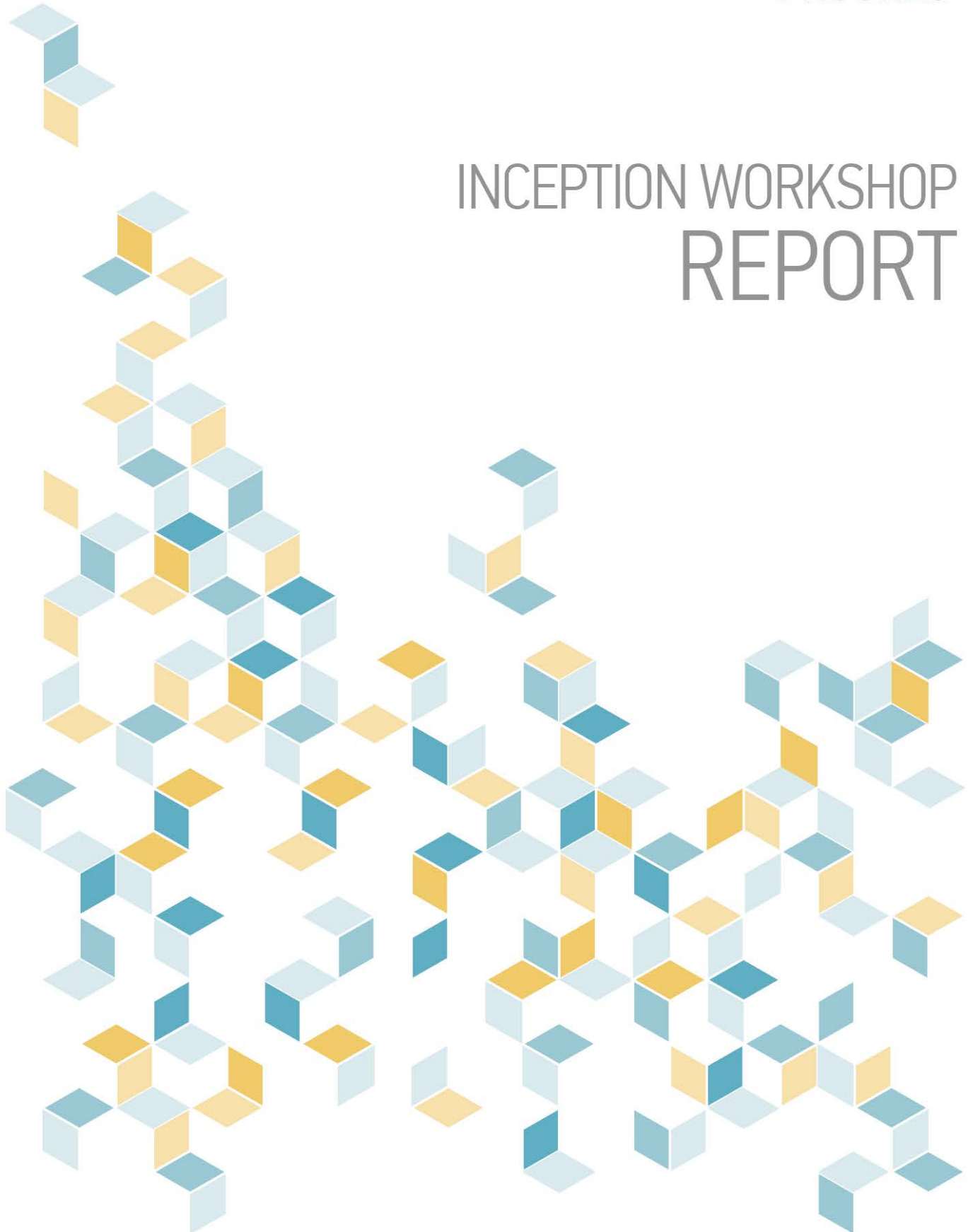


# INCEPTION WORKSHOP REPORT





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Programme is financed by the European Union, the Governments of Switzerland and Serbia and is implemented by UNOPS in cooperation with 34 municipalities in the South East and South West Serbia.

