

The Third Annual Programme Steering Committee Meeting

Bujanovac, 17 July 2013

Minutes





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I AGENDA

1. Welcome and introductory speeches
2. Presentation of Bujanovac as investment friendly municipality
3. Approval of the minutes of the previous Steering Committee meeting held in Vranje
4. Summary presentation of the Annual Report July 2012 - June 2013
5. Looking forward: ensuring sustainability and impacts
6. Presentation of requests for funding commitments
7. Voting
8. Other business

II MINUTES

AGENDA ITEM 1: WELCOME AND INTRODUCTORY SPEECHES

- **The Mayor of Bujanovac, Nagip Arifi**, welcomed the participants of the third annual EU PROGRES Programme Steering Committee (PSC). Arifi said that he had a productive meeting with the representatives of the Government of Serbia and the EU delegation prior to the PSC and expressed hope that successful work started during EU PROGRES will continue in the future.
- **The Head of Operations III Department in the Delegation of the European Union (DEU), Andrew Headey** stated that the Programme has achieved very good results after three years of implementation, with over 62% of 234 contracted projects successfully completed, which is already a third more in comparison to the previous reporting period. Headey reflected on the challenges for Programme implementation, namely the period following 2012 elections, when the ruling coalitions were changed in 17 municipalities, and Programme staff succeeded in establishing new relations and ensuring continued implementation. However, with 88 projects yet to be completed there was a lot of work to be done, and Headey reminded that the Programme has been extended until March 2014. Headey also underlined the need to invest efforts to ensure sustainability and maximum impacts of projects as it was not enough to construct an infrastructure object, but it had to be used by citizens. We want to see the results of the EU support, as it is the way of enhancing lives of the people in the South and the South West Serbia. As the preparations for EU PROGRES' successor programme are ongoing, Headey invited the municipalities and other partners to strongly engage in the important preparatory process and provide good quality inputs for the conduct of Competitiveness Study and Skills Gap Analysis and highlighted that a successful completion of ongoing EU PROGRES activities are the best recommendations for the future programme. Finally, Headey remarked on the announcement of the opening of negotiations and the delight the DEU is sharing with the Government of Serbia. In light of the announcement, Headey pointed to the importance of the follow-up Programme, PROGRES 2, since the chapters that were under negotiations through the screening process were covering areas such as environment, agriculture and public administration reform, all of which are being significant part of the current Programme and will continue to be an integral part of PROGRES 2. Headey reminded that some of the 70% of the implementation of the *Acquis Communautaire* would be through municipalities at the local level. Thus, as municipalities' competences and institutional capacities are strengthened, the efficiency and the operational capacities at the local level are also approved. So, paying attention to cross cutting issues, i.e. protection of minority rights will also be important.



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- **The Head of the Unit for Planning and Coordination of International Development Assistance in the Areas of Competitiveness and Human Resource Development of the Serbian European Integration Office (SEIO), Branko Budimir,** noted that even though representatives of the Swiss Agency for Development and Cooperation (SDC) could not participate in the meeting, they were still committed to the implementation of the Programme, as they have allocated 500,000 Swiss Francs for the Programme to implement additional activities related to gender equality.

AGENDA ITEM 2: PRESENTATION OF BUJANOVAC AS INVESTMENT FRIENDLY MUNICIPALITY

- **The Head of Local Economic Development Office (LED) in Bujanovac, Fazila Azemović,** presented efforts Bujanovac made in order to make the municipality an attractive location for investors. She mentioned competitive advantages of Bujanovac, including its good geographical position, qualified workforce, positive track record of implemented projects and a number of strategic documents and plans the local self government developed. Azemović praised cooperation with EU PROGRES on implementation of planning and infrastructure projects and linking them with activities implemented with support of other donors, thus ensuring sustainability.

AGENDA ITEM 3: APPROVAL OF THE MINUTES OF THE PREVIOUS STEERING COMMITTEE MEETING HELD IN VRANJE

- The PSC voting members unanimously approved the minutes of the previous EU PROGRES' Steering Committee held in Vranje on 29 April 2013.

