site improved. Draft proposal for joint sales and transport created.
**Radan Tourism Cluster:** preparation of the Destination Marketing plan ongoing. Together with the Regional Chamber of Commerce the Cluster organized event “Džipijada” on the Radan Mountain. The production of the Cluster website and brochure initiated.

**Pešter Agro Cluster:** Six modules - info sessions created and agreed with the Agriculture Advisory Services. The first one will be organized on 2 October. The preparation of, “Meet the buyer event” is ongoing. Preparation of the financial guide for the cluster members initiated.

Leskovac, Prijepolje, Novi Pazar and Vranje completed the final drafts of the **foreign direct investment plans (FDI)**. The plans should be adopted at the next Assembly meetings or alternatively be endorsed by Councils during October. Ivanjica is delayed due to lack of human resources during the holiday season and the final draft is expected by 10 October. All five local governments have identified, developed and inserted the following common projects into the plans:
1. Attracting foreign direct investments by developing a chain of local suppliers
2. Improvement of promotional activities for Foreign Direct Investments
3. Organization of Foreign Direct Investment services
4. Improving the skills of the workforce
5. Improvement of ethno funding.

Coordination with the USAID SLDP Programme on the FDI is well established. It was agreed that the two Programmes would continue to share information/ensure synergy for activities in the overlapping local governments: Vranje, Leskovac and Prijepolje. There will also be coordination of activities on vocational training of textile, clothing and footwear industry in Novi Pazar, Tutin, Raška and Sjenica. The SLDP is finishing the supply and demand study for the Green Zone and will share its results with the EU PROGRES, and there is potential for cooperation on the Zone visibility activities.

The Programme adapted UNIDO’s Investor’s Selection Matrix for Serbia and all five local governments are in the process of populating the Matrix which will be posted on their websites after completion.

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

**One Stop Shops (OSS)** in Vranje, Novi Pazar and Leskovac are working. In Ivanjica there have been some problems, and after a meeting with the Mayor, the Programme received assurances that by mid-October the OSS will reach full functionality.

Following the July PSC approval to procure specialized software for the **municipal inventory** database, seven offers were received in public procurement. The contract will be signed in early October with the deadline for delivery, training for users and technical installation of the software package in 24 municipalities (Raška already has a similar product in use) by the end of the year. The price of the software with installation came in almost five times lower than originally budgeted.

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

Activity completed and previously reported upon.

### 2.5 Support LSG to implement Programme budgeting

**Vlasotince** was the first municipality to adopt the Capital Investment Plan for 2014-2018, on 24 September. The municipality has also finalized and disseminated the Instructions for
budget development to budget beneficiaries in compliance with the Model for Programme Budget. This ensures incorporation of the programme budget into municipal budget for 2014.

Raška Mayor has to approve the dissemination of the completed Instructions for budget development. The adoption of the Capital Investment Plan for Raška is on the agenda for the next Assembly meeting in early October.

Nova Varoš finalized and disseminated instructions for budget development to budget beneficiaries in compliance with the Model for Programme Budget. This ensures incorporation of the programme budget into municipal budget for 2014. The adoption of the Capital Investment Plan for Nova Varoš is expected at the next assembly meeting.

Medveđa and Vladičin Han have not yet developed the instructions for programme budget for the budget beneficiaries and are waiting for instructions from the central governments. In Medveđa, the Capital Investment Plan should be adopted at the next Assembly meeting, while in Vladičin Han there is some reluctance from the municipality to adopt the Capital Investment Plan as the Mayor considers this as a “loose training exercise”.

2.6 Introduce Quality Management System in Municipal Administration

The consultancy has continued the process of Quality Management System and Environmental Management System certification in the five municipalities.

Surdulica was the first municipality to receive the QMS certification, at the end of September. In Prokuplje the certification is under consideration following a meeting on 23 September. The review should be completed in early October.

A pre-certification meeting was held in Ivanjica on 11 September. The certification meeting will be confirmed for early October to allow time for municipality to address issues identified through pre-certification process.

Novi Pazar has submitted the questionnaire confirming their commitment to the certification process. A pre-certification meeting will be held in early October.

Bujanovac has submitted the questionnaire confirming their commitment to the certification process on 25 September. A pre-certification meeting will be held in early October.

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

Activities:

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

Four previously technically completed DRPs were audited and administratively closed: Industrial Zone Čukarka, Preševo; settlement Devići, Ivanjica; Industrial Zone and Sport Centre in Trgovište.

The Ministry's of Construction and Urban Planning endorsement for the General Regulation Plans is still pending. With the exception of Priboj (endorsed in September), there has not been progress with the two remaining GRPs. Thus, administrative closing of the projects has been recommended: Prijepolje and Brodarevo; and Nova Varoš.

Two concepts were endorsed during September: the General Regulation Plan for Prolom Banja, Kuršumlija and the Detailed Regulation Plan for Kušići village, Ivanjica.

Three plans are being developed upon endorsement of the concept and minor changes/re-evaluation requested by the municipal planning committees: the General Regulation Plan for Jošanička Banja (Raška), the Detailed Regulation Plan for Border Crossing Kalovo (Trgovište), the Detailed Regulation Plan for Stara Čaršija (Novi Pazar). All activities are going as planned...
except for Stara Čaršija, which is on hold due to unavailability of the cadastre maps, and after the changes in the local team for development of the Plan. Meeting will be scheduled with the high officials of Novi Pazar on 1 October to request immediate actions.

The Concept for the Detailed Regulation Plan for the Radan Mountain is developed as initially planned. The contractor has obtained most of the pre-conditions needed for the Plan and has asked for support with pre-conditions from the Electrical Company. The concept should be ready by mid-October.

The Detailed Regulation Plan for Mala Guba settlement is completed and is on the agenda for the next Assembly meeting in Prokuplje scheduled for 5 October.

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

The Capital Investment Planning process goes 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

The City of Novi Pazar finally acquired the land next to the Blaževo settlement and it can now implement projects linked to the property. The City also received the consent and the draft decision from the Directorate of Property of the Republic of Serbia to transfer the ownership of the land where Ambulanta and water pumps are, from the Ministry of Agriculture to the City of Novi Pazar. The decision will be adopted at the first Government Session.

The main technical design for Blaževo water supply was finished and submitted to EU PROGRES. The design was sent for technical control and building permit was issued enabling the start of the procurement of works. The deadline for offer submission expires on 14 October. The works on the reservoir and pumping station, worth around 160,000 Euros, are to be finished no later than mid-November.

The tender for the procurement of the water tank truck has been closed and after receiving confirmation and concurrence with the selected offer from the City, the contract signing is planned for early October with a subsequent delivery deadline of maximum 90 days.

Component 3: Physical, economic and social infrastructure

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

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

The main design for the Banjica Landfill was completed in August. All four municipal Assemblies (Priboj, Prijepolje, Nova Varoš and Sjenica) adopted the decision to form the joint LLC, followed by signing of the contract by the four Mayors. The contract was submitted to the Priboj Court for Court verification and all Mayors completed the Court procedure. The municipalities have transferred the founding capital to the bank accounts. Vesna Cuparić, the Deputy Manager of Nova Varoš PUC was appointed the Manager of Banjica LLC. Nova Varoš finished the procedure of founding the LLC by submitting the founding acts to the Business Registry Agency (APR). The contractor for the re-design delivered the design to the Technical Control (SAFEGE) in early September and the technical control report was delivered to the Programme.
The design for the Meteris Landfill and the Strategic Environmental Impact Analysis for the Regional Waste Management Implementation (RWMP) are finished. The DRP for the Landfill, funded by the OSDUA, has not been adopted by Vranje Assembly yet. All seven Pčinja municipal Assemblies adopted the decision about the development of the Regional Waste Management Plan, while five adopted the decision about the development of the Strategic Environmental Impact Analysis for the Regional Waste Management Plan (Preševo and Vladičin Han will do so in October). All municipalities need to adopt both decisions.

Following Raška’s decision on the new location for the Waste Water System for the National Park and Tourism Centre Kopaonik, in Rudnica, the contractor adjusted the design, including collector’s length, the fortification structure for the WWTP, the urban design, the access road, the geo mechanical design. As the location is in Rudnica, this is still in line with the results from the Feasibility Study. Raška is responsible for obtaining all permits - forming the construction plot in the cadastre, adjusting the spatial plan, working with the Ministry of Construction and Urbanism to obtain the location permit.

The works on the Technical Study of Underground Drinking Water Reserves for Raška Municipality are going according to the plan. The PUC Raška formally applied to the Ministry of Natural Resources, Mining and Spatial Planning for the exploration activities. The permission was expected by the end of September, but has not arrived yet. Raška sent a letter to the Ministry seeking new information. After that drilling of the exploration wells will start. The contractor will complete the Study by the end of November and it will set the procedure with the PUC Raška for continuous measuring of hydrological data after the contractor’s obligation ends in February 2014.

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

Nova Varoš Recycling Centre started working, the PUC continues with the environmental campaign upon their own initiative by printing the information about the centre and recycling on the back of utility bills.

Development of Technical Documentation: the main designs for the Transfer Station in Bujanovac and for the reconstruction of Vranje Theatre completed. Vranje issued the building permit for the reconstruction that will cost 150 million RSD. The five designs contracted with the Novi Pazar Urban Directorate face delays as the tender for the external experts (mechanical, electrical and traffic engineers) was issued later than agreed. Numerous meetings with the grant manager resulted in intensifying activities and 60% of designs are completed. The technological solution for the Diagnostic centre is completed, so that the Urban Institute can work on all other design parts – interior design and the installations. The grant is extended until the end November. The main design for Tutin collectors network will be delivered until 14 October, and the main design for the regulation of the Vidrenjak River will be finished by the end of 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

Legal expert supported Medveđa in preparation of the founding documents for the limited liability company Termovent.
Result 6: Selected projects financed and implemented through PROGRES Activities:

6.1 Implementation of small municipal infrastructure projects in Blace, Kuršumlija, Prokuplje and Žitorađa municipalities

In Prokuplje, works are completed on the Regulation of Stražavačka River project, preparation for the commissioning in progress. In Blace, works are 80% completed on the water system in Džepnica village.

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

The first and the second calls for proposals for small municipal infrastructure projects:

- Novi Pazar: the installation of the heating in the Sports Hall was finished and commissioned in July. However, it was only when the EU PROGRES sent two official requests to the Mayor, reminding him about the contractual obligations that the City started paying the contractor in September, in instalments.

- Works are completed on Kuršumlija Green Market project and commissioning is planned for the first half of October.

- After serious delays on the works on the Sjenica water pipeline, and several meetings with the Mayor, by the end of September, the Public Utility Company completed the job.