[www.europeanprogres.org](http://www.europeanprogres.org)



## PURPOSE OF THE WORKSHOP

European PROGRES' Inception Workshop was held in Aranđelovac on 15 and 16 October 2014, with the objective to confirm that the Programme activities are feasible and relevant in the context of the ongoing reforms in the Republic of Serbia and that they meet the specific needs of the 34 local self-governments from the South East and South West Serbia that participate in the Programme.

The event brought together the representatives of the Programme donors – the Delegation of the European Union in Serbia (DEU) and the Swiss Agency for Development and Cooperation (SDC), the line ministries and relevant national institutions, the local self-governments (LSG), international organizations, development programmes and civil society organizations. All participants were introduced to the Programme and invited to discuss the planned activities, the implementation methodology, the criteria for provision of the support, the cross cutting themes and the lessons learned. The ultimate goal of the workshop was to review the Programme logical framework matrix (LFM) and to suggest modifications to the Programme design and indicators of achievement in order to ensure high relevance of the planned interventions.

## ATTENDANCE

More than 90 key stakeholders attended the Inception Workshop, including 15 mayors and representatives from 33 municipalities, the officials from the European Integration Office of the Government of the Republic of Serbia, the Ministry of Finance and the Ministry of Agriculture and Environment Protection (MAEP), the Social Inclusion and Poverty Reduction Team of the Government of the Republic of Serbia, the Coordination Body for the Municipalities of Preševo, Bujanovac and Medveđa (CB), Standing Conference of Towns and Municipalities, the National Regional Development Agency, the Delegation of the European Union and the Swiss Agency for Development and Cooperation, and many more.<sup>1</sup>

## APPROACH

The Workshop used a mix of plenary and participatory approach. All sessions, and partially the LFM discussion, were plenary and included a presentation by senior European PROGRES' staff on the respective topics but also allowed for comments and clarifications from all participants.<sup>2</sup>

The first day was reserved for the introduction to the Programme and group work moderated by the members of European PROGRES' team. The four work groups discussed the details of the LFM, based on the Programme's four sectors: Good Governance and Social Inclusion, Competitiveness,

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<sup>1</sup> For the full list of participants please see Annex II

<sup>2</sup> For the Inception Workshop Agenda, please see Annex I



Infrastructure and Communications and Public Awareness.<sup>3</sup> The work of each group was presented in the plenary session to give opportunity to all participants to comment on the overall framework of the Programme.

The second day of the workshop was focused on the lessons learned from predecessor Programme – EU PROGRES, the implementation methodology, the grant scheme for infrastructure projects, and enable participants to raise and discuss Programme related issues that were not covered by presentations.<sup>4</sup>

## EUROPEAN PROGRES IN THE LIGHT OF REFORMS

The implementation of European PROGRES started after the European Union (EU) and the Swiss Agency for Development and Cooperation (SDC) signed contribution agreements with the Programme implementing agency – the United Nations Office for Project Services (UNOPS) - on 7 May and 16 June 2014 respectively. The Programme includes 34 municipalities (930,000 beneficiaries) from the South East and South West Serbia and has 24.6 million Euros budget. Under the new grant scheme seven million Euros from the Programme funds will be implemented through the Ministry of Finance, the Department for Contracting and Financing of EU funded projects (CFCU) and the SEIO.

**Branko Budimir, the Head of the Department for Planning, Programming, Monitoring and Reporting on EU Funds and Development Aid of the European Integration Office of the Government of the Republic of Serbia (SEIO)** thanked the EU and the SDC for partnership and cooperation in the development of European PROGRES. He called on the LSGs to use the opportunities provided through European PROGRES. However, they needed to improve project preparedness, ensure their strategic relevance and sustainability. The Programme's is important because donors will conduct impact assessment in 2017, that will include analysis of absorption capacities – good European PROGRES' performance could indicate that the country has sound absorption capacities and this would be important for design of the future support.

