The Tenth Quarterly Report

October 2013 - January 2014
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:

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, Medveda, Crna Trava, Bosilegrad, Bujanovac, Vladičin 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:

19 February 2014

Period covered:

1 October 2013 – 31 January 2014

Prepared by:

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EU PROGRES Programme Manager

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## 2 Acronyms

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<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>BIRN</td>
<td>Balkan Investigative Reporting Network</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>Local Self Government</td>
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<td>Local Tax Administration</td>
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<td>National Employment Service</td>
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<td>NIP</td>
<td>National Investment Plan</td>
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<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>PSC</td>
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<td>PUC</td>
<td>Public Utility Company</td>
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<td>Quality and Management System</td>
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<td>Request for Proposals</td>
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<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>Serbian European Integration Office</td>
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<td>Small and Medium Enterprises</td>
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<td>SNS</td>
<td>Serbian Progressive Party</td>
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<td>Socialist Party of Serbia</td>
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<td>South Serbia</td>
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<td>Waste Water Treatment Plant</td>
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Executive summary

There is steady advance towards the completion of the Programme: 223 out of 262 contracted projects or 85% were completed and there are no critical projects. Total Programme disbursement at the end of January 2014 was at 94.53% of the budget, while the realised co-funding reached 2.9 million Euros.

Several developments assure that the Programme will have significant impact on local development and creation of employment. There are already 120 employees engaged in Geox temporary facility, while the ground works at the plot of land designated for the construction of the factory are in progress. Although there is need for faster progress in Leskovac Green Zone, the City Council adopted the framework for activities that should make the Zone functional, the conditions for land lease were developed, and companies publicly invited to invest into the Zone.

Major progress has been achieved within the newly contracted gender activities, funded by the Swiss Government with 402,850 Euros. Individually, the most significant project is provision of equipment for Preševo Maternity Ward, worth 255,000 Euros. This intervention has been the top priority of the Government of Serbia for the South and created conditions for the reopening of the Ward after 24 years. It is estimated that 400 women from Preševo and the area will give birth annually at the Ward instead of travelling to nearby cities.

Several activities were finalised: the Citizens’ Involvement Fund, local infrastructure, technical designs, programme budgeting, certification in Quality Management System, as well as public awareness campaigns. The projects supporting vulnerable groups showed good results. The completed construction of the water supply in Jelašnica (Surdulica) gave access to drinking water to 1,670 citizens, of which 400 are Roma. In Novi Pazar, a minivan was delivered to the Regional Centre for Mentally Disabled Persons, and will be used for transport of 60 Centre’s beneficiaries.

With four high profile visits in four months, including three visits by the Delegation of the European Union Ambassador to Serbia, 27 press releases distributed and 445 media reports generated, as well as more than 26,000 website visitors, it is clear that the developmental messages passed by the Programme reach an audience which is much larger than the direct beneficiaries in the South and South West Serbia.

The Parliamentary elections that were called for 16 March may pose an impediment to smooth closure of all Programme activities, as municipal support is needed until the very last day for the final audit visits, collection of missing municipal documentation that will serve as a source of verification of Programme’s work, final evaluation meetings, return of any surplus funding, transfer of assets etc. Despite this, the Programme is set to finish on time and to create a far more solid base than was the four years ago, for faster development of the South and South West Serbia.
3 Review of Progress and Performance

The Programme progressed towards timely completion: following approval of new gender actions, the number of supported projects is 262, of which 223 or 85\% were completed, 19 (7\%) were fully on track, eight (3\%) are delayed with low risk (decrease by 4\% in comparison with the previous reporting period), while the number of discontinued projects is 12 (5\%). There are no critical projects. Fifty-eight projects were finalised (without new approvals, the percentage of completed projects would be 93\%) and this is an indicator of positive implementation trends.

In terms of activities, out of 26 that were envisaged by the intervention, 18 were completed while additional five will be finalised by the end of February. Three activities will continue in the last month: communication - due to its specific nature will last until the very end of the Programme, while newly added gender activities and one inter-municipal infrastructure project (Raška River floods protection) will prolong until the second half of March. This progress will enable completion of 100\% of activities by 31 March.

A more detailed overview of progress towards achievements is available in the update of the Logical Framework in Annex I and in EU PROGRES’ Implementation and Impact Matrixes that are provided in Annex IV, attachments 4.1 and 4.2.

3.1 Policy and programme context
An overview of relevant developments has been provided in Annex II.

3.2 Progress towards objectives

Competitiveness
Employments and investments

The Programme has contributed to opening of 300 jobs until now and is a part of the national and local governments’ efforts to attract commercial investments of at least 30 million Euros. This period also brought several positive developments, reaffirming Programme’s contribution to investments and employments.

First, the Italian shoe manufacturer Geox has started with realisation of investment into the Vranje Industrial Zone: the main design for the construction of the factory was completed and the request for the construction permit submitted; ground works on the plot of land planned for the construction, that previously postponed the start of the project, are ongoing; Geox employed 120 people (10\% of planned number), who work at another location before the factory is built. Having in mind that the planning documentation for the Zone was developed with EU PROGRES’ support and served as a basis for issuing of permits and development of relevant technical documentation, this indicates that the Programme has made progress towards targeted impact even during the life cycle. This action, once again, reaffirmed importance of good quality planning and technical documentation for attracting investments.
There were positive developments in the Leskovac Green Zone although there is a need for faster progress. Leskovac City Council adopted the Roadmap that provides framework for activities that should make the Green Zone functional. The City also developed conditions for land lease and invited publically companies to invest into the Zone. One potential investor has approached the City to explore opportunities.

New employments in the Wood Processing Factory in Medveđa, whose building was reconstructed through EU PROGRES, are about to happen. The municipal enterprise that is running the factory advertised job vacancies for over 30 positions, about 130 people submitted their applications and the selection panels should identify the best candidates by mid February.

Other EU PROGRES’ projects, in line with the expectations outlined in previous reports, contributed to opening of 21 jobs. For example, nine women entrepreneurs’ start-ups were supported and created nine full-time jobs, with a solid basis to create more in the foreseeable future. Tutin kindergarten is fully functional and employed 13 people.

Local Government Capacities
The Programme successfully completed several activities enhancing local government capacities to manage own resources and potentials. Bujanovac, Ivanjica, Novi Pazar Prokuplje, and Surdulica were certified in Quality Management Systems (QMS) standards ISO 9001 and Environmental Management Systems (EMS) ISO 14001 and thus joined a small group of municipalities in Serbia. ISO 9001 standard define more clearly relations among processes and different organisational departments and thus creates basis for enhanced productivity. ISO 14001 confirms that the organisation monitors and controls impact of its activities on environment. Through certification and, more importantly, consistent application of standards, municipalities would demonstrate their commitment to provide quality services to their citizens and business community. This in turn means enhanced trust by citizens and business community. With EU PROGRES consultancy support, Raška, Nova Varoš, Vlasotince, Vladičin Han and Medveđa adopted Capital Investment Plans (CIP) and applied Programme Budgeting in development of budgets for 2014. For the first time, budgets in these municipalities contain multi annual projections for the capital investment projects. For example, the budget for 12 projects from the Raška CIP are disaggregated in three years with some 2.8 million Euros planned for 2014, 4.9 million Euros planned for 2015 and 6.4 million Euros planned for 2016.¹ The Programme also provided software for Municipal Property Inventory to 24 municipalities that will help local governments to collect, mainly for the first time, systemised data about property and construction land. This is of particular relevance having in mind that if municipalities do not register their rights over property by the end of 2014, the Republic of Serbia would be recorded as the rights holder.

Clusters
EU PROGRES’ projects supporting three clusters have been completed and progress in terms of their membership and organisation is visible. Radan Tourism, Pešter Agro and South

¹ The Official Gazette of Raška Municipality
Serbia Fruit clusters now gather 73 small and medium enterprises (SMEs), businesses, tourist and academic organisations, comparing with 35 members at the start of their work. Three members of Radan Tourism cluster provided 200,000 Dinars each for operations in 2014, while other members announced financial contributions. This indicates that clusters’ members started to recognise benefits. Although modest, each cluster had concrete achievement during the reporting period. For example, Radan Cluster secured 12,000 Euros from the Office for the Sustainable Development of Underdeveloped Areas (OSDUA) for development of the main design for the Prolom Banja – Lebane road that is instrumental for tourism development at Radan Mountain.

*Competitiveness Study*

The Programme completed the Baseline Competitiveness Study for 25 EU PROGRES and nine additional municipalities. This comprehensive research gave a “snapshot” of the baseline status and current competitiveness situation at the local level and will provide strong input for planning of (any) future development intervention in the area.

*Social Development*

This period is marked by successful completion of several projects contributing to improved conditions in the health care. Individually, the most significant project is provision of equipment for the Preševo Maternity Ward in the amount of 255,000 Euros. This intervention has been the top priority of the Government of Serbia for the South of the country and created conditions for the reopening of the Ward after 24 years. It is estimated that 400 women from Preševo and the area will give birth annually at the Ward instead of travelling to Vranje, Skopje or Priština. EU PROGRES also delivered equipment to medical centres in Prokuplje, Blace, Kuršumlija, Žitorađa, Nova Varoš, Priboj, Ivanjica and Prijepolje, worth about 150,000 Euros, which primarily contributes to improved reproductive health of women. These projects have a strong gender equality dimension and support Serbia’s strategic efforts to improve women’s health. The Programme also delivered X-Ray machine to Leskovac Health Centre worth 100,000 Euros, and equipment of the same value to the Special Hospital for Pulmonary Diseases in Surdulica.

In the field of education, EU PROGRES completed “Vocational Training Programme for Textile, Clothing and Footwear Industry” project. Novi Pazar School for Design of Textile and Leather received brand name sewing machines, and awaits the final approval from the Ministry of Education for the request submitted for accreditation of the vocational programme. The project improved condition for vocational training of 467 students and will, in the long run, benefit industries in the whole area. Following the construction and equipping of the new building with EU PROGRES’ support, 130 additional children have been enrolled in Tutin kindergarten.

The Programme continued to support vulnerable and marginalised groups. The construction of water supply in Jelašnica (Surdulica) was completed and enabled access to

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2 National Strategy for Improvement of the Position of Women and Enhancement of Gender Equality, Specific Objective 4.4.2: Preserving and improving women’s health and achievement of gender equality in the health sector policies.
drinking water for 1,670 citizens, of which 400 are Roma. EU PROGRES also provided IT and didactic equipment, and furniture to seven associations and two schools that work with vulnerable and marginalised groups. The project supporting the Regional Centre for Mentally Disabled Persons in Novi Pazar has also been completed with provision of a minivan that will be used for transport of 60 Centre’s beneficiaries.

EU PROGRES in cooperation with the International Labour Organisation (ILO) completed the Skills Gap Analysis in 25 Programme participating and nine additional municipalities. The Study, among other, reconfirmed several areas that need to be addressed in order to support job creation and economic development: it is necessary to improve the link between education and labour market; investment into human capital development should be expanded in order to improve growth, wage levels and labour productivity; and employment subsidies may attract employers but need to be carefully designed and targeted in order to avoid possible negative effects on the labour market.

Environment
The construction of the Waste Water Treatment Plants (WWTP) in Trgovište and Crna Trava have been completed. Trgovište WWTP will improve the eco system of the Pčinja River basin and will enable irrigation of 200 family farms in Trgovište and 300 in Staro Nagoričane in the neighbouring Macedonia, for organic food production. Crna Trava WWTP will improve the quality of water in the Vlasina River and contribute to safer water supply of 15,882 citizens of Vlasotince. In addition, Vlasina is recognised as the top touristic attraction in the Serbian National Tourism Strategy, which makes this project even more relevant.

