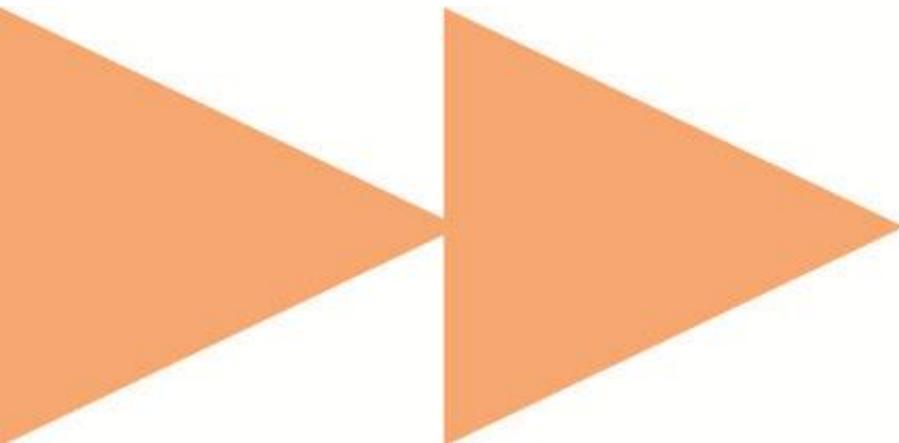




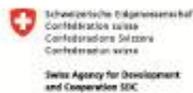
European Partnership with Municipalities Programme

# 2<sup>nd</sup> Quarterly Report

1 January – 31 March, 2011



Programme Funded by EU



Schweizerische Eidgenossenschaft  
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Engaging Partners

## Executive Summary

More than 600,000 EUR have been committed in the first three months of 2011 for the preparation of general regulation plans and for funding of 40 projects through the Citizens Involvement Fund, while a further 300,000 EUR has been earmarked for redesign of technical documentation for the Banjica Landfill, Lim River Floating Waste project and main design of recycling yards. The first addendum to the contract with the Delegation of the European Union increased the overall Programme budget to 18,1 million EUR.

There was a great interest from the municipal officials, civil society organisations and media in the findings of the first Citizens Satisfaction Survey. The results show that trust in local institutions is around 25% on an average and that more than half of respondents believe that the municipal administrations do not care about their needs. Not unexpected, these findings have reconfirmed the relevance of PROGRES intervention.

Also related to Component 1, and as a result of PROGRES' advocacy efforts, three municipalities have appointed gender councils: Kursumlija, Blace and Zitoradja, while Nova Varos has a designated an officer to deal with gender issues.

Twenty seven proposals, from 24 municipalities were received in the first call for small infrastructure proposals (activity 6.2) which ended on 28 February. All projects passed the administrative check and evaluation of concept notes. In addition, Toplica municipalities submitted eight project proposals to PROGRES for small infrastructure projects (activity 6.1). Novi Pazar Project Proposal Development Support initiative was defined and approved in principle. However, continuous work with all municipal project teams has indicated that there are systematic challenges regarding development of new infrastructure, starting with matters within cadastres, municipal planning directorates, status of planning documentation and land ownership issues. For these reasons, local self governments at this moment cannot be expected to possess fully prepared projects that would systematically apply higher principles of good governance. A full assessment of the situation is being prepared by the PROGRES experts, with recommendations how to overcome the obstacles.

PROGRES moved into an office within the Ministry of Economy and Regional Development (MoERD) reconfirming strong partnership with this Ministry, while cooperation was established with the Office for Sustainable Development of Insufficiently Developed Areas.

Finally, PROGRES was one of the key partners in organising two large ambassadorial visits to the South West Serbia in March, which generated good visibility and sent some key messages about development priorities. There were more than 150 media reports about PROGRES activities in the first quarter of 2011, as well as nearly 2,800 unique visits to the PROGRES website. Both figures are an assurance that PROGRES messages are reaching a wide audience and create conditions for considerable impact.

This report aims to give an overview of the key facts related to PROGRES activities and influences on its implementation. The list of commonly used acronyms is available in the Section 1, while the Section 2 serves as a reminder of PROGRES' objectives, purpose, results and beneficiaries, and is an excerpt from the Programme document. An overview of political, economic and social developments is presented in the Section 3, while details of Programme's activities, outputs and immediate outcomes are available in the Section 4. Key administration issues are described in the Section 5 while the last chapter offers a narrative of visibility efforts. The annexes have been included for in depth data of some specific actions taken by the Programme.

The Programme is funded by the European Union, the Government of Switzerland and the Government of Serbia and it is implemented by the UNOPS, in partnership with 25 municipalities of the South and South West Serbia.

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## 1 Acronyms

AoR	Area of Responsibility
BIC	Business Incubator Centre
BIRN	Balkan Investigative Reporting Network
CAC	Citizens Assistance Centres
CAS	Citizens Advisory Service
CB	Coordination Body
CeSID	Centre for Free Elections and Democracy
CIF	Citizens Involvement Fund
CSO	Civil Society Organisation
DEU	The Delegation of the European Union to Serbia
DRP	Detailed Regulation Plan
DS	Democratic Party
DSS	Democratic Party of Serbia
EU	European Union
GRP	General Regulation Plan
IP	Industrial Park
IT	Information Technology
IZ	Industrial Zone
LDP	Liberal Democratic Party
LSG	Local Self-Government
MoEMSP	Ministry of Environment, Mining and Spatial Planning
MoERD	Ministry of Economy & Regional Development
MoESP	Ministry of Environment and Spatial Planning
MoU	Memorandum of Understanding
MHMRPALSG	Ministry of Human and Minority Rights, Public Administration and LSG
NGO	Non-governmental organisation
NIP	National Investment Plan
NMC	National Minority Council
OSCE	Organisation for Security and Cooperation in Europe
OSS	One Stop Shop
PSC	Programme Steering Committee
PRO	Municipal Development in South West Serbia
PUC	Public Utility Company
QMS	Quality Management System
RDA	Regional Development Agency
SCTM	Standing Conference of Towns and Municipalities
SDC	Swiss Agency for Development and Cooperation
SDP	Sandzak Democratic Party
SP	Spatial Plan
SPS	Socialist Party of Serbia
SRS	Serbian Radical Party
ToR	Terms of Reference
UNOPS	United Nations Office for Projects Services
UN RC	United Nations Resident Coordinator

## 2 Intervention

### 2.1 Overall objectives

The Programme's overall objective is *to contribute to enhanced stability and socio-economic development in Serbia's poorest and most conflict-potential regions: the South and South West Serbia.*

### 2.2 Project purpose

The PROGRES purpose is *to enhance governance, municipal and intermunicipal management capacity and social, economic and physical infrastructure in a holistic, area-focused fashion.*

### 2.3 Planned results

#### Component 1: Good Governance

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

#### 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

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

#### Component 3: Physical, Economic and Social infrastructure

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

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

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

#### 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

**Result 8:** A plan to develop the areas' images and self-images as unique areas of Europe are established and implementation begun.

### 2.4 Beneficiaries

The direct beneficiaries of the PROGRES are the institutions (assemblies, executive councils and the municipal administrations) of the following municipalities:

- Ivanjica, Nova Varos, Novi Pazar, Priboj, Prijepolje, Raska, Sjenica, and Tutin in the South West Serbia
- Blace, Zitoradja, Kursumlija, Prokuplje in the Toplicki District
- Bojnik, Vlasotince, Lebane, Leskovac, Medvedja, Crna Trava, Bosilegrad, Bujanovac, Vladicin Han, Vranje, Presevo, Surdulica, Trgoviste in the South Serbia.

Other beneficiaries may include municipality-founded institutions and public utility companies (PUC), civil society organisations (CSO) and media on the territories of these municipalities.

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However, the ultimate beneficiaries are the residents of the PROGRES participating municipalities in the South and South West Serbia.

Where Programme activities cover larger areas such as districts or regions, or national policy envisages additional municipalities to be involved regarding a specific issue, other municipalities may benefit indirectly.

### 3 Updates on political, social and economic developments

#### 3.1 Political

##### THE GOVERNMENT OF SERBIA

The Government of Serbia budget for 2011 projects a deficit of 4.1% of gross domestic product with predicted revenues of 724,5 billion dinars and expenditure of 844,9 billion<sup>1</sup>. The key line ministries for PROGRES, the Environment and Spatial Planning (MoESP) and the Economy and Regional Development (MoERD) were allocated increased funding in comparison to 2010. The MoESP has doubled its finances and has 21,7 billion dinars, while the MoERD has around 47 billion, which is six billion more than the last year. The Office of the Sustainable Development of Insufficiently Developed Areas has four times bigger funding than in 2010 – almost 662 million dinars<sup>2</sup>.

In mid March, the Parliament of Serbia voted to decrease the number of Ministries from 24 to 17, a move which also meant abolishing or merging several cabinets<sup>3</sup>. The new Minister for Economy and Regional Development is Nebojsa Cirić, the Minister of Public Administration and Local Self Government, Milan Marković, has also been tasked with Human and Minority Rights<sup>4</sup>, additional portfolio of the Ministry of Environment and Spatial Planning (MoESP) is mining<sup>5</sup>, while the Ministry of Infrastructure deals with Energy as well<sup>6</sup>.

##### EU INTEGRATIONS

The Serbian Government submitted its answers to the European Commission (EC) questionnaire on 31 January and has since been addressing additional 629 questions that should clarify information provided in political and economic criteria, justice system, human rights, foreign and security policies<sup>7</sup>. It is expected that the EC assessment and opinion on Serbia's readiness to join the EU is announced in October 2011.