**Ana Stanković, the Project Manager with Delegation of the European Union** highlighted that the EU will be focusing on the results in economic development, the projects that draw investments and create jobs as well as those projects that focus on the provision of quality services to the citizens, especially the most vulnerable.

**Peter Vasilev, the Swiss Agency for Development and Cooperation National Programme Officer (SDC)** underlined good governance, gender equity and social inclusion as focus areas while sustainability of projects is a priority. **Lidia Vujičić, SDC National Programme Officer** emphasized the

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<sup>3</sup> The breakdown in groups does not follow four result areas that are identified in the European PROGRES Programme Document but was used to facilitate more effective organization of work.

<sup>4</sup> Power Point presentations that were used during the Workshop are available in Annex V.



importance of integrating gender issues in the projects and discussed existing instruments and monitoring mechanisms of gender equality. She also announced that a network for exchange of experiences for the West Balkan countries was created.

**Danijela Nenadić, the Director of Coordination Body** pointed out that two crucial initiatives for the Coordination Body were: the construction of the Subotica Faculty facility and activities that should enhance quality of learning Serbian as a non-mother tongue. She confirmed that Serbia's Progress Report prepared by the European Commission highlighted it was necessary to improve education for minorities as well as learning of Serbian, hence indicating high relevance of European PROGRES in this regard.

**Dragan Mirković, Head of Department for Rural Development from Ministry of Agriculture and Environmental Protection** gave an overview of rural politics and called on participants interested in the projects related to the rural development to use the National Programme for Rural Development document when preparing the projects proposals for European PROGRES.

**Graeme Tyndall, European PROGRES Manager** reiterated the Programme was committed to the principles of good governance, human rights, and gender equality. Sustainability and local ownership of the projects is extremely important and can only be obtained through the joint work of all stakeholders. The Induction Workshop was defined as a fine-tuning exercise and a working meeting which requires commitment from all participants. Open communication, identification and acknowledgment of bottlenecks as well as solution orientated mind-set are seen as the only way to achieve the results in the new Programme.

## LOG FRAME REVISION

The key function of the Workshop was revision and modification of the Programme's logical framework matrix (LFM). To allow for inclusive participation in the process four work groups were formed based on the Programme's sectors. Eighteen supplements/amendments were made to LFM. Overall result of the exercise confirmed the relevance of programme activities and existing indicators. Overview of suggested amendments to Programme design amendments can be found in Annex III (integral part of this paper) while the modified LFM is attached in Annex IV.

## LESSONS LEARNED FROM PREDECESSOR PROGRAMMES

The project selection criteria in this Programme will attempt to remedy deficiencies discovered during the EU PROGRES implementation. It would be useful for Programme beneficiaries to review lessons learned that were outlined in the Final Report and publication "Obstacles to Infrastructure Development".<sup>5</sup> For successful implementation of European PROGRES joint planning and coordination

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<sup>5</sup> To learn more about challenges and lessons learned during the previous programme please visit:  
[http://www.euprogres.org/dokumenti/en/1\\_605\\_EUPROGRES\\_Final\\_Narrative\\_Report.pdf](http://www.euprogres.org/dokumenti/en/1_605_EUPROGRES_Final_Narrative_Report.pdf)  
[http://www.euprogres.org/dokumenti/en/3\\_46\\_Obstacles\\_to\\_Infrastructure\\_Development\\_-\\_EU\\_PROGRES.pdf](http://www.euprogres.org/dokumenti/en/3_46_Obstacles_to_Infrastructure_Development_-_EU_PROGRES.pdf)



between line ministries and local self-governments, unsubstantiated, short term project planning, disrespecting existing procedures and politicizing implementation and passive approach to engagement with civil sector were identified as crucial areas in need of improvement.