In the South West, the Banjica Landfill project advanced: four partner municipalities allocated 31.5 million Dinars for operations in 2014. Following public procurement, a company was selected to construct access road to the Landfill, an investment worth eight million Dinars. This is positive and may be considered as continuation of works on the construction of the landfill. In order to keep the momentum the line ministry and possibly other developments initiatives should provide stronger support to the Project.

3.3 Results

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

According to the results of the Second Citizens’ Satisfaction Survey (CSS), which were presented in December 2013, the polled appraise the current socio-economic situation as somewhat better than three years ago, when the first CSS was conducted. The citizens said they’d like to see more responsiveness of the local authorities, but at the same time their trust into mayor’s office increased by 4%, while 13% more believe it’s easy and not complicated to finish administrative tasks in a municipality. Local administration and local tax offices were singled out as the best performing. The survey pointed that economic growth should be based on the development of agriculture, cattle-breeding, tourism and the hospitality and light industries, while the largest investments are needed to assist farmers,
building and repairing roads, develop water and sewage pipelines, help small and medium-sized enterprises and improve the health care system.\(^3\)

All 26 Citizens’ Involvement Fund 2 (CIF 2) projects were completed. In total, 16,500 people directly benefited from this initiative. The projects supported marginalised groups, in particular Roma, women, youth and people with disabilities.

Another activity that focuses on the vulnerable population is the Citizens’ Advisory Service (CAS), through which those in need can get free legal aid. In Novi Pazar, the CAS has been integrated in the City Administration and the employees are undergoing mentoring provided by the Sandžak Committee for Human Rights and Freedoms.

Women rights have been supported through a range of activities. Seven projects of local Gender Equality Mechanisms (GEMs), supported through the first call for proposals, were completed and have started to demonstrate effects. For example, Priboj GEM implemented campaign to inform and educate the public on the importance of preservation and improvement of women’s health. As a result, 1,800 women have taken mammography screening, which is 90% from the total number of planned check-ups. Similar campaign in Sjenica resulted in increased number of preventive checkups among women for around 35%. Nova Varoš GEM organised campaign to tackle gender based violence. Following completion of the campaign, the local Centre for Social Work received eight complaints against domestic violence. In previous years, no such cases were recorded. In Ivanjica, GEM project facilitated establishment of mobile team for fight against domestic violence, while the team members were certified for treatment of the victims of domestic violence.

In the second call for proposals, 17 local GEMs that won grants will also work on advancing women’s health, fight gender based violence, economical empowerment of women, promotion of gender equality agenda on the local level and increase of women participation in decision making processes.

Another activity supported through a contract for 402,850 Euros with the Swiss Government is enhancing institutional capacities of the Commissioner for the Protection of Equality (CPE), and improving women’s access to rights in South and South West Serbia. This is being done through extensive outreach programme on gender-based discrimination as well as information on the role and services offered by the CPE. According to preliminary surveys of those who were exposed to the CPE visit, the knowledge of women’s human rights increased by 42%. The visits, on the other hand, reconfirmed the need for extensive, continual and targeted awareness rising among women on how to exercise their rights of non-discrimination.

Nine business start-ups were provided to support women entrepreneurs. The start-ups are dealing with a variety of businesses, from crafts and artisan manufacturing shops, through

\(^3\) The detailed results of the Second Citizens’ Satisfaction Survey (CSS) are available at [http://www.euprogres.org/biblioteka.php?id=46](http://www.euprogres.org/biblioteka.php?id=46)
agriculture production and bookkeeping services, to dental center. This intervention created nine jobs, with a solid perspective to create more in the foreseeable future.

Finally, the Programme presented its approach to and the results of introduction of Good Governance to everyday practice of the LSGs at a regional conference in Zagreb (Croatia). The Swiss Ambassador to Croatia in his introductory speech mentioned EU PROGRES as a good example for transferring good governance from an abstract, academic notion into tangible results.

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

Through the Citizens Assistance Centre (CAC) expansion project in Novi Pazar, the services are enhanced in 16 local communities by equipping the local counters, which provide easier access to registry documents. For example, issuing of birth certificate took several days, now it is executed in a matter of minutes, in one place, in the local communities. The estimated number of beneficiaries benefiting from the project is 125,000.

Ivanjica was the first municipality to adopt the Foreign Direct Investment (FDI) plan, which defines the overall guidelines for promotion of town as investment destination, identifies development projects and improvement of business environment. Two other plans have been approved by the municipal councils, while two are proposed for adoption.

Six months into establishment of One Stop Shops (OSS) in Vranje, Leskovac, Novi Pazar and Ivanjica, an assessment of their progress commenced. The initiative to establish a local central system for the construction permits, without the appropriate policy at the national level has many challenges. The biggest progress has been achieved by Leskovac, which managed to enter all files into the system, the communication between relevant institutions is electronic, the website is fully operational and allows for a transparent questions and answers section. However, the clients cannot yet complete all necessary steps at the OSS, due to missing legislation to regulate this activity (the Law on Spatial Planning and Construction that requires further enhancements).

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

Detailed Regulation Plan (DRP) for Ribince 1 in City of Vranje is complementary to the Plans previously adopted for the nearby business zone areas of Bunuševac and Neradovac. The benefits of these plans are many, ultimately leading to the increase of job opportunities. More than 30 business entities in the zone get adequate access to Corridor X.

DRP for Gajtan Flotation (Medveda), adopted by the Municipal Assembly in October 2013, is a precondition to enable the municipality to reconstruct the road that leads to the mine “Lece” in Medvedja. The DRP for Mala Guba settlement (Prokuplje) received an award at the 22nd International Urban Planning Exhibition organized by the Serbian Town Planners Association under auspices of the Ministry of Urban Planning and Construction.
Based on the Spatial Study for the Fruit Distribution Centre, the municipality of Blace presented investment potentials at an international fair in Moscow.

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

The preliminary design, with the feasibility study for the Waste Water System for the National Park and Tourism Centre Kopaonik finished. This document creates the basis for investment of nine million Euros.

Two main designs for local infrastructure projects - for the transfer station in Bujanovac and for Vranje Theatre, completed. In addition, five main designs for Novi Pazar (social housing and diagnostic centre) finalised, which means the documentation is ready for the total estimated value of construction of nine million Euros in this City.

The finalisation of the designs for collectors network enabled Tutin to contract works worth 390,000 Euros, i.e. one third of the total investment value. The project will enable the municipality to increase the number of connections to sewage system from current 21,500 to 37,300 by 2030.

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

EU PROGRES provided consultant’s support to Blace to develop the model for the future regional collaboration in the food production chain. Blace presented the model at the Moscow Investment Fair in November 2013, while the Serbian Chamber of Commerce invited Blace to continue with promotion of the project.

A total of 86 participants, including representatives of the Ministries of Finance; Education; Agriculture, Forestry and Water Management; Justice and Public Administration; Labour, Social Policy and Employment; Energy, Development and Environmental Protection; and Traffic, as well as representatives of the Office for Human and Minority Rights and the European Integration Office, attended five one-day training sessions on grants and works contracts delivered by EU PROGRES. Taking into account the evaluation records but also engagement of participants during the sessions, the trainings were useful, timely and the training methodology appropriate. The evaluation showed that further education on contracting, project management and funding is needed.

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

Eleven municipal infrastructure projects finished, bringing the total number of small scale infrastructure projects to 43. Their positive effects are directly benefiting 70,000 people. The projects enhanced business infrastructure, waste management, water supply, energy efficiency, and conditions for education, health, youth and sports. For example, in Kuršumlija, the green market project improved trading and sanitary conditions. The Priboj Youth Centre, which was opened in November, should provide continuous and organised support to the youth in the municipality and create conditions for additional professional
training of young people in search of employment. There was additional co-funding for the project in the amount of 2.1 million Dinars. The X-ray machine delivered to the Medical Centre in Leskovac will enable conduct of two additional examinations – endoscopy and colonoscopy – while number of exams should increase by 25%.

Three inter-municipal projects completed: water supply to Roma settlement in Jelašnica village, Vlasina River protection (WWTP in Crna Trava), vocational training School for Textile in Novi Pazar.

Through the Pčinja Fruit project, an experimental orchard was established, 176 individual households from the Pčinja were trained in fruit production, and 202,129 fruit seedlings planted, increasing the number of trees in the Pčinja District by 12,5% (baseline number 1,610,832; after intervention 1,813,075 trees).

The regulation of Raška River watershed, once finished, should protect 70% of the critical sections on watercourse, defined in the main design, while eight, instead of six structures will be constructed.

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

Four high profile visits organised, 27 press releases distributed and 445 media reports generated. There were 11,333 unique website visitors during from October 2013-January 2014, with 26,622 visits. The municipal profile section on the website was established with interactive map. The eleventh issue of the Newsletter produced and distributed to over 1,100 email addresses.

The media project with Radio Sto plus successfully completed after the broadcast of the seventh show, one more than planned by the contract. All shows emphasized donor support to development of Sandžak and underlined the European values. It is estimated that each show reached about 7,500 people. Articles on the Radio Sto plus web portal accompanied each radio show, while all programmes are available for download. A selection of the most important reports was available on the Beta news agency, the Radio’s umbrella organisation.

A consultancy was selected to produce six short videos about EU PROGRES’ results in the areas of: economic development, social inclusion, municipal services, environmental protection, education/youth and a project for Vocational educational training for textile producers in Novi Pazar.

There were 139 works art submitted for the competition for high school students on the theme “Responsibility Towards Nature Has No Limits”, and 12 best were published on EU PROGRES’ 2014 calendar. The number of schools was increased by over 50 % compared to

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the first Calendar Competition in 2010 when 19 schools applied. A joint award ceremony was held with the winners in the competition organised within the environmental campaign “What is Your Threshold of Responsibility”, in Vranje, gathering more than 90 participants, including 75 students from across the Programme Area of Responsibility. Due to high quality of the calendar, additional 500 copies were ordered and should be delivered in February and distributed to donors, local self governments, NGOs and other partners.

In the six months of the environmental campaign, 15,000 educational brochures were disseminated to the broad public; different actions saw the participation of 1,700 people, campaigns’ key messages were transmitted through 152 media reports, there were 37,000 visits on the website page (27,000 unique visitors) and 2,612 followers on the Facebook page. The external evaluation of the campaign confirmed this project’s intervention was relevant to the needs of the country, and in line with EU PROGRES’ objectives. Although the sources of verification for each of the envisaged results under campaign should be formulated better, the evaluation proxies (statistics on the participation and quantity of distributed material) pointed to possible increase in awareness and understanding, as well as accountability of each individual.

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

So far, two branding plans were fully developed and presented to the public, another five plans drafted and eight branding projects successfully implemented. At least two projects (Branding of Pešter Products and Vranje as investment friendly City) contribute to increased economic activity. There were over 140 media reports resulting from the branding activities.

### 3.5 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

All 26 CIF-2 projects have been finalised, five remain to be administratively closed. In total, CIF-2 disbursed just over 201,000 Euros, while grantees’ financial contribution was around 36,000 Euros.

Support to Roma School Children: school books procured for 26 pupils in Prokuplje, while the brunches for around 60 Roma school children in Leskovac are being delivered until the end of February 2014.

Delivery of equipment for the vulnerable groups finished in December. Additional telephone for multifunctional machine with fax for the Multiple Sclerosis Association of the
Pčinja District was procured in January, delivery expected in February.