- As the Assembly didn’t adopt the draft Decision for establishment of the company for the pellet production in Medveđa in mid-August, the grant was not extended. The limited duration of the Programme and the need to commit and spend funds timely decided against the extension. Previously it was agreed that the company would be registered as the d.o.o. (Ltd), with 100% ownership by the Municipality. Two trucks with machinery arrived but the delivery was stopped because the municipality could not pay their part of financial participation to the donation. Medveđa Assembly voted to seek a bank loan, to cover the costs, through the public procurement. The call has been advertised. The organizational scheme for the workers was provided by the Slovenian contractor for the machines. Once appointed, the Director will be able to advertise the jobs. The Board of the Company and the Director need to design the business plan for the management of the Company (the business plan will also define the way of supplying the raw material). This should have been completed by mid September, but there were no developments in the matter.

Eleven infrastructure projects approved in April 2013 (budget line 5.4):

- Works completed in Vladičin Han and Bojnik
- Delivery of equipment in progress in Raška, Surdulica, Tutin
- In Bujanovac, EU PROGRES contracted (at LSG request) the construction of the water well, works will start in the first week of October
- Contracts signed for projects in Novi Pazar, Leskovac, Prokuplje, Trgovište
- In Priboj – works for the adaptation of the Youth Centre reached 50%

Savings from the eleven new grants will be kept on the project themselves, wherever it is possible.

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

The roadmap for attracting the first investors for the Leskovac Green Zone was developed and presented to the Mayor in June, but was still not adopted by the Council by the end of September. Nevertheless, the activities started well, but the sudden death of the Mayor’s Assistant Mr. Željko Kotlo, slowed the implementation. Due to vacant positions of the Chief of the Cabinet and the Mayor’s Assistant, all cooperation with EU PROGRES was transferred
again to the Agency for Local Economic Development (ALED). In early September in the
meeting with the Mayor and the managers of the local and national public companies
involved in Green Zone, the duties, as defined in the roadmap, were delegated.
The Power Distribution Company is preparing the technical documentation and equipment
for installation of the power transformer, but there were prolongations due to the work
overload of the engineers.
All necessary documentation for the roundabout was developed (GRP, parcelling etc.). The
main issue are the private plots that were occupied. EU PROGRES suggested that the City
solves the problem by mutual agreement, as the regular procedure including Public
Attorney, the Serbian Government (declaration of public interest) can take up to six months.

Two **investors**, Strela Klajić and Fungo Jug, confirmed their intentions to invest in the Zone,
while the meeting with other two interested (NCC and Moravac), was organized in
September. After several consultations with the Mayor, he finally decided to publish open
call for investors. The ALED is appointed to carry out the procedure. The ALED also prepared
the Feasibility Study for obtaining prior approval by the Serbian Government, the decisions
that have to be adopted by the City Assembly, as well as the content of the public call.
However, by the end of the reporting period, ALED did not manage to review the
documentation and take further steps.

The construction works on the **Pešter Development Centre** are finished. The agricultural
machines are delivered, the second part of the laboratory equipment should arrive in the
autumn, while the procurement for the computer equipment and the furniture is in process
(should arrive at the beginning of November. The SEDA grant finished and the preparation of
the final reports is in progress.

The end of the works on the **Water supply to Jelašnica (Surdlica)** is planned for mid October.
The Municipal Council adopted the fee structure for the connection to the water supply,
allowing instalments for different social categories.

Three out of six structures for the **Regulation of the Raška river watershed** are finished after
the contractor intensified the works, following the Programme’s request. During the
implementation, certain changes had to be applied to the design, to avoid the complicated
ownership issues on the ground and the preliminary calculations of the works and quantities
show there is possibility that the seventh structure for the same contract maybe completed.
This project needs close monitoring, as it depends on weather conditions.

The main design for **Crna Trava collectors and the Waste Water Treatment Plant** is finished
and the preparation works started, expected to finish in November. The works on the primary
collector, contracted earlier in June are completed. The weather remains the risk factor on
this project.

The Municipality of Bujanovac proposed an alternative location for the **Department of Faculty
of Economics from Subotica**, next to the Elementary School “Sezai Suroi”. However, in
September, the Prime Minister signed the Decision of Public Interest for the first location,
which is Bujanovac’s preferred choice and the Municipality will pursue the procedure with the
declaration of the public interest. This process seriously destabilised and delayed EU
PROGRES’ commitment and cash delivery schedules, as reported in previous advisories.

Following the tender for equipment, contract was signed with a supplier to deliver sewing
machines to the Novi Pazar School of Textile within the **Vocational Training Programme**. The
works on adaptation of classrooms are in progress. The School prepared the new curricula and it will request permission for the new vocational training from the Ministry of Education, Science and Technological Development, which should be ready by November.

All goods from several procurements conducted by EU PROGRES (equipment and the minivan, floor mats, the washing machine) for the Regional Day-care Centre in Novi Pazar will be delivered in October/November.

6.4 Implementation of municipal infrastructure projects in Pčinjski District municipalities
Design for the educational orchard and the training modules, within the Pčinja District Fruit Production Centre project, are completed. Vladičin Han appointed the Agricultural Fund for the management of the educational orchard. Agricultural machines were delivered while the works are ongoing on the soil preparation. EU PROGRES advertised for the procurement of the fruit seedlings after Vladičin Han requested the grant cancellation as they did not receive valid offers during the public procurement. The lists of fruit growers are ready and Vladičin Han will work until November to prepare the contracts with each individual.

Following the preparation of the main design and issuance of the building permit for the Waste Water Treatment Plant in Trgovište, the works progressed to 50%, expected to complete in October 2013.

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
Activities:
7.1 Communicate Achievements of Governance, Municipal Management, Development Planning, and Infrastructure Components
The third annual EU PROGRES’ Steering Committee meeting was organized in Bujanovac with more than 60 participants, including representatives of the EU, the Government of Serbia, the municipal officials and the civil society. For this purpose, six new poster-boards presenting successful projects and impacts were produced and venue decorated.


Selection of a company for the production of 26 wall plaques, 190 small plaques and 12 standing signboards for projects successfully conducted, after three extensions due to insufficient amount of offers received. Municipal signboards, which emphasize the EU support, will be installed in early October in Blace, Prokuplje, Žitorađa, Crna Trava, Preševo, Surdulica, Trgovište, Vlasotince, Bosilegrad, Bojnik, Bujanovac, Leskovac and Vladičin Han.

Five local summer festivals, visited by over 146,500 people were supported in August. “Blace Plum Festival” was supported through rental of the stage, equipment and 27 promotional billboards with donors’ logos throughout Serbia. The Festival, which this year recorded 85,000 visitors according to the organization committee, took place 23-25 August 2013. “Raška Holy Festivity” was held from 15-19 August and was visited by 4,500 people. The festival was supported through provision of transport, accommodation and meals for the participants at the art colony and the festival. Donors support was emphasized through production of 100 official programmes and 40 posters, with clear mentioning at the official
opening and closing ceremony. “Priboj Lim Fest” was significantly supported through EU PROGRES with rental of the stage and equipment, which enabled this year’s event to last one day longer and to have more bands performing. Estimated number of spectators during previous period was 500-1,000, while this year’s visit was roughly 1,500-2,000 visitors. “Kuršumlija Summer Festival” was organized for the first time this year and was supported through provision of accommodation and meals for the participants. This five day event had 15,000 visitors and more than 20 performances of traditional dance (folklore), popular folk and rock music. Donors’ support has been emphasised in all media statements and at the official opening ceremony. Rental of the stage and equipment and provision of accommodation and meals for the participants was provided also for “Nušićijada” festival in Ivanjica, which was organised from 29-31 August 2013. Visibility of the donors was enabled through 500 posters and 8,000 leaflets. According to the organisers, Nušićijada had over 40,000 visitors over the three days.

Support has been extended to the EU Info Centre for production of TV reports about EU funded projects for major national TV stations. The national TV Prva prepared two reports, one in Bosilegrad (support to Roma) and one on Pešter Agro Cluster. RTV Vojvodina recorded a report about additional education for Roma children in Leskovac.

Four radio shows were produced within the media project with the Radio Sto Plus, on promotion of European values: EU funded projects for improvement of health services; Flood Protection of the Raška River; School, development agency, municipalities and entrepreneurs on the joint venture, Agribusiness development and opening of the newly constructed Regional Centre for Development of Agriculture in Sandžak.

Draft concept for EU PROGRES’ Calendar Competition 2014 has been prepared with the selected theme “Responsibility towards nature has no limits” aiming to inspire secondary school students to explore and learn about environmental protection, recycling and energy efficiency. The competition, which should be complementary with the ongoing environmental campaign, will last from 7 October until 4 November 2013. The participants should submit artworks representing their views of how these eco concepts can improve the quality of living in their home, village, municipality or country. The best artwork will be awarded with a laptop, while the second and the third runner ups will get tablet computers.

A sample municipal profile (for Bujanovac) has been submitted to the DEU for approval. Inputs for all municipalities have been prepared and will be fine-tuned during the first half of October, and designed upon approval of the initial graphic design.

Celebration of the Tenth anniversary of the Centre for Youth and Children “Duga” Novi Pazar on 28 September was supported through production of promotional materials - 2,000 leaflets, 2,000 school schedules, 200 postcards, 60 T-shirts, promotional counter, balloons and pencils. The celebration took place on the City Square in Novi Pazar, where the promotional material was distributed to the visitors.

Assistance has been provided in preparation of UNOPS’ Project Management workshop on 17 September – venue organised and branded, power point presentation fine tuned, visual materials prepared.

7.2 Information-education and/or advocacy campaigns are implemented in partnership with civil society
The campaign “Europe that is you”, launched in March 2013, was successfully completed. About 600 representatives of specific target groups (media, municipal administrations, agriculture producers and business community, high-school pupils, students), were directly involved in the campaign activities.

The campaign promoting **environmental protection**, sustainable energy sources and recycling “Where is your threshold of responsibility?” was launched with two workshops for pre-school children in Vladičin Han kindergarten “Pčelica” and Tutin kindergarten “Poletarac”, marking the International Day of Protection of the Ozone Layer. The visual materials were produced for the campaign: 15,000 leaflets, 600 posters, 1,800 eco bags and one roll-up banner. The materials will be used in the street events in October. TV spot and radio jingle were designed and will be finalised in the first week of October and distributed to the local media in mid October for free broadcast. Online video game was produced and activated while the Facebook page was launched. The website [www.tvojprag.rs](http://www.tvojprag.rs) will be officially launched in the first half of October accompanied by a press release to all media.

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

**Activities:**

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

The “Cherry Festival” project is completed, after successful organisation of a three day event in July, featuring scientific lectures about the renewable energy sources and the production of pellet from sour cherry pits, production of cherry and cherry brandy, the best cherry pie and brandy contest, and numerous traditional dancing performances, all gathering more than 500 participants. The State Secretary in the Ministry of Agriculture Dragan Stevanović opened the Festival. Leskovac, Lebane and Merošina signed a Cooperation Agreement for the production and placement of sour cherry.

The printing of the high quality brochure within the “Golija Lakes Myths and Legends” project is completed. The brochure sheds new light on the natural beauty of the lakes.