Despite clear Government's commitment to EU integration processes, and hard work to meet deadlines and criteria posed, the public support for the EU accession has dropped to 57%, which is the lowest rate

<sup>1</sup> XE.com (2010) *Serbian Parliament adopts 2011 budget*. [Online] Available at <http://www.xe.com/news/2010-12-29%2011:25:00.0/1609897.htm> (Accessed on 15 March 2011)

<sup>2</sup> B92 (2010) *Budget for 2011 adopted* [Online] Available at: [http://www.b92.net/biz/vesti/srbija.php?yyyy=2010&mm=12&dd=29&nav\\_id=482629](http://www.b92.net/biz/vesti/srbija.php?yyyy=2010&mm=12&dd=29&nav_id=482629) (Accessed on 15 March 2011)

<sup>3</sup> B92 (2011) *Serbian Parliament Elects New Ministers* [Online] Available at: [http://www.b92.net/eng/news/politics-article.php?yyyy=2011&mm=03&dd=15&nav\\_id=73234](http://www.b92.net/eng/news/politics-article.php?yyyy=2011&mm=03&dd=15&nav_id=73234) (Accessed on 31 March 2011)

<sup>4</sup> The full name of the Ministry is: the Ministry of Human and Minority Rights, Public Administration and Local Self Government - [http://www.drzavnauprava.gov.rs/?change\\_lang=ls&id](http://www.drzavnauprava.gov.rs/?change_lang=ls&id)

<sup>5</sup> The full name of the Ministry is: the Ministry of Environment, Mining and Spatial Planning - <http://www.ekoplan.gov.rs/en/index.php>

<sup>6</sup> The full name of the Ministry is: the Ministry of Infrastructure and Energy - <http://www.mi.gov.rs/>

<sup>7</sup> EMG.RS (2011) *European Commission sends last additional questions to Serbia* [Online] Available at: <http://www.emg.rs/en/news/serbia/151215.html> (Accessed on 1 April 2011)

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ever<sup>8</sup>. The Serbian European Integration Office Director, Milica Delevic, stated this was 'not surprising, since a similar trend can be seen in neighbouring countries which are even closer to the EU'. Delevic reiterated that 78% of citizens are committed to the reform processes, regardless of European integration and that this was a 'reservoir of support'.

Another survey<sup>9</sup> showed that around the same number of polled wish for close links with Russia and for EU integration processes.

### OMBUDSMAN'S REPORT FOR 2010

The Ombudsman published 2010 report in mid-March<sup>10</sup>, praising the state administration for recognising the need to cooperate with his office which enabled him to achieve concrete results but also pointing to the necessary changes in the public administration's perceptions of the nature of its work and the way it conducts it.

In relation to employment of the minority groups in public institutions, Ombudsman reported that it was not sufficient to respect only constitution and legal requirements in order to achieve multiculturalism, but that practical social integration is needed based on trust and understanding. Most of state bodies and institutions do not meet prescribed requirements.

For the South West Serbia, key breaches of procedures were observed in regards the election process for Bosniak National Minority Council (BNMC), especially in regards protection of privacy and personal data protection, through unauthorized use of personal information from citizens as well as violation of the independence of the national councils caused by the arbitrary role of the Ministry for Human and Minority Rights, during parts of this process.

Priboj, where Bosniaks represent 18.33% of population, is legally obliged to use their language in the official sphere<sup>11</sup>. Despite Ombudsman's recommendation to the municipal assembly to change its Statute Priboj failed to do so, and the Ombudsman reported the case to the Ministry for Public Administration and Local Self Government, which in turn requested, in November 2010, changes in the municipal Statute.

Ombudsman's office was established for municipalities of Presevo, Bujanovac and Medvedja in late June 2010. Three percent of total number of appeals in 2010 came from these municipalities, and most of them concerned the breach of good governance approaches.

### SOUTH WEST SERBIA

At the beginning of 2011, the Ministry of Human and Minority Rights announced elections for **Bosniak National Minority Council** for April 2011<sup>12</sup>. The Mufti Zukorlic, whose Bosniak Cultural Community won

<sup>8</sup> B92 (2011) *Serbians less enthusiastic about EU* [online] Available at: [http://www.b92.net/eng/news/society-article.php?yyyy=2011&mm=01&dd=14&nav\\_id=72120](http://www.b92.net/eng/news/society-article.php?yyyy=2011&mm=01&dd=14&nav_id=72120) (Accessed on 30 January 2011)

<sup>9</sup> B92 (2011) *Half against extradition of Mladic* [Online] Available at: [http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=03&dd=15&nav\\_id=499213](http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=03&dd=15&nav_id=499213) (Accessed on 20 March, 2011)

<sup>10</sup> Ombudsman (2011) *Regular annual report for 2010* [Online] Available at: <http://www.ombudsman.rs/index.php/lang-sr/aktivnosti/saopstenja/1304-a-2010-> (Accessed on 16 March 2011)

<sup>11</sup> All municipalities with 15% of a national minority are obliged to introduce this minority's language into official use. Reference as footnote number 10.

<sup>12</sup> DS (2010) *New Elections for Bosniak Minority Council in April* [Online] Available at: [http://www.ds.org.rs/index.php?option=com\\_content&task=view&id=10647&Itemid=424&jezik=lat](http://www.ds.org.rs/index.php?option=com_content&task=view&id=10647&Itemid=424&jezik=lat) (Accessed on 20 January 2011)

majority of votes in June 2010 elections, continued to use strong rhetoric, claiming the elections would 'teach the state authorities a lesson' since majority of Bosniaks wouldn't participate<sup>13</sup>.

Furthermore, Mufti also called for boycotting the St. Sava's Day festivities in public schools under specific assumption that those festivities lost their secular character and are thus redundant, counter-constitutional and discriminatory<sup>14</sup>. The referrals to bad government policy which can lead to scenarios similar to recent developments in the Arab world, continued in February<sup>15</sup>.

What placed Novi Pazar in the limelight of the Serbian public, reigniting fears of extremism, was the clash between the Urban-In Director and Mufti's supporters, about women wearing headscarves, which resulted in several inappropriate speech outbursts from both sides. Both the central Government and international representatives reacted and sent synchronized messages about the need to show constructive efforts as opposed to political squabbles.

To reinforce the statements, there has been increased number of the visits to the South West Serbia. Ambassadors of OSCE, Austria, Belgium, Switzerland, Netherlands, deputy Ambassador of the EU, along with UN RC, director of National Democratic Institute and senior political staff from the US Embassy visited Novi Pazar where they have met with representatives of Novi Pazar administration, BNMC electoral lists, civil society organizations as well as with the representatives of both universities. In parallel with these visits, OSCE Novi Pazar training centre organized a series of public debates to initiate a public dialogue over crucial BNMC related issues (education; use of minority languages; culture and identities; the media).

The most positive gesture came from the Government, welcomed even by hardliners, when the Minister for Human Rights and Minorities Public Administration and Local Self Government, Milan Markovic, visited Novi Pazar and spoke with BNMC electoral lists. This resulted in indefinite postponement of the elections, pending further consultation with the electoral lists' representatives and the Minister. On the other hand, such a prolongation holds a risk for these elections not to be taken seriously by the citizens anymore.

In **Raska**, there is a new Socialist Party of Serbia (SPS), Democratic Party (DS) and Liberal Democratic Party (LDP) coalition. In **Prijepolje**, the municipal account is blocked as a result of the return of voluntary taxes collected from 2003-2006, which was declared illegal by the court decision, and is being paid back with interests.

## SOUTH SERBIA

In late March, the Presidency of the Coordination Body (CB) marked second anniversary after reconstruction. All its members attended the event, apart from the Mayor of Presevo. There was high diplomatic and Ministerial presence as well, including the ambassadors of the US, UK, OSCE and UN, and the Ministers of Interior, Economy and Regional Development and Assistant Education Minister.

There have been changes in the leadership of the Coordination Body when the former Director, Nenad Djurdjevic, was appointed the Director for Human and Minority Rights Affairs with the Ministry of

<sup>13</sup> Glas javnosti (2011) *Zukorlic: Bosniaks will teach authorities a lesson* [Online] Available at: <http://www.glas-javnosti.rs/clanak/politika/glas-javnosti-21-01-2011/zukorlic-bosnjaci-ce-odrzati-lekciju-vlastima> (Accessed on 23 January 2011)

<sup>14</sup> Blic (2011) *Mufti Zukorlic calls for Boycott of St Sava* [Online] Available at: <http://www.blic.rs/Vesti/Drustvo/231075/Muftija-Zukorlic-pozvao-na-bojkot-Svetog-Save> (Accessed on 31 January 2011)

<sup>15</sup> B92 (2011) *Zukorlic: Serbia like Egypt* [Online] Available at: [http://www.b92.net/video/komentari.php?nav\\_id=493551](http://www.b92.net/video/komentari.php?nav_id=493551) (Accessed on 17 February 2011)

Human and Minority Rights and Public Administration and Local Self Government, while his deputy, Danijela Nenadic, was appointed the Director of the Coordination Body.

Following months of parallel municipal structures in **Kursumlija**, which resulted in several security threats and a hunger strike, during March, political situation has stabilized. The Government of Serbia ruled that the legal power should be held by DS/G17+/SPS coalition and the new Mayoress is Vesna Jakovljevic, from DS.

In **Zitoradja**, there has been a change of power – the Socialist Mayor Dobrivoje Mitic was dismissed and Democrat Goran Stojkovic was appointed to this role. The new president of the local assembly is from G17+.

A new municipality was established in the city of **Vranje** – Vranjska banja, which in long term could bring improved economic situation to its citizens.

Bulgaria handed in a protest note to the Government of Serbia<sup>16</sup> following a ban of the rally marking 138th year of death of the national hero, Vasil Levski, in **Bosilegrad**. Allegedly, Bulgarian delegations were stopped at the border and the Ambassador of Bulgaria in Serbia, Georgi Dimitrov was one of the few who managed to lay a wreath on the monument. Two days later, the Serbian PM paid his respect to the Bulgarian hero during his official visit to Sofia.

## LEGISLATION

The changes in the rule book which regulates the content and the procedures for planning documents were published in the Official Gazette RS No.16/11 from 11 March 2011. The changes in the current Building and Planning Law (with 80 articles modified) were published in the Official Gazette RS No.24/11 from 31 March 2011

## 3.2 Socio-economic

### MINISTRIES

The **MoESP** Eco Fund's open call for proposals to support establishing of the waste collection stations - recycling yards – in municipalities, which required a simple application procedure, closed at the end of January. This information was shared with the municipalities that PROGRES is considering for support through the activity 4.2 were advised to apply - Prijepolje, Priboj, Nova Varos, Raska, Vranje, Sjenica.

The **MoERD** has adopted a 100 million RSD programme to support municipalities by co-financing economic infrastructure projects: co-financing the preparation of application documents for domestic and donor projects (consultancy); co-financing the preparation of technical documentation for business related infrastructure projects and co-financing regional development projects which are selected for funding by domestic or international donors and programmes.

The **Office for Sustainable Development of Insufficiently Developed Areas** will provide 460,000 EUR for development of documentation for infrastructure and tourism projects, cadastre-topography plans as well as general regulation plans of different communities.