## PRECONDITIONS AND THE CRITERIA FOR THE SUPPORT

Conditionality of support to specific activities was reviewed. For all activities the importance of strategic planning on the municipal level and participative approach were highlighted, as was the necessity to include planning for solution of issues of Roma and marginalized groups.

## THE ROLE OF THE CENTRAL CONTRACTING AND FINANCING UNIT (CFCU)

**Kalina Marković – Ilić, Head of Tender Preparation and Contract Management Division with Department for Contracting and Financing of EU funded projects (CFCU)** presented the general approach for provision of grants for the infrastructure projects. The CFCU is the contracting authority from the start of IPA 2013 implementation and will be in charge of tendering, contracting, control of implementation and costs incurred.

The CFCU will issue the call for social and economic infrastructure projects. The selection process will take up to one year so the implementation is expected in 2016. The DEU will be performing *ex-ante* control of the process. The secondary procurement processes will depend on the procurement value but will be in line with Practical Guide to Contract Procedures for EU External Actions (PRAG)<sup>6</sup> and will be conducted entirely in English.

As per the regulations, the details of pending infrastructure Call for Proposals could not be shared prior to advertising the tender. The “guidelines for applicants” will be issued in due time and the grant scheme and the procedures will be clarified in informative workshops after the CfP has been advertised.

Successful projects will receive “informative packages” detailing the process, timeframes, costs and secondary procurements. Workshops will be organised twice a year to ensure successful implementation.

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<sup>6</sup> To learn more about PRAG procedures please visit;  
<http://www.evropa.gov.rs/Evropa/ShowDocument.aspx?Type=Home&Id=536>



The key difference between the new and the previous process conducted by EU PROGRES is that the public procurements will be conducted in English and according to the PRAG and that the timeframes will be significantly longer.

## GRANT METHODOLOGY

European PROGRES will predominantly use the grant methodology that provides ownership over projects and activities to the beneficiaries. This methodology proved to be important capacity building tool during implementation of the predecessor Programme and contributed to sustainability of the benefits. The grant scheme for local infrastructure projects will be managed by the CFCU in line with the European Union rules.

## CROSS CUTTING THEMES: GOOD GOVERNANCE, HUMAN RIGHTS AND GENDER

The Programme will insist on integration of cross cutting teams – good governance, human rights and gender equality – into all projects and activities, where feasible and appropriate. This will mean that the LSGs will better respond to the needs of all citizens and work on social change. The cross-cutting themes will often be a criteria or precondition for approval of the support. Institutionalization of focal points for good governance in local self-governments was necessary in order to ensure sustainability (of the know-how) in this field.

## THE ROLE AND OPERATIONS OF THE STEERING COMMITTEE

The aim of the European PROGRES Steering Committee (PSC) is to facilitate efficient and effective implementation of the Programme and to contribute to enhanced transparency. The Steering Committee will be composed of the representatives of the relevant ministries, the national institutions and the donors, who have decision-making power. The Programme also has a General Committee, which will gather the Steering Committee, mayors and municipal presidents from European PROGRES' area, relevant development agencies and projects, civil society and international organizations representatives. Engagement of the local self-governments and the local stakeholders with the General Committee is important as it will provide them access to good quality information about the activities and enable them to contribute to the analysis of the Programme's approaches and performance. The General Committee will also provide forum for discussion about development issues that are relevant for the European PROGRES' area.

## WORKSHOP ASSESSMENT

Fifty participants responded to the survey that was organised at the end of Workshop to evaluate its effectiveness. All participants in the survey positively assessed the workshop, with over 50% saying it was an extremely positive experience. Over half of the participants felt that information received during the workshop and the group work was exceptionally useful while the other half found the modality generally useful and conducive for exchange of ideas and opinions. Some 55% of participants



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felt that their knowledge about the Programme has improved. Three key points were reoccurring when asked about possible improvements:

- The participatory model and in particular the group work were most useful for the participants. More structured approach and more time for engagement in the work group would be beneficial.
- The presentation of the best practices and successful projects, in addition to lessons learned, would be useful.
- The participants expressed interest to learn more details about the grant scheme for local infrastructure projects that will be managed by the CFCU and it will be necessary to include strong communication element in development and implementation of this scheme.