The “Novi Pazar Way of Living” project is in the final stage. Twenty influential journalists, from various national media including TV Prva, B92, Blic and Večernje novosti, Blic Žena, spent two days in Novi Pazar. Additional promo materials and a promotional cookbook with recipes recognizable for Novi Pazar will be completed in October.

The brochure for the project “Promotion of Vranje Investment Friendly City” was designed and prepared for printing in four languages – Serbian, English, German and Italian, by the end of October. Mobile phone application is available for free download on the Android Market and iTunes.

The project “Vlasina Health Factory” has been successfully completed. Final report submitted and approved. Project officially closed.

Activities on “Preservation of Natural and Cultural Values on the Mountain Zlatar” project are complete, the bird-watching point has been constructed, and procurement of bird-watching equipment is done. Tourism signposting installation is in progress and will be completed in October. Preparation of a brochure is in the final stage. Trainings of local households have been organised in improving their tourism offer.
The draft Market analysis and development of the marketing plan within the project “Branding of the Pešter Products” has been prepared and should be finalised in October. A series of meetings had been organised with the selected agricultural producers from Novi Pazar, Sjenica and Tutin in order to get insight into the present situation within the agricultural sector in the region. The document will be a basis for two-day training and workshops for agricultural producers on the significance of a good marketing approach.

All activities on the “Visibility of the Green Zone” are still paused, as the issue of the development and management of the Zone has not yet been clarified. The grant contract ends on 31 October and it will most probably not be extended.

Following two workshops with the stakeholders over the summer, the draft Tourism Strategic Marketing Plan for (the part of the) the South West Serbia is being finalised and will be presented at the beginning of October. The contractor reports regularly to the Tourism Sector (Ministry of Economy) about developments. One-month extension was granted to the contractor.

3.5 Management and coordination arrangements

After the July PSC meeting, the procurement plan was prepared with the aim to advertise all approved projects by the end of August, to allow enough time for implementation. Out of 33 procurement cases, 30 were advertised in the reporting period.

The preparations are under way for advertisements for gender equality activities. The short time frame for the project implementation meant that EU PROGRES had to advertise in advance of receiving the funds from the SDC.

The key risks remain: the tight time frame due to LSG incapacities, approaching winter conditions, timely procurements and exchange rates’ fluctuations.

3.5.1 Financial resources

Total Programme disbursement as of 30 September 2013 was 13,457,419.10 Euros or 80.9% of the budget. The Consolidated review of co-funding as of 30 September is available in Annex III.

In September 2013, 69% of projects were completed. More details are available in Annex IV - EU PROGRES’ Implementation Matrix, Attachment 4.2.

The sixth payment from the SDC received. The Addendum 3 of the SDC contract with UNOPS, added 402,850 Euros to the overall budget for the gender equality activities.

The Programme is entering into its final stage. Close financial monitoring is put in place and commitments are reviewed on bi-weekly basis. The risk of overcommitting with all projects approved by the PSC is taken into consideration as well as the risks identified under procurement.

The process of official hand over of completed projects to beneficiaries initiated.

3.5.2 Human resources

Human resources monitored closely, as exit strategy with project closure will require flexibility and careful planning on resources needed versus budget availability.
3.6 Assumptions and risks

This period brought a change: after more than a year it is economy, rather than politics, that has more often of late negatively affected the Programme.

**Economic crisis**

The National Assembly of the Republic of Serbia approved in July 2013 changes to the Law on the Budget for 2013 that predicted reduction of public expenditure by 35 billion RSD. The budgetary cuts inevitably reduced financial capacities of the Government at the national and local level to support developmental initiatives.

For example, funding for the Ministry of Regional Development and Local Self Government (MRDLSG) was reduced from 10.8 to 7.2 billion RSD. This cut has triggered MRDLSG’s decisions to cancel 30 million RSD grant previously allocated to Preševo for the construction of the infrastructure in the Industrial Zone, for which Detailed Regulation Plan was developed with EU PROGRES’ support. The Ministry also will not be able to donate earlier approved 30 million RSD for the construction of the part of the bypass road to Vranje Free Zone, for which the Programme developed the main design. These cancelations, caused by the economic crises, did not endanger implementation of EU PROGRES’ projects, but at least slow down further development of the Zones and their potential to attract investors.

Economic crisis also hit local governments. The number of reports on uncertain and reduced transfers has increased. Novi Pazar, for example, is in the financial crisis as the budget inflow is very low. The Mayor called for swifter transfer of funds from the central level so that the City can pay salaries to its employees. Three Novi Pazar Public Utility Companies, “Čistoća”, “Vodovod” and “Toplana” as well as the Department for Construction were on strike. Effects on EU PROGRES were limited: the City struggled to provide co-funding for the Pendik Sports Hall, but eventually started to pay small instalments to the contractor. Having in mind that EU PROGRES implements many projects in cooperation with the PUCs, the Programme may be affected if the strikes’ trend grows in Novi Pazar and elsewhere. In the South Serbia, Medveđa has not been able to provide funding to cover the VAT and customs for the machines that were donated by the Slovenian Centre for International Development and Cooperation for the Termovent Factory. The Municipality decided to ask for a credit in order to pay these obligations and to create conditions for the start of pellet production i.e. employment of about 30 workers. In addition as the EU PROGRES grant had to be closed in August, the training of workers won’t be possible.

The private sector has also not been immune to the crisis. The Programme is using primarily local construction companies and has been, more than in previous periods, recording cases in which they struggle to provide liquidity while their working capital is very limited. This in turn means they are heavily dependent on payments from investors (e.g. municipalities in most cases with EU PROGRES’ projects). These affected EU PROGRES: several infrastructure projects progressed with small delays because contractors were not able to engage the needed workforce, but the Programme’s close monitoring and insistence on respect of dynamics were effective.

The above proved once again that fragile finances of the central and local governments endanger provision of co-funding contribution, implementation of particular projects and, ultimately, reduce the impact of development programmes. EU PROGRES, due to grant methodology that stipulated provision of co-funding prior to investment of donors’ funds, has mitigated this risk. However, reduced Government’s capacity to support development will not benefit some of the projects that are being developed through EU PROGRES in the
South and South West Serbia. In the longer run, without more certainty, this could be a risk for provision of co-funding for projects supported through IPA.

**Politics**
This was a calm period in terms of political developments in the Programme area. The local government reshuffled again in Vlasotince, with the majority now formed by the Socialist Party of Serbia (SPS), the Serbian Progressive Party (SNS) and the New Serbia (NS). The Higher Court in Prokuplje ordered one month detention of the Mayor of Žitoradja, Goran Stojković (DS), his deputy and the Vice President of the Municipal Assembly, on suspicion of being involved in corruption and unauthorised payments of allowances. The Appellate Court abolished the detention decision and released them on bail. The former Leskovac Mayor, Slobodan Kocić, was released after five-month custody. These cases did not significantly affect the Programme except several postponements of meetings and activities, but still signal continuation of political instabilities.

In contrast, the sudden death of the Leskovac Mayor’s Assistant, Željko Kotlo, at the beginning of August, affected the Programme. Kotlo has contributed over the past several months to positive movements of the Green Zone projects, especially regarding the development of the “Road Map” for facilitating investors and progress regarding construction of the access road and provision of the energy supply to the Zone. His death postponed adoption of the “Road Map” by the City Assembly and almost stopped all Green Zone activities, including the branding project that is unlikely to start due to Programme’s lifespan. The City appointed the new Mayor’s Assistant in the second half of September and EU PROGRES renewed communication on the Green Zone developments with him.

**Weather**
The weather conditions in the summer were favourable and enabled the Programme to continue activities efficiently. Several weather dependent projects, such as the Regulation of Raška River watershed/flood protection and construction of the WWTPs in Trgovište and Crna Trava advanced thus enhancing prospects for timely completion during the Programme. Implementation of these projects, however, is still not fully resilient to unpredictable severe weather conditions and the Programme closely monitors them and puts additional efforts to ensure efficiency in implementation (e.g. increased number of visits to projects sites and insisting on the strict respect of work dynamics).

**Grant Methodology**
Despite several requests from the LSGs to EU PROGRES to conduct direct procurements, the grants remained dominant methodology: about 90% of projects are implemented in this fashion. Financial risks associated with the use of this methodology, however, are more serious than ever. Through grants, municipalities are “owners” of the funds and Programme’s financial position depends on actual values of the municipal projects. The actual amounts usually differ from the approved ones due to differences between the estimated and the final tender values, market instabilities, cancellations of projects etc.

EU PROGRES analysis show that the actual value of projects implemented through grants is 9% lower (i.e. 9% savings) than the grant awarded value. This will be a serious risk in the last six months, and although the entire funding is approved, allocated (and contracted), the Programme has to still spend over two million Euros on the projects, of which the majority are municipal grants. The Programme thus monitors expenditure on daily basis and is developing options for conduct of small projects (primarily procurements) that would enable the swift expenditure, should the funds become available.
Conclusion
The Programme made significant steps towards successful and timely completion. Economic crisis will not hinder implementation but in the longer run could negatively affect impact of EU PROGRES’ other development interventions. **Unless there is bad weather**, all projects will be completed. The completion of the new gender project that is funded by the Government of Switzerland by 31 March 2014 will be a challenge. The Programme and the SDC are aware of this and reaffirmed readiness to be flexible with this action.

The Programme’s focus will strongly shift towards reduction of financial uncertainties deriving for the use of the grant methodology, with objective to utilise available funds in the most efficient and most effective way.

4 Work plan for Q4 2013
Work Plan for Q4 2013 is provided in the Annex IV, Attachment 4.3.

5 Visibility
During this quarter, at least 290 media reports were generated in all media outlets, clearly emphasizing donors’ support through various project and Programme activities, which is 45% more than planned for the whole year.

Additional visibility to donors was ensured through production of 260 posters, 800 notepads and 300 leaflets for Gender Equality Mechanism projects in Prijepolje, Sjenica and Nova Varoš, and 15,000 leaflets, 600 posters and 1,800 eco bags produced within the Environmental campaign “Where is your threshold of responsibility?”

Four positive TV reports about Programme projects have been broadcast on national RTS and TV Prva, clearly promoting support of the donors. Two reports covering the establishment of the Pešter Agro Cluster and CIF1 project for economic empowerment of the vulnerable groups in Bosilegrad were broadcasted on TV Prva, as a part of the EU Info Centre project promoting European Union support. Additional two reports about the opening of Citizens’ Assistance Centre in Crna Trava and the beginning of the environmental protection awareness campaign “Where is your threshold of responsibility?” as regular reports on the national service RTS. All four reports are available on video section of the Programme website [http://www.euprogres.org/video.php](http://www.euprogres.org/video.php) and have been promoted on social networks.

The slight drop in unique website visits in August (1,134) compared to July statistics (1,819) can be attributed to the holiday season, as the numbers picked up again in September and there were 1,939 unique visitors, with 3,951 visits and 249,334 hits.

