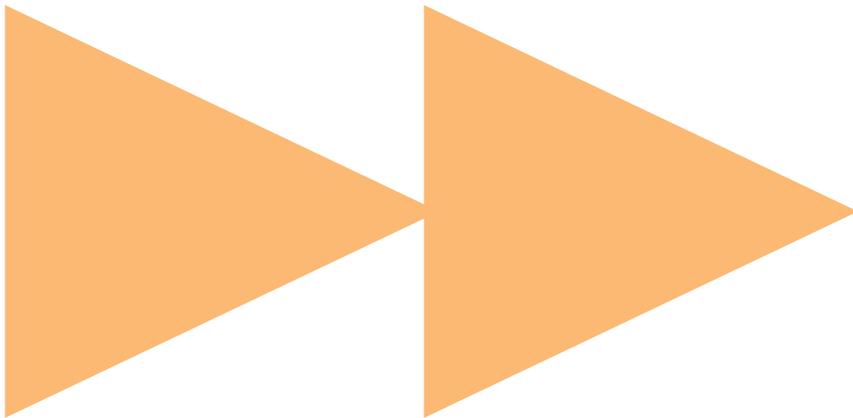




European Partnership with Municipalities Programme

# 1st Quarterly Report

1 October – 31 December, 2010



Programme Funded by EU



Schweizerische Eidgenossenschaft  
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Implementing Partner

# 1st Quarterly Report

1 October – 31 December, 2010

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## 1 Executive Summary

The first three months of Programme implementation have been full of bustle – on the one hand setting up the operational arrangements, and on the other kicking off some of the major Programme activities – the first calls for proposals for the Citizens Involvement Fund (budget: 400,000 Euro) and small infrastructure projects (budget: one million Euro), conduct of the Citizens Satisfaction Survey, municipal applications for support for development and urban planning documents, assessments of possible support to the Citizens Assistance Centres, as well as significant visibility events, including the first Programme Steering Committee meeting and the visit of the Ambassador of Switzerland to Novi Pazar. In addition, the presentations held at most municipal assemblies, before their vote to join European Partnership with Municipalities – PROGRES, were a great opportunity to further inform relevant stakeholders about Programme’s objectives and activities.

Along with the activities that were identified in the work plan, PROGRES donors, and the Steering Committee members, quickly reacted to the news of the earthquake that hit Kraljevo in November 2010 and allowed for deployment of three Programme engineers, for 12 days each (supported by the technical specialist, component managers as well as a staff engineer), to assess damage on 19 public buildings. Their reports, which include scope of work and costs for 11 buildings were handed over to the Mayor in a small ceremony at the end of December 2010.

With regard to the operations side of the Programme, 42 contracts (including consultants’) have been issued – after the successful recruitment process, while additional eight posts have been advertised (including six re-advertisements). This has put additional pressure on the whole Programme, as almost all members of staff had to take part in the process of shortlisting and interviewing the candidates.

The political developments in the South and South West Serbia have reconfirmed assumptions and risks from the Programme Document that the instability of the local self governments remains one of the main outside obstacles to its implementation. In the three months covered by this report, from October to December 2010, there has been a change of coalition in one fifth of the Programme municipalities. Economy remains weak, unemployment high and investments low. Out of 13 municipalities in the Jablanica and Pcinja districts only, nine are considered devastated.

This report is structured so that it provides the key information within the Programme and that concerning its implementation. The Section 1 – is a summary of objectives, purpose, results and beneficiaries, from the Programme document. The Section 2 gives an update on the political, economic and social developments in the Programme area and those that can affect the Programme performance. The Section 3 - details activities of the Programme from October to December 2010, while the Section 4 does so for the administration/operations part of the PROGRES. The last chapter, Section 5, offers an account of visibility efforts. A number of annexes give the readers opportunity to get in depth knowledge of some specific actions taken by the Programme.

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## 2 List of 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 and Democratic Elections
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
MoERD	Ministry of Economy & Regional Development
MoESP	Ministry of Environment and Spatial Planning
MoU	Memorandum of Understanding
NGO	Non-governmental organisation
NIP	The Ministry of 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

## 3 Intervention

### 3.1 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.*

### 3.2 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.*

### 3.3 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.

### 3.4 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.

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.

## 4 Updates on political, social and economic developments

### 4.1 Political

#### *Main developments*

Possibly the most important political development during the reporting period was the **establishment of the multi-ethnic local government in Bujanovac** granting the Serbian ethnic community six seats in the local coalition (Vice President of the Assembly, and membership on the Municipal Council), a move that should be a step forward in improving interethnic relations, political stability and economic prosperity<sup>1</sup>.

Several **new coalitions** were formed in 'PROGRES' municipalities. The most welcome one, in **Sjenica**, consisting of Sandzak Democratic Action (SDA) – 14 seats, the Sandzak Democratic Party (SDP) – eight seats, Liberal Democratic Party (LDP) – two seats, Democratic Party (DS) – two seats and the Socialist Party of Serbia (SPS) – one seat<sup>2</sup>. This is the fourth time since the 2008 election that the structure of the ruling majority has changed. In **Raska**, the Serbian Radical Party (SRS) Mayor Radenko Cvetic was dismissed, along with the Deputy President of the Assembly. The new coalition was formed by the SPS (Mayor and Deputy President of the Assembly), DS (Deputy Mayor) and LDP (President of the Assembly). In **Prijepolje**, there has been a change in the Assembly composition, since the Democratic Party of Serbia (DSS)-New Serbia (NS) caucus separated into two different caucuses - DSS and NS, with one NS councillor becoming independent. A small issue arose due to the fact that according to the new Assembly regulations, as far as the independent councillor is concerned, he is not eligible for separate timing for speech at the Assembly, without joining one of the existing caucuses. In **Presevo**, Skender Destani was dismissed from the position of the President of the Assembly and the new coalition was

<sup>1</sup> BalkanInsight (2010) "South Serbia's Bujanovac Gets First Multiethnic Government" [Online]. Available at: <http://www.balkaninsight.com/en/article/bujanovac-gets-multi-ethnic-government> (Accessed on 4 January 2011)

<sup>2</sup> Radio Sto plus (2010) "New Ruling Coalition Formed in Sjenica" [Online]. Available at: [http://www.radiostoplus.com/index.php?option=com\\_content&view=article&id=7029:u-sjenici-formirana-nova-vladajua-koalicija-&catid=37:cetvrtak&Itemid=70](http://www.radiostoplus.com/index.php?option=com_content&view=article&id=7029:u-sjenici-formirana-nova-vladajua-koalicija-&catid=37:cetvrtak&Itemid=70) (Accessed on 4 January 2011)

brokered: 14 councillors from the Democratic Party of Albanians (DPA/PDSH), four councillors from the Democratic Union of the Valley (DUV/BDL), two councillors from the Albanian National League (ANL/LKSH). The newly appointed President of the Assembly is Besim Avduli from DUV/BDL. Finally, the most complicated situation remains in **Kursumlija**, where, after the split in the ruling coalition, parallel assemblies and leaderships 'run' the municipality, one not recognising the other. One is made up of DSS, NS and the SRS and the other of the Socialists, Democrats and G17+. Both claim to have a 20 seat majority, although the local assembly has 37 seats<sup>3</sup>. At the end of 2010, both assemblies voted for their own budgets. The final decision on legality of current authority could be made in court.

Six months after the elections, **the Bosniak National Minority Council (BNMC)** has still not been formed and the Minister for Human and Minority Rights announced at the end of December that the new vote will be held in April 2011<sup>4</sup>. This is justified, according to the Minister, as the legally required deadline for the formation of the NMC has expired<sup>5</sup>. The Law on NMCs allows the Ministry to disband the National Council in four cases: if the session is not held for more than six months, if the President of the National Council has not been selected within 60 days of the Council constitution, if the President terminates the office, and if the statute is not drafted within the time set by Law. All three Bosniak lists voiced initial disagreement against new elections. The Organisation for Security and Cooperation in Europe (OSCE) offered assistance in organising new vote<sup>6</sup>. In parallel, the Minister without Portfolio, Sulejman Ugljanin called on the Minister Rasim Ljajic and the leader of the Islamic Community in Serbia, Mufti Muamer Zukorlic, to work towards uniting the Bosniaks in Serbia. This call echoed only with the Mufti who said this could be a move in the right direction, if it was honest.