1.2 Citizens’ Satisfaction Surveys

In mid-December the presentations of the Citizens’ Satisfaction Survey 2 (CSS 2) key findings were held in Vranje, Bela Palanka, Leskovac and Novi Pazar and included the general results of the survey, as well as individual results for each region wherein the presentation was held. Each of 34 surveyed municipalities received their specific report, while they were directed to the Programme website where the entire Survey is available (http://www.euprogres.org/biblioteka.php?id=46). Twenty-five municipalities could compare the results to those from 2010. The survey sample was over 8,000 citizens.

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

**Novi Pazar**: The Sandžak Committee for Human Rights (SCHR) received a three-month grant to provide technical assistance/advice to Novi Pazar Citizens Advisory Service (CAS). All requests for free legal aid to the SCHR are also redirected to the newly established office of the City administration.

**Prokuplje**: despite promises by the Mayor, the CAS is still not functioning, after being closed down in late summer 2013. Another round of negotiations is scheduled for February.

**Preševo**: the final narrative report approved and financial and administrative closure of the project is in progress. Negotiations with the Mayor, about integration of the CAS into the municipal administration, will be conducted before the end of the Programme.

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

**Participatory budgeting**: letters sent to 12 municipalities that ended the process by signing Memoranda of Understanding and adopting the Council Decisions on introducing the participatory budgeting as a permanent approach in including citizens in soft-decision making on the local budgetary issues, in an advocacy for positive change effort.

**Anti-corruption/Integrity Plans**: finalised and reported upon previously.

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

**The Baseline Study**: the deadline for submission of the Final Report has been extended twice, once because of the health of the implementer’s project manager. Several vital parts of the report were delivered in December. Following numerous written and verbal interventions, strong assurances received that the final Baseline Study will be completed in early February.
For the Skills Gap Analysis, ILO has engaged the Statistical Bureau of Serbia. The final sample included 1,503 respondents (465 entrepreneurs and 1,038 corporate businesses). The challenges in gathering data included refusal of some enterprises to answer telephone interviews without a written request. In many instances the data provided was incomplete or incorrect, which required an increase of the original sample. After one month no-cost extension, the final report was due at the end of January, however the deadline had to be moved again and the report will be submitted in early February. The Programme had insight into initial findings, while the Analysis will be presented during February.

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

The first Call for Proposals for local Gender Equality Mechanisms (GEMs): all seven projects finished. The paid municipalities’ co-funding stands at around 12,5% of the Programme’s part, which is higher than the usual 10%.

The second Call for Proposals for GEMs: 12 out of 17 contracted projects are progressing in accordance with the plans. The total value of projects is around 29,000 Euros. Lebane, Vranje and Vlasotince haven’t started activities yet due to political changes and instability. This may require a no-cost extension request to the donor in order to finalise the activity. In Bujanovac and Novi Pazar delays have been reported due to inadequate capacities of the GEMs, which called for additional support in the process of implementation.

Women Entrepreneurs’ Start-ups: there were 36 applicants for support in start-ups, ten were selected, nine contracted (one woman withdraw application due to health reasons). Contract signed with the Business Incubator Centre (BIC) Vranje to provide expert support to selected beneficiaries and administrative to the whole activity. All procurements of the equipment for the start-ups completed. The registration of the businesses and the on-the-job training is on-going. The concept for the advance support to an existing business owned by a woman, prepared and advertised in January.

Commissioner for the Protection of Equality (CPE) outreach activities: all outreach activities, held in Vranje, Bujanovac, Leskovac and Vlasotince, included round tables, meetings with representatives of local self-governments, women’s actives (CSOs), citizens; gathering of complaints from citizens. A total of 87 representatives of local level institutions and organizations met with CPE representatives; 216 persons - 175 women and 41 men – met with the CPE representatives; 16 local media (TV, radio and print) attended events and had coverage of CPE visits; The Commissioner for the Protection of Equality established a network of referral posts in five local communities to increase accessibility of their services.

Establishing CPE Office in Novi Pazar: the City of Novi Pazar allocated the office space for the local CPE office in the Football Stadium complex. In addition to IT equipment the Programme also procured office furniture. By the end of February works will finish on installations, on the entrance ramp and painting. The CPE selected two members of staff for

The following were contracted: Priboj, Prijeplje, Nova Varoš, Sjenica, Tutin, Novi Pazar, Raška, Prokuplje, žitorađa, Kuršumlija, Vranje, Vlasotince, Bojnik, Medveđa, Lebane, Bujanovac and Vladičin Han
the office, in an open recruitment process. The opening of the office is expected in early March 2014.

All equipment for Preševo Maternity Ward was delivered. The medical equipment consultant noted no-compliance with the technical requirements of two items delivered by the contractor and the mismatched models were replaced with the right ones. Once the Ward purchases the machine that converts tap water into a de-calcified one, the contractor will install the equipment and deliver the training.

Eight other medical centres received the required equipment.

Public Awareness Campaign on Women Health: following approval of the activities, visual identity and the media plan, the campaign “Find the Time” started with three public events in Vranje, Preševo and Bujanovac within the European Cervical Cancer Week. Broadcasting of a video and a radio commercial organised on local televisions and radio stations, and billboards were placed at several locations. The campaign will last until the beginning of March 2014.

Capacity Development for Women in Public Sector and Sensitizing on Gender Equality of Men Decision Makers at Local Level: the first public procurement for services of trainings wasn’t successful due to incomplete bids. During the second Call for Proposals, a legal entity was identified to carry out the planned activities.

GEMs training: based on the assessment of capacities and needs of local GEMs UN WOMEN designed a training programme. Twenty-two representatives of local gender equality mechanisms (GEMs) from 17 EU PROGRES municipalities passed a two-day training on Gender Analysis.

Peer to Peer Conference: to be held in March. Conference programme under preparation; 25 local GEMs and key partners in the field of gender equality will present examples of good practice.

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

The three National Minority Councils Project: after months long delay, and submission of the final report, the project was closed.

The Programme worked with 12 municipalities to establish local Inter Ethnic Relations Councils (IERC), by improving the legislative framework and development of capacities of the Councils to perform their duties. Each municipality has at least prepared all the necessary legislative, ready for adoption in the local assemblies with the additional legal acts submitted to the local authorities and future members of the IERCs. Most challenges were encountered in Bujanovac and Preševo, which haven’t established the IERCs, nor do they have proper representation of the ethnic groups or the adequate way of reaching decisions.
1.8  

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

**Small infrastructure projects** (SIPs): A series of follow-up meetings on SIPs were held with the representatives of Tutin, Prijepolje, Sjenica and Ivanjica municipalities to re-affirm what has been achieved in terms of introduction of good governance principles and to establish what sustainable changes these interventions brought to local communities. Sjenica submitted a document including savings of electrical power consumption and subsidies in 2012 and 2013, as well as the decision on allocation of saved funds. Prijepolje submitted the rulebook on the use of energy generating products. It has been agreed to hold a training curse in Raška, Tutin and Ivanjica in February on the use of data entry software and survey of users of the kindergarten.

**Large infrastructure projects** (LIPs):

The **Regional Centre for Development of Agriculture (RCDA):** three municipalities allocated three million Dinars each for the work of Centre in 2014.

**Banjica Landfill LLC** business plan should be finalised by the end of February.

**Pure GG activity in Ivanjica:** the Rulebook for oversight of the local PUCs and the new, adapted Statute were adopted by the Council and local Assembly in September.

**Swiss experts visit** (the Backstoppers): held in January in Belgrade and a workshop with the SDC and the Standing Conference of Towns and Municipalities (SCTM) was organised, and it was agreed that the findings of the workshops with the representatives of local self-governments and ministries held during 2013 will be forwarded to the SCTM for validation and comments, after which this document will be published on the EU PROGRES’ website. Agreement was reached on the structure for the GG vertical dimension booklet.

The Programme presented its approach to and the results of introduction of Good Governance to everyday practice of the LSGs at the **regional conference** in Zagreb (Croatia). The presentation and the achieved results were positively received and praised by the participants coming from the West Balkan countries.

**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

There were delays in opening the Citizens Assistance Centre (CAC) in Bosilegrad due to municipal procurement for training and branding. Ceremony scheduled for February.

In Novi Pazar, the expansion project was completed in good time.

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

Business Incubator Centre (BIC): additional support was given for five Roma start-ups that where in need for some small equipment or construction works on the objects they've initially refurbished for their businesses. This was made possible due to savings made in the original procurement. Fifteen supported businesses continue to receive support from BIC, which also monitors their results.

Grant agreements for the three supported clusters are closed.

South Serbia Fruit Cluster: Mentoring programme created for five cluster members (Strela, Fungojug, SB komerc, Interfood s80, Šumsko blago). Memoranda of Understanding signed with Trgovište, Vladičin Han, Bojnik and Kuršumlija, as well as Agriculture advisory service from Vranje to coordinate resources toward improvement of fruit production. Training organised for 100 cluster members on ISO 9001, ISO 2200 and HACCP. Desk market research for EU, CEFTA and Russian market is completed and distributed to the small and medium enterprises (SMEs). Financial guide for the cluster members completed. Cluster representatives participated in the International Entrepreneurship Fair for SMEs ‘Biznis Baza’ in November. More than 20 participants came to the project closing event and agreed on the importance of cluster development and creation of partnerships with both governmental and the private sector.

Radan Tourism Cluster: three trainings were organised on: innovation, marketing and sales, and development of space and communication in hospitality industry, with participation of around 80 members. The University Suhov from Belgorod, Russia, joined the cluster and will provide technical and expert support in order to increase cluster competitiveness. The Annual Cluster Assembly approved the 2014 Action plan. Two SMEs and one association joined cluster totalling 22 cluster members. Draft marketing plan prepared, as well as promotional material.

Pešter Agro Cluster: 36 farmers participated in three sessions regarding milk productions and cow feeding in Novi Pazar and Sjenica. Business to business "Meet the Buyer" event held in November in Novi Pazar, where 12 potential national and international buyers visited. The Study tour to Pirot and Vojvodina was organized in the first week in December.

Foreign Direct Investment (FDI) Planning: Ivanjica Municipal Assembly was the first to adopt the FDI. The FDI for Novi Pazar adopted by the City Council and proposed for adoption at
the next City Assembly meeting. Prijepolje FDI Plan is on the agenda of the Assembly meeting currently underway. The City of Vranje requested additional technical assistance to reshape the plan to deal with both local and foreign investors. The plan should be ready in February. Leskovac FDI Plan is finalized with data from the two recently adopted documents: Capital Investment Plan and Infrastructure Development Plan and will be proposed to City Council for adoption by the end of February.

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

The One Stop Shop (OSS) in Ivanjica operational since mid-October. Leskovac and Vranje OSS’ websites are being revised to comply with EU PROGRES’ visibility guidelines. Assessment of all four OSS (Vranje, Leskovac, Novi Pazar, Ivanjica) under way.

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

Activity completed.

Capital Investment Plans were adopted in all five participating local governments - Nova Varoš, Vladičin Han, Medveđa and Raška.

All five municipalities adopted budgets for 2014 in the programme budgeting format and thus became pioneers in the programme budget planning before this model of planning is legally required (expected in 2015).

Procurement of Municipal Inventory Software: 24 software licenses of Electronic Register for Local Self-Governments’ Property Inventory installed (except in Raška which already has the software). Trainings were organised in Leskovac and Novi Pazar for over 70 representatives of local self governments, covering legal aspects and methodology of property registration. Another training for system administrators and software users was held in Novi Pazar and Vladičin Han in December, gathering 54 participants.

2.6 Introduce Quality Management System in Municipal Administration

All five local governments – Prokuplje, Surdulica, Novi Pazar, Ivanjica and Bujanovac - were certified for the Quality Management System (ISO 9001) and the Environmental Management System (ISO 14001).

