With this, our 4th Newsletter I would like to take the opportunity on behalf of EU PROGRES staff to wish all a very happy 2012 as well as to thank donors, partners and stakeholders that have made 2011 a successful year for the Programme. The year was successful even though the results and outcomes required of the Programme will be realised and more visible in 2012-13.

I remain confident that the team will produce the outcomes required of the Programme and contribute strongly to the socio economic development of the areas in which we work. Despite the inevitable criticisms of those organizations that will miss being funded by EU PROGRES in this competitive environment characterized by scarce resources and the unprecedented uncertainty around financial markets and the global economy, we will through the chosen modality of providing grant contracts to partners hope to lift local and national ownership and achieve many of the outcomes we aim for. We thank the project donors, European Union, Governments of Switzerland and Serbia for giving us the opportunity to implement such an ambitious, wide ranging, interesting and challenging programme.

Any reading of the programme document, reviewing our reports and other information, all available on the website, clearly point to the ambitious nature of the Programme but also to its compatibility with the core values and success criteria of UNOPS as an implementing partner adding value to our partners. These values have led UNOPS to attain ISO 9001 standards as a project manager, membership of IATI, the use of FIDIC contracts in our infrastructure projects, CIPS partnership, the ongoing certification of our Project Managers and a soon to be released social impact policy among many innovations that UNOPS is leading the field in.

Finally, my colleagues and I are delighted that our Programme is based upon the common principle of development cooperation which are becoming of increasing priority to donors, government and implementers alike with the promotion of ownership of the development priorities by the national, local and regional government; a focus on results; implementing with inclusive development partnerships and finally transparency and accountability to each other and the shift to development effectiveness and respecting and adding value to the emerging Serbian governance structure.

These shared principles will guide our Programme in 2012-2013 and with your support we all look to a successful and fulfilling 2012.
Key results to date...

**Good Governance**

- Supported **40 partnership projects** of local government and civil society through the Citizens Involvement Fund. All projects contribute to increased citizens’ participation, improvement in quality of life of vulnerable groups and enhanced efficiency of municipal services. Fourteen out of 40 projects have already been completed.

- Conducted **Citizens’ Satisfaction Survey** in 25 municipalities, which outlined problems and needs of citizens as well as their expectations from local institutions. The findings may be a guide to local governments to improve their performance.

- Supported establishment of the **Citizens Advisory Services** in Novi Pazar, Prokuplje and Žitorađa, which will mean free assistance to vulnerable and marginalised people to access their rights and entitlements. Over hundred people received help to obtain personal documents, social welfare rights and similar.

- In cooperation with the NGO DamaD EU, PROGRES provides support to 12 local self-governments in the South West Serbia and Toplica District to develop **local gender actions plans** and adopt EU Charter.

**Municipal Management and Development Planning**

- Supported construction and equipment of three new **Citizens Assistance Centres** in order to increase quality of municipal services in Crna Trava, Bosilegrad and Trgovište. In addition, equipment is being provided to nine existing Centres to upgrade their work.

- Provided assistance for development of **planning documents**: one elaborate for the spatial plan, three general regulation and 17 detailed regulation plans. The plans will enable more efficient issuing of building permits and should facilitate infrastructure development.

- Provided assistance to **local tax administration offices** in 11 municipalities to update taxpayers’ data bases in order to enhance collection of local incomes.

- Supported projects of **Business Incubator Centres** from Vranje and Prokuplje, which economically empower readmission returnees and facilitate establishment of Toplica Fruit Cluster.
Infrastructure

- Supported developing of planning documents and main technical designs for three recycling yards, in cooperation with the Ministry of Environment, Mining and Spatial Planning, thus contributing to better solid waste management.

- Funded development of technical documentation for 20 priority municipal projects. The documentation should help municipalities both to provide necessary finances and implement the projects.

- Approved funding for implementation of 21 small infrastructure projects that will primarily improve conditions in schools, kindergartens, and health centres. All projects should be completed by May 2012.

- Supported two large inter-municipal projects: Green Zone Leskovac and Pešter Development Centre. The projects are expected to facilitate production and distribution of agricultural products but also to generate investments and new jobs.

Public Awareness and Branding of Areas

- Organised dozen public events, including seven functions on ambassadorial level in order to bring closer activities of EU PROGRES to citizens.

- Organised two art competitions among secondary schools in 25 municipalities for EU PROGRES Calendar, promoting social inclusion, gender equality and cultural diversities.