### **South Serbia**

Mayor of Presevo Ragmi Mustafa, President of Bujanovac Assembly Jonuz Musliu and the Vice President of Presevo Assembly Orhan Rexhepi, attended the **promotion of 'Natural Albanian's list'** in Tirana<sup>7</sup> which was perceived by some as support for the formation of Greater Albania (to include Kosovo, parts of central Serbia, Montenegro, Macedonia and Greece).

**Third constitutional session of the National Minority Council of Albanians** was held in Bujanovac, where 24 councillors voted for the election of the executive body – president, vice-president and members, and committees foreseen by the Statute. This is a step further in efforts to make the NMC functional. Five young Albanians from Bujanovac and Presevo will start a six-month training programme

<sup>3</sup>B92 (2010) "Two budgets in Kursumlija municipality"[Online] Available at:

[http://www.b92.net/info/komentari.php?nav\\_id=482493](http://www.b92.net/info/komentari.php?nav_id=482493) (Accessed on 4 January 2011)

<sup>4</sup> Democratic Party (2010) "New Elections for the Bosnian National 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 4 January 2011)

<sup>5</sup> Radio Sto plus (2010) "The Ministry will repeat elections for the BNMC" [Online] Available at: [http://radiostoplus.com/index.php?option=com\\_content&view=article&id=6996%3Aministarstvo-ponavlja-izbore-za-nacionalni-savet-bonjaka&Itemid=63](http://radiostoplus.com/index.php?option=com_content&view=article&id=6996%3Aministarstvo-ponavlja-izbore-za-nacionalni-savet-bonjaka&Itemid=63) (Accessed on 4 January 2011)

<sup>6</sup> Radio Sto plus (2010) "OSCE offered support in the election process for BNMC" [Online] Available at: [http://www.radiostoplus.com/index.php?option=com\\_content&view=article&id=7014:oebs-nudi-pomo-u-izbornom-procesu-za-formiranje-bnv&catid=35:utorak&Itemid=70](http://www.radiostoplus.com/index.php?option=com_content&view=article&id=7014:oebs-nudi-pomo-u-izbornom-procesu-za-formiranje-bnv&catid=35:utorak&Itemid=70) (Accessed on 4 January 2011)

<sup>7</sup> BalkanInsight (2010) "Plans for Greater Albania by 2015, South Serbia Leader Says", Available at: <http://www.balkaninsight.com/en/article/greater-albania-to-be-formed-by-2013-south-serbia-leader-say> (Accessed on 4 January 2011)

at the Ministry of Human and Minority Rights and in the provincial administration in Novi Sad – in direct support of the work of the Council.

The Minister for Public Administration and Local Self Government Milan Markovic announced that branch of the **Economic Faculty** will be opened in **Bujanovac** in October 2011.

### **South West Serbia**

A **new political party** was formed – **Bosniak Democratic Community**, led by Mufti Zukorlic's brother-in-law Emir Elfic, who until recently held a position of the Assistant to the Novi Pazar Mayor<sup>8</sup>. This holds potential ramifications for the current local government coalition in Novi Pazar – Sandzak Democratic Party (SDP) and Unified Serbian List since the Mufti became an obvious political factor. On the other hand, increased cooperation between Sandzak Democratic Action (SDA) and SDP would be an alternative to Mufti's option.

The **President of Serbia, Boris Tadic visited Novi Pazar in November** and said that the state will do everything to improve the economic situation in the Sandzak region insisting that the highway toward Montenegro should go through Pester plateau. Mufti Zukorlic criticised<sup>9</sup> the President for failing to meet his representatives labelling this 'discriminatory behaviour'. He also used the opportunity to remind that there have been many promises that haven't brought anything and that the latest visit can be read along the same lines. This was supported partially within Bosniak community especially because many people saw this as an opportunity for issues of potential discrimination to be addressed from the highest level. The same people would see a meeting of the President and the Mufti as the step in the right direction.

**Ambassadors of nine countries and the Head of OSCE Mission to Serbia**, accompanied by the Minister of Economy and Regional Development, **visited Novi Pazar and Sjenica**, on 1 and 2 December to learn about economic situation. The Ambassadors announced continuation of support to Sandzak while the Minister pointed out to need for investments in order to open new jobs in the area<sup>10</sup>.

In **Novi Pazar**, the City administration announced **reduction of staff** from 400 to 360<sup>11</sup>.

**Raska** was granted two projects for 2011 from the Ministry of Labour and Social Affairs, worth over 7,5 million RSD<sup>12</sup> - *Day care for mentally challenged children* and *Home care for the elderly*. The success of those two applicants can partially be attributed to capacity building achieved through the Migration component of the PRO Programme.

<sup>8</sup> Blic (2010) "New party in Sandzak" [Online] Available at: <http://www.blic.rs/Vesti/Politika/225933/Nova-stranka-u-Sandzaku> (Accessed on 4 January 2011)

<sup>9</sup> Radio slobodna Evropa (2010) "Tadic Visits Novi Pazar", [Online] Available at: [http://www.slobodnaevropa.org/content/Tadic\\_u\\_poseti\\_Novom\\_Pazaru\\_/2227085.html](http://www.slobodnaevropa.org/content/Tadic_u_poseti_Novom_Pazaru_/2227085.html) (Accessed on 4 January 2011)

<sup>10</sup> Radio Television of Serbia (2010) "Ambassadors in Novi Pazar", [Online] Available at: <http://www.rts.rs/page/stories/sr/story/9/Srbija/802642/Ambasadori+u+Novom+Pazaru> (Accessed on 4 January 2011)

<sup>11</sup> Radio Sto plus (2010) "Decrease in number of civil servants next year" [Online] available at: [http://www.radiostoplus.com/index.php?option=com\\_content&view=article&id=7027:idue-godine-smanjenje-broja-inovnika&catid=37:cetvrtak&Itemid=70](http://www.radiostoplus.com/index.php?option=com_content&view=article&id=7027:idue-godine-smanjenje-broja-inovnika&catid=37:cetvrtak&Itemid=70) (Accessed on 4 January 2011)

<sup>12</sup> Day care for mentally challenged children" worth 3.130.000 RSD and "Home care for the elderly" 4.490.000 RSD

In **Ivanjica**, the Ministry for National Investment Plan approved funding of construction of a large new kindergarten. The technical documentation for this project was developed with the European Union and Swiss Government's funding support through PROGRES predecessor programme – Municipal Development in the South West Serbia – PRO, which is another confirmation that working on increasing the local self governments' capacities can bring increase in attracting external funding.

### **Legislation**

The Government of Serbia adopted the **Strategy for development of the system of free legal aid** which will serve as a basis for drafting the Law on Free Legal Aid (Activity 1.3).

Serbia's **Gender Equality Action Plan** for 2010-2015 has been adopted (and published in the Official Gazette 67/10 from September 2010). This can be used as a basis for drafting the local action plans (activity 1.6/whole Programme).

The **Law** which will reform **communal services** system is in the Parliament procedure (components 1,2&3). However, the local self governments are displeased with the suggested wording, claiming it can only bring additional problems. Some critics claim that it should be withdrawn from the procedure entirely as, if adopted it would practically prohibit private ownership in services<sup>13</sup>.

The Parliament of Serbia adopted the **Spatial Plan of the Republic of Serbia** in November 2010<sup>14</sup>. This is the first Spatial Plan after 40 years, and it gives framework and conditions for development of planning documents on the local level. It is worth mentioning that the Government also adopted the **Spatial Plan for the Special Nature Reserve "Uvac"**<sup>15</sup>, which is one of the projects supported by the previous Municipal Development in the South West Serbia Programme – PRO. The Spatial plan will enable further development of the area in a controlled manner and will serve as a base for general and detailed regulations plans.

The Ministry of Environment and Spatial Planning (MoESP) adopted the **action plan for implementation of the National Strategy of Waste Management** for 2011. It is expected that some 30 recycling yards will be constructed during 2011, while regional sanitary landfills and waste water treatment will also be in the focus.