Due to the changes in local administration of Novi Pazar, the City requested (and was granted) additional trainings for up to ten representatives of the City management on foundation of QMS and EMS as well as training for four internal auditors for QMS and EMS.
**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**

Twenty five Detailed Regulation Plans (DRPs) and seven General Regulation Plans (GRPs) were developed, out of which 14 are yet to be adopted.

- **GRP for Prolom Banja (Kuršumlija)** - the Plan was on public review until the end of January 2014. A meeting was held between the Mayor and the contractor to discuss objections given by the Municipal Planning Committee.
- **GRP for Jošanička Banja (Raška)**: the contractor made adjustments to the Plan in accordance with the remarks from the public hearing and the Planning Committee assessment. The Plan was proposed to the Republic Planning Committee for adoption.
- **DRP for Gajtan Flotation (Medveđa)** adopted by the Municipal Assembly.
- **DRP for Radan Mountain Area (Bojnik)** endorsed by the municipal Planning Committee and submitted for the public review.
- **DRP for Ribince 1 area (Vranje)**: comments from the public review were assessed at the Planning Committee meeting in January and the Plan was put forward for adoption by the City Council and Assembly.
- **DRP for Kušići Village (Ivanjica)** endorsed by the Planning Commission, on public review until mid January 2014.
- **DRP for Kalovo Border Crossing (Trgovište)** reviewed by the Planning Commission, which had few minor remarks and the contractor addressed them. The Plan was on public review during January.
- Following delays, the City of Novi Pazar provided the missing cadastral and topographic map needed for finalization of the DRP for Stara Čaršija, and the draft plan was submitted to the City administration at the end of January.
- **Medveđa** agreed to cover additional expenses needed to extensively revise the GRP for Sijarinska Banja, as per instructions of the Planning Committee.

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

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

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

**Blaževo settlement water supply project in Novi Pazar**: the construction works for the reservoir and the pipeline to the settlement are at 65% of implementation and the contract
was extended to 10 March, which should allow the completion of works. Two new sub-contractors were engaged to work on the electrical and concrete works.

Water Truck was handed over to Novi Pazar Public Communal Company and will be used to supply water to the reservoir, built above the settlement.

**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**

All five projects completed.

**Banjica Landfill** – the Serbian Business Registry Agency registered a joint LLC that will manage the Landfill. Banjica management is working on the Business plan and scheduling of the first LLC Assembly session.

**Meteris Landfill** – the Main Design officially handed over to Vranje administration. In order to create conditions for the construction, Vranje needs to issue the location permit. This was made possible after adoption of the DRP. All steps leading to the construction permit are recorded in the hand over note, signed between the EUPROGRES and the City in October.

**Waste Water System for the National Park and Tourism Centre Kopaonik** – the Preliminary Design with the Feasibility study is finished. Raška Municipality changed the original location for the Waste Water Treatment Plant in Rudnica quite late into the project development and for that reason the design does not contain the location permit. Raška needs to make changes in the Spatial Plan according to the Urban design done by Vodotehnika, as part of their contract; resolve ownership issues and enter the change in the cadastre; issue the location permit, with new conditions from the PUCs.

**Technical Study of Underground Drinking Water Reserves for Raška** – the contractor finished drilling the exploration boreholes and the Study of Underground Drinking Water Reserves for Raška was completed. The Study sets the procedure with the PUC Raška for continuous measuring of hydrological data. Recording of data needs to be done until the full hydrological year is completed, by July 2014 and before submission of the final readings to the Ministry of Natural Resources, Mining and Spatial Planning, which will issue the permit to the PUC to use the drinking water reserves for the town water supply.

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

Activity completed, 21 technical designs were supported.
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

EU PROGRES provided consultant’s support to Blace to develop the model for the future regional collaboration in the food production chain that was presented at the Moscow Investment Fair in November 2013.

Banjica LLC still works with Business Expert on the final Banjica business plan. Due to occasional unavailability of the consultant, the process has been delayed and should be finished by the end of February.

EU PROGRES organized five one-day training sessions on Grants and Works Contracts for 86 representatives of a range of national partner institutions to raise their capacities in implementation of grants methodology, contracting and successful implementation of works contracts in December.

Three consultants supported development of the report about higher education in Bujanovac.

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

All ten projects completed.

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

Through three Calls for Proposals, 32 projects were supported. All are completed. Medveda - Termovent factory – the company was registered with the Business Registry in November, the equipment arrived from Slovenia, the 30 million Dinars loan from the bank was secured, and the Municipality paid the customs and VAT costs. There is an outstanding debt to the Slovenian partners, in the amount of 193,000 Euros, but agreement has been reached that it will be covered from the production. Recruitment of work force underway. Municipality needs 10,000 Euros for the work force training purposes and has asked the Programme whether it could cover the costs.

6.3 Financially and technically support the implementation of the projects of inter-municipal or national importance
Leskovac Green Zone: the auxiliary power cable for the Green Zone is delivered to the Power Supply company.

Pešter Development project – the Centre opened on 20 November. Total investment into the construction and equipping of the Centre is 230,000 Euros, Sjenica contributing with 47,000 Euros and OSDUA contributing with 40,000 Euros.

Water supply to Jelašnica (Surdulica) – works completed and commissioned.

Regulation of Raška river watershed – the contractor finished works on five out of six structures, and forestation on all 120 ha. Because of the changes in the design, the contract value was reduced from 303,000 to 250,000 Euros. When the contractor got into serious financial trouble, the total value of completed works was 200,000 Euros. The remaining works were re-advertised in December 2013, visit to the site for three applicants organised in January. The contract signing expected in February. There will be eight instead of six structures constructed within the project. The works will have to finish by end March 2014. The risk on this project remains high.

Crna Trava collectors and WWTP – construction works and the installation of equipment finished. Commissioning expected at the beginning of February 2014.

Vocational Training Novi Pazar School of Textile: classrooms adapted, sewing machines delivered, the official opening was in November and the teachers were trained in the Belgrade School for Textile Design.

The regional day-care centre in Novi Pazar, with 60 beneficiaries, received the support to finish the installation of heating and sanitary units, the equipment for the kitchen and the playgrounds, the minivan and the tools for special education.

6.4 Implementation of municipal infrastructure projects in Pčinjski District municipalities

Pčinja Regional Fruit Production Centre: 373 growers received and planted 202,129 seedlings (covering approximately 200 hectares). The construction of demo orchard completed and all assets handed over to Vladičin Han Municipality. The Municipal Council decided to delegate the management of the orchard to the Public Utility Company because they have necessary capacities, basic operational skills and equipment. All beneficiaries participated in the practical education on modern fruit production techniques, held at the demonstration orchard. EU PROGRES will have the final meeting with the appointed manager and introduce the concept and the activities to the PUC Vladičin Han, by mid February. The municipality set aside 200,000 Dinars in the 2014 budget for additional engagement of the consultants to introduce the “intensive fruit growing” to farmers.

WWTP Trgovište – works completed.

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

There were three ambassadorial visits over four months: DEU Ambassador Michael Davenport visited Preševo, Vranje and Vladičin Han in October, Sjenica, Nova Varoš, Tutin and Novi Pazar in November, and Bujanovac, Preševo and Vranje in January 2014, while the Minister without Portfolio for EU integrations Branko Ružić, Serbia’s Chief Negotiator with EU Tanja Miščević and the Serbian European Integration Office Deputy Director Ognjen Mirić visited Novi Pazar in October 2013.

Twenty-nine schools applied for the art Competition on “Responsibility Towards Nature has no Limits”, and submitted 139 artworks. Twelve best were selected for the EU PROGRES’ Calendar 2014. Award ceremony along with the one for the environmental campaign contest held in Vranje in December 2013, hosting more than 90 participants, including 75 students and teachers. The winners received one laptop computer, two tablet computers and nine digital photo cameras. The Calendar was printed in 1,000 copies and the entire quantity distributed to all donors, SEIO, ministries, partners, schools and other stakeholders. Due to a high demand additional 500 copies were printed. Along with the Calendar, 300 New Year’s cards were produced and mailed to project partners, with the “best wishes” inscription in Serbian, English, Roma, Albanian and Bulgarian languages. Similar electronic version of the greeting card was distributed to over 1,200 email addresses.

The 13th Programme Steering Committee meeting was successfully organized in Nova Varoš with more than 60 participants, including DEU Ambassador Michael Davenport, Swiss Embassy Deputy Head of Mission Jean-Luc Oesch, representatives of the Government of Serbia, municipal officials and CSOs.

The eleventh issue of the Programme Newsletter for July – October 2013, produced and disseminated to more than 1,200 email addresses in both English and Serbian.

“EU PROGRES in Municipalities” profiles both in Serbian and English are available on the Programme website through an interactive map of the South and the South West Serbia http://www.euprogres.org/gradovi.php.

Thirty-five signboards that emphasize EU support were installed in all 25 municipalities, on all main access roads.

The contract signed for the production of six short videos about EU PROGRES’ results in the following areas: economic development, social inclusion, municipal services, environmental
protection, education/youth and a project for Vocational educational training for textile producers in Novi Pazar.

Radio Sto plus broadcast seven shows, instead of six planned, covering topics relevant for development support to Sandžak, while underlining the European values. All shows are available for download at: http://www.radiostoplus.com/index.php?option=com_k2&view=itemlist&layout=category& task=category&id=64.

Support was extended to the Union of Roma Association for the organisation of a round table on the International Day of Human Rights in Vranje as well as for marking 45th anniversary of the Association.

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

“Where is Your Threshold of Responsibility” campaign, promoting environmental protection, sustainable energy sources and recycling, produced 15,000 educational brochures that were disseminated to the broad public; different actions saw participation of 1,700 people, campaigns’ key messages were transmitted through 152 media reports, there were 37,000 visits on the webpage (www.tvojprag.rs) and 2,612 followers on campaign’s Facebook page. Fifty representatives of SMEs attended seminars on corporate social responsibility, 20 primary schools applied for small school campaigns and three – from Nova Varoš, Blace and Leskovac – were selected as finalists; TV spot and radio jingle was broadcast on 39 TV and radio stations in 22 municipalities; billboards displaying messages written on white panels by citizens during the public street performances were produced and installed in Bujanovac and Nova Varoš; a short documentary was filmed and distributed to local stations. It is also available on EU PROGRES’ YouTube page http://www.youtube.com/watch?v=AkM-t4Ao8iA.

The Institute for Territorial Development (InTER) finalised the external evaluation of the campaign and provided a set of recommendations for future campaigns.

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

High quality brochure was produced for the “Promotion of Vranje Investment Friendly City” project: 1,000 copies in German, 1,000 in Italian, 1,500 in Serbian and 2,000 in English. After a successful public promotion, the project is closed.

Promotional cookbook within the project “Novi Pazar Way of Living” printed. Final report prepared and project will be closed in February 2014. The work on branding plan for Novi
Pazar will also commence in February. An informative letter sent to Novi Pazar Mayor to announce the finalisation of the branding plan and the benefits of this document.

Market analysis and marketing plan within “Branding of the Pešter Products” completed. The project is closed, although due to slow implementation there was no time to complete educational training for agricultural producers and to produce promotional material.

After a presentation to the stakeholders, the “Strategic Tourism Marketing Plan for Zlatibor/Zlatar” was finalized, and the project was closed.

The project “Visibility of the Green Zone” ended without implementation of any activities. Due to the issue of the management of the Green Zone, the project activities were initially paused, but as this has not been clarified, the contract expired.

3.6 Management and coordination arrangements

The Programme reached 85% delivery on results. The remaining 15% are monitored through operational and financial closure of activities. A comprehensive list of tasks has been developed, with assignment of responsible staff and deadlines.