- Supported two partnership projects with media to raise awareness of good governance and gender equality.

- Developed campaign to promote good governance, ready to be rolled out in early 2012.
Preparing municipalities to access EU funds

The Programme sets complex demands to its beneficiaries. What for? First, such demands, in most cases, derive from relevant national legislation and their respect actually means abiding by the rule of law. Second, many demands are standard practices for usage of EU funds. Thus, EU PROGRES grant beneficiaries, especially municipalities, by learning and fulfilling versatile demands, will enhance their capacities to absorb donors’ funds in the future, and especially the ones that will be provided by the European Union.

Being a Partner

EU PROGRES is proud of its partnerships: with the Serbian Government and 25 municipalities, civil society and media, development programmes, international organisations, the donors: the European Union and the Government of Switzerland, and our ultimate beneficiaries - citizens. The partnerships have two dimensions: joint work on important development projects, and bringing together relevant development stakeholders, on all levels, within EU PROGRES activities.

Implementing Serbia’s Reforms

Not only has EU PROGRES been harmonised with Serbia’s reform strategies and legislation, but it has also included concrete activities that facilitate their implementation. One such example is technical support that the Programme provides to municipalities to develop general and detailed regulation plans – in fact, this is implementation of provisions set by the Law on Planning and Construction.

Helping Shape National and Local Policies

The Programme follows and analyses developmental needs and challenges in the South and South West Serbia. We often combine findings with recommendations on how to improve development work and present them to our partners in the Government. In turn, this helps the Government to (re)shape their development policies and thus better address the citizens’ needs.

Being in the field

EU PROGRES has offices in Novi Pazar and Prokuplje and a sub-office in Vranje. The Programme is implemented in the field, through direct cooperation with municipalities, civil society and local community. We believe this is a special quality in our approach – only in everyday communication with our partners and citizens we can understand their needs.

Relaying on local experts and knowledge

EU PROGRES has a team of about 30 people, originating mainly from the South and South West Serbia. We are proud of the fact that domestic experts and knowledge play a key role in the implementation of the entire Programme.

Committed to Good Governance

Many of socio-economic problems that EU PROGRES tackles are linked to the need for “good governance” or, in other words, the need for enhanced accountability of authorities, more transparent public affairs, stronger citizens’ engagement, and for improved quality of services which (local) governments provide. EU PROGRES is committed to helping the local governments to introduce “good governance” into their everyday work.
The European Union and the Government of Switzerland will contribute almost half a million Euros through EU PROGRES to support the construction of internal infrastructure in the Green Zone in Leskovac. The funds will be used to build access roads, water and sewage networks and lighting. Leskovac will also co-fund the Green Zone project with 170,000 Euros.

The Ministry of Environment, Mining and Spatial Planning earlier supported this project with around 500,000 Euros for extending the communal infrastructure to the Zone. The Ministry of Economy and Regional Development has also announced its support to the project.

Upon completion of works, Leskovac should have a plot of land of 100 ha equipped with communal infrastructure, with excellent road and rail connections to the regional transportation corridors. As such, the Zone will be attractive and ready for new investors, primarily the ones working on the production, storage and distribution of green produce and food.

The individual agricultural producers from South Serbia, in cooperation with the Zone, will have the opportunity to improve production, processing and sale of their products and thus achieve better incomes. Having in mind that one domestic and four foreign investors have already expressed interest in building their facilities within the Zone it is expected that this project will generate hundreds of new jobs. The significance of the Zone may potentially expand beyond Serbia’s borders, knowing that fruit and grape producers from Macedonian municipality Kavadarci are interested to explore opportunities to cooperate with the Zone.

The simple building of basic infrastructure, however, is only the first step. It will be necessary to develop appropriate management and marketing models in order to ensure that Zone has capacity to provide services to investors, producers and other stakeholders, accountably, transparently and efficiently. Respect of these key good governance principles is actually key for the long term success of this project.

Start of the works on the construction of the communal infrastructure is scheduled for the end of January 2012.
To understand why good governance should be a priority for Serbia, and what EU PROGRES is doing about it, we first need to briefly examine the content of the notion itself and to try to make it as approachable and tangible as possible.

Ever since entering modern dictionary of development in the mid ’80s, the syntagma “good governance” was stirring debate both among scholars and practitioners what exactly these two words mean and, more importantly, how to translate the rather abstract concept into every day, real life situations.