AGENDA ITEM 4: SUMMARY PRESENTATION OF THE ANNUAL REPORT JULY 2012 - JUNE 2013

- **EU PROGRES' Deputy Programme Manager, Marko Vujačić,** presented the key achievements of the Programme from July 2012 to June 2013. Vujačić reflected on the statistics representing the Programme advancement: 146 out of 234 or 62% of the contracted projects have been completed. Although this shows that the two thirds of the projects were finished, there was only one fifth of the Programme life span to finalise the one third left. Vujačić presented information about development of planning and technical documents and opening of OSSs that contributed to bringing almost 30 million Euros investment and 2,200 jobs to Vranje by two companies Geox and Ditre Italia. In addition, the EU PROGRES' activities contributed to creation of 60 jobs and another 150 to 200 are expected in the near future. The Business Incubator Centre in Vranje is one such example, as it hired eight people and supported establishment of two new companies. The Programme also plays an important role in contributing to Serbian local economy. Namely, in 98% cases, the goods and services are procured from the local companies. Vujačić also mentioned some of the most significant projects contributing to municipal competitiveness, environmental protection, infrastructure, education, health and projects targeting youth.



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- **EU PROGRES' Programme Good Governance Assistant, Ana Nedeljković**, presented the key results of projects supporting vulnerable groups. Nedeljković explained that the assistance has been multi-dimensional: 2,500 people received free legal aid and exercised their rights in obtaining personal documents, access to health, pension, education; civil society projects supported employability and social integration of additional 1,200 beneficiaries; the Programme is providing access to clean water for over 800 Roma. Nedeljković said that gender equality activities resulted in establishment of 12 gender equality mechanisms, development of nine gender local action plans, adoption of the European Charter on Equality of Men and Women in Local Life in nine municipalities and allocation of budgets for gender projects in seven municipalities.
- **EU PROGRES' Programme Manager, Graeme Tyndall**, added that the Programme was still facing challenges since a great number of projects remain to be implemented, with less than nine months left, and couple of million Euros to be spent. This claim is substantiated in the results of a study of time extensions for grant projects, with an average five months' extension due to late co-funding and an average eight months' delay due to project management and procurement. Tyndall stated that the municipalities should invest more resources to the project preparation and improve technical documentation and planning. He underlined the role of the EU PROGRES in Serbia's preparations for the EU accession and the importance of Programme's support to improve Serbia's competitiveness, which will be much needed before and after the Serbia joins the EU.

AGENDA ITEM 5: LOOKING FORWARD: ENSURING SUSTAINABILITY AND IMPACTS

- **The Project Manager at the Delegation of the European Union (DEU), Ana Stanković** reaffirmed that it was not sufficient for a project only to be implemented, it was also important for any project to bring positive changes, be it in improvement of public administration, improvement of living conditions of the general population and especially vulnerable groups and in this aspect invited local governments' representatives to put additional efforts to continue to develop projects and ensure their sustainability. An example of these efforts would be sustainability and usability of the planning documents developed through the Programme. It is expected that these projects will help bring in new investors and continue to enhance local economies.
- **The Mayor of Vladičin Han, Goran Mladenović**, proposed to the PSC to invest residual funds in an infrastructure project, construction of a road with a regional importance, in Vladičin Han. The Mayor underlined extensive efforts the municipality has undertaken to ensure implementation of this project, including the agreement between Vranje, Surdulica and Vladičin Han for establishment of the free Industrial Zone, obtaining some 12 hectares of land, etc. The funds needed for this project, Mladenović said, are about 300,000 Euros.
- **Budimir** thanked the mayors and the EU PROGRES for contribution to successful implementation of the Programme, which is confirmed by the fact that there were only two projects with serious difficulties in implementation. In light of planning for PROGRES 2, Budimir stated that it was



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even more important to successfully complete this Programme, and ensure sustainability of its results, which will be reflected in the final evaluation. To respond to Mladenović's appeal, Budimir stated that from the perspective of the SEIO, roads are not a priority and also the project in question is too large and complex to be implemented in such a short period of time.