The Programme Facebook group has 504 members – about 190 more than at the beginning of the year. In addition, the Facebook page provided wider outreach. Page has 242 likes and this number increases constantly. According to the insights, the majority of the followers are women (50.2%), and the biggest portion of the audience is between 25 and 44 years old.
The list of Annexes

Annex I – Progress against indicators in the Logical Framework Matrix

Annex II – Developments

Annex III – Operations
  • Attachment 3.1 Overview of co-funding as of 30 September 2013

Annex IV – Programme general
  • Attachment 4.1 Implementation Matrix as of 30 September 2013
  • Attachment 4.2 Impact Matrix as of 30 September 2013
  • Attachment 4.3 Work Plan, 30 September 2013

Annex V – Component 4
  • Attachment 5.1 Media coverage table
  • Attachment 5.2 Website statistics
Annex I – Progress against Logical Framework Matrix Indicators

Legend

| Problem, unlikely that the Programme will meet the targets |
| Early stage of action |
| Strong progress towards set targets |
| The Programme met targets |

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Key developments July-September 2013</th>
<th>Overall Status</th>
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<tbody>
<tr>
<td>Contribute to creation of 1,500 jobs in the EU PROGRES AoR by 2017.</td>
<td>Ivanjica and Raška kindergartens fully operational and enabled employment of 43 persons. Leskovac employed 38 graduates, thus contributing to the implementation of the Local Economic Action Plan that was developed with EU PROGRES’ support. The City allocated funding for this purpose while, among other, also taking into account that the citizens voted youth employment as a top priority within EU PROGRES’ supported participatory budgeting. The project supporting Roma employment generated 29 jobs. The construction of the Regional Centre for Development of Agriculture (Pešter) completed. Employment of 14 persons planned for early 2014.</td>
<td>EU PROGRES’ projects for the Industrial Zone in Vranje, the Centre for Pešter Development, Support to Fruit Production in Požega, the Green Zone in Leskovac, and renovation of Termovent Factory in Medveda are expected to contribute to creation of 3,000 jobs in the next one to five years while several hundred entrepreneurs and several thousand agricultural producers should be positively affected. EU PROGRES’ projects directly contributed to creation of 172 jobs, while additional 100 to 150 jobs should be created by the end of the Programme.</td>
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<td>Contribute to investments of 20 million Euros into economic, social and environmental projects in the EU PROGRES AoR by 2017.</td>
<td>The Leskovac Green Zone advanced: transformer station and lighting equipment provided, the contract for the completion of access road signed with the Roads of Serbia, and the City is preparing public call to invite investors to set up business in the Zone. The start of the construction of the Geox shoe factory in Vranje Free Zone postponed due to complaints submitted to the Republican Committee for the Protection of Bidders’ Rights. This does not endanger Geox investment of 15.8 million Euros. The Programme finalised technical documentation for two regional</td>
<td>EU PROGRES work on technical and planning documentation for the Vranje Industrial Zone is a part of the “package” that should facilitate investments of Geox and Ditre worth over 29 million Euros. The Green Zone in Leskovac, whose internal infrastructure has been constructed with EU PROGRES’ support, is one of the key investment locations in the South Serbia. Technical and planning documentation, developed with EU PROGRES’ support, enabled municipalities to access one million Euros from the Government of Serbia and other donors.</td>
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<td>Indicator</td>
<td>Key developments July-September 2013</td>
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<tr>
<td>Indicator</td>
<td>Key completed projects: the Main Design for the Expansion of the Meteris Landfill in Vranje; the re-design of the technical documentation for the Banjica Regional Landfill and founding of a joint enterprise that will manage the Landfill, by four involved municipalities, Nova Varoš, Priboj, Prijepolje and Sjenica; the Preliminary Design for the Waste Water System for the National Park and Tourism Centre Kopaonik; the construction of the WWTP in Trgovište and Crna Trava successfully launched.</td>
<td>EU PROGRES’ work on development of technical documentation for the three recycling centres and the regional landfills Banjica and Meteris, work on studies for Kopaonik WWTP, than construction of WWTPs in Crna Trava and Trgovište, and implementation of several local infrastructure projects which introduce bio fuel and reduce CO2 omissions, will contribute to cleaner air and water in the area.</td>
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<td>The number of women at decision making positions in EU PROGRES participating municipalities increased by at least 5% during the Programme lifetime.</td>
<td>Focus shifted from establishment of gender institutional framework to capacitating it. Raška GEM enabled sixteen women have started to generate income through online sale of souvenirs as well as through manifestations. EU PROGRES signed the contract with the Swiss Agency for Development and Cooperation (SDC) for additional 402,850 Euros to be used for advancement of gender equality.</td>
<td>The support to establishment of gender equality mechanisms in 12 municipalities contributed to development of gender policies at the local level. Through CIF, several gender equality projects implemented. Women representation in municipal assemblies in the South West and Toplica, where EU PROGRES worked on gender, is 11% higher after 2012 elections. The number of female local councillors has in some cases doubled after 2012 elections. There are 58.33% women who are heads of administration.</td>
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<tr>
<td>Contribute to improvement of living conditions of the marginalised and vulnerable groups by providing access to employment, housing and social support to at least 3,000 people in the AoR</td>
<td>17 Roma entrepreneurs were provided with the equipment, and they launched their businesses and employed 29 persons. A range of projects supporting Roma community completed: the DRP for Mala Guba in Prokuplje completed and creates conditions for legalisation of a settlement where 220 Roma live. Daily food provisions provided to 65 Roma children in Leskovac, enabling organisation of additional school classes. 25 Roma and Serbian children from socially deprived families, received textbooks for the first grade in the High School. In Vranje, two persons with disabilities have been employed to work in a kiosk for photocopying</td>
<td>About 9,100 vulnerable received assistance: 2,374 people received free legal aid through the Citizens’ Advisory Services in four municipalities and exercised their rights in obtaining personal documents, access to health protection, pension, education etc. Forty three partnership projects of civil society and LSGs benefited 4,850 people. Projects providing access to clean water for 1,300 Roma in Novi Pazar, Surdulica and Vranje will improve harsh living conditions of this vulnerable group. Vranje project completed and provided water to 100 Roma beneficiaries. EU PROGRES implemented a project with BIC Vranje that facilitated employment of 29 Roma. Part of planning documentation will facilitate legalisation of informal Roma settlements, while some infrastructure...</td>
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<td>Indicator</td>
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<td>Overall Status</td>
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<td>that was provided with EU PROGRES’ support (CIF 2 project).</td>
<td>projects improve physical access to public institutions. Work on good governance ensures local policies are developed or redesigned in a manner that will ensure rights of vulnerable communities are addressed.</td>
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<tr>
<td><strong>LEVEL OF OUTCOMES (PROGRAMME PURPOSE)</strong></td>
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<tr>
<td>Increased satisfaction of citizens with public services over three years of EU PROGRES’ implementation</td>
<td>The Second Citizens’ Satisfaction Survey started in early September 2013 and is to be finalised by December 2013.</td>
<td>EU PROGRES conducted the Citizens’ Satisfaction Survey (CSS) that provided baseline indicators and contributed to increased awareness of the public what needed to be improved in municipalities. The second survey ongoing.</td>
</tr>
<tr>
<td>No change. EU PROGRES will research towards the end of 2013.</td>
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<tr>
<td>EU PROGRES conducted the Citizens’ Satisfaction Survey (CSS) that provided baseline indicators and contributed to increased awareness of the public what needed to be improved in municipalities. The second survey ongoing.</td>
<td>Through CIF and CAS, the Programme facilitated 71 partnership projects between civil society organisations (CSOs) and local self governments (LSGs). EU PROGRES assessed possible effects of the CIF and reviewed the grantees’ reports: for CSOs this opened up room for more regular communication and better cooperation with the LSGs. Sixteen partnerships between LSGs and CSOs continued after CIF-1. Nine months after the end of the CIF-1, 29 initiatives are still providing benefits.</td>
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<tr>
<td>No change. EU PROGRES will research towards the end of 2013.</td>
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<td>EU PROGRES designed participatory budgeting follow up measures (e.g. meetings with officials to encourage they repeat the process from 2012). Implementation in October and November.</td>
<td>The participatory budgeting, conducted in 12 municipalities, resulted in priorities specified by some 5,800 citizens being accepted while defining 2013 budgets. For example, in Vranje, the highest priority for the citizens was youth employment and the City allocated 38 million Dinars for this purpose for the first time. The priority for Leskovac citizens was opening of jobs and the City assigned funds to employ 54 young professionals with the average grades above 9,00 while 70,000 Euros were put aside for employment subsidies. In comparison to 2012, cumulative LSGs’ allocation in 2013 was about 1.85 million Euros more for priority issues identified by the citizens. Three municipal/city councils adopted decisions institutionalizing the Participatory Budgeting process, while 11 municipalities have passed decisions on establishing local PB teams for future activities.</td>
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<td>Citizens’ Advisory Services continue</td>
<td>CAS Novi Pazar incorporated into the City administration. Prokuplje</td>
<td>The Programme supported establishment and work of four CAS offices. 2,347</td>
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<tr>
<td>Indicator</td>
<td>Key developments July-September 2013</td>
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<td>in at least two municipalities after the Programme finishes</td>
<td>CAS was still functioning in July, but since then the municipality was unable to sustain the office. Further discussions with the mayors of Prokuplje, Žitorađa and Preševo will be organised during October and early November</td>
<td>citizens, primarily from vulnerable groups, received assistance to obtain personal documents and access basic services such as health protection, education and pension. EU PROGRES works to ensure CAS methodology is sustainable in at least two municipalities.</td>
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<tr>
<td>Local mechanisms for gender equality in place in at least twelve municipalities; at least five municipalities allocate funding for gender equality activities.</td>
<td>Seven GEM projects advanced. Raška GEM successfully organised trainings for tourist guides and design of souvenirs and enabled 40 women to get certificates. Sixteen women have started to generate income through online sale of souvenirs as well as through manifestations. The newly funded gender project by SDC will enable funding of another round of GEM projects</td>
<td>EXCEEDED. Local gender equality mechanisms (GEMs) were (re)established in all 12 municipalities (Toplica District and South West Serbia), while seven municipalities have set aside budgets for gender issues.</td>
</tr>
<tr>
<td>Period for responding to requests regarding building permits and conditions reduced by 20% in at least four EU PROGRES participating municipalities.</td>
<td>During the reporting period the OSS office in Novi Pazar and Ivanjica became fully operational.</td>
<td>EU PROGRES established One Stop Shops (OSS) in Vranje, Leskovac, Novi Pazar and Ivanjica. OSSs should reduce total time needed for issuing of construction permit from average 96 to 77 days. Indirectly, development of over 30 planning documents and design of technical documentation for more than 20 projects will enhance LSG’s efficiency regarding issuing of building permits.</td>
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<tr>
<td>Increased level of tax collection in at least ten municipalities by at least 10% by the end of the Programme.</td>
<td>Exceeded. Completed activity.</td>
<td>EXCEEDED. Cumulative total number of registered taxpayers, in 11 municipalities participating in the tax administration project, increased by over 17,000. On average, this represents 26.8% increase over the total number of taxpayers. EU PROGRES’ analysis in the first year of implementation, showed average increase of 37% in the invoiced local tax and increase of 24.6% in collected local taxes.</td>
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<tr>
<td>Increased level of services for businesses in at least two municipalities. At least 20 enterprises from the Programme AoR involved in clustering by end of the Programme.</td>
<td>No change. Ongoing progress.</td>
<td>Support to businesses is provided on several levels: three clusters involving 27 entities established, two businesses established through BiC Vranje, four One Stop Shops being established and will enhance quality of services to investors, preparation of Capital Investments Plans in five municipalities will provide valuable inputs for development of business related infrastructure.</td>
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<tr>
<td>Spatial and General Regulation Plans, and priority</td>
<td>The DRP for Mala Guba in Prokuplje, completed. The GRP concepts for Prolom Banja and the DRP Concept for Kušići village in</td>
<td>EU PROGRES supports development of one Elaborate for Spatial Plan, seven GRPs and 29 DRPs. In addition, the Programme provided equipment for geodetic surveys.</td>
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<td>Detailed Regulation Plans in place in all municipalities by the end of the Programme</td>
<td>Ivanjica endorsed by the respective municipal planning commissions.</td>
<td>and IT hardware and specialised software for Urban Planning Directorates in Vranje, Leskovan and Novi Pazar.</td>
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<tr>
<td>Up to 40 projects from SS and SWS on the SLAP data base – the third level until the end of the Programme (Indicator not fully applicable after November 2012 reform of SLAP IS)</td>
<td>EU PROGRES will review towards the end of 2013.</td>
<td>There are 100 projects from 23 EU PROGRES municipalities in the SLAP. Fourteen of those are developed through EU PROGRES: designs for Banjica and Meteris Landfills, recycling centres, Erozija infrastructure in Novi Pazar, waste water system in Raška, water supply in Sjenica, WWTPs in Crna Trava and Trgovište, Water Plant in Lebane, reconstruction of the water supply in Vladičin Han. EU PROGRES funded the last four, in total value of 690,000 Euros, while the estimated value of works for others is slightly over 23 million Euros.</td>
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<td>Municipal capacity for absorption of funds for implementation of infrastructure projects enhanced by 40 million Euros by the end of the Programme.</td>
<td>Caritas completed the reconstruction of the school “Dositej Obradović” in Vranje, worth 85,000 Euros, while using the documentation developed through EU PROGRES. Vranje has also, with the contribution from the Ministry of Finance and individual donors, provided about 140,000 Euros for the reconstruction of the Theatre destroyed in the July 2012 fire that should be conducted on the basis of the main design developed with EU PROGRES’ support. Developed documentation for the landfills and the WWTP in Kopaonik could enable municipalities to absorb up to 18 million Euros.</td>
<td>EXCEEDED. EU PROGRES supports development of five technical designs for regional projects and 20 designs for local infrastructure to the stage of building permits. Eleven technical designs were developed. EU PROGRES would, after completion of designs, have a pipeline of “ready to build” projects of estimated value of 55 million Euros. Developed planning documentation also creates conditions for investments into technical documentation, which in turn could attract tens of millions of investments.</td>
</tr>
<tr>
<td>Access to clean water improved for at least 20,000 citizens from the EU PROGRES AoR (2.5% of the total area population) by the end of the Programme.</td>
<td>In Sjenica, replacement of asbestos pipelines provided more stable and safer water supply for 2,500 people. In Vladičin Han, replacement of the magisterial water pipeline has reduced losses by 50% and created conditions for connection to water of 250 additional households and 50 businesses.</td>
<td>Implementation of five local projects and one inter-municipal project will directly improve water supply for tens of thousands of citizens. The Programme also supports development of documentation for Kopaonik Mountain that will provide overview of water sources for Raška and the area – this is key for future water supply system development.</td>
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<tr>
<td>Education conditions improved for at least 4,000 pupils and/or students in Ivanjica and Raška Kindergartens fully operational and enrolled over 300 children. No waiting lists in Raška any longer.</td>
<td>EXCEEDED. Implementation of ten local infrastructure projects that will improve conditions for education for about 6,600 children. EU PROGRES is involved in development of the project for the</td>
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<td>the Programme AoR by the end of 2013.</td>
<td>Construction of premises for the Department of the Faculty of Economy in Bujanovac. This is instrumental effort for the area, both in terms of socio-economic development and stability.</td>
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**LEVEL OF RESULTS**