There are many “definitions” of good governance. Most of them are heralding the characteristics of a “future” society, of an ideal worthy of striving for in the coming years. All these definitions are actually talking about a process in which a society, as a whole - including a government, increases accountability and acceptance of rule of law, ensures public participation, establishes transparency in public affairs, promotes and secures equality and equity, and raises efficiency and effectiveness.

Nice. But what does actually all this mean to an average citizen or a (local) government official? Let’s try to make it more apprehensible by making an inverse picture of this: bad governance means, for example, failure of (local) government to provide decent and/or efficient public services, such as water supply, sewage and solid waste disposal and management, electricity and IT networks, quality schools or public health facilities, etc.; failure to manage in an accountable, efficient and effective manner public funds, such as local or state budgets; failure to adhere to a rule of law at all social levels and for all players within a society; failure to preclude inherent corruption; failure to protect from discrimination different minority or vulnerable groups within a society; failure to include citizens in decision making processes.

It should be a bit more obvious now what good governance is: it’s a mirror picture of the above said. This should also make it easier to establish bearings for the path Serbia has to take in order to become an ordered state, a society that develops more effectively and more fairly, thus becoming a society with higher quality of life.

What is EU PROGRES doing about initiating introduction of good governance into Serbian society? One of the inherent characteristic of EU PROGRES is its approach to providing support to local self-governments: rather than focusing only to delivering technical assistance or to providing funds necessary for resolving infrastructural problems at local levels, the
Programme uses these as entry points for addressing some more pressing and important issues, such as improvements in quality of public sector and services, both locally and nationally. In other words, it initiates introduction of good governance, its concept and principles in everyday work of the said public sector. This entails that the Programme is making necessary and sufficient efforts in interweaving the concept and the principles in all of its components and planned activities. This also means that this endeavour is not staying superfluous, self-serving exercise, but a set of meaningful, carefully planned and executed activities within, and tightly related to, the Programme activities, designed to initiate a positive change in targeted public sector’s pre-identified “points-fit-for-change”. This includes joint work by the Programme and the participating municipalities on, among other activities, identifying gaps between existing and needed local policies and regulatory framework and defining necessary activities for moving forward.

The Programme is addressing this through specific activities, such as linking small and large infrastructure projects it funds with resolving related governance issues at local level, or offering support to interested municipalities for overall governance reform without linking it with a project, or compiling governance issues arising in vertical communication between local governments and the State Government and its institutions and organizations.

Some countries showing very high up on the governance indicators list began these processes long time, decades ago, if not even earlier. Serbia lost for known reasons much of its “governance capital” it had once, which due to the changed political and social circumstances had to be revisited and re-addressed anyhow. That’s why we are more or less at the beginning of a long process.

They say “a journey of a thousand miles begins with a single step”. Introduction of good governance practices in modern Serbia will be a journey of a thousand miles and the country needs to take first steps on that journey. Serbia has embarked on this long and exciting voyage and EU PROGRES is making sure it contributes appropriately to it along the way.

The status of EU PROGRES approved projects:

- 30 Projects fully on track
- 43 Projects with delays but on track
- 2 Critical projects
- 3 Cancelled projects
- 28 Completed projects
The quality and the number of infrastructure project submitted during EU PROGRES’ open calls in 2011 implied there were some difficulties in preparing proposals. Most projects focussed on reconstruction, adaptation or maintenance of existing infrastructure and there were hardly any new infrastructure development initiatives. In addition, those few ideas that did exist on the local level were more wishful thinking than properly expanded projects, with adequate technical documentation.

EU PROGRES legal, economic, planning, building and development experts conducted analysis to identify the main barriers to infrastructure development. The following were identified:

1. The new Law on Construction and Planning is not by itself an obstacle to infrastructure development, in essence it is not more complex than its predecessors, but the issue is the rule of law.

2. Planning documentation, such as general and detailed regulation plans, often does not exist or does not reflect real development needs. Municipal capacities to design planning documentation are limited and local governments should allocate resources to entrust such tasks to third parties when professional staff is not available locally.

3. Planning of financials on annual bases is not appropriate for (serious) infrastructure development. It is therefore necessary to introduce multi-year capital investments planning, including mid-term budgetary projections for major infrastructure projects.

4. The cadastre is often a bottleneck in the process of infrastructure project planning and development as the ownership and use of land cannot be resolved without its proper functioning. Assistance to municipalities should be provided to fully digitalise and update geo-spatial data, in order to ensure faster and effective provision of services.