3.6.1 Financial resources

The final budget commitments reviewed and financial projection made for until the Programme end. The payment request for the SDC final instalment was submitted with the December 2013 report.

Verification of expenditures for grant agreements is in progress. Grants closure procedure (operational and financial) ongoing. As of 31 January 2014, the number of financially closed grants is 174.

Total Programme disbursement at the end of January was 15,884,326.85 Euros, or 94.53% of the Programme budget. The contracted co-funding reached 3,326,842.09 Euros, realised co-funding - 2,937,599.09 Euros.

3.6.2 Human resources

Staff contracts extended until the end of February 2014. Based on the budget availability, they’d be extended until the end of March.

The final evaluation team contracted and the evaluation is under way. The results of the final evaluation will be presented at the final Steering Committee meeting.

3.7 Assumptions and risks

The extraordinary parliamentary elections would be a serious challenge had the Programme not reached the end. However, with two more months to go, the elections should not endanger completion or achievements of EU PROGRES’ results. Still, previous period was
one of those rare times in which the politics haven’t posed the main challenge for the Programme. This may only be a coincidence, since politics again lead on the list of risks.

**Extraordinary Elections**
On 29 January, the President of the Republic of Serbia, Tomislav Nikolić dismissed the National Assembly and called for extraordinary elections for 16 March. Since great majority of EU PROGRES’ activities has been completed or is in the final phase, this news will not significantly affect the Programme. Nevertheless, the election campaign will be priority for the local political leaders in the coming two months and doubtless there will be challenges for the Programme. First, even though all activities are completed, EU PROGRES needs to “close” the Programme. This may include organisation of final audit visits, collection of missing municipal documentation that will serve as a source of verification of Programme’s work (e.g. co-funding), final evaluation meetings, return of any surplus funding (small amounts but procedure is the same as if they were large), transfer of assets etc. Although majority of these actions are finished, it is clear that partner municipalities need to remain “on board” until the very last day of the Programme. EU PROGRES will strive to timely inform municipalities about any issues or tasks that require their engagement, having in mind that their response will likely be less efficient due to election campaign.

Elections always pose a threat for visibility actions. EU PROGRES planned a series of events to mark the successful completion of the final set of projects. On the basis of Programme’s experience, local leaders tend to (mis)use such opportunities for political promotion. Knowing this, EU PROGRES will reduce the number of planned functions, closely coordinate any visibility actions with donors and partners, and endeavour to avoid possible attempts to present Programme’s achievements in an inappropriate fashion. Eventually, these efforts should bring “ politicisation” of the Programme to a reasonable level.

Finally, these will be the second Parliamentary elections in less than four years of EU PROGRES implementation. If the Programme had not come to an end, its successful completion would be questionable. Therefore, midterm development programmes, lasting from three to five years, need to have flexibility to accommodate more than one regular elections.

**Vertical Coordination**
This reporting period reaffirmed findings of EU PROGRES’ publication “Obstacles to Infrastructure Development”

6, specifically that the Government needs to strengthen monitoring of the Republic Geodetic Authority and ensure its accountability, while the Cadastre itself needs to enhance standards and consistency of services. For example, unlike in Leskovac, Vranje and Ivanjica, the Office of the Republic Geodetic Authority in Novi Pazar refused to sign the Memorandum of Understanding, which defines responsibilities of the Cadastre for efficient functioning of the One Stop Shop that was established with EU PROGRES’ support.

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EU PROGRES also registered that the Republic Planning Committee often fails to review submitted planning documentation by municipalities within the legal deadline of 30 days. There were numerous cases in which no response was received for six months or even longer. Specifically, more than ten plans developed with EU PROGRES’ support await response from the Committee.

Delayed adoption of laws and legal framework uncertainties also negatively affect development, including interventions such as EU PROGRES. For example, even though discussed for years, the Law on Electronic Signature has not been adopted yet. This reduces effectiveness of the established One Stop Shops, as with e-signature the documents could be circulated electronically to relevant institutions for consideration/approvals. The similar is applicable to the Law on Free Legal Aid – despite numerous announcements it was not adopted, leaving municipalities without proper framework in this field. There were two changes of the Law on Spatial Planning and Construction over a couple of years. Although intention is to eliminate weaknesses of the present solution it seems that expert public has a lot of remarks on the latest draft, as the clarity is still lacking.

It is also important to highlight, and especially in the context of the elections, that there is a need for more consistent national policies and priorities. Efforts by four municipalities on development of the Banjica Landfill project are positive but without future support from the line ministry the momentum may be lost. EU PROGRES’ experience points out that, although political changes inevitably mean changes of the development agenda, more continuity would be beneficial.

The above noted risks could negatively affect effectiveness and sustainability of some EU PROGRES’ actions. However, it is of bigger concern that these issues may pose serious obstacle to faster and any serious local economic development.

All these reconfirm there was a need for improved coordination between the national and local authorities.

(Construction Industry) Crisis
The Programme previously reported that the local construction industry has been seriously hit by economic crisis. Most of Serbian construction companies that cooperate with EU PROGRES struggle with liquidity and many are not able to take over any serious work. Since the Programme needed to finish several infrastructure projects, in order to mitigate risks deriving from crisis, EU PROGRES has been monitoring, closer than ever before, contractors’ performance. These efforts were effective in all cases except one, for the Raška River Flood protection. Once the contractor ceased to be liquid any longer, EU PROGRES had to cancel the contract, pay for the completed works and advertise tender for the remaining tasks. This will be the only infrastructure project whose works will last until March.

New Gender Activities
Following the signing of the contract with the Swiss Agency for Development and Cooperation to enable the Programme to continue with gender activities, major progress
has been made. This, however, will remain a challenging endeavour. The Programme will maintain close communication with SDC on progress and ensure that necessary steps are taken in order to conclude these activities as well.

Weather
The weather conditions in the winter were favourable and enabled four weather-dependent projects to advance with limited interactions: regulation of the Raška River watershed/flood protection, the construction of the WWTPs in Trgovište and Crna Trava and the construction of the water supply system in Blaževo settlement in Novi Pazar. Due to strong engagement by Programme’s engineers and daily communication with municipalities and contractors, the momentum of works was maintained.

Conclusion
Extraordinary elections will mean slower response from the municipalities in the next two months, but this will mainly relate to administrative issues.

Several delayed laws and bottlenecks in relations between the national and local authorities could negatively affect a couple of EU PROGRES’ actions. Regardless of the Programme, it is important to invest efforts to enhance vertical coordination as it can strongly contribute to faster local and regional development.

There is one infrastructure project that will continue in March and ambitious package of gender activities that needs to be completed. A lot of work at the end, but EU PROGRES is on the way to fulfil its contractual obligations and, more importantly, to accomplish its mission: to contribute to socio economic development in the South and South West Serbia.

4 Visibility
Over 445 media reports were generated from October 2013 - January 2014, clearly emphasizing the European Union and the Government of Switzerland support by covering various project and Programme activities. The media were mainly interested in the results of the completed projects, visits by the DEU Ambassador and the campaign promoting environmental protection. This is a valuable outcome compared to the planned 50 reports per quarter. This good coverage was also affected by the Programme’s pro-activity, which produced and distributed 27 press releases promoting donors’ support to the projects. Having in mind ten press releases were planned annually, this is a significant increase.

There were 11,333 unique website visitors during the reporting period, compared to 10,000 planned for the year. This is also 30% increase from the same time last year. The Programme Facebook group currently has 550, while the Facebook page has 322 likes.

With increased media activities and significant engagement of the DEU and high officials in the promotion of the Programme results through visits to the South and South West, EU PROGRES contributes to the positive trends in the number of citizens who support Serbia’s EU accession. The latest SEIO survey conducted in December 2013 showed that
51% of the citizens would vote for Serbia's EU accession, which is an increase for 1%, while there is a decrease of 2% among those who would vote negatively.
## Annex I – Progress against Logical Framework Matrix Indicators

### Legend

<table>
<thead>
<tr>
<th>Status</th>
<th>Description</th>
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<tbody>
<tr>
<td>Red</td>
<td>Problem, unlikely that the Programme will meet the targets</td>
</tr>
<tr>
<td>Orange</td>
<td>Early stage of action</td>
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<tr>
<td>Blue</td>
<td>Strong progress towards set targets</td>
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<tr>
<td>Green</td>
<td>The Programme met targets</td>
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### Table