Two calls for proposals within CIF implemented with 80 projects supported during the Programme implementation, expected to bring along increased participation of different communities in the work of local government. First CIF in year 1 with 40 projects and CIF 2 with additional 40 projects in year 2.

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<td>25 out of 26 CIF-2 projects finalised; one project to be closed down in November due to objective circumstances.</td>
<td>CIF 1: All 40 projects were closed having passed the final audit. CIF 2: 25 out of 26 projects finalised. There were 16,500 direct beneficiaries of actions, while the number of indirect beneficiaries, in both CIF-1 and CIF-2 exceeded 600,000. More than half projects were focussed on providing support to marginalised and vulnerable groups and addressed the needs of Roma, people with disabilities, youth and women. Other themes included good governance, environment protection, rural development and promotion of inter-ethnic tolerance.</td>
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Citizens’ Satisfaction Surveys conducted in year 1 and year 3 of the Programme serve municipalities to improve their efficiency and accountability.

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<td>The Second Citizens’ Satisfaction Survey started in early September 2013 and is to be finalised by December 2013.</td>
<td>The second CSS tendering and evaluation process has been finalised in June 2013 and the implementation started in September 2013.</td>
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Improved access of vulnerable and marginalized groups to municipal services in up to four targeted municipalities during Programme implementation.

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<td>CAS Novi Pazar <strong>incorporated</strong> into the City administration. Prokuplje CAS was still functioning in July, but since then the municipality was unable to sustain the office. Further discussions with the mayors of Prokuplje, Žitorađa and Preševo will be organised during October and early November.</td>
<td>The four CAS offices offered free legal assistance to 2,374 users. Legal assistance has been provided to 53% Albanians, 21% Roma, 20% Serbs and 4% Bosniaks. According to the gender structure 78% of users were male, and 22% female. There were 42% unemployed users, whilst 24% of them were social protection beneficiaries. Out of the total number of citizens, i.e. users who addressed the CAS, 37% requests have been settled positively. There are still 39% cases in the procedure.</td>
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Transparent and efficient preparation and monitoring of budget, with elements enabling public -