5. Technical documentation for infrastructure projects often does not exist or is of poor quality. Municipalities should, with financial and technical assistance by donors, work timely and more seriously on technical documentation while paying particular attention to the quality of designs.

6. Public procurement procedures have to reflect specific features of projects and furthermore, contracts must define rights and obligations of contracting parties, thus avoiding frequent disputes.

7. Municipalities have limited project management capacities. It is necessary to introduce project management staff, as a professional category, on all levels: senior, heads of departments, public utility companies and other bodies funded by the municipalities.

If municipalities are to promote investments, address socio-economic problems and ensure positive demographic effects in the longer term, and thus achieve a sustainable economic growth, then they will have to manage projects in accordance with the legislative framework, i.e. respecting good governance principles.

To read document Barriers to Infrastructure Development that Obstruct Economic Growth please click here (in English): www.progresprogram.org/dokumenti/sr/3_46_BarrersToInfrastructureDec11.pdf
New Laws for Better Administration

The Ministry of Human and Minority Rights, Public Administration and Local Self-Governments is one of the key partners of EU PROGRES – European Partnership with Municipalities Programme which is, inter alia, helping the implementation of state administration reforms at the local level.

This is why I am taking this opportunity to present to laws that are being prepared and that will significantly (positively) affect these reforms: the Law on Civil Servants in Local Self-Government Units and the Law on Referendum and Civil Initiatives.

The Draft Law on Civil Servants in Local Self-Government Units had been publicly debated until 11 November 2011. The Ministry has carefully analysed all the submitted proposals and suggestions to the text of the Draft. The Draft Law will definitely be submitted to the Government of Serbia for endorsement by the end of this year, just as Minister Markovic suggested.

This law is the last in a series of reform laws necessary to carry out a comprehensive reform of the state administration. The status of staff in local self-government units is now governed by the 1991 Law on Employment in State Authorities. This is precisely why local self-government units have faced numerous problems regarding training, allocation of staff, management, merit-based bonuses and promotions. The Draft Law devotes particular attention to these issues, to human resources. Its authors have also aimed to match the staff size and qualifications with the volume and complexity of their duties, to ensure the delivery of best quality, prompt and most cost-effective services.

This is the first time a separate law will govern the status of local self-government unit staff and distinguish between civil servants and state employees working in local administrations. Civil servants shall comprise all staff performing professional duties within the remit of the local self-government unit or related general legal, IT, material-financial, accounting and administrative duties. State employees shall comprise staff employed in the self-government unit and performing auxiliary, technical and support duties.

The Draft Law highlights that the work of the local administrations shall be based on the principles of depoliticisation and professionalisation, which are prerequisite for a strong and well-organised local self-government. Employment of staff on grounds of their political affiliation or links has additionally burdened the work of local self-government units in the past.

The new legal provisions will directly contribute to the development of a merit-based career system in the local self-government units. Competence, knowledge and qualifications shall be the only criteria applied in hiring and promoting staff. Furthermore, the Draft Law provides for mandatory probationary periods and testing. The knowledge and skills of first-time job applicants will be tested during the recruitment period.

The Draft Law devotes a lot of attention to strengthening work discipline and provides for a more efficient disciplinary accountability system, as well as safeguards against unfair punishment.

The Draft Law envisages the following elements: accountability, efficiency, clear and simple procedures that will guarantee the quality performance of the local administrations.

The Ministry is completing another extremely important piece of legislation which it will submit to the Government for consideration – the Draft Law on Referenda and Civil Initiatives. The law currently in effect was adopted back in 1994 and its provisions are restrictive, obsolete and are not in compliance with the Constitution and the relevant Council of Europe recommendations. It does not enable the citizens to effectively exercise their right to participate in government via civil initiatives and referendum. Its provisions have proved to be seriously deficient in practice, which is why the institutes of referendum and civil initiatives have rarely been applied. The Venice Commission has issued its opinion on the Ministry’s Draft Law.

Under the Draft Law, referendum may be organised at the republican, provincial and local levels (by the area at which they are organised); they may be mandatory (in cases laid down in the Constitution, law or the statute of a province or a local self-government) or optional (at the request of most deputies or a specific number of citizens). With respect to the time it is called, a referendum may be preliminary (to obtain a preliminary vote on an issue) or subsequent (to vote in an adopted enactment). Furthermore, a referendum may be advisory in character (to obtain the citizens’ opinion on a decision yet to be taken). A decision shall be taken at a referendum in the event it was upheld by the majority of the voters that turned out (general rule) or by another majority laid down in the Constitution, law or the statute of a province or local self-government.