**The Building and Planning Law** has been undergoing further changes, in regards the articles regulating deadlines for the administration to issue building permits. More than 30% of the Law has already been changed<sup>16</sup>, although the MoESP explains these changes are cosmetic and tackle the suggestions from the local governments. However, experts believe that the main reason for difficulties in implementation

<sup>13</sup>B92 (2010) "*Trouble with Communal Affairs*" [Online] Available at: [http://www.b92.net/info/vesti/index.php?yyyy=2010&mm=11&dd=15&nav\\_id=472544](http://www.b92.net/info/vesti/index.php?yyyy=2010&mm=11&dd=15&nav_id=472544) (Accessed on 4 January 2011)

<sup>14</sup>The Parliament of Serbia (2010) "*The Law on Spatial Plan*" [Online] Available at: [http://parlament.gov.rs/content/lat/akta/akta\\_detalji.asp?id=964&t=Z](http://parlament.gov.rs/content/lat/akta/akta_detalji.asp?id=964&t=Z) (Accessed on 4 January 2011)

<sup>15</sup>The Government of Serbia (2010) "*The Government adopted a number of draft laws and bylaws*" [Online] Available at: <http://www.srbija.gov.rs/vesti/vest.php?id=141129> (Accessed on 4 January 2011)

<sup>16</sup>Politika (2010) "*The State is giving up on building of free flats*" [Online] Available at: <http://www.politika.rs/rubrike/Ekonomija/Drzava-vice-nece-graditi-stanove.sr.html> (Accessed on 4 January 2011)

of the Law lies outside the local governments, and that the key issues are property and real estate cadastre.

## 4.2 Social<sup>17</sup>

A recent survey by the Centre for Development of Jablanica and Pcinja Districts (October 2010)<sup>18</sup> showed that the quality of work of the non-governmental organisations (NGOs) in those two regions is unsatisfactory. However, this survey also pointed to discrepancies in the Law which failed to institutionalise cooperation between NGOs and the state and set a framework under which the NGOs could apply for funding. This has left the cooperation prone to a variety of interpretations and arbitrary behaviour. The survey recommends that further capacity building of human resources within the non-governmental sector is important, as well as trainings on how to access the European funding.

The Coordination Body (CB) continues its efforts for normalisation of life in the South of Serbia and increasing the level of political and social integration of citizens. In a theatre play “We are the Whole World”, performed at the National Theatre in Belgrade in December 2010, 30 Serbian, Albanian and Roma secondary-school students showed that ethnic, religious, language and cultural barriers may and should be removed.

The Ministry of Environment and Spatial Planning (MoESP), through the EcoFund, in December 2010, had an open call for municipalities to apply for: preparation of the regional waste management plans; sanitation of the old dump sites and building of transfer stations and recycling yards; and technical design for the recycling yards. This call has once again shown Government’s commitment to systematically deal with the waste management but also its expectations for municipalities to become leaders in initiation of regional concepts and forming of partnerships. The criteria within the call were the same as in the PROGRES which is another confirmation of the Programme’s alignment with Government policies regarding waste management.

## 4.3 Economic

Unemployment, low income and small rate of any economic activity continue to be the problems in the entire Programme area. For example, out of 13 municipalities of Jablanica and Pcinja districts, nine are considered devastated<sup>19</sup>. There are more than 60,000 unemployed in the South of Serbia, while 70,000 are employed within the communal enterprises or few economic entities. Out of 167 municipalities listed on the Serbia’s Statistical Office overview of the salaries in the third quarter of 2010<sup>20</sup>, two PROGRES municipalities, Kursumlija and Vladicin Han are at the bottom, with average income of 16,832 and 16,710 RSD, respectively. Only two PROGRES municipalities are ranked in the top 50 – Medvedja (28) with 33,561 RSD and Sjenica (47) with 30,770 RSD.

<sup>17</sup> Normally, the key development under this headline should be in relation to establishment of the National Minority Councils (Bosniak, to be more specific). However, as this has become a political issue, details have been outlined in the previous section.

<sup>18</sup> PROGRES has electronic copy and could distribute to those interested.

<sup>19</sup> Juzna Srbija (2010) “*Investments or empty South Serbia*”, [Online] Available at: <http://www.juznasrbija.com/?view=lat&action=news&id=investicije-ili-prazan-jug-srbije&category=vesti> (Accessed on 4 January 2011)

<sup>20</sup> Serbia’s Statistic Office (2010) “*Net salaries in the cities and municipalities in Serbia in the 3<sup>rd</sup> quarter of 2010*” [Online] Available at: <http://webrzs.stat.gov.rs/axd/drugastrana.php?Sifra=0014&izbor=odel&tab=56> (Accessed on 4 January 2011)

The economic situation could look slightly better in 2011, with the 25% increase to local government transfers, announced by the Minister of Finance, although this figure is still below the level when the transfers were cut. However, the Standing Conference on Towns and Municipalities (SCTM) representative recently warned that these transfers will not be sufficient as the funds will be only covering the costs of inflation and those of unfreezing the salaries<sup>21</sup>. An additional burden to municipalities remains the unresolved property issues.

On the other hand, the municipalities do not sufficiently use the available funding. For example, only 15 out of 160 municipalities that received questionnaires sent by the Government to express interest in applying for IPA funding, responded<sup>22</sup>.

The floods in Prijepolje, in late November/early December, left several hundreds of hectares of the best agricultural land ruined, along with the 420 million RSD damage<sup>23</sup> to 210 households and demolishment of a bridge connecting the right bank of the River to the main road. The Government has promised funds for some infrastructure reconstruction in 2011.

On a more positive note, a footwear factory expanded production in Vranje, with the support of the Ministry of Economy and Regional Development (MoERD). This investment, worth about 600,000 Euro meant opening of 350 jobs<sup>24</sup>. In Leskovac, the construction of Falke sock factory started, is expected to employ some 600 people<sup>25</sup>.

## 5 Activities during reporting period

### Component 1: Good governance

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

#### Key outputs:

- Raska and Sjenica established gender equality councils
- 169 proposals received in the first call for proposals for the Citizens' Involvement Fund
- CeSID, consultancy chosen in a public tender, finished the first Citizens' Satisfaction Survey

<sup>21</sup> EMG portal (2010) "Transfers to local self governments increased by 25% in 2011" [Online]. Available at: <http://www.emportal.rs/vesti/srbija/140858.html> (Accessed on 4 January 2011)

<sup>22</sup> Politika (2010) "Municipalities to get more funding from the Republic safe" [Online] Available at: <http://www.politika.rs/rubrike/Ekonomija/Opstinama-vise-novca-iz-republicke-kase.lt.html> (Accessed on 4 January 2011)

<sup>23</sup> Radio Sto plus (2010) "Payment of fees for recovery of damages from flooding of the Lim River" [Online] Available at: [http://www.radiostoplus.com/index.php?option=com\\_content&view=article&id=7073:isplata-nadoknada-za-saniranje-tete-od-izlivanja-lima&catid=34:ponedeljak&Itemid=70](http://www.radiostoplus.com/index.php?option=com_content&view=article&id=7073:isplata-nadoknada-za-saniranje-tete-od-izlivanja-lima&catid=34:ponedeljak&Itemid=70) (Accessed on 4 January 2011)

<sup>24</sup> B92 (2010) "Jobs for 350 Vranje inhabitants" [Online] Available at: [http://www.b92.net/info/vesti/index.php?yyyy=2010&mm=10&dd=29&nav\\_category=9&nav\\_id=468763](http://www.b92.net/info/vesti/index.php?yyyy=2010&mm=10&dd=29&nav_category=9&nav_id=468763) (Accessed on 4 January 2011)

<sup>25</sup> B92 (2010) "Leskovac is Serbian Manchester Again" [Online] Available at: [http://www.b92.net/biz/vesti/srbija.php?yyyy=2010&mm=11&dd=03&nav\\_id=469812](http://www.b92.net/biz/vesti/srbija.php?yyyy=2010&mm=11&dd=03&nav_id=469812) (Accessed on 4 January 2011)

- Public events held in Leskovac, Blace and Novi Pazar to enhance citizens' participation in budget planning process
- A two-day Anti-Corruption seminar/workshop organised in Novi Pazar for the representatives of local self-governments and local media from Leskovac, Blace and Novi Pazar

**Imminent outcomes:**

- Establishment of gender councils gives local authorities mechanisms which would work on increased participation of women in public and private life, thus contributing to improving the contribution of the entire society and offering equal opportunities to all
- The projects to be funded from the Citizens Involvement Fund influence improvement of living conditions of vulnerable groups. Also, the partnerships between civil society organisations and local self administrations should bring about improved efficiency in service provision as they would combine the knowledge and mandates of both partners
- The presentations of the Citizens Satisfaction Survey results will indicate a genuine commitment of the local administrations to responsibly tackle its performance, while at the same time offer opportunity to civil society organisations to constructively engage in supporting the improvement of the services that municipalities provide
- Public hearings should improve the attitude of municipalities towards the need for transparency and accountability to their citizens, while at the same time increase participation of citizens in public processes

**Activities:**

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

Following an approval of the Citizens Involvement Fund (CIF) Terms of Reference (ToR)<sup>26</sup> by the PROGRES Steering Committee, the first CIF call for proposals had been launched at the beginning of November 2010. At the start of the call, the Programme team successfully organised four presentation workshops<sup>27</sup>: in Novi Pazar, Zlatar, Prokuplje and Vranje. These presentations were attended by more than 160 representatives of local civil society organisations and local self governments<sup>28</sup>. The ToR had been widely advertised in the local media, on UNDP/UNOPS and Centre for Development of Non-Profit Sector (CRNPS) Belgrade websites and was open for a month (until 3 December). There have been more than 150 phone/in person enquiries about criteria, during that time. A total of 169 applications had been received<sup>29</sup> by the end of the call.