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<td>EU PROGRES designed advocacy efforts to encourage municipalities to conduct participatory budgeting during development of budget for 2014.</td>
<td>The first phase of this activity included the assessment of municipal budgets and existing budgetary practices, after which recommendations were made how to improve the processes. Tailor-made methodology for implementation in municipalities was prepared. The second</td>
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<td>participation, realization in three pilot municipalities during the first year of Programme implementation. The same process conducted in 25 municipalities in two phases: the first phase assessment and analysis of local budgetary practices and capacities for PB; the second phase actual PB process in at least 12 municipalities.</td>
<td>phase focussed on planning and conducting participatory budgeting (PB) activities with 12 municipalities that passed the capacity assessment and were willing to participate in the process. As a result, the budgets for 2013 reflect the priorities specified by their citizens.</td>
<td>EU PROGRES supported 19 municipalities to finalise their obligation and held two workshops on the content of IPs, stages of drafting, forming of working groups and competencies thereof. However, due to technical problems with the server in the Anti-Corruption Agency in the last week of March, the deadline for finalization of the IPs, for those institutions that already started filling in the web application, was postponed to 12 April. Despite the fact that the expert collected and concentrated the relevant information, called all municipalities and explained comprehensively how to proceed, the postponement caused a lot of confusion. Eight municipalities managed to meet the deadline: Vranje, Prokuplje, Surdulica, Vladičin Han, Vlasotince, Bosilegrad, Ivanjica, and Medveda. The plan was partially developed in Crna Trava.</td>
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<td>One anti-corruption seminar for local government CSOs and media representatives held, expected to result in increased awareness of corruption issues on the local level. Providing support for development of local government's Integrity Plans, with at least ten municipalities adopting the plans. Providing support for development and publishing of Municipal Information Bulletins in all municipalities, with at least 20 municipalities actually publishing the bulletins.</td>
<td>No change.</td>
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Local GEMS: The new SDC funded GE sub-EXCEEDED. Local GEMs) were
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<td>established and operational in 12 municipalities until the end of the Programme. At least ten Action Plans produced by the end of the Programme. European Charter on Gender Equality adopted localised in at least six municipalities by the end of the Programme. At least five local GEMs capacitated for preparing gender projects. Provide expert to the Office of Human and Minority Rights for at least nine months. Provide support to NMCs operating in the AoR by funding at least two projects by the end of the Programme.</td>
<td>programme was prepared and contracted within the reporting period and is to begin in early October. Its specific objective is to contribute to implementation of the GE National Action Plan, in particular to strengthening of institutional framework and of relevant capacities of key local actors in 25 municipalities of South and South West Serbia to promote and address GE agenda and issues. (re)established in all 12 municipalities (Toplica District and South West Serbia), GE LAPs were adopted in nine, the EU Charter on Gender Equality on the Local Level has also been adopted in nine, while seven municipalities have set aside budgets for gender issues. Following an assessment of local GEMs in 12 municipalities of Toplica District and South West Serbia, an open Call for Proposals has been announced for the GEMs to apply with the Programme for small grants that will increase their capacities to implement GE projects and their visibility in the municipalities. Eleven out of 12 GEMs submitted projects for the Call for Proposals that closed in mid-April and after the evaluation process, projects from seven GEMs were approved for further funding. The topics range from improvement of health of women and youth, prevention of violence to economic empowerment and improvement of political representation. The new premises of the Albanian National Minority Council (ANMC) have been furnished and equipped. Roma, Albanian and Bulgarian National Minority Councils (NMCs) project has been completed, benefitting about 33 people from minority groups who developed knowledge on multiculturalism. This project promoted tolerance, human rights, and cooperation between majority and minority groups. EU PROGRES’ associate supported the Office for Human and Minority Rights (OHMR) in preparation of the Draft Strategy for the Fight against Discrimination (2013-2018) as well as in monitoring the work of NMCs.</td>
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<td>At least 15 new municipal regulations, rule books or decisions contributing to enhanced Good Governance adopted by the end of the Programme. At least one inter-municipal project functioning</td>
<td>Swiss Backstoppers’ September mission organised. Ongoing preparation of SIPs-LIPs-PGG booklet. The booklets will be printed by February 2014 The Good Governance workshop on Infrastructure Projects, held at Kopaonik, with participation of more than 50 local officials, including several mayors. In eight out of 14 municipalities, where the Programme is providing assistance to link small infrastructure projects (SIPs) with the good governance (GG) practices, 35 regulations have either been adopted or revised, while implementation of the agreed activities is currently in progress in Trgovište, Preševo and Vladičin Han. Over 20 new or revised regulations are expected in these municipalities as well. Four large inter-municipal projects function according to the good governance organisation, with process...</td>
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<td>according to Good Governance organisation scheme by the end of the Programme. At least one booklet on collected obstacles local governments are facing in their functioning pertaining to the discrepancies in interpretations of legislature or lack of regulative or confronting regulations coming from different government levels or other reasons published by the end of 2013. Pure good governance activities carried out in at least one municipality, result in at least one new regulation/decision/new procedure.</td>
<td>structure established using the Programme’s expertise and assistance. In one municipality (Ivanjica) pure Good Governance reform process is carried out. The process has resulted so far in the templates and harmonization/adjustments documents on the annual work-plan elements and structure as well as templates for reporting, strategic part of the local public utility companies’ plans, with the aim of increasing overseeing role and capacity of local assembly over the municipal PUCs.</td>
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<td>Three Citizens’ Assistance Centres formed and functional in municipalities where they didn’t exist. Eight municipalities supported in technical renewal of CACs by the end of 2012.</td>
<td>The CAC in Crna Trava opened. The CAC opening in Bosilegrad scheduled for October. The CAC expansion project in Novi Pazar ongoing, with the tenders of furniture, IT equipment and works on reconstruction for the LC offices completed.</td>
<td>Citizens’ Assistance Centres formed in Trgovište, Bosilegrad and Crna Trava. Eight municipalities supported in technical upgrade of CACs by the end of 2012. Another CAC expansion project started in Novi Pazar in May 2013.</td>
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<td>At least five FDI attraction plans developed by the end of the Programme. At least two BIC received financial and technical support by the planning process has advanced over the reporting period to the point of draft FDI plans being produced by all five included municipalities. The three clusters have completed their Training and Services Needs Assessments and Cluster Manager trainings.</td>
<td>BICs in Prokuplje and Vranje completed projects in 2012. Another project, for distant incubation of Roma entrepreneurs in Vranje BIC will be finished by the end of November 2013. Three clusters formed – “Radan Mountain Tourism”, “Pešter Agro” and “South Serbia Fruit”, trainings regarding competitiveness were completed by the end of August 2013. FDI</td>
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<td>end of the Programme. Three clusters formed and functional; three promotional campaigns regarding innovativeness and competitiveness conducted by the end of the Programme.</td>
<td>The BIC Vranje project for Roma entrepreneurs has well advanced and 17 new businesses have been registered and equipped.</td>
<td>attraction planning process started in five municipalities in June 2013.</td>
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<tr>
<td>Two One Stop Shops formed and functional by the end of the Programme.</td>
<td>Novi Pazar OSS office started functioning fully.</td>
<td>EXCEEDED. Four One Stop Shops formed and were functional as of June 2013.</td>
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<tr>
<td>At least ten municipalities have updated taxpayers’ database by the end of 2012.</td>
<td>No change. Completed.</td>
<td>EXCEEDED. Eleven municipalities have updated tax payers’ database.</td>
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<td>Programme budgeting implemented in at least five municipalities by the end of the Programme.</td>
<td>No change. Completed</td>
<td>Programme budgeting process completed in five municipalities.</td>
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<td>Five municipalities are QMS certified by the end of the Programme.</td>
<td>The certification process has started in all five included municipalities.</td>
<td>Five municipalities have completed QMS implementation process and are ready for certification that will start in October</td>
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<td>At least four general and at least eight detailed regulatory plans developed and adopted by the end of the Programme.</td>
<td>EXCEEDED. One additional DRP was approved for funding and implementation started during the reporting period.</td>
<td>EXCEEDED. One special purpose Elaborate for Spatial Plan, seven General Regulation Plans (GRPs) and 29 Detailed Regulation Plans (DRPs) being developed. Out of this, the Elaborate for Spatial plan and all seven GRPs and 2 DRPs have been adopted or are in the final stage of adoption.</td>
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<td>Capital Investment Planning (CIP) adopted in at least five municipalities by the end of the Programme.</td>
<td>Capital Investment Plans (CIP) developed in five municipalities.</td>
<td>Capital Investment Plans (CIP) developed in five municipalities.</td>
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<td>At least two social The main technical design</td>
<td>Improvement of living conditions through</td>
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<td>housing pilot projects implemented.</td>
<td>completed for the Water supply system for the Roma settlement “Blaževo-Postenje” in Novi Pazar. Procurement of water tank truck completed, with delivery deadline of 90 days (by mid-December latest). Tender for water supply system construction works advertised.</td>
<td>water supply system construction project completed in Vranje Roma settlement “Čoška” at the end of 2012. Another water supply system for Roma settlement “Blaževo-postenje” in Novi Pazar in technical design stage.</td>
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<td>At least three inter municipal and six local infrastructure projects developed up to the built-ready stage by the end of the Programme implementation.</td>
<td>Three designs for the inter-municipal projects completed: the Banjica Landfill Re-design, the Meteris Landfill Main Design and the Preliminary Design for the Waste Water System for the National Park and Tourism Centre Kopaonik. Two designs for local infrastructure projects completed: the main design for the transfer station in Bujanovac, the main design for Vranje Theatre.</td>
<td>Preparation of documentation for three out of four inter-municipal infrastructure projects is completed (the main design for the Banjica Landfill; the Feasibility Study with Preliminary Design for the Waste Water System for the National Park and Tourism Centre Kopaonik; and the Main design for the Meteris Landfill). The Technical Study of Underground Drinking Water Reserves for Raška Municipality ongoing. The main design, for the bypass road to the Industrial Zone in Vranje is completed. In addition, 13 main designs for small (municipal) infrastructure are finished, and nine ongoing.</td>
</tr>
<tr>
<td>Financial sources for up to three inter municipal and up to six local infrastructure projects identified during Programme implementation.</td>
<td>The Ministry of Regional Development and Local Self Government cancelled funding for the bypass road to the Industrial Zone in Vranje and for the Industrial Zone in Preševo.</td>
<td>Sources identified for three inter-municipal projects. The Ministry of Energy, Development and Environment Plans to apply to IPA 2014 for Banjica Landfill. Serbia Waters expressed interest in funding the flood protection structures in the Raška River basin. Sources identified for three local infrastructure projects. The Ministry of Agriculture, Forestry and Water Management funds primary collector construction in Tutin, CARITAS funds renovation of Elementary School “Dositej Obradović”, various donors fund reconstruction of the Vranje Theatre.</td>
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<tr>
<td>Three inter-municipal project proposals identified and timely implemented by the end of Programme.</td>
<td>Four projects advanced: Leskovac Green Zone, Pešter Agro Business Development Centre, water supply to Roma settlement in Jelašnica village, Regulation of the Raška River watershed.</td>
<td>Seven inter municipal projects identified (Leskovac Green Zone, Pešter Agro Business Development Centre, water supply to Roma settlement in Jelašnica village, Regulation of the Raška River watershed, Effluent metres for four municipalities in the South Morava basin, the Vlasina River protection, Regional Centre for Day Care and Vocational Training for People with Disabilities in Novi Pazar). Three were completed (Green Zone, effluent metres, Day Care Centre).</td>
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<td>At least two projects in</td>
<td>The construction of WWTP in Trgovište 50% completed.</td>
<td>EU PROGRES supports two projects in the Pičinja District: establishment of the Pičinja</td>
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<td>Jablanički and Pčinjski Districts funded from the new funding source by the end of the Programme.</td>
<td>Pčinja Fruit project: establishment of orchard in progress, 176 individual households from the Pčinja trained in fruit production. Tender for provision successfully closed and enables delivery of at least 150,000 seedlings to fruit producers.</td>
<td>District Regional Fruit Production Centre and design and the construction of the Waste Water Treatment Plant (WWTP) Trgovište.</td>
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<td>At least 25 small scale municipal infrastructure projects developed and implemented by the end of Programme.</td>
<td>Five local infrastructure projects finished: heating in Novi Pazar Sports Hall, Green Market in Kuršumlija, Water pipeline in Sjenica, Water pipeline in Vladičin Han and equipping of the Dairy Market in Bojnik.</td>
<td>EXCEEDED. 41 small scale municipal infrastructure projects supported. Thirty-two projects have been completed and their positive effects are felt across the Programme area, directly benefiting 70,000 people. The projects enhanced business infrastructure, waste management, water supply, energy efficiency, and conditions for education, health, youth and sports.</td>
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<td>Communication Strategy developed and implemented, contributing to increased awareness about the Programme. Per each of three Programme years: organized at least three high profile visits/events promoting EU PROGRES; at least ten press releases, ten interviews and two press conferences resulting in minimum 200 media reports annually about the Programme; at least six blogs prepared by key stakeholders. Website created by the end of 2010 and attracts minimum 10,000 visitors in 2011 and 2012 and 5,000 in 2013. Produced ten issues of</td>
<td>One high profile visit organised. Six press releases released. 290 media reports generated. Two new blogs uploaded. 4,892 unique website visitors during the quarter, with 9,510 visits. The tenth newsletter dedicated to the Annual Report July 2012-June 2013, produced and distributed to over 1,100 email addresses. One media project in the implementation phase. The third annual Programme Steering Committee meeting has been successfully organized in Bujanovac with over 60 participants.</td>
<td>EXCEEDED. Communication Strategy developed and is being implemented successfully: 25 high profile visits successfully organised promoting donors’ support and EU PROGRES’ intervention in the area. Eleven visits organised in the third year of implementation. 73 press releases prepared and timely distributed to the media, 35 in the third year. 18 interviews organised, seven in the third year of implementation. 2,560 positive reports generated in media, while 1,160 media reports generated in the third year alone. 15 blogs prepared for the website, six blogs in the third year of implementation. Regularly updated website attracted 90,783 visits by 52,409 unique visitors. In the third year of implementation, the website registered 42,071 visits by 23,697 unique visitors. Ten newsletters produced and each distributed to over 1,100 email addresses. Four newsletters in the third year of Programme implementation. Two media projects completed and one in implementation phase. Over 100 media reports generated promoting good governance, public administration reform and sustainable development.</td>
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<td>Newsletter in three years and circulated quarterly to a minimum of 1,000 recipients. At least three media projects and five community initiatives promoting good governance developed and implemented. At least five different media reported on good governance, public administration reform and sustainable development in at least 20 different articles in each of the Programme year.</td>
<td>Implementation of the third campaign ongoing. Series of events, street performances and educational seminars for small businesses will be organised in the Q4 2013. Over 60 positive media reports generated through the launch of the campaign in national and local media.</td>
<td>Two campaigns successfully completed – promoting good governance and the European values. One campaign promoting environmental protection, energy efficiency and recycling launched. Six national stakeholders involved, including the SEIO, Ministry of Agriculture, Forestry and Water Management, Ministry of Regional Development and Local Self-Government, Ministry of Energy, Development and Environmental Protection, Cabinet of the Deputy Prime Minister for European Integrations and the SCTM. Two international stakeholders involved including the MISP and the EU Info Centre.</td>
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<td>Three campaigns addressing different social challenges in the Programme area developed and implemented: the first in 2012, the second by mid 2013 and the third by the end of 2013. At least one national and two local stakeholders involved in each of three campaigns.</td>
<td>Four branding projects completed during Q3. One project in implementation phase while one is critical (Green Zone visibility).</td>
<td>Five branding plans developed and nine branding projects have been supported. Seven have been completed, one implemented and one critical. At least two projects (Branding of Pešter Products and Vranje as investment friendly City) contribute to increased economic activity. So far, over 140 media reports resulted from the branding activities. Only in the third year, there were 102 media reports through three completed and one ongoing project.</td>
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<td>Image building plans for at least three selected areas within the Programme territory developed by mid 2013. At least four projects deriving from the plans implemented by mid 2013, of</td>
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<td>which at least one contributed to increased economic activity (products sale, employment, manufacturing capacity utilisation, entry into new markets). At least five positive media reports generated by each supported project.</td>
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**Annex II – Developments**