## SOUTH WEST SERBIA

<sup>16</sup> RTS (2011) *Bulgaria hands in a protest note* [Online] Available at: <http://www.rts.rs/page/stories/sr/story/11/Region/845420/Bugarska+uputila+protestnu+notu.html> (Accessed on 1 April 2011)

The Rehabilitation Centre “Zlatar” in **Nova Varos** is out of business, and although not officially bankrupt, the dissatisfied employees are protesting almost daily in front of the municipal building in Nova Varos, demanding assistance of both local and republic governments.

In **Prijepolje**, the Court ruled the decision of previous local government to collect ‘voluntary’ tax for the municipal budget as illegal and ordered the current administration to repay the taken funds. This may cause the municipality to lose one third of planned budget for 2011, in order to obey the court ruling.

**Ivanjica** continues to be active in responding to various calls for proposals and has won support for at least two inter municipal projects – one related to agriculture and the other related to socially vulnerable groups. Ivanjica will also be working with MSP IPA on preparation of Local Environmental Action Plan. The Serbian Chamber of Commerce awarded “**Nusicijada**” festival the best traditional manifestation in Serbia in a strong competition with “Open Heart Street in Belgrade” and “Guca Trumpet Festival”.

Out of 37,5 billion RSD that the Ministry of National Investment Plan<sup>17</sup> will invest into projects this year across Serbia, 14,6 million RSD were awarded to **Ivanjica** for kindergarten in Bukovica and 2,1 million RSD to **Raska** kindergarten. Ivanjica project was developed during PROGRES’ predecessor, Municipal Support to South West Serbia – PRO Programme.

The project “Master Plan for Protection of West Morava Basin”, decided to support **Raska** in preparation of tender documentation for waste water treatment plan. This support will include revision (by the Ministry of Agriculture and Forestry, through Directorate for Water, of some 400,000 RSD) of existing preliminary design that was done under PRO programme with any needed changes, development of main design and tender documentation (for main collectors and treatment plant in Raska). This will be complementary and may result in full scale documentation for WWT in Raska.

In **Novi Pazar**, on 11 March, the Memorandum of Intent for the construction of a primary gas pipeline was signed. The pipeline will supply the municipalities of Brus, Raska, Novi Pazar, Tutin, Lesak, Leposavic, Zvecan, Kosovska Mitrovica and Zubin Potok. A Slovak consortium will fund this investment of estimated worth of 45 million EUR. Construction is expected to commence by the end of the year.

Textile producers from Novi Pazar signed a contract with a Polish company ‘Prelic’ on exclusive distribution of products from ten local companies to market in Poland. The contract was signed with members of Association of Textile Producers from Sandzak during the International Fair of Commodities that was held in Poznan at the beginning of March.

Strikes continued in Novi Pazar, but on a positive note the workers from one of the once biggest public holdings ‘Vojin Popovic’ received back-payments worth 4,500 EUR<sup>18</sup>.

The City has still not received 40 million Euros pledged by the Turkish Government for road works and construction of a new elementary school.

Mufti’s International University was the only one to receive a grant through Cross-Border Cooperation Programme funded by the EU between Serbia and Montenegro, in partnership with the University of Niksic.

<sup>17</sup> Which in March merged with the MoERD

<sup>18</sup> Vecernje novosti (2011) *Novi Pazar: The Fishery Workers received Damages* [Online] Available at: <http://www.novosti.rs/vesti/srbija.73.html:324326-Novi-Pazar-Radnici-ribnjaka-dobili-odstetu> (Accessed on 30 March 2011)

**Sjenica** received a grant through the EU Exchange 3 programme, securing around 150 thousand EUR for this year. It outsourced the project development process to a consultancy, while the municipality provided all the necessary paperwork (permits, MoUs etc), which could have contributed to the success.

### **SOUTH SERBIA**

The long ongoing negotiations about construction of the **Maternity Ward** in **Presevo** resulted in an agreement to include the ward into the existing Health Centre. Since, the technical documentation for the project has been completed, the works have been tendered and the contractor chosen<sup>19</sup>. The municipality, the Ministry of Health and the Coordination Body will bear the costs of renovation which should finish by the beginning of next year. This part of hospital was closed at the end of 1980s and ever since the women travelled to Vranje, where they did not have access to Albanian speaking gynaecologists. The lack of resources could be a problem, once the ward is finished.

The **Coordination Body's** working committee on education has regular meetings in order to solve the issues with the textbooks in Albanian language<sup>20</sup>. Previously, the Ministry of Education has allowed import of around 1000 ABC books from Albania, and agreed with the Government in Tirana that it would display both Serbian and Albanian flags. Another book from Belgrade is being revised by the experts from the Albanian National Minority Council.

The Albanian Democratic Union, represented by Rahmi Zulfiu, has joined the **Albanian National Minority Council**.

In March, additional **jobs** to increase ethnic Albanian employment in the state institutions were advertised for police, customs and taxation.

There are some 185 illegal dumps registered on the territory of the city of **Vranje**, it was revealed during a public hearing on the draft proposal "Local Waste Management Plan for the City of Vranje until 2021". This draft envisages the solid waste landfill "Meteris" becoming regional. In addition, the city has been granted 150 million dinars from the NIP, for four projects: regional road to Besna Kobilja Mountain, an important tourist destination; two major streets in the city and a complete reconstruction of the Vranje Gymnasium high school.

The City adopted its Spatial Plan at the beginning of March 2011, replacing the old one from 1987. This will have potentially a huge impact on the development efforts in Vranje as the City will very soon be completely compliant with the Law thus being able to issue building permits and enable new investments.

The USAID Deputy Mission Director Marilyn Schmidt visited Vranje and Bujanovac municipalities and signed an agreement that defines the terms and conditions under which DAI, the city of Vranje and the municipalities of Presevo and Bujanovac would cooperate in the provision of common support to a group of small entrepreneurs, since unemployment is a significant problem in the region.

A successful effort of citizens' activism campaign was seen in Vranje, when the Club of Extreme Sports produced a short film about pollution of the South Morava River and posted it on the Internet. Within a couple of days, the film was seen by 2000 people and attracted interest of media. The Director of the "Clean up Serbia" Action, from the Ministry of Environment, Mining and Spatial Planning (MoEMSP) reacted and an agreement was reached to start the cleanup of the river immediately.

<sup>19</sup> PROGRES sources at the LED Office in Presevo

<sup>20</sup> PROGRES sources at the Working Group

MISP approved a feasibility study and project design of the industrial zone in **Vladicin Han**. The municipality has already received 1,5 million RSD from the MPALSG for substation and access road. With these projects, full potential of 146 hectares industrial zone could be exploited and in turn may help the local administration to attract investors.

**Leskovac** is the fifth largest city in Serbia by the unemployment rate, according to the National Employment Agency figures. The city will invest 40 million dinars by the end of 2011 in implementation of active measures for employment.<sup>21</sup> Leskovac signed a contract with RSEDP2 for a Technology and Food Park project, while the NIP will invest 160 million dinars in infrastructure projects by the end of 2011.

A regional conference on 'Hiking And Biking – Trekking and Mountain Cycling' was held in **Lebane**, at the beginning of February, aiming to encourage the exchange of experiences in sustainable tourism development in the area of outdoor activities. Lebane is one of the poorest municipalities in Serbia, where every other citizen is unemployed. The average salary, except for income in state and municipal services, is 9,500 RSD<sup>22</sup>.

In January, the Prime Minister Mirko Cvetkovic visited the German cable factory Leoni in **Prokuplje**, announcing 400 new jobs in 2011<sup>23</sup>. During his visit to Vranje, the PM opened a textile factory, which will employ 150 workers.

Prokuplje signed a contract handing over the responsibility for waste collection, transport and disposal to Porr Werner and Weber Company<sup>24</sup> which should facilitate resolution of a decade long problem with waste disposal. It is expected that present landfill will be dislocated from the town.

Through project Technical Assistance for Medical Waste Management, the Health Centre in Prokuplje started to recycle medical waste<sup>25</sup>. This centre is the focal point for treatment of infectious medical waste in the Toplica District.

Media reported that some 360 tons of gasoline may have leaked into the Toplica River from a 75-year-old cistern in the military barracks<sup>26</sup>.

Several PROGRES' municipalities were eligible to bid for 4,9 million dinars from the MPALSG, deriving from the **income of the Serbia's National Lottery**<sup>27</sup>. Municipalities of Prokuplje received the grant of 1,8, Blace 1,9 million and Bojnik 1,2 million dinars. Prokuplje will use the funds for rationalization of working places, while Blace will invest into waste management.

<sup>21</sup> Juzne vesti (2011) *20,000 unemployed in Leskovac* [Online] Available at: <http://www.juznevesti.com/Drushtvo/U-Leskovcu-20-hiljada-ljudi-bez-posla.sr.html> (Accessed on 1 March, 2011)

<sup>22</sup> Juzne vesti (2011) *Living on a loan* [Online] Available at: <http://www.pressonline.rs/sr/vesti/regioni/story/154397/%C5%BDive+na+veresiju.html> (Accessed on 1 March, 2011)

<sup>23</sup> PROGRES contacts in Prokuplje Municipality Public Information Office

<sup>24</sup> Politika (2011) *The Landfill from the centre of Prokuplje will be moved* [Online] Available at: <http://www.politika.rs/rubrike/Drustvo/Premesta-se-deponija-iz-centra-Prokuplja.lt.html> (Accessed on 31 March, 2011)

<sup>25</sup> Juzne vesti (2011) *Recycling of medical waste in Prokuplje* [Online] Available at: <http://www.juznevesti.com/Drushtvo/Reciklaza-medicinskog-otpada-u-Prokuplju.sr.html> (Accessed on 31 March, 2011)

<sup>26</sup> Kurir (2011) *Catastrophe: 360 tons of petrol leaked in Prokuplje* [Online] Available at: <http://www.kurir-info.rs/vesti/drustvo/katastrofa-iscurilo-360-tona-benzina-u-prokuplju-76527.php> (Accessed on 16 March 2011)

<sup>27</sup> Juzne vesti (2011) *4,9 million from games of chance for three municipalities* [Online] Available at: <http://www.juznevesti.com/Drushtvo/Za-tri-opstine-49-miliona-od-igara-na-srecu.sr.html> (Accessed on 16 March 2011)

The study "The path from the brotherhood and unity - the ethnic distance of the citizens of Serbia"<sup>28</sup> examined the **ethnic distance** of the citizens of Serbia to Serbs, Montenegrins, Hungarians, Bosniaks, Roma, Croats and Albanians. Over the past four years ethnic distance towards members of certain ethnic groups in Serbia has increased. About 40 percent of respondents are reluctant to accept the fact that the Albanians are the citizens of Serbia, and one third of them would not want Croats, Hungarians, Roma or Bosniaks as their neighbours.