In order to support the running of the Fund, an administrator was recruited and started working in mid-December<sup>30</sup>.

<sup>26</sup> The ToR is attached in Annex I – 1.1

<sup>27</sup> For the workshop programme, list of participants and reports from the workshops, please see Annex I – 1.2

<sup>28</sup> During a presentation of PROGRES, for some 60 representatives of Roma CSOs, called by the Head of the Roma NMC, there was a particular interest in the CIF criteria. The Programme's team spoke about draft conditions and criteria for funding. Following PSC endorsement of the CIF ToR, participants of this meeting were invited to subsequent workshops/presentations.

<sup>29</sup> For the list of applications received, please see Annex I – 1.3

<sup>30</sup> Please see Annex I - 1.4, for Terms of Reference for the CIF administrator position

Finally, a five-member Regional Selection Commission<sup>31</sup> was appointed and it held its first meeting on 21 December in Prokuplje. This was also an opportunity to introduce the Commission to the Programme and the objectives of the Fund. The Commission agreed upon the methodology and approach to evaluating the applications and decided to dismiss 27 applications that hadn't met the administration criteria. The Commission is due to submit its final report by mid January 2011, while the meeting, to present their findings is scheduled immediately afterwards the submission of the report.

### *1.2 Citizens' Satisfaction Surveys*

In order to make sure CeSID's approach and methodology are in the best possible way in line with the PROGRES' objectives for this activity, the Programme organised and held a two-part workshop on 24 November. During the first part, PROGRES staff provided suggestions and inputs to the CeSID drafts, which were incorporated into the final versions of the documents. In the second part of the workshop, representatives of the municipalities had a chance to offer their views on presented questionnaire and proposed methodology of the survey and several were also taken into account. In addition to this, municipalities were provided with a chance to give comments on the questionnaire by email - an opportunity used only by Nova Varos<sup>32</sup>.

As requested in the call for proposal, the questionnaires were prepared in Serbian and Albanian<sup>33</sup>.

The research commenced on 30 November and was finalised in the envisaged timeframe – end of December 2010. The results are being analysed and the presentations will be scheduled in late January 2011, both in the South and South West Serbia. PROGRES hopes that the survey will be a valid tool to inform the Programme and its stakeholders on areas for priority support, local policy making and advocacy by citizens.

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

This activity has been designed so as to fit in with the national legislature on free legal aid which would provide a sustainable funding mechanism. However, since it is still unknown when the relevant laws will be approved, a meeting was held, in November 2010, with the Ministry of Justice and the Peace-building and Inclusive Local Development Programme - PBILD<sup>34</sup>, to decide on the best way forward. The Ministry advised that the most appropriate modality for organisation of the Citizens Advisory Services (CAS) was within the free legal aid system of local governments.

Consequently, PROGRES is modelling the Terms of Reference (ToR) for CAS based on the assessment of the results of the actions within the Migration project<sup>35</sup>, as well as in line with the existing legal

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<sup>31</sup> Composed of two women and three men

<sup>32</sup> Partially, Nova Varos suggestions were incorporated into the final version. Justification is available why not all comments could be used.

<sup>33</sup> Please see Annex II for English, Serbian and Albanian versions of the questionnaire.

<sup>34</sup> The programme implemented in the South Serbia, which has the same activity, modelled on the Municipal Development in the South West Serbia – PRO Programme

<sup>35</sup> Within the Municipal Development in the South West Serbia – PRO, and later PROGRES, funded by the Swiss Agency for Development and Cooperation

framework. The ToR will be finalised by mid January 2011 and following the Programme Steering Committee approval, a tender for services will be advertised by mid February 2011.

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

In the first phase of the support to local self governments to conduct appropriate consultations on annual budgets, three administrations were selected: Leskovac, Blace and Novi Pazar. While the Toplica Centre (TC) supported Blace in organising public hearings, the Balkan Investigative Reporting Network (BIRN) carried out activities in Leskovac and Novi Pazar.

In cooperation with the Blace Mayor, and the financial department, **Toplica Centre** brought in an expert who chaired the sectoral public discussions (on infrastructure, economic development and social services) held in November in the municipal assembly hall. 35 citizens and representatives of budget institutions<sup>36</sup> took part in discussions. In accordance with the plan of activities, 2000 leaflets were designed, printed and distributed at public discussions, on the main town square, and were also available at the counter of Blace Citizens' Assistance Centre. One-hour television programme was produced with the participation of the budgetary expert, Blace Mayor and PROGRES Deputy Programme Manager. This was an opportunity to deliver some of the key good governance messages, as well as to talk about Programme's implementation modalities, impartiality, capacity building et al. In addition, the Mayor has mentioned PROGRES several times during his address, while the project implementer, TC, always acknowledged PROGRES support, duly pointing to the donors of the Programme. This was an important step into the right direction (more citizens' involvement in defining key local policies) which demonstrated clearly the need to continue and expand these kinds of actions.

As for **BIRN** activities in Novi Pazar, the most important achievement was direct influence on the city's 2011 budget and adoption of recommendations from the survey on budget priorities which will result in the increase of the amount allocated to social care.

In both Novi Pazar and Leskovac, 16 budget delegates were trained, setting a base for further actions and monitoring of the local budgets execution, as potential follow up of the project. BIRN signed Memoranda of Understanding with both cities, obliging them to continue strengthening the concept of citizens' involvement in defining budget priorities in future.

Finally, the most visible part of the project were two street actions "Make your own budget", where several hundred citizens, in Leskovac and Novi Pazar, got a chance to state their budget priorities, and thus influence planning of local budgets.

Another project implemented in December was in partnership with the Organisation for Security and Cooperation in Europe (**OSCE**): a two-day seminar/workshop for the representatives of local self-governments and media from Leskovac, Blace and Novi Pazar. The seminar addressed important roles local administrations and local media have in the fight against corruption. The representatives of the State Agency for Fight against Corruption presented and discussed with the participants the existing legal framework for their activities, their competencies and authority in regard to anti-corruption activities at local levels. Two renowned media experts enlightened the anti-corruption fight from media standpoint, providing colleagues with their experiences and expertise in investigative journalism, one of the key links in anti-corruption fight. Unfortunately, although initially Leskovac city administration confirmed attendance, none of the invited officials showed up for the seminar.

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<sup>36</sup> 22 men and 13 women

All three projects were pilot initiatives and following an internal, in-depth assessment of monitoring, as well as final reports, recommendations for future actions within this activity will be proposed by the beginning of Q2 2011.

*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*

A pilot project with a willing municipality which will be implementing one of the key infrastructure projects will be implemented hopefully in the second half of 2011. A set of selection criteria will be drafted at the end of the Q1 2011 and will be put forward to the Programme Steering Committee for approval.

*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*

One of the key results within this activity during the reporting period was establishment of gender equality councils in Raska and Sjenica<sup>37</sup>. In Raska, this was a direct consequence of PROGRES lobbying, while in Sjenica PROGRES' endeavours were made easier by the fact that a number of municipal officials have previously undergone extensive training on gender equality<sup>38</sup>. PROGRES is still urging Nova Varos to do the same and negotiations about establishing the council are well under way.