- **Stanković** confirmed that priorities have been set, and that the proposed project in Vladičin Han was not in line with the Programme priorities. Stanković also commended the Programme for improved reporting and underlined that positive results achieved through EU PROGRES are the best indicator for development of PROGRES 2 and that the Programme needs to measure wider influences of its activities.
- **The President of the National Council of Albanians, Galip Beqiri**, reflected on successful cooperation with EU PROGRES to date, with two projects implemented. Beqiri expressed the need for support from the Programme for printing of the Council's Strategy for 2013 – 2018.
- **The Assistant to the Mayor of Leskovac, Željko Kotlo**, commented on the sustainability aspect of the Green Zone project in Leskovac. Kotlo confirmed that local elections have slowed down implementation of the project, however, the new local government continued to see this project as an initiative of the highest importance. Two key problems for negotiations with potential investors, Kotlo said, were electrical infrastructure and construction of a roundabout and both problems have been addressed. As a complementary activity, with Programme's support, the City is developing a Plan for Foreign Direct Investments, which will hopefully be adopted at the first autumn session of the City Assembly.
- **Stanković** expressed DEU concern that the initial concept of the Green Zone initiative would be changed and said DEU hoped that all issues would be resolved and project back on track. **Kotlo** reassured that Leskovac commitment remains with the original plan.
- **Tyndall** stated that Leskovac has a unique opportunity to cooperate in a complementary fashion with the USAID Sustainable Local Development Programme (SLDP). The EU PROGRES coordinates its efforts with SLDP for Leskovac, but also for other areas as well, i.e. Pešter and Novi Pazar. Tyndall recommended to Leskovac to use the momentum and work successfully with one donor, and the others will follow. In addition, Tyndall reiterated what Stanković said, that the City should think about sustainability.
- **The Mayor of Medveđa, Slobodan Drašković**, informed the group about progress of the project for rehabilitation of the wood processing factory and the challenges faced along the way. The issue municipality is currently facing is payment of the value added tax, and this will be addressed at the next Assembly meeting. He thanked the EU PROGRES for its role in the process, and reflected on other issues the municipality dealt with in the past, with import of the equipment from Slovenia and the customs. Drašković said that this factory would create up to 40 new jobs and the return of investment is expected within the five-year period.



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- **Tyndall** reflected on the lessons learned during the Programme that the obstacles for investment need not only be at the local level, but on the national level as well. The problems Medveđa had in importing the machinery were such example and thus, Tyndall stated, planning must be better executed and all obstacles anticipated by the local governments but also by the EU PROGRES when planning with its LSG partners.
- **Budimir** informed that the model for management of the financing of the small infrastructure projects would be changed; the Ministry of Finance and Economy will take over the role of managing the grant scheme. In practice, this means that the flexibility will be limited and this should be taken into account when applying for funding in 2014 and later on, said Budimir. Therefore, during project identification all risks that could slow down implementation of projects need to be carefully assessed and measured.

AGENDA ITEM 6: PRESENTATION OF REQUESTS FOR FUNDING COMMITMENTS

EU PROGRES presented the following requests for funding commitments:

- Gender Equality Project initiated by the Swiss Cooperation Office in Serbia
 - Skill Gap Analysis
 - Detailed Regulation Plan of the business manufacturing zone Ribince in Vranje
 - Provision of the software for public property listings of local self-governments
 - Enhancing Vocational Education Training of textile, clothing and footwear industry in municipalities of Novi Pazar, Tutin, Raška and Sjenica
 - Increase of Social Inclusion of the most vulnerable groups – in principle
 - Support to the Regional Centre for Mentally Challenged Persons in Novi Pazar – in principle
 - Providing medical equipment for Preševo maternity ward – in principle
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- **The Secretary of the Ministry of Labour, Janićije Jeremić**, provided information on the establishment of the Vocational Education Training Centre (VET) in the Southern Serbia, as a pilot project, with plans to establish additional regional training centres in Serbia. This is, Jeremić said, a complementary activity to the VET project planned for Novi Pazar, Tutin, Raška and Sjenica.
 - **Representative of the Tourism Sector of the Ministry of Finance and Economy, Žarko Malinović**, underlined the need to spend funds efficiently and for concrete activities. For example, Malinović said, the funds planned for visibility component of the VET project in the amount of 2,500 Euros, would be better spent on training and use of social media instead of printed materials, having in mind that the target group for this project is youth. Malinović also commented on the Gender Equality Project and its distribution of funds: he believes that funds allocated for grant funds should be increased at the expense of funds allocated for promotion of the project.