### From Serbia, with love, to Japan

In two modest, but heartfelt gestures, Prokuplje and Medvedja offered support to the people of Japan who badly suffered in recent earthquakes. Prokuplje vowed to send 10,000 USD, justifying this by gratefulness of its citizens to the Japanese Government which had previously renovated two schools and donated a modern ambulance<sup>29</sup>. In Medvedja, pupils of an elementary school offered to host Japanese peers who were left homeless in the natural disasters<sup>30</sup>.

## 4 Activities during reporting period

### Component 1: Good governance

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

The Swiss government experts in good governance had a second mission to Serbia, at the beginning of March. In a meeting with the Standing Conference of Towns and Municipalities (SCTM) discussions were held how to incorporate PROGRES' good governance experiences into SCTM's activities in regard to influencing improvement of legislation. A meeting was held with the Mayor of Leskovac to discuss public administration reforms in this city and consider PROGRES support.

#### Key outputs:

- ✚ 40 Citizens' Involvement Fund projects approved by the Programme Steering Committee and grant contracts with beneficiaries signed
- ✚ Citizens' Satisfaction Survey results presented in two separate events in Novi Pazar and Leskovac. Results confirmed that much work is needed in the reform of local administrations. Its findings are taken into consideration in the design of the information/education campaign that will be implemented as an activity in the Component 4
- ✚ Call for proposals advertised for establishing Citizens' Advisory Services in Toplica and South West Serbia
- ✚ Analysis of two projects that supported organisation of budgetary hearings in Leskovac, Blace and Novi Pazar conducted and recommendations made for the next steps
- ✚ Kursumlija, Zitoradja and Blace formed Gender Equality Councils, while Nova Varos appointed a designated officer to deal with gender issues. Raska Gender Equality Council adopted its work plan for 2011

<sup>28</sup> B92 (2011) *Ethnic distance rising in Serbia* [Online] Available at: [http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=03&dd=09&nav\\_category=206&nav\\_id=497866](http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=03&dd=09&nav_category=206&nav_id=497866) (Accessed on 16 March 2011)

<sup>29</sup> Blic (2011) *Prokuplje will send 10000 dollars to Japan* [Online] Available at: <http://www.blic.rs/Vesti/Srbija/241355/Prokuplje-salje-10000-dolara-Japanu> (Accessed on 16 March 2011)

<sup>30</sup> B92 (2011) *Children from Medvedja inviting Japanese* [Online] Available at: [http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=03&dd=16&nav\\_id=499600](http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=03&dd=16&nav_id=499600) (Accessed on 16 March 2011)

- ✚ *Analysis of the number of women in the positions of power conducted for the entire PROGRES AoR and can serve as a baseline study*
- ✚ *European Charter for Equality of Women and Men in Local Life presented by OSCE's Zorana Sijacki to Toplica District municipalities*
- ✚ *Second mission of the good governance experts from Switzerland was organised*

#### **Imminent outcomes:**

- ✚ *Media reports about findings of the Citizens Satisfaction Survey puts pressure on public to take action and improve the current situation*

#### **Activities:**

##### *1.1. Citizens' Involvement Fund supports projects that have resulted from partnerships of civil society organisations and local government institutions*

The Regional Selection Commission met and recommended that all projects with scores between 60 and 80 are awarded with a grant. Those scoring between 50 and 60 are to be selected having in mind the rule of territorial representation of awardees, if possible. The Steering Committee approved funding of 40 grants in the meeting in February 2011, worth 439,059.31 with PROGRES contribution of 334,738.99 EUR.<sup>31</sup> No projects were funded from six municipalities - Vlasotince, Trgoviste, Crna Trava, Bojnik, Zitoradja and Kursumlija<sup>32</sup>. The Commission recommended PROGRES should organize training for the CIF applicants interested to improve their skills in project writing as a preparation for the next CIF Call for Proposals and a list of all interested organisations has already been compiled by the CIF administrator.

In agreement with the PROGRES Operations Team, a template for grant contract was agreed and final arrangements made for signing of the grants in two separate ceremonies in March: one in Novi Pazar and the other in Leskovac. A lot of positive publicity for PROGRES was generated conveying the message about importance of citizens' participation in decision making at the local level.

Parallel to this, two trainings in financial administrative managing and reporting writing were conducted for the grantees covering: communication and visibility guidelines, contract responsibilities, vendor profile form, tax exemption and financial reporting. Disbursement of funds will start in early April, as soon as the grantees perform necessary steps, such as opening of a dedicated bank sub-account.

##### *1.2 Citizens' Satisfaction Surveys*

The Citizens' Satisfaction Survey was presented in January, in two separate events: in Novi Pazar and Leskovac gathering Mayors, municipal administrations, representatives of the civil society organisations and media. In Leskovac, there were 41 participants from 17 municipalities of South Serbia, while the event in Novi Pazar gathered 39 participants from 8 municipalities of the South West Serbia. Despite the fact that some participants questioned the authenticity and credibility of the survey findings, in general, research results were viewed as a positive step forward and important source of information for future endeavours of local authorities. The great attention of media at both presentations, and ensuing reports again confirmed that media are traditionally interested more in negative stories; nevertheless they can also put positive pressure on the local government to take into consideration citizens' views and address them. Without media, in this case, the Survey would mainly end up on the shelves. With them, the impact of the Survey on local governments is potentially stronger.

<sup>31</sup> Please see Annex I ó 1.1 for details of projects, and 1.2 for breakdown by municipality, thematic area and leading organisation

<sup>32</sup> Kursumlija did not apply as there were political problems at the time of call for proposals

The interview with Slavisa Puric, Nova Varos Mayor, to daily newspaper Danas<sup>33</sup>, best corroborates this:

*“Municipal administration has to radically change its attitude towards the citizens who rightfully expect the administration to be faster, more efficient and accountable ... at all times we must be aware that we are there for the citizens, not ourselves”, Puric said, adding that the results gave him the right to take all necessary measures to ensure that the administration is “shaken” because “it is a mirror of any government”.*

For the purpose of this survey, the consultancy chosen in a public tender – CeSID, created 25 samples that provided the representativeness of the research findings at the level of each municipality. The number of interviewees was between 250 and 400, depending on the size and heterogeneity of a municipality. All data were collected in direct, face-to-face interviews<sup>34</sup>.

Trust into the institutions that should run the local community is pretty low - at average for all municipalities it goes from 16% in the case of Municipality Council to 21% when a Mayor is concerned. 61% of all interviewees believe that the local self-government mostly does not, or does not take care at all about the needs of their citizens. Partially, such results can be caused by a low level of awareness about what the local self government can and should do - only 10%, at a level of all municipalities, believe they are well informed about the work of their local self-government.

Although majority of citizens say that the municipal services function today in the same manner as three years ago (40%), or even worse (32%), most of them admit that the procedures are not too complicated (49%), that they don't waste too much time (27%) or that the waste of time is proportional to what a procedure demands (51%), i.e. there is an understanding that things cannot be finished immediately whenever one wants.

The encouraging data in the Survey is that the majority of citizens believe that bodies of local authorities and administration are not corrupt – only 3% of polled had personal experience with the corruption of local self-government.

Dissatisfaction with infrastructure topped the list in 10 out of 25 municipalities, where it stands between 49% up to whole 93%. Second placed are transportation and road status issues - this segment comprises both the status of roads, road infrastructure, lack of organised transportation system and poor regulation of traffic.

PROGRES team has conducted a comparative analysis of the Survey results<sup>35</sup> with the previous researches within PROGRES' predecessor projects – MIR in the South Serbia<sup>36</sup> and PRO in the South West Serbia<sup>37</sup>. The main trends demonstrate general depletion of trust both in local and state institutions. In the domain of public services, this decrease is even more apparent, e.g. when asked: “Do the local authorities take care about citizens and provide citizens with services adequate to their needs?”, in the same municipality, two years ago, the response changed from 65% saying “being responsive” in 2009 to 72% saying “not enough” or “not at all responsive” in 2010. However, in comparison to the previous survey, the 2010 shows significant drop in citizens' perception of how spread corruption was: in some municipalities, this drop is 25 index points or more.

<sup>33</sup> Danas (2011) *Municipal administration has to be more responsible* [Online] Available at: [http://www.danas.rs/dodaci/sandzak/opstinska\\_administracija\\_mora\\_da\\_bude\\_odgovornija\\_.42.html?news\\_id=210478](http://www.danas.rs/dodaci/sandzak/opstinska_administracija_mora_da_bude_odgovornija_.42.html?news_id=210478) (Accessed on 26 February 2011)

<sup>34</sup> Please see Annex II ó 2.1 for the Executive Summary of the CeSID report. Full report is available on PROGRES website ó [www.progresprogram.org](http://www.progresprogram.org), both in English and Serbian

<sup>35</sup> Full comparison for each municipality, with narrative account, available at PROGRES

<sup>36</sup> Please see Annex II ó 2.2 for an overview of comparison for the South Serbia

<sup>37</sup> Please see Annex II ó 2.3 for an overview of comparison for the South West Serbia

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

Civil society organisations from Toplica District and the South West Serbia, who have established substantial partnership with municipalities, have been invited, through a Call for Proposals to apply for funding to establish Citizens' Advisory Services.

The Terms of Reference<sup>38</sup> for this activity has been finalised following intensive discussions with PBILD's project as well as the Ministry of Justice, and based on experience of PRO/PROGRES Migration project, drawing from the guidelines from the Strategy for Provision of Free Legal Assistance.

The call will close on 15 April 2011.

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

Final internal evaluation<sup>39</sup> of the two projects (BIRN and TCHR) has been completed and both projects succeeded in achieving their nominal objectives, as planned for such short pilot-initiatives. A broader involvement of the grassroots stakeholders and a sustained build-up of their capacities remained as underlying issues for both endeavours. Conclusions and recommendations will be used when developing ToR for next iterations of this activity.