In Toplica, only Prokuplje has a gender equality council, which has been dysfunctional since its reshuffling in 2009. PROGRES has entered discussions with Blace and Zitoradja officials to establish local mechanisms for gender equality, while Kursumlija has not been approached yet due to difficult political situation in the municipality.

We hope that all councils will be set up by spring 2011, when the non-governmental organisation DamaD, one of the PROGRES partners<sup>39</sup>, is scheduled to conduct training for them. DamaD's project proposal, which had been submitted in late December 2010 and is being reviewed internally, also envisages lobbying for the adoption of the European Charter, and work on preparation of Action plans for all 12 municipalities (in the South West Serbia and Toplica). The proposal will be presented to the Programme Steering Committee for approval once finalised (hopefully in February 2011).

Finally, it is worth stating that PROGRES will be focussing on the South West Serbia and Toplica District, until late 2011, following consultations with the Peace-building and Inclusive Local Development Programme - PBILD, which operates Jablanica and Pcinja Districts, and has gender equality as one of its key activities.

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

One of the projects planned within the activity 1.7, was to be subcontracted to the Project for Ethnic Relations (PER) with an aim to break the deadlock in establishing the multiethnic local executive in the

<sup>37</sup> Please see Annex III for the municipal decisions

<sup>38</sup> Funded by the UK's Department for International Development and implemented by NGO DamaD

<sup>39</sup> As identified in the Programme Description of Action

municipality of Bujanovac and to encourage interethnic cooperation in decision making in the municipality of Presevo.

Following extensive consultations with the Coordination Body for Presevo, Bujanovac and Medvedja (CB), the Organisation for Security and Cooperation in Europe (OSCE) office in the South Serbia, the British Embassy (which previously supported a similar project), as well the assessment of the current situation, PER was asked to revise their proposal and review methodology and approach so that genuine progress on a number of issues is made. PER was also given a detailed overview of the circumstances in the South Serbia and suggestions in which direction this revision could be pointed: provision of the practical support to the establishment of the National Minority Council (NMC), education through organisation of local study tours to advanced areas, work on de politicizing the NMC, facilitation of establishment of the working groups (on health, education or similar) to name a few. However, on 22 October, the PER President informed the Delegation of the European Union (DEU) and PROGRES that the PER Board had decided to decline the grant.

PROGRES recommendation is to conduct consultations with the relevant stakeholders (municipalities, the Ministry for Human and Minority Rights, all four NMCs in the Programme Area of Responsibility, donors and other international organisations), at the beginning of 2011, in order to ascertain ongoing assistance to the NMCs and/or promotion of good inter-ethnic relations. Subsequently, by mid 2011, the PROGRES team will propose the final revision of the activity 1.7, which 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**

- Assessment of municipal organisational structure performed in two municipalities where support for establishment of CAC is envisaged

### **Imminent outcomes**

- Establishment of CAC will improve the municipal efficiency and quality of service to citizens

### **Activities:**

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

The Programme document envisages establishment of up to three Citizens' Assistance Centres (CAC) in municipalities where non-existent. During the inception period, PROGRES has ascertained that Crna Trava, Bosilegrad and Trgoviste qualify for this support. The assessment of the municipal organisational structure and the recommendation for the CAC composition were finalised for Crna Trava and Trgoviste<sup>40</sup>, while the assessments for Bosilegrad will be done in January 2011. The timely preparation of technical documentation for all three centres will enable start of the necessary construction works with the building season in April.

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<sup>40</sup> Please see Annex IV

In addition, PROGRES hopes to support up to eight municipalities that have formed CACs but face problems with limited accessibility due to outdated IT equipment that can slow down the process of service delivery. Baseline for technical improvement of services was established during October 2010: developed questionnaires were distributed to municipalities and 13 projects were received in the given timeframe. Adding up the budgets requested by the applicants, it is clear that the figure needed is much higher than PROGRES available allocation<sup>41</sup>. The next steps, in the Q1 2011, are to review the real needs and priorities and to enter direct discussion with municipalities to select the ones where IT upgrade will make the biggest impact.

### *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*

An assessment of preliminary data on existing and potential business incubator clusters (BIC), industrial parks (IP) and industrial zones (IZ) has shown that: BICs exist in Vranje, Prokuplje, Medvedja; potential IPs and IZs are in Leskovac, Tutin, Vlasotince and Vladicin Han.

In addition, PROGRES has consulted NALED about the idea to include more local self governments from PROGRES Area of Responsibility in their programme of certification of municipalities as “business friendly”, since this would be fully in line with the capacity building of municipalities for economic development, envisaged in PROGRES. So far, two PROGRES municipalities are in the process of certification – Medvedja and Prokuplje and PROGRES can provide limited technical assistance. Vlasotince will start the certification process soon, and PROGRES can assist the municipality in filling in the project documentation.

In regards the BIC in Medvedja, the building has been financed by the Ministry of National Investment Plan (NIP) and with a small infrastructure intervention it could be fully completed and operational. PROGRES can provide an expert to facilitate legal and institutional requirements.

Concerning BIC in Prokuplje, assessment of the needs and technical assistance will accompany forming of the free trade zone Prokuplje – Nis.

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

Development of the green IP and the start of construction of FALKE sock factory indicated that Leskovac currently has the biggest potential for investments in the PROGRES Area of Responsibility. In addition, Leskovac is undergoing the reform of administration, and is simplifying procedures for investors. PROGRES will assist Leskovac with a functional analysis of the administration as an initial step which may result in this city being the first local self government to be proposed for establishment of the One Stop Shop (OSS).

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<sup>41</sup> The Programme purposefully did not set a budget limit within questionnaire, in order to get a full picture on municipal needs

However, despite these potentials of the City of Leskovac, during the Q1 2011, additional survey will be done in all municipalities which have potentials for considerable attraction of investments in order to select two local self governments that will be supported in forming of OSS.

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

This activity is conducted in cooperation with the Standing Conference of Towns and Municipalities (SCTM), which has regular discussions with the cities of Novi Pazar (with Tutin, Sjenica and Raska) and Vranje (with Bujanovac, Presevo and Vladicin Han) for establishment of common IT system. Forming of these two centres would not only have functional benefit but also political consequence as establishment of a common IT system between multiethnic municipalities can add value to inter municipal cooperation and stability of the regions. The SCTM will provide necessary support to PROGRES in negotiation process as well as technical documentation on methodology for forming of common IT system. Joint meetings with these municipalities will be organised in the second half of January 2011.

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

This activity will be on hold until methodology for programme budgeting, that is being prepared by the MSP 2007 and the Ministry of Finance, is developed and adopted, expected by March 2011 at the latest.

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

Methodology and action plan is being developed in consultation with the Standing Conference on Towns and Municipalities (SCTM) Training Centre how to address this activity. A ToR for the consultancy, which will hold introductory presentation of Quality Management System (QMS) to municipal decision makers and selection of municipalities for introduction of QMS is being drafted. These presentations/workshops will be organised in the second half of February 2011, for 100 representatives from all 25 municipalities, following which, the selection of municipalities suitable for implementation of QMS will be conducted. Five recipients will be selected for the implementation of QMS until the end of March 2011 while the actual activities, in chosen municipalities, will begin in the Q2 2011, and will last for one year.

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

#### **Key outputs:**

- 19 proposals for urban plans selected and will be further developed for PROGRES funding

#### **Imminent outcomes:**

- Preparation of urban plans in the municipalities, if done in accordance with the good governance principles, will positively influence capacity of the municipal administration to regulate urban development and thus open possibilities for further investments

#### **Activities:**

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

Following preparation and distribution of project forms, 24 applications for support were received – five for spatial plans (SP), 11 for general regulation plans (GRP), eight for detailed regulation plans (DRP) and one for IT equipment for Urban Directorate. After careful analysis of requests, 19 proposals have been selected and approved by the Programme Steering Committee for further development and financing.

A set of documents to prepare detailed projects were sent for/to:

- General regulation plans: Prijepolje, Priboj, Nova Varos and Bujanovac
- Detailed regulation plans: Blace and Vladicin Han for two plans each; to Vlasotince, Sjenica and Raska for one plan each.

Further discussions are necessary with Trgoviste municipality which stated zero municipal co-funding in their applications, and with Raska municipality which has two applications for GRPs, latest by February 2011.