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- **EU PROGRES' Programme Assistant, Mladen Cvetanović**, in response to Malinović's comment stated that VET project materials target the business community and not only youth. Thus, social network is not only the means to achieve the visibility of the project. Cvetanović confirmed that Malinović's suggestions will be taken into consideration.
- **EU PROGRES' Component Manager, Dragan Mladenović**, in response to the comment related to Gender project, underlined the need to assess capacities of potential grantees to consume the funds. Therefore, the Programme believes that the best effect would be achieved by encouraging women entrepreneurship through a limited number of successful projects and avoid for funds not to be fully utilized because of the small number of grant applications.
- **Tyndall** confirmed that Malinović made a good point and that the EU PROGRES will look for potential allocation of funds. Tyndall also elaborated on the SDC's investment of additional funds for gender projects and their perspective that these funds are preparation for PROGRES 2 and should be envisioned partially as a pilot and a preparatory project.
- **Budimir** reminded that all donors have their visibility requirements, which need to be taken into account and complied with, in relation to comments for decrease of visibility funds. He said that the amount of grant funds within the total budget is always a sensitive issue and all comments would be taken into account. Budimir commented on the need to adopt the three proposed projects 'in principle', even though this was not the mechanism that was often used by the PSC, having in mind that this was the final stage of the Programme.

AGENDA ITEM 7: VOTING

The PSC unanimously approved the following:

- Annual Report July 2012 - June 2013
- Minutes of the previous EU PROGRES' Steering Committee held in Vranje on 29 April 2013
- Gender Equality Project initiated by the Swiss Cooperation Office in Serbia
- Skill Gap Analysis
- Detailed Regulation Plan of the business manufacturing zone Ribince in Vranje
- Provision of the software for public property listings of local self-governments
- Enhancing Vocational Education Training of textile, clothing and footwear industry in municipalities of Novi Pazar, Tutin, Raška and Sjenica
- Increase of Social Inclusion of the most vulnerable groups – in principle
- Support to the Regional Centre for Mentally Challenged Persons in Novi Pazar – in principle
- Providing medical equipment for Preševo maternity ward – in principle
- **Malinović** asked for the analysis of number of projects submitted by each of the partner municipalities to be included as an Annex to the Annual Report. **Vujačić** confirmed that the Annex would be added.



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- **Stanković** underlined importance of co-funding of the municipalities for approval of the projects and invited municipalities to address funding issues.

AGENDA ITEM 8: OTHER BUSINESS

- **Headey** noted that even though competitiveness is an important element of EU activities, it still has a very strong social and security dimension and in joining the EU, new countries such as Croatia are truly welcomed as brothers and the DEU is looking forward to welcome Serbia in the brotherhood.
- **Arifi** thanked everyone for participation and expressed hope for continued cooperation through the follow-on programme. He handed over letter of appreciation to EU PROGRES for contribution to local development.
- **Budimir** confirmed that the next meeting would be held in Nova Varoš.



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III LIST OF PARTICIPANTS

	Name	Institution/Organisation	Function
PROGRAMME STEERING COMMITTEE VOTING MEMBERS			
1.	Branko Budimir	The Serbian European Integration Office	Head of the Department for Planning, Programming, Monitoring and Reporting on EU Funds and Development Aid
2.	Andrew Headey	Delegation of the European Union (DEU)	Head of Operations III
3.	Ana Stanković	Delegation of the European Union (DEU)	Project Manager
4.	Janićije Jeremić	Ministry of Labour, Employment and Social Policy	Secretary
5.	Tanja Milojković	Ministry of Regional Development and Local Self-Government	Sector for European Integration, International Cooperation, and Projects
6.	Milica Rodić	Coordination Body for Preševo, Bujanovac and Medveđa	Director's Advisor
7.	Žarko Malinović	Ministry of Finance and Economy	State Secretary Cabinet
PROGRAMME STEERING COMMITTEE PARTICIPANTS			
8.	Aca Jovanović	Bojnik Municipality	Deputy Mayor
9.	Ankica Milenković	Surdulica Municipality	LED office
10.	Antić Borivoje	City of Vranje	Assistant to the Mayor
11.	Arber Pajaziti	Bujanovac Municipality	Head of Mayor' cabinet
12.	Armend Aliu	USAID	Head of office in Vranje
13.	Bajram Aljović	Tutin Municipality	Head of Department for