## CONCLUSIONS

The Inception Workshop confirmed that European PROGRES was coherent with the reforms that Serbia is undertaking along the path towards the European Union. The Programme was also seen as highly relevant in its response to development needs and challenges in the South East and South West Serbia. The participants welcomed activities that will contribute to creation of more conducive environment for investments. The planned support to infrastructure was deemed instrumental, due to the long-term negligence and vast needs in this area. The representatives of the SCOs and vulnerable groups welcomed the planned actions in good governance and social inclusion while local self-governments (LSG) also demonstrated increased awareness and readiness to engage with these issues. No Programme activities were considered redundant.

While there were no suggestions for major changes of the LFM, modifications of objectively verifiable indicators were made according to the inputs from the group work, making them more specific and relevant. There were suggestions for inclusion of two (sub) indicators to ensure better compatibility with the Programme document. Discussions also resulted in the ideas for amending several sections of the Programme Document – that would strengthen the Programme description. An overview of the suggested changes is provided in the section on the LFM revision and in the Annex IV.

The discussions were fruitful and confirmed the Programme will need to carefully consider several risks in order to maximise effectiveness and avoid duplication: interagency coordination of activity implementation such as an introduction of programme budgeting; monitoring and assessing effects of several upcoming laws relevant to the implementation (Planning and Construction, Free Legal Aid) and modification of the Programme approach accordingly; the LSGs pointed out in some cases legal framework and coordination with the national institutions hindered development intervention and this signalled planned efforts to facilitate vertical coordination were relevant; quite a few risks/issues were identified/reconfirmed for specific activities and European PROGRES will take these into consideration.





European PROGRES is ambitious and challenging. It builds on both positive results and lessons learned from its predecessor. The project' preparedness needs to improve, and so does the respect of the implementation dynamics and accepted (contractual) obligations. Sustainability must be better addressed. Delinking politics and development was assessed as crucial for effective implementation.

This kind of event, as confirmed through the survey findings, is example of good practice – it involves beneficiaries from the early implementation phase, help them to understand the Programme requirements better and create a sense of their ownership over the Programme.

The Programme will present the Workshop findings and recommendations for limited modifications of the Programme Document and the LFM to the Steering Committee. If these recommendations are approved, European PROGRES will, in consultations with the SEIO, DEU and SDC, formalise changes. At this stage, the Programme continues with implementation without hindrances, but with improved understanding of some aspects of the intervention.

## ANNEX III - THE OVERVIEW OF SUGGESTED AMENDMENTS TO PROGRAMME DESIGN AND LFM

### SECTOR 1: GOOD GOVERNANCE AND SOCIAL INCLUSION

The relevance of the Programme activities and indicators was confirmed in addition to proposing the following supplements/amendments:

#### ***Activity 1.4 Support municipalities to enhance their good governance capacities and to introduce structural governance reforms***

The description of the sub-activity 1.4.1 should be supplemented with information on the model of establishment of good governance focal points in the municipalities. The indicator for this sub-activity was missing and should be added. It has been proposed to link the indicator for sub-activity 1.4.2, where possible, with the conduct of reforms that are relevant for Serbia's accession to the European Union.

#### ***Activity 1.6 Strengthening capacities and developing advocacy skills of LSGs' staff on Gender Equality and 1.7 Gender responsive budgeting***

It has been proposed to complement the description of activities with support to male members of assemblies in addition to support to the female deputies. It is necessary to work on sensitising LSG staff that works on the project management in order to ensure that gender equality issues are included when proposals are developed. The indicator should be supplemented with the number of initiatives and linked with strategic framework.

#### ***Activity 2.5 Support municipalities in development of local policies and/or administrative regulations***

Municipal budgets have been identified as a source of verification.