In December 2010, Priboj, Prijepolje and Nova Varos municipalities submitted their projects, while Bujanovac sent the proposal for the study of sanitary zones for the Spatial Plan. The funds requested from PROGRES from these four municipalities, in total, amount to 300,000 Euro. The first grant contracts are expected to be sent to UNOPS legal in January 2011 for approval.

Since all municipalities have or are in the process of development of waste management plans there is a possibility that PROGRES support in this area will be less than expected so funds from this budget line can be used to support more DRP.

Finally, the preparation of plans in the selected municipalities will positively impact capacity of the municipal administration to regulate urban development, through the ability to issue building permits and conditions for urban infrastructure.

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

Although originally this activity was scheduled to start in 2011, upon request for support from the Blace Head of Administration, a meeting was held to discuss possible assistance in preparation of a sustainable development strategy, as this is the only municipality in the PROGRES Area of Responsibility which still does not have the document. Although work on the strategy has been going on since 2007, Blace did not systematically approach the task and failed to engage civil and business sectors. In February 2011, PROGRES will consider and decide the best way to support municipality although the process may have to start from the beginning.

### *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.*

The area of intervention remains to be discussed and agreed with donors in early 2011.

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

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

**Key outputs:**

- Vote by four municipal assemblies in the South West Serbia to establish a joint public utility company to manage regional Banjica landfill
- Support to the Banjica landfill identified in the MoESP's action plan for 2011
- PROGRES initial assessment indicates Vranje landfill can become regional

**Imminent outcomes:**

- Establishing a public utility company with a professional leadership that would run Banjica Landfill could bring about increased citizens' trust in the local authorities' work, improved efficiency and effectiveness of the company, as well as equal accountability to all founding members, and transparency in work.

**Activities:**

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

Series of meetings with municipalities and line ministries have been held, most important regarding:

**Landfill Banjica in Nova Varos**

- This integrative solution for waste management in municipalities Nova Varos, Priboj, Prijepolje and Sjenica includes support to Banjica landfill in Nova Varos, recycling yards in municipalities, transport station in Sjenica and collection of floating waste on Lim River
- The four municipal assemblies voted to establish a public utility company (PUC) which will be running the landfill<sup>42</sup>. This is only the first step in the process of setting up and the Ministry of Environment and Spatial Planning (MoESP) and PROGRES will closely monitor further developments, especially in light of selection of the PUC director, who should be a non-political candidate.
- The redesign of the landfill has to be done to increase its capacity and this is being conducted in close coordination with the MoESP. A geology expert consulted by the MoESP confirmed that the original project documentation doesn't give a full picture on geology structure and conditions and that the volume of the landfill and its lifetime could be shorter. Additional geology analysis has to be done during the redesign. Finalisation of the Terms of Reference for redesign is expected in January 2011 while the time estimated for the redesign is minimum six months. With the redesign of the main technical project, the MoESP and PROGRES will prepare a financial plan for construction of the first phase of the landfill. It is worth mentioning that the support to Banjica landfill is identified in the Ministry's 2011 Action Plan.
- In regards protection of the Lim River and floating dams, the Jaroslav Cerni Institute provided a draft Terms of Reference (ToR) for the project, at the meeting with the MoESP in mid December. It was agreed that the problem of protecting the rivers from floating waste needs an integrative solution, i.e. preventing the waste to reach the rivers. The proposed ToR recommends the regional cooperation and is generally accepted as a starting document. The decision must be the joint one with the MoESP.
- The EcoFund published a call to co-fund establishing of the recycling yards in municipalities, which closed on 31 December. Sadly, Prijepolje, Priboj, Nova Varos failed to apply and this is an opportunity missed for the municipalities to take the initiative in including recycling into the

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<sup>42</sup> Please see attached Annex V for municipal decisions.

Banjica landfill management. They remain of the impression that the MoESP will not finance the landfill and hesitate to act on establishing the new PUC, in spite of their formal decisions to do so.

### **Regional landfill Vranje, with solutions for Bujanovac and Presevo**

In agreement with the Mayors and officials from three local administrations, PROGRES conducted an assessment of the existing documentation and prepared a comparative analysis of potential solutions that was presented to the Ministry of Environment and Spatial Planning (MoESP) and the municipalities on feasibility of Vranje landfill becoming regional<sup>43</sup>.

The following conclusions were made:

1. The MoESP opinion is that the Vranje landfill has to become regional
2. The construction of the second phase of the landfill should be based on the existing Spatial Plan for Vranje
3. Consequently, development of technical documentation is necessary and the Ministry is willing to participate in this activity, in partnership with municipalities and PROGRES
4. Vranje needs recycling yard in order to reduce quantity of waste disposed on the landfill and again the Ministry will participate, in partnership with PROGRES, to support Vranje in building the recycling yard
5. Within next five years regional recycling centre should be constructed to cover municipalities Vranje, Bujanovac, Presevo, Trgoviste and other interested municipalities.

Further discussion with municipalities and MoESP will be done during Q1 2011 in order to define and develop ToR for design of the second phase for Vranje landfill. The existing political will should take the pressure of the process.

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

As a part of a bigger programme for integral solution for waste management, development of recycling yards in Nova Varos, Priboj and Prijepolje and a transfer station in Sjenica is in process. During November 2010, municipalities have identified potential locations for recycling yards and first assessment of these locations was performed by the Ministry of Environment and Spatial Planning (MoESP) and PROGRES. The MoESP action plan for 2011 envisages construction of 30 recycling yards in Serbia. The Ministry and PROGRES will develop up to five jointly, in the PROGRES Area of Responsibility. Other two candidates for support are Vranje and Raska. While PROGRES will assist with the preparation of planning and technical documentation, the MoESP will finance construction of recycling yards. During December 2010 - January 2011 final evaluation of applications will be done as well identification of necessary planning and technical documentation.

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

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<sup>43</sup> Please see Annex VI of this report

**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:**

- Formula for allocation of funding for small infrastructure projects in Toplica Districts prepared and municipalities applied with 15 proposals
- First call for small infrastructure projects advertised; presentations held for all municipalities
- 19 earthquake damage assessment reports on public buildings prepared and presented to Kraljevo

**Imminent outcomes:**

- The public presentations of infrastructure projects that municipalities wish to put forward to PROGRES for funding should ensure engagement of wider population, and municipal assemblies, and offer representative public views on priorities

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

The formula for allocation of funds was approved by the Programme Steering Committee in October 2010<sup>44</sup> and questionnaires were developed and sent to municipalities<sup>45</sup>. 15 small infrastructure projects from all four municipalities have been received timely and the visits to municipalities started to authenticate the information from the applications, but also to clarify the criteria and conditions to the Local Economic Development Offices teams who were leading in project preparation. The initial assessment shows that municipalities do not think strategically in choosing priorities. Most of proposals are simple reconstruction of the streets without any economic, environmental or social impact on citizens. The most attention is needed in Blace which submitted four proposals for repaving of streets. It is agreed that municipality will review project ideas and come up with more economic or social oriented proposals. It is expected that the municipalities will complete the technical documentation in January 2011.

For the purpose of promoting the principles of good governance during selection of the projects PROGRES will insist that municipalities organise open presentations of proposals to focus groups in order to get public opinion on projects that municipality is submitting to PROGRES as well as support from municipal assemblies.

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

Following the approval of the guidelines for applicants and application documentation by the Programme Steering Committee, a final revision of documentation was performed in November 2010 and the first call for proposal, worth one million Euros, was advertised on 6 December (to avoid overlapping with the Citizens' Involvement Fund) in national newspapers, on UNOPS and PROGRES

<sup>44</sup> Please see Annex VII – 7.1 for allocation formula

<sup>45</sup> Please see Annex VII – 7.2 for questionnaire sent to municipalities

websites<sup>46</sup>. The introductory presentations/workshops were held for at least 250 relevant stakeholders, mostly from the municipal local economy development offices and utility companies, in December 2010<sup>47</sup>. The call will be open until 28 February 2011 and the PROGRES team will visit all municipalities at least once again in January/February to familiarise the Mayors<sup>48</sup> and local economic development teams with the activity.