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Key developments October 2013 – January 2014</th>
<th>Overall Status</th>
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<tbody>
<tr>
<td><strong>LEVEL OF IMPACT (OVERALL OBJECTIVE)</strong></td>
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<tr>
<td>Contribute to creation of 1,500 jobs in the EU PROGRES AoR by 2017.</td>
<td>Tutin kindergarten is fully operational and enabled employment of 13 persons.</td>
<td>To date, EU PROGRES directly contributed to creation of 300 jobs, while projects for the Industrial Zone in Vranje, the Centre for Pešter Development, Support to Fruit Production in Pčinja, 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. Several hundred entrepreneurs and several thousand agricultural producers should be positively affected as well.</td>
</tr>
<tr>
<td>Contribute to investments of 20 million Euros into economic, social and environmental projects in the EU PROGRES AoR by 2017.</td>
<td>Ground works on the plot of land planned for the construction of Geox shoe factory in Vranje in progress. Geox investment is worth 15.8 million Euros. In Leskovac Green Zone, the City Council adopted the “Road Map” that provides framework for activities that should make the Zone functional, the conditions for land lease were developed, and companies publicly invited to invest into the Zone. Works on the first phase of the reconstruction of Vranje Theatre, for which EU PROGRES developed the main design, worth 280,000 Euros, started.</td>
<td>EU PROGRES work on technical and planning documentation for 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 documentation, developed with EU PROGRES’ support, creates pre-conditions for infrastructure investments worth over 42 million Euros. The documentation already enabled municipalities to access one million Euros from the Government of Serbia and other donors.</td>
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<tr>
<td>Reduced level of air and water pollution by 5% in the EU PROGRES AoR by 2020.</td>
<td>Construction of the WWTP in Trgovište and Crna Trava completed. Nova Varoš, Priboj, Prijepolje and Sjenica – budgeted a total of 273,000 Euros for the work of the Banjica Landfill LLC in 2014. Company for the construction of landfill access road selected. Delivery of a garbage truck to 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</td>
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<td>Indicator</td>
<td>Key developments October 2013 – January 2014</td>
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<tr>
<td>Trgovište</td>
<td>Trgovište almost doubled the waste collection - from 44% to 84%. In Novi Pazar, the sewage maintenance truck delivered to the PUC and immediately reduced blockages and overflowing of foul waters into the sewage system for 3,000 households and 30 companies.</td>
<td>contribute to cleaner air and water in the area.</td>
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<tr>
<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. Implementation of activities for advancement of gender equality, supported by the SDC in the amount of 402,850 Euros, in progress: delivered medical equipment for protection of women’s health to nine medical centres, including Presevo Ward; Gender Equality Mechanisms, from 17 municipalities, reported increase in knowledge and skills on how to conduct gender analyses, and how to assess, collect and analyse data to design measures and monitor tools for improvement of the position of women, after attending the training organised by EU PROGRES.</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>With the construction of water supply in Jelašnica, 397 Roma were provided with sufficient amount of drinking water. Additional 1,670 citizens from neighbouring villages Dugojnica and Suvojnjica connected to Surdulica water supply system. 70% of works on the water supply project for Roma settlement Blaževo in Novi Pazar completed and the water tank is delivered to the City. The project addresses sanitary issues of 140 Roma IDPs from Kosovo.</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 700 Roma in Novi Pazar, Surdulica and Vranje will improve harsh living conditions of this vulnerable group. EU PROGRES implemented a project with BIC Vranje that facilitated employment of 29 Roma. Part of the planning documentation will facilitate legalisation of informal Roma settlements, while some infrastructure 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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<td>Key developments October 2013 – January 2014</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 completed.</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 pointed that economic growth should be based on the development of agriculture, cattle-breeding, tourism and the hospitality and light industries, while that the largest investments are needed to assist farmers, building and repairing roads, develop water and sewage pipelines, help small- and medium-sized enterprises and improve the health care system.</td>
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<tr>
<td>Gross LSGs allocations for the CSOs in the EU PROGRES AoR increased by at least 10% by the end of the Programme. At least five partnership projects between LSGs and CSOs established and continue independently of the Programme.</td>
<td>EU PROGRES will research towards the end of Programme.</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.</td>
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<tr>
<td>At least five municipalities adopt mechanisms for sustainable and continuous participatory budgeting processes.</td>
<td>Five municipalities adopted Programme Budgeting model. Multi-annual budgets for capital investment projects are incorporated into the municipal budgets for 2014 in these five municipalities.</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 passed decisions on establishing local PB teams for future activities. Multi-annual budgets for capital investment projects are incorporated into</td>
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<tr>
<td>Citizens’ Advisory Services continue in at least two municipalities after</td>
<td>In at least two municipalities, CAS Novi Pazar was incorporated into the City administration. Further discussions were held with the mayors of Prokuplje and Preševo about the incorporation of the CAS to be organised until the end of Programme.</td>
<td>The Programme supported establishment and work of four CAS offices. 2,347 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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<td>the Programme finishes</td>
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<td>Local mechanisms for gender equality in place in at least twelve</td>
<td>Sixteen women have started to generate income through online sale of souvenirs as well as through manifestations. There were 17 projects supported through the second Call for Proposals, contributing to improved position of women on the local level.</td>
<td>EXCEEDED. Local gender equality mechanisms (GEMs) were (re)established in all 12 municipalities (Toplica District and South West Serbia).</td>
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<td>municipalities; at least five municipalities allocate funding for gender</td>
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<td>equality activities.</td>
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<td>Period for responding to requests regarding building permits and</td>
<td>Initial indicators demonstrating One Stop Shop effectiveness available: in Leskovac, OSS established electronic system of record keeping thanks to software provided through EU PROGRES.</td>
<td>EU PROGRES established One Stop Shops (OSS) in Vranje, Leskovac, Novi Pazar and Ivanić. 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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<td>conditions reduced by 20% in at least four EU PROGRES participating</td>
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<td>municipalities.</td>
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<td>Increased level of tax collection in at least ten municipalities by</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 the collected local taxes.</td>
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<td>at least 10% by the end of the Programme.</td>
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<tr>
<td>Increased level of services for businesses in at least two</td>
<td>Capital Investment Plans adopted in five LSGs contribute to development of business related infrastructure. 73 small and medium enterprises, tourist and academic organisations, joined the three clusters, compared with 35 members at the start of clusters’ work.</td>
<td>Support to businesses is provided on several levels: three clusters involving 73 entities established (out of which 60 SMEs), 16 businesses established through BIC Vranje, four One Stop Shops established and will enhance quality of services to investors, five adopted Capital Investments provide valuable inputs for development of business related infrastructure.</td>
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<td>municipalities. At least 20 enterprises from the Programme AoR involved in clustering by end of the Programme.</td>
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<td>Spatial and Five Detailed Regulation Plans and</td>
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<td>EU PROGRES supports development of</td>
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<tr>
<td>General Regulation Plans, and priority Detailed Regulation Plans in place in all municipalities by the end of the Programme</td>
<td>two General Regulation Plans are completed and are in the approval process. One Plan was submitted to the Planning Committee (DRP Stara Čaršija in Novi Pazar), and one evaluated by the Planning Committee (DRP Ribince 1 - Vranje).</td>
<td>one Elaborate for Spatial Plan, seven GRPs and 25 DRPs. In addition, the Programme provided equipment for geodetic surveys and IT hardware and specialised software for Urban Planning Directorates in Vranje, Leskovac 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 Programme.</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 Labe, reconstruction of the water supply in Vladićin 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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<tr>
<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>Works on the first phase on the reconstruction of the Vranje Theatre, worth 31.5 million Dinars, started. Documentation was developed with EU PROGRES’ support. Banjica Landfill - the Contract was signed to construct the access road for eight million Dinars.</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 42 million Euros. Developed planning documentation also creates conditions for investments into technical documentation, which in turn could attract tens of millions Euros 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>With the construction of the water supply in Jelašnica (Surdulica) 397 Roma provided with sufficient amount of drinking water. Additional 1,670 citizens from neighbouring villages Dugojnica and Suvojnjica connected to Surdulica water supply system. In Prokuplje, asbestos pipes replaced in four streets, providing improved water quality for 4,000 citizens</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</td>
<td>Tutin Kindergarten fully operational and enrolled over 130 children.</td>
<td>EXCEEDED. Implementation of ten local infrastructure projects has improved improve conditions for education for about 7,500 children. EU PROGRES is involved in development of the project for</td>
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## Indicator

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<tr>
<th>Key developments October 2013 – January 2014</th>
<th>Overall Status</th>
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<tbody>
<tr>
<td>the Programme AoR by the end of 2013.</td>
<td>the 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>
</tr>
</tbody>
</table>

### 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.

| All 26 CIF-2 projects finalised, five remain to be closed administratively. | CIF 1: All 40 projects were closed having passed the final audit. CIF 2: all 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. |

### Citizens’ Satisfaction

Surveys conducted in year 1 and year 3 of the Programme serve municipalities to improve their efficiency and accountability.

| The Second Citizens’ Satisfaction completed and the results presented in December 2013. | The second CSS pointed to the key areas for improvement of local administrations efficiency and accountability. |

### Improved access of vulnerable and marginalized groups to municipal services in up to four targeted municipalities during Programme implementation.

| CAS Novi Pazar incorporated into the City administration. Further discussions with the mayors of Prokuplje and Preševo will be organised by the end of Programme. | 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. |

### Transparent and efficient preparation and monitoring of budget, with elements enabling public

<p>| EU PROGRES sent letters to municipalities to encourage them to conduct participatory budgeting during development of budget for 2014. | 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 |</p>
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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 8 municipalities to adopt Integrity Plans, including: Vranje, Prokuplje, Surdulica, Vladičin Han, Vlasotince, Bosilegrad, Ivanjica, and Medveđa. The plan was partially developed in Crna Trava.</td>
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<tr>
<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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<tr>
<td>Local GEMs</td>
<td>Seven projects of local Gender Local GEMs were EXCEEDED.</td>
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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>Equality Mechanisms (GEMs), supported through the first call for proposals, were completed and have started to demonstrate effects. Implementation of the new SDC funded GE sub-programme in progress. 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.</td>
<td>(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. Seven GEMs in Toplica District and South West Serbia were supported through the first call for proposals, and their projects ranged from improvement of health of women and youth, prevention of violence to economic empowerment and improvement of political representation. The second call for proposals supported 17 GEM projects from the entire Programme AoR, focussing on the same topics as the first call. 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 according to Good Governance organisation scheme by the end of the Programme. At least one booklet on</td>
<td>In the workshop with the Swiss experts, the SDC and the Standing Conference of Municipalities and Towns (SCTM), it was agreed that the Programme will prepare two publications: one which will contain filtered-out findings from the coordination process with municipalities, as reported by participants (LSGs, ministries, the SCTM, the State PUCs etc.), and the other which will address the Vertical Dimension of Good Governance, its importance and main principles, with appropriate examples taken from the process, which could be used as guidelines for future endeavours in this domain.</td>
<td>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. Four large inter-municipal projects function according to the good governance organisation, with process structure established using the Programme’s expertise and assistance. In one municipality (Ivanjica) pure Good Governance reform process is finalised. The process resulted in the changes in the Municipal Statute and in Rules of Procedures of the Assembly – there are new regulations about participation in the development of the targeted PUCs’ annual and development plans, as well as specific tasks for the Assembly in evaluation of plans before they become official PUCs’</td>
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<td>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>documents. New regulatory paragraphs were developed and inserted into documents such as job descriptions and systematizations, pertaining planning, reporting, evaluation, coordination with the Assembly and communication of the results.</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>Citizens’ Assistance Centres formed in Trgovište, Bosilegrad and Crna Trava. Eight municipalities supported in technical upgrade of CACs by the end of 2012. CAC expansion project in Novi Pazar completed with assistance provided to 16 community offices.</td>
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<tr>
<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 end of the Programme. Three clusters formed and functional; three promotional campaigns</td>
<td>Five FDI Plans drafted, one already adopted by the municipal assembly, two by municipal councils and two are ready to be proposed for adoption. Three clusters completed all planned activities. ‘Radan Tourism Cluster’ conducted trainings on innovativeness and competitiveness for its members. ‘Pešter Agro Cluster’ successfully conducted local B2B event ‘Meet the buyer’. ‘South Serbia Fruit Cluster’ implemented ten training days related to ISO and Global Gap standards.</td>
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</tr>
<tr>
<td>BICs in Prokuplje and Vranje completed projects in 2012. The project for distant incubation of Roma entrepreneurs in Vranje BIC completed. Three clusters formed – “Radan Mountain Tourism”, “Pešter Agro” and “South Serbia Fruit”, and successfully finalised planned activities. FDI attraction planning process completed in five municipalities in October 2013.</td>
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<tr>
<td>Indicator</td>
<td>Key developments October 2013 – January 2014</td>
<td>Overall Status</td>
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<tr>
<td>regarding innovativeness and competitiveness conducted by the end of the Programme.</td>
<td>Initial indicators demonstrating One Stop Shop effectiveness available: in Leskovac, OSS established electronic system of record keeping thanks to software provided through EU PROGRES.</td>
<td>EXCEEDED. Four One Stop Shops formed and are functional as of June 2013.</td>
</tr>
<tr>
<td>Two One Stop Shops formed and functional by the end of the Programme.</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>
</tr>
<tr>
<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>
</tr>
<tr>
<td>Five municipalities are QMS certified by the end of the Programme.</td>
<td>Prokuplje, Surdulica, Bujanovac, Novi Pazar, and Ivanjica certified for QMS (ISO 9001) and EMS (ISO 14001).</td>
<td>EXCEEDED. In addition to obtaining QMS certificates, the five municipalities have also been certified for EMS.</td>
</tr>
<tr>
<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 25 Detailed Regulation Plans (DRPs) have been developed.</td>
</tr>
<tr>
<td>Capital Investment Planning (CIP) adopted in at least five municipalities by the end of the Programme.</td>
<td>Capital Investment Plans (CIP) adopted by local assemblies in five municipalities.</td>
<td>Capital Investment Plans (CIP) adopted by local assemblies in five municipalities.</td>
</tr>
<tr>
<td>At least two social housing pilot projects implemented.</td>
<td>Construction works for Water supply system for Roma settlement Blaževo in Novi Pazar - completed 70%. Water truck delivered.</td>
<td>Improvement of living conditions through water supply system construction project completed in Vranje Roma settlement “Ćoška” at the end of 2012. Another water supply system for Roma settlement Blaževo in Novi Pazar in progress.</td>
</tr>
<tr>
<td>At least three inter</td>
<td>Five main designs for Novi Pazar</td>
<td>Preparation of documentation for five</td>
</tr>
<tr>
<td>Indicator</td>
<td>Key developments October 2013 – January 2014</td>
<td>Overall Status</td>
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<tr>
<td>municipal and six local infrastructure projects developed up to the built-ready stage by the end of the Programme.</td>
<td>(social housing and diagnostic centre) completed, documentation is ready for the total estimated value of construction of nine million Euros. The Technical Study of Underground Drinking Water Reserves for Raška Municipality completed.</td>
<td>inter-municipal and 20 local infrastructure projects is completed.</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>No change.</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 funded renovation of Elementary School “Dositej Obradović”, various donors fund reconstruction of the Vranje Theatre.</td>
</tr>
<tr>
<td>Three inter-municipal project proposals identified and timely implemented by the end of Programme.</td>
<td>Four projects completed: Pešter Agro Business Development Centre, water supply to Roma settlement in Jelašnica village, Vlasina River protection (WWTP in Crna Trava), vocational training School for Textile in Novi Pazar.</td>
<td>Eight inter municipal projects (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) identified. Only one remains to be completed: regulation of the Raška River watershed.</td>
</tr>
<tr>
<td>At least two projects in Jablanički and Pčinjski Districts funded from the new funding source by the end of the Programme.</td>
<td>The construction of WWTP in Trgovište completed. Pčinja Fruit project completed: orchard established, 176 individual households from the Pčinja trained in fruit production, 202,129 fruit seedlings planted. Increased number of trees in Pčinja District for 12.5% (baseline quantity of fruit trees 1,610,832; quantity after intervention 1,813,075)</td>
<td>EU PROGRES supported two projects in the Pčinja District: establishment of the Pčinja District Regional Fruit Production Centre and design and the construction of the Waste Water Treatment Plant (WWTP) Trgovište.</td>
</tr>
<tr>
<td>At least 25 small scale municipal infrastructure projects developed and implemented by</td>
<td>Eleven local infrastructure projects finished.</td>
<td>EXCEEDED. 43 small-scale municipal infrastructure projects supported. All have been completed and their positive effects are felt across the Programme area, directly benefiting 70,000 people. The projects enhanced business</td>
</tr>
<tr>
<td>Indicator</td>
<td>Key developments October 2013 – January 2014</td>
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<td>the end of Programme.</td>
<td></td>
<td>infrastructure, waste management, water supply, energy efficiency, and conditions for education, health, youth and sports.</td>
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<tr>
<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 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</td>
<td>EXCEEDED. Communication Strategy developed and is being implemented successfully: 24 high profile visits successfully organised promoting donors’ support and EU PROGRES’ intervention in the area. Seven visits organised in the fourth year of implementation. 118 press releases prepared and timely distributed to the media, 51 in the fourth year. Ten interviews organised, three in the fourth year of implementation. 3,005 positive reports generated in media, while 735 media reports generated in the fourth year so far. 17 blogs prepared for the website, four blogs in the fourth year of implementation. Regularly updated website attracted 117,405 visits by 63,742 unique visitors. So far in the fourth year of implementation, the website registered 36,132 visits by 16,225 unique visitors. Eleven newsletters produced and each distributed to over 1,100 email addresses. Two newsletters in the fourth year of Programme implementation so far. Three media projects completed. Over 100 media reports generated promoting good governance, public administration reform and sustainable development.</td>
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<tr>
<td>Four high profile visits organised. 27 press releases distributed. 445 media reports generated. Three new blogs uploaded. 11,333 unique website visitors during from October 2013-January 2014, with 26,622 visits. The eleventh issue of the Newsletter produced and distributed to over 1,100 email addresses. One media project successfully completed. Thirteenth Programme Steering Committee meeting successfully organised in Nova Varoš with presence of the DEU Ambassador and the Swiss Embassy Deputy Head of Mission, and over 60 guests from the Government of Serbia, municipal officials, CSOs and media.</td>
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<tr>
<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>The third campaign successfully completed. Series of events, street performances, two educational seminars for small businesses, contest for primary schools, website video game have been organised during the period. Over 150 positive media reports generated through the campaign in national and local media.</td>
<td>Three campaigns successfully completed – promoting good governance, the European values and environmental protection, recycling and energy efficiency. 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>
</tr>
<tr>
<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 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>
<td>One branding project completed during Q4, while one the grant for Green Zone expired without any activity undertaken.</td>
<td>Two branding plans fully developed and presented to the public, another five plans drafted and eight branding projects successfully implemented. 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.</td>
</tr>
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</table>
Annex II – Area Developments