**Legislation**

After the changes in the Article 175 of the Law on State Survey and Cadastre, the municipalities will not be charged for the cadastral extracts that are necessary for the plans any longer. These expenses were part of the constant arguments between the municipalities and the Cadastre.\(^9\)

**South Serbia**

The President of the Coordination Body for Preševo, Bujanovac and Medveđa, Zoran Stanković, emphasized that there was a need to repeat the census of population in the municipalities of Preševo, Bujanovac and Medveđa to verify the exact number of inhabitants so that the state can engage and plan future activities accordingly. Stanković gave an example by saying the Government gets blamed if funding for the Albanian National Minority is reduced, and yet there were only 456 Albanians registered in Bujanovac.\(^10\)

The only ethnic Albanian Member of the Parliament of the Republic of Serbia, Riza Halimi, referred to the efforts for the new census of population in the three municipalities as manipulation.\(^11\) Halimi criticised Stanković directly, saying Albanians have numerous problems, and mentioned the lack of Albanian textbooks, low integration into the state institutions and what he called the inappropriate behaviour of the Gendarmerie in the village Norca near Preševo, which in mid September entered the backyard of an Albanian family, frightened women and children and left without any explanation. Halimi appealed for democratic, transparent and efficient continuation of the process to resolve the problems in South Serbia.\(^12\)

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Repeating the census was on the agenda of the meeting of the local leaders, the Coordination Body and 25 Ambassadors from OSCE member states who visited Bujanovac in early September. During the same meeting, the representatives of the Albanians raised discussion about solving the issues from the Platform, that include: the full integration of Albanians in the Republic institutions, reduction of security forces in the region, economic revitalization, official use of Albanian language and symbols, decentralization of the judiciary, support in development of education, culture and media, social and health protection. The Platform was developed by the Council of Albanians of the Assembly of municipalities Preševo, Bujanovac and Medveđa, with the mediation of the OSCE and in the presence of the President of Coordination Body, and adopted by the Government on 4 June.

In mid July, the Prime Minister of Serbia, Ivica Dačić was scheduled to meet the Albanian political leaders to address the issues from the Platform. However, the meeting was postponed and it was only on 1 October that the Prime Minister announced he would meet the Albanian representatives in “two weeks”. Although the Deputy Prime Minister, Aleksandar Vučić, met with the Albanian political leaders from the South Serbia on 2 July in Belgrade to discuss specific problems as defined by the Platform, little has been reported since on the implementation of the document.

The President of Bujanovac Assembly, Jonuz Musliu said that the President of the National Assembly of Albania Ilir Meta promised him that the official Tirana would advocate for the parallelism in the rights enjoyed by the Serbs in Kosovo with the rights given to Albanians in southern Serbia. The President of the Coordination Body, Zoran Stanković, again stressed that the Albanians in the South have all Constitutional rights, and are treated in line with the national laws and international conventions.

Stanković visited Medveđa on 24 September and met with the local community leaders, who mainly complained about bad local roads conditions. Stanković promised he would talk to the relevant ministries about the issue.

The Mayor of Preševo Ragmi Mustafa presented the problems of ethnic Albanians during a dinner organised by the Albanian-American Council in New York at the end of September. The Prime Ministers of Albania and Kosovo, Edi Rama and Hashim Thaci, the former president of Albania Bujar Nishani, the political representatives of the Albanians in Macedonia and Montenegro were among the guests. The Mayor Mustafa met with the honourable members of the Council, the US Deputy Assistant Secretary Philip Reeker and the Congresswoman Eliot Engel. The Albanian-American National Council was founded

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years ago in the United States as a non-profit organization that encourages peace and economic development of the Balkans, and it meets every autumn. Previous honourable members include the former U.S. President Bill Clinton and the former British Prime Minister Tony Blair.¹⁸

Media recently reported about the “astronomical” salaries of the Mayors of the Pčinja municipalities. According to the OK Radio, the Mayor of Preševo, Ragmi Mustafa, has the highest salary (138,000 dinars), followed by the Mayor of Vranje, Zoran Antić (125,000 dinars), while the Bosilegrad Mayor has the lowest salary (82,500 dinars). Bujanovac Mayor, Nagip Arifi, gets 92,000 dinars, and the Mayor of Vladičin Han, Goran Mladenović earns 96,000 dinars. The average salary in Vranje in July is 32,809 dinars, and the District average 34,084 dinars.¹⁹

There are several projects for demining Serbia from the cluster bombs, in the South Serbia, funded by the Governments of Norway and the USA through the International Foundation for Strengthening Human Security. The works in Bujanovac and Kuršumlija, on the surface of 644,076 square metres, should finish by mid-October.²⁰

Bosilegrad decided to motivate elementary school students who wish to continue their education in town by giving them a monthly scholarship of 3,000 dinars.²¹

Bujanovac’s concept note for the “Effective solid waste management for sustainable development” passed the first stage of evaluation within the Exchange Programme 4. The municipality should submit the full project proposal and accompanying documents till 21 October. The project strengthens the capacities for effective management of solid waste, using modern machinery envisaged in the main design for the construction of the Transfer Station in the town.²²

With over one million Euros support from the Government of Turkey, through Turkish Cooperation and Coordination Agency (TIKA), the Elementary School “Muharem Kadriu” was constructed and equipped in Veliki Trnovac, near Bujanovac, with capacity to enrol 1,000 pupils.²³

Out of 310 attendes at the Serbian language course, organised by the Coordination Body for Albanians in the South Serbia, and funded by the UK Embassy, 250 graduated and got certificates.²⁴

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The Coordination Body provided a compensation of 7.5 million RSD to the citizens of Preševo and Bujanovac who suffered damages caused by Moravica flooding.\textsuperscript{25} Ten businessmen from Bujanovac and eight from Preševo signed grant agreements with the Coordination Body on subsidies of small and medium enterprises and agriculture cooperatives, in total value of 48 million dinars.\textsuperscript{26}

Following the budget revision, the Ministry of Regional Development and Local Self Government cancelled the grant of 30 million RSD previously allocated to Preševo for the construction of infrastructure in the Industrial Zone.\textsuperscript{27}

The Mayor of Vladičin Han requested reduction of salaries for municipal employees and management of the public utility companies, by 10%, a move that started an overall savings in the local budget.\textsuperscript{28} The Municipal Assembly voted to cancel four local funds: the Fund for Agricultural Development, the Fund for Sport and Recreation, the Fund for Local Economic Development and the Fund for the Environment.\textsuperscript{29}

Leskovac Mayor’s Assistant, Željko Kotlo, suddenly passed away, at the beginning of August. In September, graduated economist Nenad Vuković, was appointed to the same position, to be in charge for fundraising, project management and international cooperation.\textsuperscript{30} The former Leskovac Mayor, Slobodan Kocić, was released after five-month custody and the investigation into 70 million dinars fraud that ended in September: it was still not clear whether the charges would be pressed.\textsuperscript{31} The President of Serbia, Tomislav Nikolić, visited Leskovac on 10 September and opened a new production facility of the textile company “Bimtex”, an investment worth 1.4 million Euros.\textsuperscript{32}

The local government reshuffled in Vlasotince in August, for the second time in 48 days, with the majority now formed by the SPS, SNS and NS.\textsuperscript{33} The Prime Minister, Ivica Dačić,
opened the new department within the “Elrad” factory that employed 55 new workers. “Elrad” has been operating in Vlasotince since 2004 and has 400 employees. 

The former Mayor of Prokuplje, Boban Lepojević, was sentenced to two years for abuse of authority and 1.5 million USD damage while he was a bankruptcy trustee in the Factory of the mineral water “Milan Toplica”. 

Prokuplje Action Plan for refugees and IDPs was presented by the Commissariat for Refugees and Migrations as the best practice in Serbia.

Prokuplje Municipality will not renew contracts to 62 people, in accordance with the decision of the Administrative Inspection on the maximum number of employees in the administration. Three Roma lost jobs after this decision, and the representatives of the Office for Human and Minority Rights of the Republic of Serbia raised the issue of this minority representation in institutions. The Head of Prokuplje Administration stated that due to the limitation in number of employees, Municipality couldn’t renew the contracts and that they would propose to the local Council to establish the Centre for fostering Roma tradition and culture.

Following a three-day custody of the Mayor of Žitorađa, Goran Stojković (DS), his deputy and the Vice President of the municipal Assembly, on suspicion of being involved in corruption and unauthorised payments of allowances, the officials were released by the decision of the Appeal Court.

Six families displaced from Kosovo received greenhouses and agricultural machinery from the Italian humanitarian organization “Intersos”. The total value of the project is 1.7 million RSD and out of 60 applications, ten families will receive donations.

South West Serbia
The Democratic Party of Sandžak (SDP) and the Social Democratic Party of Serbia formed a party union, with a joint president - Rasim Ljajić, joint presidency and joint governing bodies. The new organisation will enable SDP to remain focussed on Sandžak related issues, such as infrastructure development and minority rights. Thus, the SDP has overcome the resignation of Rešad Hodžić, earlier in September.