### *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.

#### **Other: Kraljevo Earthquake Support**

Upon approval from the Programme Steering Committee and the Programme donors, the PROGRES engineers spent three weeks in Kraljevo to assess the damage on public institutions caused by the November 2010 earthquake. The reports were prepared for 19 buildings, approximately on the 21,000 square metres area<sup>49</sup>. The bills of quantities were made for 11 buildings. Other eight buildings need design for reconstruction/sanitation. In a meeting with the Mayor of Kraljevo, on 28 December, the reports were officially handed over<sup>50</sup>, along with the complete technical documentation. Copies of the report were made available to the donors, Serbian European Integration Office, the Regional Agency for Spatial and Economic Development of Raski and Moravicki districts, and Swiss funded MSP programme.

#### **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:**

- First Steering Committee gathered 17 Mayors and three Assembly Presidents
- PROGRES was presented at 22 municipal assemblies' meetings
- PROGRES Calendar for 2011 successfully prepared following art competition for high school students
- PROGRES website operational
- Draft Internal Communications Strategy prepared
- Project "Acting Locally, Thinking Globally" broadcast seven radio programmes

#### **Imminent outcomes:**

- Transparency and accountability of PROGRES work gives an example to stakeholders participating in the Programme

<sup>46</sup> Please see documentation at <http://www.progresprogram.org/konkursi.php?oblast=pozivi>

<sup>47</sup> The lists of participants are available at PROGRES.

<sup>48</sup> The Mayors will be grant contract signatories

<sup>49</sup> Full reports are available at PROGRES.

<sup>50</sup> Please see Annex VIII for the signed copy of receipt from the Mayor of Kraljevo

- Media project is influencing approaches taken by the key local officials in South West Serbia who start to bring into open debate important local themes; this contributes to the establishment of responsible and open models of behaviours of authorities.

## Activities:

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

This activity, which supports the whole Programme in communication of its successes, had a lively period from October-December 2010:

- One of the key events was the first Steering Committee, held in Novi Pazar on 22 October. It was a full success and gathered representatives of 23 out of 25 PROGRES municipalities, including 17 Mayors and three Assembly Presidents. Attendance of municipal presidents of Bujanovac and Presevo, and presidents of Albanian and Roma National Councils reaffirmed that development programmes may be a vehicle for strengthening inter-municipal and inter-ethnic cooperation. Excellent turn out of municipalities, ministries, development agencies and civil society indicates, on the one hand, that Programme communication during the inception period has been strong and targeted.  
It is clear, on the other hand that stakeholders have high expectations from PROGRES and although this is to some extent welcome it is necessary to manage expectations with the right messages.
- Another important communication effort was the presentation of PROGRES in 22 municipal assemblies (except Kursumlija<sup>51</sup>, Tutin and Bosilegrad), which was followed by approval of cooperation<sup>52</sup> with the Programme<sup>53</sup>. The presentations demonstrated PROGRES commitment to transparent and accountable work, set a solid ground for cooperation with assemblies, but also generated positive publicity for PROGRES in local media.
- The PROGRES 2011 calendar competition for secondary schools in 25 municipalities featured the issues of social inclusion and gender equality. 12 best works have been selected among submissions from 19 schools. Awards ceremony will be organised in February 2011 in Prokuplje, at the time of the Swiss Ambassador's visit.
- In October, PROGRES organised environmental action in the school Ibrahim Kelmendi in Presevo. This event was part of the visit of EU Outreach efforts of UK and Danish Ambassadors to Medvedja and Presevo.
- Media project "Acting Locally, Thinking Globally", designed to promote good governance principles in the South West Serbia has been launched. The project is implemented in partnership with Radio Sto Plus from Novi Pazar and includes broadcast of 24 radio shows about good governance. Seven broadcasted shows dealt with cooperation between local government and civil society and importance of public budget hearings. The most significant outcome, so far, is engagement of key local officials in radio shows and their readiness to talk about important local themes, such as budget, in more depth and more bravely than ever before. This confirms that this media project, although a small step, contributes to the establishment of accountable and transparent models of behaviours of local authorities.

<sup>51</sup> The Programme presentation to Kursumlija Assembly will be organised as soon as there is clarity regarding legitimacy and legality of the municipal authorities.

<sup>52</sup> Copies of municipal decisions to join PROGRES are available with the Programme

<sup>53</sup> Tutin and Bosilegrad did vote to join Programme, without PROGRES presence

- The visit of Swiss Ambassador to Novi Pazar was organised on 2 December 2010, with the objective to support promotion of Migration project achievements and was a great success in terms of achieved publicity: Regionalna TV, Jedinstvo TV, TV Univerza and Radio Sto Plus extensively carried the key messages, while coverage was also attained in the national daily Blic. One of the visit highlights was broadcast of seven-minute film about Migration Project. The visit reaffirmed the position of Switzerland as one of key bilateral supporters to the South West Serbia.
- The PROGRES website was soft launched on 7 December, 2010 and is available at [www.progresprogram.org](http://www.progresprogram.org). Programming of almost all website sections and subpages has been completed; great majority of texts in Serbian and English posted, news and tenders are being regularly entered, internal plan for the website update developed. Technically the site has been functioning without setbacks. Initial feedback from external contacts about the site is positive. The next quarter will be used for fine tuning and addressing of any potential gaps.
- The first draft of the Internal Communications Plan has been produced with a set of straightforward guidelines.
- Communications support has been provided to: presentation of Citizens Involvement Fund, BIRN Public Hearing, launch of Citizens' Satisfaction Survey, first call for municipal infrastructure project proposals, anti corruption seminar, and formal hand over of earthquake damage assessment reports to Kraljevo authorities. Provided support ensured consistent use of clear messages, primarily bringing closer good governance to stakeholders and communicating support of donors, and contributed to generation of about 90 media reports<sup>54</sup>.
- Production of the following PROGRES promotional items has been organised: calendar, New Year Cards (distributed to some 250 main external partners by post and several hundred by email), PROGRES plaques for Novi Pazar, Prokuplje and Vranje offices, and business cards for newly recruited staff. In addition, technical documentation for another set of visibility materials, such as posters, folders and notebooks, has been prepared and will enable publicising of tender for the production of the above mentioned items in January 2011.

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

Formal discussions with stakeholders about possible topics for the first of three annual campaigns have started in November 2010: meeting with DamaD and Youth Alliance from Novi Pazar outlined positive promotion of multi-ethnicity, with a focus on the youth, as one relevant theme in the PROGRES area; the Coordination Body (CB) confirmed that campaigns promoting multiethnic cooperation and tolerance could be relevant for PROGRES, and reaffirmed its readiness to consider joint activities in this field. Finally, initial discussion with the B92 Foundation showed there is interest in mutual campaigns. In January 2011, meetings with leading civil society organisations in the Programme area will be held and those should help the final selection of campaign theme as well as identification of implementation partners.

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

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<sup>54</sup> Please see Visibility Section of the Report for more details about achieved media coverage.

## Activities

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

The actions within this activity are slightly hindered due to the fact that the job vacancy for on call area branding consultant had to be re-advertised since the candidates who applied did not meet required criteria. As a potential remedial action it was agreed to identify and directly contract, for the short period of time, a person with high qualification in the field of branding.

Some initial consultations with relevant stakeholders for area branding, such as the Tourist Organisation of Serbia and the Ministry of Economy and Regional Development (MoERD) enabled PROGRES to learn about some national plans. The MoERD suggested revision of Master Plan for Zlatibor and Zlatar Mountain as a possible area of PROGRES branding support. The Plan could, however, be too expensive having in mind available funds and is more focused on the area outside PROGRES participating municipalities. Research of other possible spots has continued: e.g. recent discovery of remains of 7,000 years old house at the archaeological site "Plocnik", near Prokuplje could be of extraordinary scientific and touristic potential, ostensibly relevant for branding.

## 6 Management and administration

### 6.1 Procurement

The following tenders have been effectively organised from October to December, 2010, and twelve companies have been contracted to provide services, as follows:

1. Provision of Citizen Satisfaction survey – CESID doo
2. Procurement of 5 PROGRES project vehicles – Auto Cacak doo
3. Purchase of fuel for PROGRES office vehicles – NIS Jugopetrol
4. Purchase of IT equipment for PROGRES office – SAGA doo
5. Provision of regular service of PROGRES vehicles – AS car, AC Nerko and Ravex group doo
6. Provision of office stationery supplies – BBC Promet doo
7. Provision of advertising services in national and local newspapers and TV and radio stations
8. Lease of property to be used for PROGRES office premises in Vranje – Ms. Ljubica Markovic-Jovic
9. Provision of registration and custom clearance services for PROGRES project vehicles – Alfa Prime doo
10. Provision of mobile telephony services - Telenor
11. Small reconstruction works on PROGRES office in Prokuplje – Beogradnja doo
12. Reconstruction works and joinery for PROGRES office in Prokuplje – Grand Plast doo

The following tenders have also been organised, and the results are expected in January 2011:

1. Provision of security services for UNOPS PROGRES offices in Novi Pazar, Prokuplje and Vranje
2. Purchase of IT miscellaneous equipment for PROGRES office
3. Purchase and installation of shatter resistant film in PROGRES offices in Vranje and Prokuplje
4. Provision of works on metal fencing of Prokuplje office

Small scale purchases are not listed in this report, but are available upon request in the PROGRES' Operations Unit.