The Draft Law lays down the special requirements for each type of referendum, details the content of the decision calling the referendum, the authorities charged with conducting it and governs other issues of relevance to referendum – provisions on polling stations, voter registers, the dates and times of the referendum, referendum campaigns, referendum questions, ballots and procedures for voting and establishing the results.
When seven people with disabilities from Raška won a six-month contract to make wooden information boards, this did not only mean imminent improvement of their economic situation. Equally important, this gave each one an opportunity to integrate into everyday social life.

A community project to equip a little furniture production workshop in Raška, funded by the European Union and the Swiss Government through EU PROGRES Programme, and implemented by Citizens’ Association for Support to the Persons with Disabilities, also provided training for ten persons with disabilities to make simple pieces of furniture. Upon the completion of the project, seven direct beneficiaries got a six-month paying job, working on production of wooden information boards for the nearby Golija Nature Park.

This project created sustainable ground for future engagement of persons with disabilities from Raška to develop skills and work on the production of furniture and thus generate income resulting in improved economic situation. In addition, as Zlatan Vukosavljević, the President of the Citizens’ Association for Support to the Persons with Disabilities explained “the project boosted motivation and self-confidence among other persons with disabilities. It can also influence better integration into society”.

Persons with disabilities often come from socially challenged families, have no employment and depend on modest state assistance. They lose motivation, self-esteem and remain on the margins of life. Therefore, any effort to help these people to enhance their chances to find employment is essential. On the other hand, work that will help the community to enhance understanding of the position of persons with disabilities is equally, if not more important.

This project worth € 6,200 is one of forty similar community projects that have been supported through the Citizens Involvement Fund of the European Partnership with Municipalities Programme – EU PROGRES.
Students Antigona Sulja from the "Nikola Tesla" Technical School in Medveđa, Dalida Muškić from the Prijeponje and Danilo Cerović from the Prokuplje High Schools are the winners of the art competition for the 2012 Calendar of the European Partnership with Municipalities Programme - EU PROGRES. The prizes, video and still cameras, were awarded to the winners by Delegation of the European Union to Serbia Chief of Operations III Andrew Headey, EU PROGRES Manager Graeme Tyndall and academic painter Zoran Krulj. The Vlasotince High School “Stevan Jakovljević” won 100,000 RSD and the Blace Secondary School and Raška High School each won 50,000 RSD, with which they will purchase the school equipment they need.

“We organised the art competition with the financial support of the European Union and the Government of Switzerland to support talented young artists and encourage them to think about the wealth of diversity in their communities. The topic of this year’s competition is devoted to the UN global initiative Alliance of Civilisations and aims at promoting the rich cultural, ethnic, religious and historical heritage of this country, which globally and historically represents the crossroads of various traditions, cultures, ethnic groups and religions,” EU PROGRES Manager Graeme Tyndall said at today’s ceremony in Leskovac at which the calendar was officially presented.

During the award ceremony, Andrew Headey said: “The topic of this year’s competition Serbia – Embracing Civilisations was a complex one but the young artists responded extremely creatively to it and demonstrated that the wealth of diversity is a value in this country.”

The art competition on the topic “Serbia-Embracing Civilisations” was organised in October and November this year with the aim of supporting talented young artists and promoting cultural, ethnic, traditional and religious diversity, as Serbian and European value. The jury, chaired by academic painter Zoran Krulj, selected 12 of the 119 works submitted by 27 schools in 25 South and South-West Serbian municipalities to decorate every month in EU PROGRES’ 2012 Calendar.
Promoting the potentials of South and South West Serbia and raising public awareness of socio economic challenges and ways to tackle them

Public Awareness and Branding of Areas

Good Governance

Municipal Management and Development Planning

Infrastructure

Providing support to municipalities to enhance the respect of principles of accountability, transparency and efficiency in their work and to increase citizens' participation in the decision making.

Co-funding implementation of municipal and intermunicipal infrastructure projects, and providing support to local self-governments for the development of technical documentation.

Working on improvement of the quality of services that municipalities provide to their citizens and business community, and providing expert assistance for preparation of planning documents.

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