*1.5 Assembly members and City Councils, from municipalities participating in the Programme are provided with information and resources which enable them to better monitor the performance of local institutions, including PUCs*

Some initial activities have been performed, such as the start of developing criteria for selection of pilot municipality, drafting contents for trainings on media literacy for politicians and for media awareness on government responsibilities. However, key activities will be designed once contracts for relevant local infrastructure projects are granted and the Banjica Landfill inter-municipal public utility company (iPUC) is operational.

*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*

Three gender equality councils were formed, following intensive support from PROGRES, in: Kursumlija, Blace and Zitoradja, while Nova Varos nominated one administration employee to perform the tasks related to gender<sup>40</sup>. The Gender Council in Raska, which was also established following PROGRES advocacy efforts, prepared its Action Plan for 2011 and adopted it at a Municipal Council session<sup>41</sup>.

PROGRES organised a presentation of the European Charter for Equality of Women and Men in local Life in Prokuplje, in cooperation with the OSCE National Programme Officer for Equal Opportunities, Zorana Sijacki, for Toplica District municipalities. This session, and the ensuing discussion reconfirmed relevance of PROGRES' approach to these questions and reiterated importance of these activities to the municipalities.

NGO DamaD has been granted funds to start with activities outlined in the PROGRES description of action and now that all municipalities in the South West and Toplica District have gender teams, their further capacity building can start in Q2, as envisaged.

<sup>38</sup> Please see Annex III ó 3.1 for Terms of Reference for CAS

<sup>39</sup> Available as Annex IV ó 4.1 of this report

<sup>40</sup> Please see Annex V for municipal decisions: 5.1 Blace, 5.2 Kursumlija, 5.3 Nova Varos

<sup>41</sup> Please see Annex V, 5.5 for Raska Action plan for 2011 and for 5.6 for Raska Decision to adopt Action Plan

With the Component 4 Manager, it was agreed how to proceed with design of the gender equality public awareness campaign, for which the concept will be finalised in April.

Last but not the least, PROGRES team prepared an analysis<sup>42</sup> of the number of women that participate in the process of decision making in local institutions founded by local self governments in the South and South West Serbia. The analysis should give all relevant stakeholders a clear picture of gender equality and participation of women in political, economic and social life of these communities. The figures are indicative: median level of overall representation of women in local self governments, local public organizations and institutions and local PUCs as well, in the South and South West Serbia, is around 26%, with as much as seven municipalities showing this participation below 20%. Analysing some specific areas of women participation demonstrate the lack of systemic approach to gender equality issue, e.g. in some municipalities in the South Serbia, there is no representation of women in local institutions, while at the same time, in another municipality, in the same district, it exceeds 70%. It is therefore very important to continue with providing support to gender mainstreaming processes in the Programme AoR.

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

Consultations have started with programmes that support improvement of ethnic representation in the Programme Area.

In a meeting with the Coordination Body, two possible areas of support were discussed: the maternity ward in Presevo and Nis' Faculty of Economics Department in Bujanovac.

During next quarter discussions will be intensified with the line Ministry, Albanian, Bulgarian and Roma National Minority Councils, OSCE, and representatives of the Embassies in order to finalise PROGRES intervention in a manner that would complement ongoing efforts and genuinely contribute to improving the ethnic representation of local decision making in the field.

## **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

### **Key outputs**

-  *Full analysis for establishment of Citizens' Assistance Centres in Crna Trava, Bosilegrad and Trgoviste finalised and a two-phased grant approach is suggested*
-  *Seven offers were received for the first phase of the QMS introduction following a public call for proposals*
-  *Ongoing consultations with several programmes working on municipal management in order to finalise PROGRES' approach for activities within result 2*

### **Activities**

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

Full analysis needed for establishment of Citizens' Assistance Centres (CACs) in Crna Trava, Bosilegrad and Trgoviste has been completed.

As the functional assessment and the meetings with the municipalities have shown, the municipalities are at the moment unaware of how much the construction of the CACs would cost since they don't have any

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<sup>42</sup> The analysis will be available on PROGRES website ([www.progresprogram.org](http://www.progresprogram.org)) by the end of April 2011.

technical designs or Bills of Quantities (BoQs) (although for Bosilegrad extensive construction works are anticipated).

A two-phased grant approach is suggested, wherein the grant agreements with the municipalities, based on approximate amounts for creation of technical designs would be transferred to the municipal accounts as soon as possible. Once the design is finalised and after all necessary permits are obtained, the PROGRES Engineer will confirm technical viability which will trigger the release of the second grant tranche, for works and equipment.

The exception to such approach would be Crna Trava which received a grant from the Government Office for Sustainable Development of Insufficiently Developed Areas for technical design for a complete reconstruction of almost dilapidated municipal building and that design would incorporate CAC. In order to ensure that all functional aspects of the CAC are observed, PROGRES engineer is going to actively participate in the creation of the design and BoQ.

The municipality of Zitoradja, which was originally considered for support as it did not have a CAC, will establish their centre through the Exchange3 project, in cooperation with the municipality of Odense in Denmark. During a recent presentation in the municipality, it was indicated that PROGRES may be approached for some additional support.

Regarding possible upgrades in the existing CACs, letters were sent to Mayors to inform them that the decision will be made later this year.

### *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*

Several meetings were held with the Director of Business Incubator Centre (BIC) in Prokuplje, during January and February, in order to get basic insight into functioning of BIC. It was ascertained that:

- BIC is placed in a building which has dual ownership: 51% municipal and 49% private
- After four years the first tenants of BIC are still there (usually period is up to three)
- BIC has large electricity and other communal services debts (couple of million dinars)
- In order to survive, BIC acts as a consultancy and other services provider, not focusing on its own tenants

Regarding the Free Zone South in Prokuplje the situation is similar:

- The land planned for the zone is partially owned by the municipality and partially by a private proprietor. According to the BIC Prokuplje Director, the ownership rights for the remaining part of the land are being discussed
- Existing industrial zone is in the Spatial plan of Prokuplje but no additional planning or technical documentation is available
- Organizational model of the Zone and needed infrastructure works are not yet defined

The BIC in Vranje has also approached PROGRES with a semi-formal proposal requesting support in either transformation or expansion of its services. Detailed assessment is planned for April.

During March contacts were established with NALED regarding Certification of Business Friendly Municipalities project that they are implementing in four PROGRES municipalities: Prokuplje, Nova Varos, Medvedja and Vlasotince. It was agreed that PROGRES will support NALED in preparation of assessment of municipalities that should also result in an action plan. Once available, NALED will share it with PROGRES for consideration of further technical assistance to municipalities. Cooperation with NALED is also possible in reducing of administration procedures, applying NALED's Grey Book of Procedures that have negative impact on business environment in municipality. The PROGRES Programme Manager has also attended the final closing conference of the "Regulatory reform and administrative guillotine" project implemented by the International Finance Corporation (IFC). During

The Programme is funded by the European Union, the Government of Switzerland and the Government of Serbia and it is implemented by the UNOPS, in partnership with 25 municipalities of the South and South West Serbia.

the event, potential implementation of regulatory reform in some of the PROGRES municipalities was discussed.

In parallel, there is coordination with the Ministry of Economy and Regional Development (MoERD) regarding their ongoing call for proposals for new clusters, and PROGRES will aim to support clusters from the South and South-West Serbia once it is clear which ones will be funded.

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

No activities to report in this period. The development of criteria for OSS selection and establishment is planned for Q2.

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

Consultative meetings with MSP IPA 2007 were held as this project is supporting Vranje and Novi Pazar to improve tax collection. In addition, contact was established with the GiZ project which is supporting improvement of tax administration and tax collection on local level. Furthermore, there have been initial discussions with the National Employment Services (NES) about possible training of unemployed persons to perform the collection of data for the tax-payers database in several municipalities.

During April, PROGRES will develop Terms of Reference (ToR) for a consultancy that would work on designing programme's approach to common IT Centres.

Finally, a visit from the PROGRES AoR to the first common IT centre for local administration in Uzice, established for this city and the municipalities of Arilje and Pozega, has been agreed for May 2011 with the MSP programme in Kraljevo (who supported this centre), and SCTM.

### *2.5 Support LSG to strengthen financial management capacity*

During intensive consultations with the MSP IPA 2007 project and the Standing Conference of Towns and Municipalities (SCTM) it was learned that their Programme budgeting methodology will most probably be finished by the end of April. It then needs to be adopted by the Ministry of Finance when it can be further disseminated to municipalities. In order to continue with the programme budgeting activity in PROGRES municipalities we should observe this process and stay in close contact with MSP IPA 2007 and the SCTM to avoid confusion, overlaps and different approaches.

Should the methodology be substantively late, there are two ways to move forward:

1. Formation of a small inter-municipal working group consisting of Heads of Finance departments from at least 5 municipalities from the PROGRES area.
2. Organization of seminars/workshops/trainings for budget users (municipal institutions, PUCs, education facilities and similar) that would be conducted in line with the regular annual budget cycle. Concrete outputs would be first programme budgets for 2012 in at least five-eight PROGRES municipalities adopted by the end of the year. This approach would require intensive use of consultants both for the events and for on-the-job consulting.

### *2.6 Introduce Quality Management System in Municipal Administration*

Terms of Reference (ToR) for the first phase of the Quality Management System (QMS) introduction and selection of five municipalities for later implementation and certification was drafted and advertised during March. The deadline for submission of offers was 31 March by when PROGRES received seven offers. The opening and evaluation of the offers is scheduled for the first half of April.

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

**Key outputs:**

- ▣ *Four grant contracts were signed with municipalities for preparation of general regulation plans*
- ▣ *PSC approved funding of eight detailed regulation plans for six municipalities*

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

Priboj, Prijepolje, Nova Varos and Bujanovac received contracts for general regulation plans at the end of February and appointed their project teams immediately, a first step in the grant implementation action plan<sup>43</sup>. In parallel, during an open recruitment process, a consultant for urban planning was selected with an aim to support monitoring and implementation of awarded grants.

Nova Varos has already transferred its contribution of 7,733 Euro to the sub-account opened for PROGRES grants. This allows for immediate start of the public procurement process.

Prijepolje has submitted an official request to change the grant implementation methodology and to start the public procurement process despite the fact that they have not secured their co-funding due to frozen municipal accounts. The PSC has been informed about the issues in municipality.

So far, nil problems have been reported in Priboj and Bujanovac

The PROGRES Steering Committee (PSC) approved in February preparation of another eight planning documents - detailed regulation plans, for six municipalities - Blace, Vladicin Han, Vlasotince, Tutin, Raska and Sjenica. These are being finalised and prepared for final approval and UNOPS grant contract signature in April.