SOUTH WEST SERBIA

Novi Pazar

Political

One of the key local topics is the 16 March Parliamentary election. The Social Democratic Party of Serbia (SDPS), led by the Minister Rasim Ljajić made an agreement with the Serbian Progressive Party (SNS) on the policies and principles of the future government, and was granted ten mandates on the national and four in the run for the Belgrade City Council.7

The Assistant Mayor Fevzija Murić announced criminal charges against 13 former City officials, members of the Party of Democratic Action of Sandžak (SDA), saying they were responsible for the problems in the City budget and for failure to return equipment, mobile phones and laptop computers (property of Novi Pazar City), thus damaging the budget by more than a million dinars.8 SDA denied most accusations saying the phones were a present from the current Mayor, Meho Mahmutović.9

Ismet Ramović, one of the actors of a child abduction case in Novi Pazar last year, rose series of accusations for different criminal activities, including drug trafficking, misuse of political position, frauds in public procurement, and creation of atmosphere of insecurity, against the Minister of Foreign and Internal Trade and Telecommunications Rasim Ljajić, the Mayor of Novi Pazar Meho Mahmutović and the rest of the Sandžak Democratic Party (SDP) leadership.10 The SDP issued a press release saying this was a part of Mufti Muamer Zukorlić’s dirty campaign against the party.11

Sulejman Ugljanin, the Minister without Portfolio responsible for managing the Office for Development of Underdeveloped Areas, has been re-elected the President of the Party of Democratic Action (SDA). Ugljanin has been heading the Party since its inception in 1990. The Mayor of Tutin, Šemsudin Kučević was elected the Deputy President, while the party General Secretary is Vasvija Gusinac (former Novi Pazar Mayor). Fuad Bačićanin, Enis Imamović, Bajro Gegić, Senad Mahmutović and Muniba Bihorac were elected the Vice

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Presidents. In its electoral assembly, the SDA adopted a programme, which focuses on improvement of citizens’ security, fight against poverty, improvement of the quality of life of all citizens and improvement of Bosniak national identity. Muhedin Fijuljanin, a member of the Sjenica branch of SDA, was re-appointed as one of the three State Secretaries of the Ministry of Education, Science and Technological Development.

Aida Ćorović, the director of the non-governmental organisation Urban-In from Novi Pazar was given police protection in November, following assessment that her security was seriously endangered. Ćorović stated that she received numerous threats following her statements that women in Sandžak are forced to wear hijab. Subsequently, she resigned from the position of the director of the Novi Pazar NGO Urban-in, saying she couldn’t allow that the organization suffers from the evil people who were doing everything to pull the society back.

Economy
There were 59 new employments in the City of Novi Pazar in 2013, raising the number of staff in the institutions and companies that are direct budget users to 1,034. The expenses for salaries make 40% of the City of Novi Pazar budget.

Eight textile companies from Novi Pazar, members of textile cluster ASSTEX, presented their products at the Berlin Textile Fair in January. The visit was organised by SEDA, with the financial support of the USAID.

Social cooperative “Ćilim” from Novi Pazar, founded as a part of the project of Sandžak Committee on Strengthening of Women Participation, signed an agreement on cooperation with the Gender Equality Council from Sjenica. The Gender Council will act as a mediator to organize vulnerable women from Sjenica to take part in the project and support achievement of the common goal of the Council and the social cooperative – decrease in women’s unemployment.

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The fifth meeting of the workgroup for “Improvement of business environment through regulatory reform” in Novi Pazar prepared a list of recommendations for improvement and simplification of procedures that would shorten the time and eliminate unnecessary documentation, certain taxes and introduce standardized forms. The project is implemented by non-governmental organisation “Optimus” and the Standing Conference of Towns and Municipalities. By reforming the administration, the City government could save more than two million Euros per year. The electronic register of administrative procedures aiming at supporting public servants to do their jobs more efficiently was also presented.19

The US Agency for International Development USAID and the National Agency for Regional Development began the realization of 4.4 million USD project, whose purpose is the development of the private sector in 12 economically disadvantaged municipalities.20 It is expected that this project will improve life quality by helping companies to increase investments and create new jobs trough expanding markets.21

Public utility companies
Following the third competition for the election of directors of public utility companies "Waterworks and Sewage" and the "City Heating Plant", there was only one applicant for the Waterworks, the current director Hanefija Brničanin, while no-one applied to lead the latter PUC.22

The workers of the Water Company who are members of the Independent Trade Union were on strike during the second half of December, threatening to cut the water supply to the biggest debtors. The employees are owed ten salaries, while in the past three months they haven’t received any money.23 However, in January the strike ceased, and the workers received reimbursement of their travel costs. The account of the PUC was no longer blocked after the citizens started with payments of their liabilities24.

Education
The Minister without Portfolio Sulejman Ugljanin said that the Government’s adopted report with measures for realisation of the rights of Bosniaks to education in their mother tongue returned Bosniaks’ confidence in the state and its institutions. The Bosniak National Council

20 Leskovac, Vranje, Preševo, Bujanovac, Medveđa, Novi Pazar, Raška, Sjenica, Tutin, Priboj, Priјepolje and Nova Varoš
welcomed the adoption of the report as it contributed to the respect of human and minority rights of national minorities.25

On 16 January, the Minister of Education Tomislav Jovanović signed a regulation, which stipulates that the classes in Bosnian will start from second term in the High Schools of Novi Pazar and Sjenica.26 Previously, over 40 parents of the first grade students in Novi Pazar High School (Gimnazija), out of 111 who declared that their children attend classes in Bosnian, submitted to the Basic Public Prosecutor’s Office in Novi Pazar criminal charges against the director of the school Zoran Milosavljević, for violation of the rights of students to attend classes in their native language.27 Around 100 students of Novi Pazar and Sjenica High Schools (Gimnazija) protested and were silent in the classes of Serbian language. Currently, teaching in Bosnian is held in 35 schools in Sandžak and attended by 3,645 students.28

The Office for Sustainable Development of Underdeveloped Areas donated 12 million Dinars for equipment of the laboratory for soil, food and water testing at the State University in Novi Pazar while the Ministry of Agriculture provided computer equipment.29

Turkish Development Agency (TIKA) funded the construction and equipment for the elementary school "Ćamil Sijarić" in Novi Pazar with 1.8 million Euros. The school has 3,600 square metres, 22 classrooms and a gym and it will accommodate about 1,000 students.30

Social

The Minister without Portfolio Sulejman Ugljanin called upon the authorities to solve the problem of issuing personal documents in Bosnian, which is in line with the legal regulations of Serbia. Ugljanin also pointed to the fact that using the term “Serb citizenship” in personal IDs is not in accordance with the regulations of Serbia, and in this sense the term is associated with ethnicity, rather than citizenship of particular country.31

The New Association of Cities and Municipalities of Serbia was established on 11 December, with the Mayor of Jagodina, Dragan Marković-Palma, elected as the President and the Mayor of Kruševac, Bratislav Gašić, as his deputy. The Mayor of Novi Pazar, Meho Mahmutović, is a member of the Presidency. The Association has 37 members.\(^32\)

The City of Novi Pazar is one of the winners of the “Golden Key”, awarded to the most active local-self governments in the countries of the Danube region, at the second Danube Business Forum held in Novi Sad. \(^33\)

**Security**

Following two incidents that occurred over four days in Novi Pazar in October, the City Security Council requested the Police to consider the security situation, with a particular attention paid to the incidents in the past year. In Gimnazija, 18-year old attacked a parent causing heavy bodily injuries, while four students of the Economic School were stabbed in a fight, after a short quarrel. According to the Police statistics, juvenile delinquency in the City is increasing: there were 58 criminal offenses in 2012, while during the first nine months of 2013 this number increased to 76. \(^34\)

**Islamic Community**

The Islamic Community in Serbia elected Mevlud Dudić, current rector of the International University of Novi Pazar for the president of the Mešihat of Sandžak, thus replacing the Mufti Muamer Zukorlić in the position he held for 20 years.\(^35\) Representatives of the Islamic community in Serbia say this move is as a step toward reconciliation with the Islamic Community of Serbia, which conditioned talks with Mufti stepping out of the Presidency of Mešihat.