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			Economy
14.	Beljuli Nedžad	Bujanovac Municipality	LED Office
15.	Dejan Čikić	Vlasotince Municipality	Assistant to the Mayor
16.	Dejan Simić	Medveđa Municipality	Head of LED Office
17.	Dijana Spalević	USAID	Deputy Head of Sustainable Local Development Project, Niš
18.	Divna Pehić	USAID	Translator at the Sustainable Local Development Project, Niš
19.	Eric Manton	OSCE	Head of OSCE South Serbia Office
20.	Fazila Azemović	Bujanovac Municipality	Head of LED Office
21.	Fevzija Murić	City of Novi Pazar	Mayor Assistant
22.	Galip Beqiri	Albanian National Minority Council	President
23.	Goran Mladenović	Vladičin Han Municipality	Mayor
24.	Gordana Kitanović	Blace Municipality	Associate for urban planning and construction
25.	Hazbo Mujović	Sjenica Municipality	Mayor
26.	Howard Ockman	USAID	Director of Sustainable Local Development Project
27.	Ivica Krstović	Prokuplje Municipality	LED office
28.	Jasmina Arsić	NGO "CTI JS"	Manager
29.	Jelena Čolić	Coordination Body for Preševo, Bujanovac and Medveđa	Deputy Director
30.	Ljiljana Stojanović	JUGpress	Editor in Chief

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31.	Marija Lazić	USAID	Public Outreach Specialist, Sustainable Local Development Project, Niš
32.	Marinko Đorđević	Vlasotince Municipality	Head of LED Office
33.	Marjan Stanković	Lebane Municipality	LED office
34.	Meho Camović	School of Design, Textile and Leather	Director
35.	Milan Arandžević	Prokuplje Municipality	Municipal Council member
36.	Milivoje Ralić	Blace Municipality	Deputy Mayor
37.	Milomir Zorić	Ivanjica Municipality	Mayor
38.	Nagip Arifi	Bujanovac Municipality	Mayor
39.	Nenad Krstić	Trgovište Municipality	Mayor
40.	Rijad Demini	Bujanovac Municipality	Journalist
41.	Sali Salihi	Bujanovac Municipality	LED office
42.	Samir Kačapor	SEDA	Director
43.	Saša Vasilić	Priboj Municipality	President of the Municipal Assembly
44.	Sead Bukvić	Municipality Sjenica	LED office
45.	Šemsudin Kučević	Tutin Municipality	Mayor
46.	Skender Destani	Bujanovac Municipality	Deputy Mayor
47.	Slobodan Drašković	Medveđa Municipality	Mayor
48.	Snežana Radović	Kuršumlja Municipality	Head of LED Office
49.	Željko Kotlo	Leskovac Municipality	Assistant to the Mayor
50.	Zoran Ilić	Lebane Municipality	Mayor
EU PROGRES			

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51.	Graeme Tyndall	EU PROGRES	Programme Manager
52.	Marko Vujačić	EU PROGRES	Deputy Programme Manager
53.	Dušan Čukić	EU PROGRES	Technical Specialist
54.	Dragan Mladenović	EU PROGRES	Component 1 Manager
55.	Dobrivoje Stančić	EU PROGRES	Component 2 Manager
56.	Dejan Drobnjak	EU PROGRES	Component 4 Manager
57.	Nermin Hasanović	EU PROGRES	Head of South West Serbia Office
58.	Ana Nedeljković	EU PROGRES	Programme Assistant for Good Governance
59.	Radule Ristović	EU PROGRES	Senior Coordinator for South Serbia
60.	Mladen Cvetanović	EU PROGRES	Programme Assistant
61.	Support staff	EU PROGRES	

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