The City of Leskovac is interested to apply the infrastructure master planning methodology, one of the projects developed by the PROGRES predecessor - PRO2. Previously Vranje and Bujanovac have expressed the same interest. Although the implementation of this sub-activity is foreseen by the PROGRES Programme Work Plan for Q4 of 2011, these initiatives are showing that the LSGs are aware of benefits from the infrastructure master planning and an earlier pre-selection of municipalities may be needed.

**3.2** *Assistance to municipalities to establish effective and sustainable mechanisms for implementing their development strategies, and reporting on progress to the municipal assemblies.*

After initial signals that Blace may request PROGRES support for finalization of their local sustainable development strategy (LSDS), it was learned that the municipal assembly has adopted the LSDS for the period 2011-2020<sup>44</sup> in the meantime and that no support will be required.

There has been initial coordination with the PBILD programme which is looking to establish monitoring mechanisms in almost all municipalities of the South Serbia. This will mean that PROGRES activities will most probably focus on the South West Serbia and Toplica. Already, a formal request had been received from Prokuplje for the review of their Strategy.

The establishment of an effective and sustainable development strategies implementation monitoring mechanism should be done through an integrated process of development strategies and action plans revisions, and the request from Prokuplje has actually opened the door for a comprehensive approach that would be outsourced to an expert consultancy for which a ToR will be produced and advertised during the Q2.

<sup>43</sup> Presented at the first PSC meeting in Novi Pazar, in October 2010

<sup>44</sup> Blace municipality (2010) *Sustainable Development – Municipality of Blace* [Online]. Available on: <http://www.blace.org.rs/index.php/blace-info/230-odrivni-razvoj-optina-blace> (Accessed on 25 February 2011)

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.*

These activities will be agreed with donors in the H2 2011.

### **Component 3: Physical, economic and social infrastructure**

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

#### **Key outputs:**

- ✚ *PSC approved up to 200,000 Euro for the Banjica Landfill redesign, up to 75,000 Euro for recycling yards technical design and up to 25,000 Euro for the Lim River protection project*
- ✚ *Cooperation established with the Office for Sustainable Development of Insufficiently Developed Areas which could support some PROGRES municipalities in preparation of technical documentation for projects*

#### **Long term outcomes:**

- ✚ *Existence of technical documentation will improve capacity of the municipalities to attract investment*

#### **Activities:**

4.1 *Support to prepare documentation for inter-municipal economic and/or environmental and/or social infrastructure projects*

Developments have been made in regards two initiatives under this activity: the regional Landfill Banjica and Kopaonik water supply and waste water treatment. There have been no changes to previously reported situation in regards the Vranje Landfill.

#### **Banjica Landfill, as integrative waste management solution in Nova Varos, Priboj, Prijepolje and Sjenica, including Lim River protection:**

1. After a desk analysis by geologist, hydro geologist and a civil engineer, analysis of the Banjica Landfill design and proposal for Terms of Reference (ToR) was submitted to the Ministry of Environment and Spatial Planning (MoESP), which gave a go-ahead for this project to be presented to the PROGRES Programme Steering Committee (PSC). The estimate of the cost of redesign is around 240,000 EUR, over 3-6 months and the PSC approved PROGRES contribution of up to 200,000 EUR for it.
2. The four municipalities are in the process of naming the members of the iPUC managing board.
3. In the meantime, PROGRES has advertised three positions: for legal<sup>45</sup>, economic<sup>46</sup> and technical<sup>47</sup> consultants who will support forming and capacitating of the iPUC.
4. In a meeting of MoESP officials/PROGRES and municipalities, it has been agreed that LSGs may consider other emerging possibilities for waste solutions.
5. During March, PROGRES PM met the mayors of four municipalities involved in Banjica landfill project and received assurance that municipalities will meet the obligations stipulated by the contract on iPUC.

<sup>45</sup> To prepare the statute, systematization of work posts, rules of procedures and other rules as required by the Serbian legislation.

<sup>46</sup> To support municipalities in preparing business plan, defining: corporate activities of the iPUC, planning and implementation of regional and local waste management plans, organisational structure of iPUC needed for efficient and effective functioning, three year financial support

<sup>47</sup> To develop the full ToR for the redesign of the Banjica Landfill Main Technical Design and revise and approve redesigned set of technical documents

6. Sjenica has submitted its application to Eco Fund for a transfer station, which will be taken in consideration as a part of integrative solution for solid waste management in four municipalities.
7. In January MSP 2007 started with support to municipalities Prijepolje, Priboj, Nova Varos and Sjenica in preparation of Regional Waste Management Plan. PROGRES is closely cooperating with this programme, as this Plan is directly connected with development of the regional landfill Banjica.
8. A MoU between PROGRES, MoEMSP and municipalities, that will define relations and obligations of stakeholders for the Banjica Landfill and the recycling yards, is being reviewed by the Ministry's legal department.
9. Proposal for integrated solution for the protection of the **Lim River** was adopted by the PSC in February 2011<sup>48</sup>.

### **Kopaonik Water Supply and Waste Water Treatment**

#### ***Water supply system***

The Ministry of Economy and Regional Development, through Serbia Waters will reconstruct the existing Water Supply System on Kopaonik, due to urgency of the situation and frequent water shortages in the resort. Estimated value of the reconstruction is 1,85 million EUR. This measure, will not, however, permanently solve problems of the water supply on the Kopaonik. The permanent solution for water supply will include a new system on both sides of Kopaonik (Raska and Brus). For this project General Design exists and the MoERD and PROGRES are looking for possibility of joint action in preparation of Preliminary Design.

#### ***Waste water treatment***

Regarding Raska waste water treatment, the general design is being revised by the MoESP, and the next steps will include development of preliminary and main designs. As MoERD has sufficient funds for water supply system but not for the waste water treatment plant, PROGRES' potential involvement in these two projects will be considered. In the meantime consultations have been held with MISP and Safage which have complementary activities.

#### *4.2 Selected municipalities supported to prepare documentation for municipal economic, environmental and social infrastructure projects*

The PSC approved up to 75,000 Euro for technical designs for the recycling yards for Nova Varos, Raska and Vranje. Grant agreements should be signed during April.

Raska has submitted its application for construction of recycling yard to Eco Fund. Since Raska is a small municipality and location for recycling yard satisfies all necessary criteria, the assistant MoESP Minister proposed that Raska should be our first common project regarding recycling yards, with the idea that PROGRES supports preparation of technical documentation (main technical design), which could then become a typical design for all small recycling yards in Serbia. This will be followed by the Ministry's support for construction of the yard. Raska is a priority for the MoESP as the regional landfill is still not envisaged and Kopaonik, as a tourist centre, is a big producer of waste, especially the one that can be recycled.

The Faculty of Technology from Belgrade is working on the main design for a typical recycling yard for settlements of up to 50,000 inhabitants, which will be ready in April and published on the MoEMSP website. These designs will be adjustable to specific town locations and e.g. the ToR for Vranje recycling yard will be based on it.

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<sup>48</sup> Please see minutes of the Second Steering Committee held in February 2011 in Prokuplje

The MoERD announced at the second PSC meeting that they will financially assist municipalities in preparing technical documentation during 2011. PROGRES will intensify talks with all municipalities and help them prioritise projects from SLAP data base that can be co-funded with this Ministry.

The Office for Sustainable Development of Insufficiently Developed Areas also supports municipalities in preparation of technical documentation for infrastructure (with a budget of 1,5 million EUR) and can assist them in implementation of some fully developed projects. Possible areas of joint funding are development of technical documentation for industrial zone in Tutin, agro business support centre in Sjenica and an Educational Centre in Novi Pazar. In a meeting with the Office representatives, it was agreed that:

- PROGRES will perform analysis of needs for technical documentation within its AoR, by 13 April and share the results with the Office
- The Office will advertise the second call for support in preparation of technical documentation by the end of April with attention to projects coming from PROGRES AoR
- Based on the results of the call for proposals, trilateral meeting will be organized between PROGRES, the Office and MoERD to select the projects of common interest to be co financed by all three parties
- PROGRES is looking to formalise this cooperation by proposing signing of a MoU on support to municipalities with the MoERD and the Office.

PROGRES is also assisting Novi Pazar in the design of its Development Action Plan 2011-2012, in synergy with MSP IPA 2007, which will identify key local development projects. PROGRES will provide expert support for the design of technical documentation.

Finally, Leskovac is working on development of a Green Zone project which is perceived as a great opportunity for funding as it covers all Jablanica and Pcinja municipalities. Discussions about this initiative will be intensified at the beginning of April.

**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*

This activity is planned for H1 2011.

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

**Key outputs:**

-  *Eight projects received, two from each Toplica municipality, for the activity 6.1*
-  *27 proposals, from 24 municipalities received at the end of the first call for small infrastructure projects*
-  *Additional 600,000 EUR from an unexpended EU IPA budget line were added to the overall PROGRES budget for implementation of infrastructure projects in Jablanica and Pcinja Districts*

**Activities:**

*6.1 Implementation of small municipal infrastructure projects in Blace, Kursumlija, Prokuplje and Zitoradja municipalities*

Despite the vicinity of all Toplica municipalities to PROGRES Prokuplje office, and frequent visits by the Programme team and consultants with an aim to encourage submission of ready infrastructure projects,

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the process has been slow. Yet, following the second Steering Committee (PSC) meeting in early February, and the observation of the PSC Chairman about the limited availability of project funding<sup>49</sup>, there has been improved dynamics in the process.

In March, eight infrastructure projects from Toplica<sup>50</sup> were received and are ready for consideration at the third PSC on 19 April, 2011.

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

The first call for small scale municipal infrastructure projects (CfP) was closed on 28 February 2011, and PROGRES received 27 applications from 24 municipalities<sup>51</sup>. The internal evaluation committee was formed at the beginning of March and received full instructions on criteria for the assessment. All 27 proposals passed the first, administrative and conceptual, check. Most projects are related to reconstruction of existing infrastructure facilities without a single project aiming to create new economic opportunities. The review of technical designs and supporting documents and the evaluation of full applications will be conducted in early April. In addition, all concept notes were sent to Swiss good governance experts.