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The President of the SDP Novi Pazar Board, Muamer Bačevac confirmed there would be no changes in Novi Pazar administration and reaffirmed Party’s support to the Mayor Meho Mahmutović. He said SDP was dissatisfied with the functioning of the Public Utility Companies in Novi Pazar and hoped that the new directors, whose selection is in progress, would improve their performance.\(^{41}\) Previously, the Deputy Prime Minister of Serbia and the Minister of Foreign and Internal Trade and Telecommunications Rasim Ljajić criticised the ruling coalition in Novi Pazar and said it was “unable to lead the City out of problems which were inherited from the past”.\(^{41}\)

The Bosniak Democratic Community of Sandžak (BDZS) announced it would again participate in the work of Novi Pazar Assembly. Its representatives have not attended Assembly sessions since February 2013 when the new ruling coalition had been established by the SDP, Sandžak People’s Party (SNP), Serbian Progressive Party (SNS), and Hediжа Škrijelj who was until then the member of the Bosniak Democratic Community (BDZ). The February establishment of the new ruling majority initiated the split of the BDZ into two factions: the one led by Jahja Ferhatović, which remained closely aligned with the Mufti Zukorlić\(^{42}\), and the other led by Emir Elfić, the BDZ formal President. The Ministry of Justice decided in July that Emir Elfić was the legal successor and representative of the BDZ. This triggered foundation of the BDZS in August. The BDZS has seven seats in the City Assembly, BDZ two, while Hediжа Škrijelj continued her political engagement as an independent councillor.\(^{43}\)

**Education**

Although teaching in Bosnian language started in Sandžak at the beginning of the school year, Esad Džudžević, the President of the Bosniak National Council (BNC) in technical mandate, pointed to a lot of difficulties, which included obstruction from officials. The BNC in technical mandate already demanded dismissal of the Assistant Minister of Education, Zoran Kostić, saying that his threats to send inspections to schools which taught in Bosnian was an attempt to limit Bosniaks’ right to access education in mother tongue. BNC also filed criminal charges against several officials in Kraljevo and Užice Education Departments for the same reasons.\(^{44}\)

The Ministry of Education approved ten textbooks in Bosnian for Grammar and secondary schools that will be imported from Bosnia and Herzegovina. The parents of 4,002 students have applied for classes in Bosnian language in Novi Pazar, Sjenica, Tutin and Prijepolje.\(^{45}\)

At the end of summer, Džudžević again questioned the appointment of the religious teachers, pointing that there were two divided Islamic communities and it wasn’t known whose religious teachers would be chosen. There is a state commission for selection of the

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\(^{45}\) Radio Sto Plus (2013) *Džudžević: Počinje nastava na bosanskom ali uz probleme* [Online] Available at: [http://www.radiostoplus.com/drustvo/item/12284-d%C5%BEud%C5%BEevi%C4%87-po%C4%8Dinje-nastava-na-bosanskom-ali-uz-probleme-video](http://www.radiostoplus.com/drustvo/item/12284-d%C5%BEud%C5%BEevi%C4%87-po%C4%8Dinje-nastava-na-bosanskom-ali-uz-probleme-video) (Accessed on 22 September 2013)
religious teachers, and one of its members is the leader of the Islamic Community of Serbia Reis Adem Zilkić. Mufti Zukorlić’s led Islamic Community, which doesn’t have any representatives in the body, claims the chosen teachers are not competent for the job.  

Islamic community

One of the 13-point conclusions of the meeting of the Meshihat of the Islamic Community in Serbia was a request to the the Reis-ul-Ulema of Islamic Community in Bosnia and Herzegovina (IZBiH) Husein Kavazović for protection from the President of the Religious Affairs of Turkey, Mehmet Gormez, whom the Meshihat accused of interference and establishment of the Fund for financing the Mufti Zukorlić’s opponents. The Meshihat also required the Turkish Prime Minister, Recep Erdogan, to take the necessary steps to stop what they called “Gormez’s abuse of power”. Two years ago Turkey initiated restoration of the unity of the Islamic Community in Serbia, which was later also accepted by the Parliament of the IZBiH.

The Mufti Zukorlić stated that the Meshihat supported any initiative to restore the unity of the Islamic Community in Serbia, provided that it was not at the expense of autonomy, its agencies, institutions and Ulema (Muslim scholars). “Talks about the unity are acceptable only within the Constitution of the Islamic Community of Bosnia and Herzegovina and the Islamic Community in Serbia and any solution on restoring the unity must involve the whole area of Sandžak”.

Since October 2007, there have been two Islamic communities in Serbia – the Islamic Community in Serbia led by the Mufti Zukorlić, and the Islamic Community of Serbia, led by the Reis-ul-Ulema Zilkić.  

Novi Pazar

In July, the City was in the financial crises as the budget inflow was very low. The Mayor urged the President of Serbia to influence swifter transfer of funds from the central level so that the City can pay salaries to its employees. The PUCs "Čistoća" and "Vodovod" were among the country’s ten largest debtors (in this sector) of contributions and taxes for employees. Novi Pazar Mayor rejected the Government’s decision that the local PUCs may enter into an agreement on debt rescheduling, and suggested debt relief, or cancellation of interest.

In mid-August 2013, the Republic Broadcasting Agency awarded the regional frequency to TV Jedinstvo, and permission to cover the area of Novi Pazar, Sjenica and Tutin. This oldest

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private television station in the region was originally established by a printing office, which bankrupted at the end of 2011. The first owner of the television, Dane Belić, sold the company several years ago to close allies of the Mufti Zukorlić. In February 2012, the television station lost its permission for broadcasting. When the rift in the Bosniak Democratic Community occurred earlier this year, the then director, Šerif Marukić, aligned with a stream led by the Member of the Parliament of Serbia Emir Elfić. Marukić was dismissed from the position in March and replaced by Mirsad Fijuljanin. Officially, it is still not clear who dismissed Marukić, though the statement about his replacement was issued on the memorandum of the Meshihat of the Islamic Community in Serbia. The new programme of TV Jedinstvo is broadcast from the International University of Novi Pazar, whose president is the Mufti Zukorlić.

The booster station for water supply, funded by Government of Kuwait with 500,000 USD will be operational in Novi Pazar soon. 50

“The week of cultural events” in Novi Pazar from 20-27 August, funded by the Human Security Trust Fund (UNDP, UNOPS, WHO and UNFPA), included the Youth Theatre Festival, the Festival Stari Grad and a photo workshop. The photos taken at the workshop were presented at an open-space gallery and will be exhibited in ten more cities throughout Serbia.51

One of the oldest buildings in Stara Ćaršija in Novi Pazar, Smailbegovića Han, which was under the state protection, was burnt in fire at the beginning of August.52

During the round table “Improving furniture industry in Sandžak”, USAID’s Sustainable Local Development Project said there were perfect conditions for improvement and development of furniture industry in the area, pointing to the need for better organization of the companies.53

Malik Obama (older half-brother of the President of the United States of America, Barack Obama), the founder and the President of “Barack Obama Foundation” visited Novi Pazar and discussed the next steps in the promotion of peace and stability in the Balkans. Obama was invited by the organization “Balkan Peace Club”, and besides Novi Pazar he visited Skopje, Gostivar, Belgrade and Kragujevac.54

**Novi Pazar Security**

On 2 September, Fatmir Metić (26) was killed and another person seriously injured in a shooting incident in the centre of Novi Pazar. The Police identified the murderer, submitted criminal charges and launched the search. The incident provoked numerous reactions. The Vice President of the Government of Serbia, Rasim Ljajić assessed that the Police was not...
The issue of security and crime in the area sparked off the debate in Serbia’s Parliament between the First Deputy Prime Minister Aleksandar Vučić and the Members of Parliament (MPs) from Sandžak. The MPs thought that personal and property safety of Bosniaks in Sandžak were jeopardised and called for the establishment of the working group that would search resolutions for security challenges. The Minister of Justice, Nikola Selaković, visited Novi Pazar in September and argued for better cooperation and functioning of Police, Judiciary and Prosecutor’s Office.

The Head of Novi Pazar Police Department, Dragan Terzić disagreed that the security in the City worsened after the murder. He thought that the Council for the Security of Novi Pazar, the body that was not operational, was the right forum for discussion about security.

This murder is a continuation of security tensions in Novi Pazar. In 2013, there were five murders on the territory covered by the Police Department Novi Pazar. In 2012 there were two murderer. Five murders happened in 2008, 2009 and 2010. The citizens organised protest walks in June this year due to a murder of a local businessman, shootings, and several thefts. Protestors also demanded dismissal of the top police officials.

The Minister of Energy, Development and the Environment signed a tripartite Memorandum of Understanding with the Mayor of Ivanjica and 28 potential investors for the construction of 49 small hydropower plants.

Priboj
The Deputy Prosecutor for War Crimes, Bruno Vekarić, announced the full investigation of the war crime in Štrpci, where the members of the paramilitary units from Republika Srpska, under the command of Milan Lukić, kidnapped 20 civilians from the train and murdered them near the town of Višegrad, 20 years ago. Most of the victims were from Priboj, Prijevor, Belgrade and Podgorica. Vekarić said more than 20 persons took part in the crime and that all should be processed. The President of the Sandžak Committee for the Protection of Human Rights and Freedoms, Semija Kačar, commended the statement and said she hoped that the investigation would show the degree of the involvement of the state leadership.

The Minister of Justice, Nikola Selaković, announced during his visit to Užice that the draft
Law on the Court Network envisages opening of the Basic Courts in Sjenica and Priboj.  

Sjenica
The Mayor of Sjenica Hazbo Mujović and the Rector of the State University of Novi Pazar Miladin Kostić signed a contract to establish Department of the Faculty of Agriculture in Sjenica, which will be operational from the next school year. The municipality of Sjenica and the Belgrade “Sibling” company signed a contract to build a factory for the production of pellet, an investment worth two million Euros, expected to employ 60 people initially. The municipality will provide the space for the factory, while the company will provide the production line, designed according to the latest technological principles, which will not pollute the environment. During the celebration of 760th jubilee of Sjenica, EU PROGRES received the Plaque and a letter of thanks for outstanding contribution to development of town.

Ten primary and secondary schools in Sjenica will get funds for reconstruction of toilets from the World Bank loan, through the Ministry of Education. The Ministry of Agriculture, Forestry and Water Management allocated 40 million RSD for the development and rehabilitation of rural roads in Tutin, Sjenica and Priboj.

The Office for Sustainable Development of Underdeveloped Areas (OSDUA) gave Sjenica farmers machinery with the aim of supporting agriculture and rural development. In Prijepolje, OSDUA has supplied mechanization (cow milking machines, mini tractors and green houses) for 45 agricultural households. Additional 29 agricultural households will be equipped in the forthcoming period.

Tutin
Tutin Diaspora Congress was held on 10 August with the main objective of improving economic and cultural relations between the Municipality and its citizens abroad. The congress was attended by the Minister without Portfolio Sulejman Ugljanin, guests from Turkey, Germany, Macedonia, Austria, Bosnia and Herzegovina, Montenegro and the USA.

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During August, a business delegation from Tutin visited Berlin to negotiate opening of a branch of Tutin’s furniture companies (Dalas, Elan, Stil Jasen) there.\textsuperscript{69}

\textsuperscript{69} Tutin Municipality (2013) \textit{Privredna delegacija u posjeti Berlinu} [Online] Available at: \url{http://www.tutin.rs/} \\
(Accessed on 22 September 2013)