#### ***Activity 3.2 Citizens' Advisory Services enable citizens to access their rights and entitlements***



It has been proposed to consider realisation of this activity through the Centres for Social Work. This would enhance sustainability prospects. The SIPRU representative said that European PROGRES should take into account the Law on Free Legal Aid, which is in the process of adoption; because it foresees that the Centres for Social Work will be responsible to provide free legal aid, rather than the Civil Society Organizations.

***Activity 3.4 Support preparation and implementation of local strategies/action plans for employment and social inclusion***

The participants indicated that European PROGRES had to coordinate actions with other similar projects. Since the SIPRU was involved in development of this activity, it was necessary to consult it on a regular basis. A representative of a Roma organization suggested to include development of Local Action Plans for Roma employment within support that would be provided.

***Activity 3.7 Improvement of working conditions and management of local cultural institutions in multi-ethnic municipalities***

It was recommended to clarify language of indicator.

***Activity 3.8 Two rounds of calls for proposals under Citizens' Involvement Fund (CIF) for partnership projects of civil society organisations and local government institutions***

Vulnerable groups were often not included in policy making and LSGs have no mechanisms for cooperation with them. Mechanisms for inclusion of vulnerable groups into all processes at the local level should be supported and designed, in addition to providing particular support to vulnerable groups in terms of participation in projects.

***Activity 3.9 Support young people from Albanian community to learn Serbian language***

Reconceptualization of the activity is in progress, based on the Feasibility Study about enhancing the quality of learning of Serbian as non-mother tongue. It will be necessary to amend the indicator upon completion of activity reconceptualization.

***Activity 3.10 Design and implement targeted measures to reduce migration from South, South East and South West Serbia***

The activity will be developed in consultation with the Commissariat for Refugees and Migration, the donors and the SEIO.

**SECTOR 2: COMPETITIVENESS SECTOR**

Participants confirmed the relevance and feasibility of the planned activities, while also highlighting several (new) risks and issues that should be considered during development and implementation of the specific activities.

***Activity 1.1.2 Strengthen municipal capacities in preparation of multi – annual budgetary cycle***

Since the local self-governments had legal obligation to introduce the programme budgeting as of 2015, the Programme's support in this area was deemed relevant. It was, however, necessary to enhance the coordination with the relevant stakeholders, in particular with the SCTM that already provides assistance in this field. European PROGRES should also ensure that Capital Investment Plans are developed in accordance with the available financial resources. Having in mind that LSGs will introduce (light) programme budgeting as of 2015, it was concluded that European PROGRES' role will be to support "development" rather than "introduction" of programme budgeting and appropriate modification of indicator was recommended.



### **Activity 1.1.3 Support to municipalities in increasing the income from revenue on property through improving registry of taxpayers**

The planned support to the municipalities in increasing the income from revenue was welcomed by all participants. It was, however, recommended to ensure the appropriate indicator is specified in a way that will clearly indicate that (targeted) increase of revenue would result from European PROGRES' intervention and not from tax rates increment.

### **Activity 2.1 Technical assistance for municipalities to improve business-enabling environment**

It was concluded that the form of technical assistance that will be provided depended on the (new) Law on Planning and Construction. European PROGRES will assess legal "solutions" upon adoption of the Law and, if necessary, recommend modification of the Programme's design. No change of indicator was needed as the baseline and targets were provided from the Competitiveness Study that was developed by the predecessor Programme – EU PROGRES.

### **Activity 2.7 Provide support for establishment of at least two PPP for exploitation of the municipally owned land or facilities**

The participants deemed that the support in the field of Public Private Partnership (PPP) as relevant and, in addition, provided valuable comments for shaping of approach. First, the activity should include exploitation of the communal services not only land and facilities. Ideally, support should be provided to regional or inter-municipal PPP. In terms of risks, it was necessary to ensure attractiveness of the project for private investors, and this was not easy knowing that the price of communal services in Serbian municipalities is often subsidised. The participants pointed out some general issues, such as unresolved property issues, or lack of vertical coordination as serious obstacles to PPP.