Several points should be reported about this process. During the call, PROGRES engineers paid regular visits to municipalities in order to ensure that the projects planned for submission are in full accordance with the technical requirements of the CfP. In addition, a pool of three consultants was available to work with municipalities and support them in preparing applications. No visits were paid to Kursumlija (due to political problems at the time of the Call), Priboj (who did not produce a draft proposal that the consultant could work on, in agreed timeframe) and Leskovac and Medvedja, who did not request assistance. During the consultants' visits, e.g. in January, it was ascertained that only Zitoradja started to prepare its proposal.

Above others, the consultants highlighted these challenges in municipalities:

- Absence of project pipelines
- Projects did not derive from the local development strategies
- Low knowledge of project preparation and the project cycle management and lack of sufficient number of qualified staff.

However, it is assumed that the lack of projects with technical documentation is the key reason for absence of proposals which would develop new infrastructure. PROGRES will perform a thorough analysis of this structural issues, which would incorporate an assessment of the Law on Planning and Construction, current situation and issues within municipal cadastres, current situation in municipal planning directorates and status of planning documentation, ownership issues on municipal level, which will be presented as a study on construction obstacles and possible solutions.

For those reasons, it is difficult to expect PROGRES municipalities will have "off the shelf" infrastructure project proposals that were selected by applying higher principles of good governance such as citizen participation and transparency.

On a more positive note, it is worth mentioning that the investments during the PROGRES predecessor programme in the South West Serbia – PRO, and the MIR programme in the South Serbia – are showing. Consultants remarked that municipalities: Prijepolje, Nova Varos, Ivanjica, Bujanovac, Vladicin Han, Medvedja and Vranje use project cycle management tools to a very high standard

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<sup>49</sup> Reference: minutes from the Second PSC, held in Prokuplje on 9 February, introductory speech by the Chairman, Ognjen Miric

<sup>50</sup> Two from each municipality.

<sup>51</sup> All but Kursumlija have applied for this Call. Please see Annex VI ó 6.1 for the list of received projects

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

This activity is planned in the H1 2011.

### 6.4 Implementation of municipal infrastructure projects in Pcinjski and Jablanicki District municipalities

A total of 600,000 EUR has been added to the PROGRES budget from an unexpended European Union IPA budget line, for implementation of municipal infrastructure projects in Pcinjski and Jablanicki Districts. Details of activities will be agreed with the donors and the Programme Steering Committee members in the next quarter.

## 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

### Key outputs:

- ✚ 12 high school students received prizes for successful contribution to PROGRES 2011 Calendar
- ✚ Second Steering Committee held in Prokuplje, gathering 10 Mayors and numerous stakeholders
- ✚ PROGRES team involved in organisation of two ambassadorial visits to the South West in March
- ✚ Almost 2800 unique visitors to PROGRES website, a quadruple increase from PRO in the same period
- ✚ The first edition of quarterly e-Newsletter developed and fine-tuned by PROGRES team

### Key outcomes:

- ✚ PROGRES Calendar award ceremony gathered youth from different ethnic communities thus contributing to changing negative perceptions and stereotypes, an important step to building a more stable future
- ✚ Programme Steering Committee meetings continue to be sound channel for communicating achievements by gathering the most relevant stakeholders and media attention
- ✚ Ambassadorial visits generated publicity for PROGRES but should also contribute to more constructive engagement of both local and national stakeholders on development, establishment of BNMC and political interaction which is direct contribution to overall PROGRES objective – development and stability
- ✚ The newsletter will facilitate coordination among stakeholders, and promote the South and South West and work of PROGRES partners, in a simple and creative fashion

### Activities:

#### 7.1 Communicate Achievements of Governance, Municipal Management, Development Planning, and Infrastructure Components

Twelve students, whose drawings were published in PROGRES 2011 Calendar following an **art competition** about gender and social inclusion, received awards in a ceremony organised in Prokuplje, on 2 February, in the presence of the Swiss Ambassador and the Prokuplje Mayor. Three lap top computers were awarded to three best illustrators from Presevo and Prijepolje Gymnasia, and Nova Varos Technical School, while nine other contestants were presented with photo cameras. A small exhibition organised at the ceremony displayed around 60 best drawings from pupils who took part in the contest. This competition proves to be very useful for cultivation of PROGRES relationship with the local community, especially youth. It also provides useful room for PROGRES to put across some key messages – on this occasion about social inclusion and gender equality, both important ‘ingredients’ of good governance.

The special value of the competition this year was that this small initiative connected youngsters from different ethnic communities – Serbian, Albanian, and Bosniak, thus contributing to changing some negative perceptions and stereotypes about each others. These changes are important for building a more stable future, which is PROGRES' overall objective.

The **second Steering Committee** was successfully staged on 9 February, also in Prokuplje. The event gathered about 60 participants, 18 out of 25 PROGRES municipalities, including 10 Mayors. The Delegation of the European Union was represented with the Deputy Head, the Swiss Government by the Director for Serbia of the Swiss Agency for Development and Cooperation, while the USAID Mission Director and representatives of the UN Office of the Resident Coordinator and UNDP also participated in the meeting. Decisions taken during the Committee meeting attracted significant media interest, both in local and national outlets. In short, the work of the PSC continues to draw attention of development stakeholders and provides sound channel to PROGRES to communicate its achievements.

In March, **two ambassadorial visits** to the **South West Serbia** were organised. The first, gathering the Swiss, OSCE and Belgium Ambassadors, the Deputy Head of the Delegation of the European Union, and the Director of the Swiss Agency for Development and Cooperation in Serbia, who visited Novi Pazar on 16 and 17 March. PROGRES and OSCE organised the programme which included meetings with officials, civil society organisations, media and youth, and visits to the State and International University. The central part of the visit was the contract handover ceremony with CIF grantees.

The key messages of the visit were that the international community (IC) is committed to assisting the area and supports the establishment of the Bosniak National Minority Council (BNMC). The handover of CIF grant contracts reaffirmed in practical terms the expressed commitment of the IC. The visit generated a lot of publicity for PROGRES.

The second visit occurred at the end of March, gathering the OSCE, Austrian and Dutch Ambassadors and the UN Resident Coordinator, who had a similar meeting agenda to the first mission. In their meetings in Tutin and Novi Pazar the main message was that the stability was a precondition for development. These two visits generated publicity for PROGRES but essentially should contribute to a more constructive engagement of both local and national stakeholders on development, establishment of BNMC and political interaction which is direct contribution to overall PROGRES objective – development and stability.

PROGRES **website** was visited by 2791 unique visitors in the first quarter of 2011. The largest number of visits - 1245, was noted in March, a sign of a positive trend regarding the popularity. This is a good start, having in mind the site will be fully operational as of April and the Programme activities are about to accelerate. Compared to one of PROGRES predecessor programmes - PRO, this is almost quadruple raise in interest as the former website has been visited by 711 individual visitors during January - March 2010. Fine-tuning of website is ongoing and the Frequently Asked Questions (FAQs) section has been finalised, there have been visual improvements and few conceptual changes, and the two blogs were published: the first from Zibija Sarenkagic, from the NGO "DamaD" on gender equality and the second by the Mayor of Leskovac on public administration reforms. **Website address is [www.progresprogram.org](http://www.progresprogram.org).**

The first edition of **PROGRES quarterly e-newsletter** has been developed and circulated for comments internally. This tool should help PROGRES to present its activities and achievements as well as to facilitate coordination between relevant stakeholders. It will be one of key ways in endeavours to reach out to ministries, international organisations and civil society. The aim is to inform about PROGRES, facilitate coordination among stakeholders, and promote the South and South West and work of PROGRES partners, in a simple and creative fashion.

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Six shows within the Radio Sto Plus project “Acting Globally, Thinking Locally” were produced in Q1 2011. The highlight of March was a show with remote rural community – Radio Sto Plus learned about their problems and facilitated dialogue between the Novi Pazar City officials and village representatives. Within efforts to develop partnership projects with media, comments have been provided on the project proposal of Sandžak Danas promoting good governance.

The **PROGRES Communications Manual** has been drafted and the document will be finalised in the second half of April. This will become a tool presenting directions and simple learning for PROGRES team. The general staff meeting at the end of March provided a forum for discussion about communications and the feedback received will help final shaping of the Manual.

PROGRES maps, business cards for newly recruited staff, and folders were produced during this reporting period, while production of another set of **promotional materials** is ongoing. Although proper analysis have not been done yet, most of the vendors for printing and production of promotional material come from Prokuplje, Vranje and Novi Pazar. This is small but still a boost to local economy.

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

In depth discussions with the leading civil society organizations and selected municipal representatives across Programme area were conducted during this period to facilitate identification of PROGRES campaign theme for 2011. It was confirmed that the major problem in all municipalities is unemployment, but at the same time the stakeholders agreed that a campaign would not generate new jobs. The interlocutors agreed on six common social issues, which could be outlined as possible area for campaign:

- promotion of good governance - focus on promotion of citizens’ rights/grassroots dialogue
- environment
- supporting youth
- promotion of assets of South and South West municipalities and encouraging citizens’ activism
- bringing EU closer to citizens
- non-discrimination

Taking into consideration these findings, and the results of the first Citizens’ Satisfaction Survey, the Programme team will make a decision about recommending the topic for the 2011 campaign, by mid April and propose to the Steering Committee the one that would be most relevant to PROGRES intervention, making sure that the right combination of main and campaign sub-themes facilitate multi impact.

The whole consultative process was in full accordance with the concept to treat good governance as a cross cutting principle as efforts were put to ensure participation of citizens.

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

## **Activities**

### *8.1 Design of plans and implementation of projects for image building in partnerships with relevant organizations*

Delays in implementation of this activity occurred due to inability to timely recruit on call area branding consultant, as two advertisements resulted in applications from inappropriately experienced and educated candidates. As a remedial action, PROGRES directly contracted, for a short period of time, a professor from the Belgrade University Economic Faculty who has conducted a simple review of existing national, regional and local strategies relevant for area branding. In addition, she and the Component

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Managers have met with selected stakeholders in the South and South West (such as development agencies and tourism organisations) to get a strong insight into local branding perspectives. This will enable PROGRES to finalise branding guidelines by mid April 2011.

## 5 Work plan for Q2 2011

The work plan for the next quarter, covering April-June 2011, is attached in Annex VII of this report.

## 6 Management and administration

The quiet January was used by the Operations team to have a retreat, during which a functional analysis of the team performance was conducted. The key conclusions were that additional staff were needed to implement the project and that a training on financial issues/grant administration/procurement will be held for the entire Programme team.