In discussion with the UNOPS legal department, grant template was drafted which will enable defining modality for implementation of sub-projects. Contracts will be designed on a case by case basis.

## **6.2 Human resources**

42 full time staff and on call consultants were successfully contracted during the reporting period:

1. CIF Administrator
2. Civil Engineer
3. Civil Engineer Consultant
4. Civil Engineer for South Serbia
5. Communications Officer
6. Component Manager – Good Governance
7. Component Manager for Municipal Management and Development Planning (re-advertised)
8. Component Manager for Physical, Economic and Social Infrastructure
9. Deputy Programme Manager
10. National Educational Consultant
11. Finance/Admin Assistant x 2
12. On-call graphic designer
13. Head of SW office
14. International Consultant – Project Development
15. Logistics/Travel Assistant
16. National Consultant for Development of Project fiches
17. National Consultants – CIF Regional Commission members x 5
18. Office Administrative Assistant for Novi Pazar
19. Office Assistant for Prokuplje
20. Office Cleaners for Prokuplje
21. On-call Communications Specialist
22. On-call Driver – Prokuplje
23. On-call web designer
24. Operations Manager
25. Operations/IT Assistant for Vranje
26. Operations/IT Assistant for Prokuplje
27. Procurement/HR Assistant
28. Programme Coordinator for Blace, Zitoradja, Kursumlija and Prokuplje
29. Programme Coordinator for Bosilegrad, Vladicin Han and Surdulica
30. Programme Coordinator for Ivanjica and Raska
31. Programme Coordinator for Novi Pazar, Tutin and Sjenica
32. Programme Coordinator for Priboj, Prijepolje and Nova Varos
33. Senior Coordinator for South Serbia
34. Technical Specialist
35. Anti-Corruption Media Awareness Consultants x 2

The issuing of contracts to successful candidates for the posts of On-call photographer and the Pool of Translators is ongoing.

Albeit, several positions had to be re-advertised: Component 2 Manager, who was released from duty due to conflict of interest, not previously reported; on-call driver for Belgrade; on-call branding

consultant; national urban planning consultant; finance/admin assistant; and two coordinator positions: for Leskovac, Vlasotince and Crna Trava and for Vranje, Bujanovac, Presevo and Trgoviste.

In addition, during interviews for two coordinators' positions in the South West Serbia, it was decided that a more logical distribution of work would be: Novi Pazar, Sjenica and Tutin and Raska and Ivanjica, and not Ivanjica and Sjenica as originally advertised. There was no need to re-advertise the positions as all interviewed candidates agreed to the change which was only geographical and not affecting the duties described in the Terms of Reference.

### **6.3 Finance**

- The SDC bridging finance was committed 100%
- The PROGRES Migration Component was committed 100%
- SDC - PROGRES contract was signed, covering the period from 1 November 2010 to 31 October 2011
- Draft Addendum 1 of DEU contract prepared and the feedback from the UNOPS HQ was positive, now awaiting EU approval
- Budget reallocation for SDC Migration was approved at the end of November 2010. This will allow the Programme to redirect the savings achieved during the implementation of the project (from equipment and HR lines) to support education and employment activities
- UNOPS year end closing of accounts (2010 part) finished successfully. 2011 part will finish by 8 March when final 2010 accounts will be posted.
- At the moment exchange rate fluctuations are not an issue.

### **6.4 Security**

United Nations Department of Safety and Security survey of Vranje offices done. Planning for warden network and Security Focal Point is a must for January 2011. Formal United Nations security services consider that there is presently no security threat relevant in the PROGRES Area of Responsibility.

### **6.5 Logistics / travel**

Five new vehicles arrived in Belgrade. Registration for old and new cars will be completed by 10 January 2011.

### **6.6 ICT**

New staff issued with UNOPS ICT accounts.

## **7 Visibility**

The first three months have been very successful in terms of achieved visibility as around 140 affirmative media reports about PROGRES were generated. This number is about 100% increase in comparison with coverage which PROGRES predecessors, MIR and PRO, were achieving in similar periods of the year at the peak of their activities. This is a clear indicator of strong PROGRES start in this regard. It should also be noted that the actual number of the reports is probably higher, but tracking of the media coverage was hindered by the absence of clipping service.

Thanks to the planned approach in cooperation with media, in addition to portraying activities, the reports include key PROGRES messages, and the dominant ones were those promoting good governance principles (e.g. participation of citizens during CIF presentations) and calling on engagement of municipalities. The reports also clearly and consistently communicate support of donors to the Programme.

PROGRES presentations in the municipal assemblies, as reported above, generated significant attention in the local media – about 30 reports. Interviews were organised at TV Raska, TV Regionalna, TV Blace and Mostnet, while dozen of media enquiries were addressed, including the ones coming from national dailies Blic, Vecernje Novosti and Politika. All key Programme activities had media support and achieved excellent visibility. The following is a summary of the registered media reports:

- October-December 2010: Presentations of PROGRES to Municipal Assemblies - about 30 reports
- 4 October: gender equality/PROGRES support – Radio Sto Plus and TV Jedinstvo
- 8 October: Presevo Environmental action – TV Aldi and TV Presevo
- 16 October: Presentation of PROGRES to 60 Roma civil society organisations from the South Serbia – published in Toplicke novine
- 18 October: Presentation of PROGRES to municipal economic council in Prijepolje – TV Forum
- 21-23 October: the First Steering Committee in Novi Pazar – TV Regionalna, TV Universa, TV Raska, OK Radio, Radio Sto plus and JugPress (to a name a few)
- 25 October: General statement about PROGRES on Radio OK, Vranje
- 26 October: General statement about PROGRES on Radio Lim, Priboj
- 2-6 November: CIF presentations, achieved about 30 reports, in media across the Programme area
- 16 November: public budget hearing organised with Toplicki Centre in Blace – interview with DPM at Blace TV
- 19 November: public budget hearing organised with BIRN in Novi Pazar – reports on TV Regionalna, Jedinstvo and Radio Sto Plus
- 24 November: Citizens Satisfaction Survey - TV Mostnet from Prokuplje
- 1-3 December: Visit of Swiss Ambassador to Novi Pazar, extensive three day coverage on Regionalna, TV Jedinstvo, TV Universa, Radio Sto Plus. Daily Blic also reported about the visit. About 20 of reports in total
- 3 December: Programme Manager given interview to TV Raska
- 6-7 December: Anti Corruption Seminar in Novi Pazar, leading Novi Pazar media and JugPress reported about the event
- 12 December: addressed enquiry from Radio OK about CIF
- 15-22 December: presentation of call for municipal infrastructure projects: broad coverage in local media in Novi Pazar, Vranje, Leskovac, Raska and Prokuplje. Estimated total number of reports is 30, including coverage on the public broadcast – Radio Television of Serbia (RTS)
- 19 December: media enquiry from the national daily Politika were responded and resulted in publishing of report
- 28 December: Formal hand over of earthquake damage assessment reports to Kraljevo authorities - reports registered on TV K, TV Kraljevo, TV Melos, in Ibarska Hronika and JugPress.

<b>Annex I</b>	<b>Citizens' Involvement Fund</b>
<b>Annex II</b>	<b>Citizens' Satisfaction Survey</b>
<b>Annex III</b>	<b>Gender Councils</b>
<b>Annex IV</b>	<b>Citizens' Assistance Centres</b>
<b>Annex V</b>	<b>Banjica landfill</b>
<b>Annex VI</b>	<b>Vranje landfill</b>
<b>Annex VII</b>	<b>Toplica small infrastructure projects</b>
<b>Annex VIII</b>	<b>Kraljevo</b>