### **Activity 2.8 Facilitate establishment of the new SME clusters, and support existing SME clusters in common market approach and internationalization through introduction of international quality management**

Regarding the introduction of the international quality management standards, the group proposed that the support should include both certification and recertification of Small and Medium Enterprises. It was also necessary to introduce specific indicator for sub-activity 2.8.1 - support to clusters. The suggested indicator: At least 20 SMEs, which are members of cluster, introduce technical or process innovation or use innovative market development techniques, until the end of the Programme.

### **Activity 2.9 Support agricultural producers in reaching common markets through establishment of cooperatives, introduction of new production techniques, and international standards on food safety**

The group proposed revision of indicator related to the sub-activity 2.9.4 Protection of Geographical Indication for traditional agriculture products. The initiative should target both the registration and certification of traditional products. It was also necessary to correct the baseline indicator for this sub-activity, since eight products from the Area of Responsibility had Protected Designation of Origin instead of six, as stated in the LFM.

The participants recommended to European PROGRES to provide support to agricultural producers not only through cooperatives, but also through other legal organisation models, such as agricultural association of citizens.

## **SECTOR 3: INFRASTRUCTURE**

The LSGs confirmed once again the high relevance of support in the field of planning and technical documentation and implementation of infrastructure projects.

### **Activity 1.2 Assist municipalities in setting up urban planning conditions for infrastructure development**



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The participants agreed it was needed to specify indicator related to geo-spatial data and include target for development of regulation plans.

**Activity 1.3 Technical assistance to municipalities to improve procedures and processes for contracting, contract management, monitoring and evaluation of infrastructure projects**

The participants welcomed assistance that should increase municipal capacities to manage infrastructure projects, while using some of the best global practices, such as FIDIC<sup>7</sup> contract modality. They expressed concern that due to uneven capacities of the LSGs it may not be feasible to establish monitoring and evaluation system of infrastructure projects in all Programme participating municipalities. European PROGRES will conduct needs assessment before embarking on provision of assistance in this field and recommend modification of the indicator, if necessary.

It was concluded that European PROGRES should research options to provide continuous access to relevant learning materials to LSGs. This was important in the light of frequent staff changes in the municipalities.

**Activity 2.2. Support preparation of technical documentation and tender packages for two selected inter-municipal and at least 35 local economic/social infrastructure projects**

Strong relevance confirmed. It was also concluded that the Programme could surpass the targets.

**Activity 2.3 Financially and technically support implementation of at least two projects contributing to the socio-economic development (at least one to be implemented by the Programme and one by CFCU each) and 2.4 Technical assistance for implementation of grants for local infrastructure projects**

The LSGs expressed concern regarding the implementation time framework of grants scheme for local infrastructure projects and expected more guidelines in the near future. The participants commented it was unusual to set the maximum number of projects that should be realised as indicator and that European PROGRES should include the minimum of 12 projects to be implemented.

**SECTOR 4: COMMUNICATIONS SECTOR**

This group reviewed relevance and feasibility of activities deriving from the draft Communication Strategy presented during the session. It was confirmed, while considering positive experiences of European PROGRES' predecessor, that organisation of public events and high profile visits, Newsletter, website and usage of social networks were effective communication tools. In addition, in an effort to reach out to general population, it was necessary to organise street events, work intensively with media and support local festivals and initiatives.

The participants agreed that each of the two planned campaigns should last a year in order to be effective and that awareness raising actions may contribute to positive societal change.

No changes were suggested to the LFM at this stage, although the participants noted that indicator referring to citizens' perceptions about the European integration is complex and depended on circumstances that may be beyond Programme's intervention.

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<sup>7</sup> FIDIC (Fédération International Des Ingénieurs – Conseils) to learn more about FIDIC contract modality please visit <http://www.aces.rs/FIDIC.sr.html> or <http://www.eubuild.rs/primena-fidic-uslova-ugovora-u-srbiji/>