PROGRES logistically supported two visits from the UNOPS Headquarters: Europe and Middle East Regional Office (EMO) Director in February and her deputy in March. It seems that the UNOPS' registration with the Ministry of Foreign Affairs (MoFA) will be finalised soon. The most important outcomes, however, is that the delegation of authorities for PROGRES staff has changed: the Programme Manager will be given the Level 1 on Engagement Acceptance which means he can sign for grants up to USD 100,000; the Operations Manager will be awarded Level 2 on finance which will allow him verification of both RSD and treasury payments in EUR & USD, while the Procurement and HR Assistant will be recommended for Procurement Advisor role.

Another positive step is that the PROGRES will report directly to EMO, which should speed up some of the procedures.

PROGRES Senior Management Team held a meeting on 21 and 22 March 2011 – with agreement on Travel protocol and a number of operational decisions that will be used to enhance the efficiency and effectiveness of the work of the entire Programme. This was followed by a general staff meeting on 31 March and 1 April 2011, to communicate decisions, but also to provide short trainings in communications, procurement, HR, finance, good governance as a cross cutting issue and security.

### 6.1 Procurement

Following Programme Steering Committee (PSC) approval of 40 Citizens' Involvement Fund (CIF) projects, all grants have been signed while grantees underwent training on administrative and operational implementation of projects. Additionally, four grants for general regulation plans (GRP) were approved and signed. One of the GRP grantees, Prijepolje municipality, requested modification of Grant Methodology to enable it to enter into procurement before paying its contribution.

Successful procurement of video surveillance equipment/fire alarms and lights as well as purchase of CASCO insurance policies for PROGRES vehicles, during the reporting period, enable work in a safer environment.

Four other tenders have been advertised: one new vehicle, works on metal fencing and reconstruction of Vranje office (two separate tenders) as well as provision of training for the local government representatives for introduction of Quality Management System (QMS) and Environment Management System (EMS).

Asset/inventory review was done and submitted to the UNOPS headquarters.

## 6.2 Human resources

During the reporting period 22 new contracts were issued or extended<sup>52</sup>:

1. Programme Coordinator – Evgjenije Islami<sup>53</sup>
2. Office Cleaner for Vranje office – Sanja Janjic & Suncica Stankovic
3. Communications Assistant – Dejan Drobnjak
4. On-call Driver Belgrade – Goran Kovinic & Veljko Popovic
5. National Consultant for Urban Planning – Marin Kresic
6. Programme Coordinator for Vranje, Bujanovac, Presevo and Trgoviste – Ivana Todorovic
7. Programme Coordinator for Leskovac, Vlasotince and Crna Trava – Bojan Marcic
8. On-call Translators – Ljubica Gavanski, Ivana Karadzic, Dragica Todorovic, Duska Tomanovic
9. Area Branding Consultant – Sanja Mitic
10. On-call Photographers – Samir Delic, Srdjan Ilic, Marija Jankovic
11. National Consultant for Development of Project Fiches – Aleksandar Jovanovic & Viktor Veljovic
12. Programme Coordinator for Blace, Zitoradja, Prokuplje and Kursumlija – Predrag Cvetkovic & Aleksandra Radivojevic<sup>54</sup>
13. On-call Drivers Prokuplje – Oliver Mihajlovic & Sasa Djenic
14. Component Manager for Municipal Management and Development Planning – Dobrivoje Stancic
15. Procurement/HR Assistant – Bozidar Radivojevic
16. Programme Coordinator for Bosilegrad, Vladicin Han and Surdulica – Boris Zlatanov
17. Civil Engineer for South Serbia – Ivan Mladenovic
18. Office Administrative Assistant for Novi Pazar – Edin Basic
19. Programme Coordinator for Priboj, Prijepolje and Nova Varos – Slobodan Derikonjic
20. Programme Coordinator for Novi Pazar, Tutin and Sjenica – Samid Sarenkagic
21. Programme Coordinator for Ivanjica and Raska – Danica Pavlovic
22. Finance/Admin Assistant – Ivan Rados & Emina Jonuz

The additional funding awarded by the DEU for infrastructure projects, the need to seriously approach the transversal topic of good governance within PROGRES, as well as commitment to support enhancing of inter-ethnic relations in the South Serbia have put on additional pressure on the Programme and the number of coordinators has been increased by two, which should enable smooth implementation of Programme at the current level of activities.

Seven other posts have been advertised during March 2011, which will bring PROGRES to being fully operationally staffed.

It is worth mentioning that the newly recruited coordinator for Vranje, Bujanovac, Presevo and Trgoviste – Ivana Todorovic – was released for two days from work in March, despite the demands on Programme at the time, to support a two-day session of Training of Trainers within the conflict mediation training component of the PBILD, thus assisting the sister UN project to finalise activities within that part of project.

<sup>52</sup> Contracts 15, 18, 19, 22 (Emina Jonuz) were extended

<sup>53</sup> Due to the intense workload of the Coordinator for Vranje, Presevo, Bujanovac and Trgoviste and the ongoing need to enhance the relations between the Serbian and Albanian communities in the South Serbia, it has been decided to give a six month contract to Ms Evgjenije Islami, who has extensive experience in working in developmental projects, good understanding of political/socio/economic conditions and is a fluent speaker of Serbian and English, with Albanian being her mother tongue.

<sup>54</sup> Due to Aleksandra's maternity leave, Predrag Cvetkovic was engaged from the roster and given an initial six-month contract until June 2011. It is most likely that this contract will be extended, for the reasons outlined in the chapter 6.2

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### 6.3 Finance

In January, the year-end closing of accounts was finished successfully.

The Addendum 1 of DEU contract was approved and signed and PROGRES received a copy from the headquarters, in March 2011.

The Regional Finance Management Office has approved establishing of Petty Cash for 2011, with PROGRES Finance Assistant as Custodian.

Budget monitoring spreadsheets are being finalised for each component to allow monitoring of expenditure, but also fluctuations of the exchange rate.

Another two members of staff received Atlas user rights which will improve efficiency of the Operations team.

### 6.4 Security

There were no major security concerns related to PROGRES personnel in the Q1 2011, although two minor incidents (bomb threats) were reported in Prijepolje<sup>55</sup> and Kursumlija<sup>56</sup>.

PROGRES participated in a one day United Nations Country Team security simulation exercise on 22 January, 2011 which completed successfully. Finalisation of PROGRES' security plans in the coming period will also bring about appointment of the area security coordinators and security focal points. PROGRES Programme Manager will be a member of the Security Management Team for Serbia as an observer, and Alternate Security Coordinator for Central Serbia.

Minimum Security Operating (Residential) Standards, MOS(R)S requirements were adopted by the UN Agencies and PROGRES' offices work towards meeting the standards is almost complete: Novi Pazar is fully compliant, in both Prokuplje and Vranje CCTV and alarm system were installed, while the only outstanding task is Vranje's office outer perimeter fence, which has been tendered.

Finally, during two-day staff meeting at the end of March, all staff participated in a training session on security conducted by the UN Serbia Security Advisor, which resulted in higher level of security consciousness.

### 6.5 Logistics / travel

The new Travel Protocol was discussed and presented to staff, with an idea to contribute to savings on travel. Regarding travel safety, the UNOPS uses United Nations Department of Safety and Security (DSS) system called Travel Request Information Processing (TRIP), which allows all personnel eligible under UN security arrangements to process clearances online. The use of TRIP is of utmost importance as it allows tracking of all personnel's movements.

Also related to safety of travel was the obtaining of CASCO insurance policies for all vehicles.

### 6.6 ICT

Two tenders are envisaged in the next quarter, one for hardware, the other for software, and once finalised, this will bring the IT budget to its limit. The current situation is the result of the need to engage higher number of staff from the local experts' budget line than planned due to intensive workload.

<sup>55</sup> Radio Sto plus (2011) *False alarm about bomb on the Prijepolje Railway Station* [Online] Available at: [http://www.radiostoplus.com/index.php?option=com\\_content&view=article&id=7149:lana-dojava-o-bombi-na-stanici-u-prijepolju&catid=35:utorak&Itemid=70](http://www.radiostoplus.com/index.php?option=com_content&view=article&id=7149:lana-dojava-o-bombi-na-stanici-u-prijepolju&catid=35:utorak&Itemid=70) (Accessed on 20 January 2011)

<sup>56</sup> Blic (2011) *Kursumlija Assembly evacuated due to a bomb alert* [Online] Available at: <http://www.blic.rs/Vesti/Hronika/229956/Evakuisana-Skupstina-opstine-Kursumlija-zbog-dojave-o-bombi> (Accessed on 20 January 2011)

## 7 Visibility

In January, the presentation of findings of the Citizens Satisfaction Survey that was conducted by CeSID, both in Leskovac and Novi Pazar, resulted in some 40 media reports. Leading national newspapers, such as Blic, Politika and Danas brought mainly negative headlines (e.g. “Skinny 2 for Local Authorities”) but also provided factual information and more positive aspects of the research, outlining that the local self governments are a better part of Serbia’s public administration. The Radio Television of Serbia (RTS) and Fonet news agency reported from the presentations as well. Local media in the South and South West Serbia mainly pointed out to weaknesses in the work of municipalities but also passed on positive messages from CeSID and PROGRES, such as the ones underlining that all parts of society need to engage to improve the situation and that the local administrations would use the research as guidelines to move things forward.

During February, several publicity events generated more than 60 reports. Those were: the award ceremony for the art competition, Steering Committee meeting in Prokuplje and its decision to approve 40 CIF projects for funding, and good governance seminars conducted by the Swiss experts.

The CIF signing ceremonies in Novi Pazar and Leskovac resulted in around 20 media reports in March. In addition, the separate visits of Swiss Ambassador and the Deputy Head of Delegation of the European Union (DEU) and the United Nations Resident Coordinator (UNRC) who all reiterated PROGRES developmental agenda, were a publicity opportunity for the Programme. Finally, the PROGRES Manager gave an interview to TV Zona (which covers Nis area, most of Toplica and part of Jablanica Districts). On the whole, there have been over 60 reports in the last month of this quarter, which is a continuation of an already successful pattern.

Annex I . CitizensqInvolvement Fund

Annex II . CitizensqSatisfaction Survey

Annex III . CitizensqAdvisory Services

Annex IV . Internal Evaluation Budgetary Hearings projects

Annex V . Gender Activities

Annex VI . Infrastructure First CfP

Annex VII . PROGRES Q2 2011 Work Plan