**Sjenica**

The Government of the Republic of Serbia decided to transfer some of the asylum seekers from Somalia, Syria, Afghanistan and Pakistan, housed in the detention centre “Bogovoda” near Obrenovac to temporary camps in Sjenica and Tutin. At the beginning of December, 120 people arrived to Sjenica and were accommodated in the hotel “Berlin”.\(^36\) The President of the Sandžak Committee for Protection of Human Rights and Freedoms together with the local coordinator of the Commissariat for Refugees and Migration visited Sjenica and gave a number of recommendations to improve the

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situation, including the need to provide: better heating, warm clothes and hygiene sets, personal documents, training for local police officers, computers so that the asylum seekers can establish links with families, better medical care and social life, education for juveniles. Most of the asylum seekers are only transiting through Serbia, on their way to European Union.

The State Secretary at the Ministry of Justice and Public Administration, Danilo Nikolić, visited the General Court in Sjenica, established on 8 January 2014 and said that the return of this Court and opening of a court unit in Tutin has a great importance to the citizens of two municipalities, especially because of their unique geographical location. ³⁷

**Tutin**

A small hydro power plant was put into operation in the village Smaluća. Tutin has 64 potential locations for this kind of facilities at the moment.³⁸

According to daily newspaper “Večernje novosti”, there are at least five external departments of universities in Tutin, which haven’t been accredited. Since the students are registered for home institution education, automatically, this diploma is valid. This opens the question of knowledge acquired during studies.³⁹

**Nova Varoš**

On the occasion of the Municipal Day, held on 1 November, Nova Varoš awarded EU PROGRES for support in local economic development.

Turkish Development Agency (TIKA) donated an ambulance vehicle to Nova Varoš Health Centre, worth 90,000 Euros.

**Prijepolje**

The Public Utility Company (PUC) “Lim” from Prijepolje is among 11 PUCs in Serbia that is closing 2013 finances without any losses and with all dues paid.

According to the assessment of the State Revision Institution, a number of misconducts occurred in the work of Prijepolje Municipality in 2012, including violations of decisions and regulations. Further evidence is being collected in order to press charges against the responsible local government officials.⁴⁰

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Representatives of Priboj Prijepejlo, Sjenica and Nova Varoš met to determine the final version of the Memorandum of Understanding and the steps for establishing the “Polimski Agro Cluster”, which should improve production of food and agricultural products and create jobs. The initiative is supported by the British Embassy and the Open Society Foundation.41

Priboj
Anticipation of the solution for the situation in the truck Factory FAP is a major concern of both the local government and Priboj inhabitants. After the strike at the end of October and the blockage of the railway, FAP workers were offered a social programme by the government, in return for leaving the factory voluntarily.42 Out of 1,500 workers 440 opted for the social programme. A Working Group, made up of the representatives of the FAP, the Ministry of Finance and Economy, Mercedes and the governmental advisors43 needs to find solution for the FAP issue by 1 March 2014.

Raška
Raška Municipal Council adopted the Decision on the Budget for 2014, projecting revenues of 911 million Dinars. Emphasis was put on the social sector, employment and education, while subventions for the Public Utility Company were reduced.

Ivanjica
Fourteen prominent Serbian Progressive Party (SNS) members, in accordance with the decision of the party leadership, left the ruling coalition in Ivanjica Assembly at the end of December44 and said that the local elections are looming, after the March vote for the Serbian Parliament.45

SOUTH SERBIA

Preševo, Bujanovac, Medveđa
The only Albanian MP in the Parliament, Riza Halimi, asked the Government how it intended to conduct the extraordinary census of population in Preševo, Bujanovac and Medveđa, planned for 2014, having in mind the large number of people fled to Kosovo in 1998-1999.46 This was only one of the reactions after the Albanian political leaders from south Serbia sent

a letter to the Prime Minister Ivica Dačić and the Deputy Prime Minister Aleksandar Vučić in November 2013 saying there were no reasons to continue with the dialogue, as the level of implementation of the Platform was low. They objected to the new legal decision that left Preševo and Bujanovac without basic and prosecution courts, the issue of confiscation of over 5,000 Albanian books, 30% reduction of the Albanian Minority Council budget for 2013 as a result of non-participation of the Albanians in the Census 2011, reduction of municipal budgets for 2014, and sought clarification for death of an Albanian drug dealer who died in Vranje prison, under unclear circumstances. They objected to the new legal decision that left Preševo and Bujanovac without basic and prosecution courts, the issue of confiscation of over 5,000 Albanian books, 30% reduction of the Albanian Minority Council budget for 2013 as a result of non-participation of the Albanians in the Census 2011, reduction of municipal budgets for 2014, and sought clarification for death of an Albanian drug dealer who died in Vranje prison, under unclear circumstances. The talks between the Government and the leaders of Albanian political parties from the South Serbia started in October 2013, when it was agreed to establish task forces with the representatives of the relevant ministries, who would deal with the implementation of the Platform.

In early January 2014, a meeting between the Prime Minister of Albania Edi Rama and the Prime Minister of Kosovo Hashim Thaci was held in Prizren, and a joint Declaration for strategic cooperation between Albania and Kosovo, as well as memoranda of understanding on economic cooperation, facilitation of transportation, infrastructure and joint efforts in the field of European integrations were signed. The two prime ministers also decided to establish a joint Developmental Fund for Preševo Valley and allocated 100,000 Euros to support the Maternity Ward in Preševo.

There were different reactions to these news: the representatives of the Serbian community in Bujanovac wondered what their status in regards the Fund would be, while the Deputy Mayor of Preševo, Skender Destani, assessed the allocated funds as frivolous. The President of Bujanovac Assembly, Jonuz Musliu, said Preševo Valley should be treated as a national and not a humanitarian issue. Riza Halimi was in favour of the Fund, and said that although the first donation was symbolic, it showed political willingness to support the Preševo Valley. The President of the Coordination Body for Preševo, Bujanovac and Medveđa, Zoran Stanković, commented that the establishment of the Fund didn’t present a problem for Serbia, as long as it is not used for political purposes.

A Norwegian citizen Teisnes Knut Stanojevski was killed in an exchange of fire with the Gendarmerie in Preševo on 25 January 2014. Media reported that he attacked a policeman on watch and injured him with a blunt object. Stanojevski lived with his wife, who is

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Macedonian by origin, near the Railway Station in Preševo. Although some media reported Stanojevski was a Wahhabi, his neighbours rejected this allegation.50

The President of Albanian National Minority Council (ANMC) Galip Beqiri said that Preševo boycotted the work of the Council, having not allocated any funds for its operation, while Bujanovac contributed with 400,000 Dinars and Medveđa with 300,000 Dinars. 51

The Municipality of Bujanovac signed contracts with 36 private enterprises, which will contribute to the development of the local conditions and help create 43 new jobs.52

The Coordination Body is organising free classes of Serbian, with the support of the British Embassy, for the pupils of primary school in Biljača, the Municipality of Bujanovac. 53

Currently there are 260 students at the Bujanovac Department of the Subotica Faculty of Economy: 109 students in the first year, 83 in the second and 68 in the third.54

Vranje

In Vranje, the Liberal Democratic Party (LDP) entered the ruling Socialist coalition at the end of December 2013. This came about following the removal of the United Regions (URS) from the ruling coalition55 and the decision of the Serbian Progressive Party (SNS) to leave the power.56 On 26 January 2014, after long negotiations, the City board of the Democratic Party (DS) decided to join Vranje ruling coalition. 57 The coalition is now made up of: the Socialist Party of Serbia (SPS), the Party of United Pensioners of Serbia (PUPS), the Social Democratic Party of Serbia (SDPS), the United Serbia (JS), the LDP and the DS.

The Mayor signed a contract for levelling of earth within Bunuševac, which will create conditions for the construction of a production plant for Italian Geox. On 20 January, the Government approved that Bunuševac is proclaimed the Industrial Zone.

The reconstruction of the Vranje National Theatre started in January 2014, a year and a half after it was burnt. The first phase of the reconstruction was planned to last for 150 days and is worth 31.5 million Dinars.

A Memorandum of Understanding was signed between the City of Vranje, the US Embassy and B92 Fund to start the construction of a Safe House. This will be the first such institution south of Belgrade, and it will be located in Vranjska Banja.

**Trgovište**
The unemployment rate in Trgovište, according to the Mayor Nenad Krstić, is over 50% and is it the main reason why the young people leave the municipality. The number of asylum seekers from the municipality is so big that the German Government adopted a regulation on incentive funds primarily for Trgovište, Bujanovac and Preševo for job creation and prevention of migration.

**Vladičin Han**
The Serbian Progressive Party, the Democratic Party and the Liberal Democratic Party formed a new ruling coalition in October, while the Mayor, Goran Mladenović, remained in his post.

**Bosilegrad**
Bulgarian's nationalist party "Ataka" submitted a declaration to the Bulgarian requesting, as a condition of support to Serbia's membership in the EU, return of Bosilegrad and Dimitrovgrad to Bulgaria.

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Leskovac

Forty-nine people in Leskovac received 160,000 Dinars each form the City Self-employment programme, for their newly established enterprises and craft shops. Through another public call, organised by the Agency for Local Economic Development, 18 companies and shops were supported to open 163 new jobs. For each new job the companies will receive 120,000 Dinars. At the same time, the Centre for Social Welfare announced that the number of users has increased by 50% in 2013. There are 2,548 citizens who receive social welfare, twice as much compared to two years ago.

Ajvar produced by Leskovac company “Strela” was awarded the best bio product of the year at the ninth International Bio-Festival in Subotica.

The construction of the Waste Water Treatment Plant started in Leskovac at the end of October, an investment worth 24 million Euros, funded by the European Union and the Government of Serbia. During the first phase, whose works are worth ten million Euros, large basins will be constructed. The Serbian Government will finance the second phase, that includes a line of mud. The third phase will be financed by the Dutch Government with eight million Euros and implies extension of the sewerage system for 22 settlements with 20,000 inhabitants. The plant should be constructed by 2015.

Vlasotince

There was change of power in Vlasotince, where the Mayor Nebojša Stojanović and the President of the Assembly resigned in December. This is the fourth change of local government, since the last elections.

Lebane

The local government in Lebane changed, when the municipal councillors selected the new Mayor, from the Citizens’ Group Doctor Goran Janjić, who replaced Zoran Ilić, from the United Regions of Serbia. The new President of the local Assembly has been appointed from the Socialist Party of Serbia.
Prokuplje
Prokuplje Municipal Council approved development of the industrial zone on the land behind Hisar factory, currently used as prison economy. The first investments are expected in February 2014, according to the Mayor.  

Žitorađa
Italian company “RIV” signed annex of the contract with the Serbian Government on opening of the factory for production of glass in Žitorađa. This project started one year ago and it is planned that in first phase “RIV” will open 202 jobs, and later employ additional 200 workers. 

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