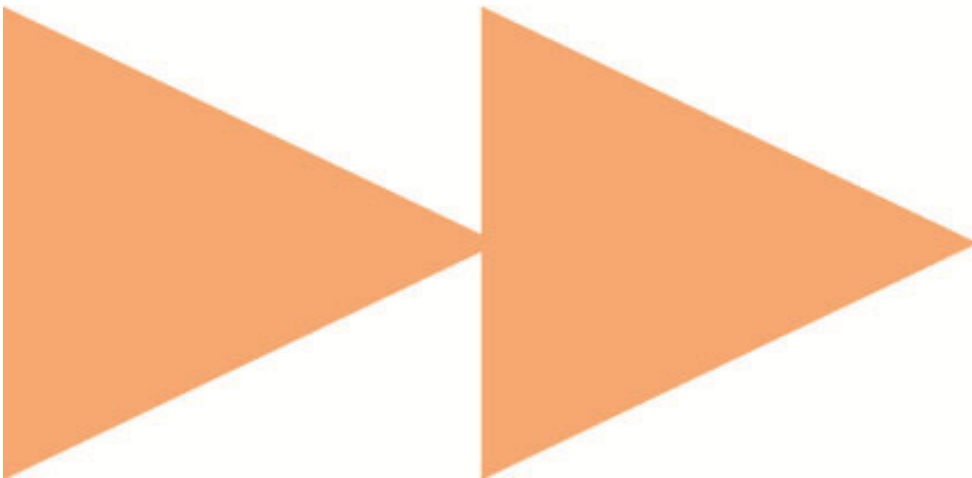




European Partnership with Municipalities Programme

Quarterly Report

1 July – 30 September, 2011



Programme financé par l'UE



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European Partnership with Municipalities Programme

Executive Summary

The first Annual Steering Committee meeting of the European Partnership with Municipalities – EU-PROGRES was held at the end of July 2011, in Bosilegrad, gathering 70 people, including representatives of 20 municipalities taking part in the Programme. Both the hosts and the guests, many of whom visited this part of the country for the first time, appreciated the fact that the meeting took place in this logistically isolated town. For EU-PROGRES, it was another confirmation of continuing interest of stakeholders for the Programme and its activities.

Six projects, worth over 1.4 million EUR were approved during the Annual meeting, bringing total commitment of Programme projects-activities budget lines to EUR 5,900,987 (including soft commitments approved by PSC but not yet contracted) with dispersals at EUR 2,210,744. Although there is a steady pace in earmarking funds, the disbursement rate, which has been only one third of the overall committed funds, still remains a major challenge. Several municipalities have even requested cancellation of contracts due to inability to contribute their co-financing. On the other hand, some local self governments, such as Leskovac, have taken bank loans and paid their contributions 100%.

AS the report explains, another challenge for the Programme has been a lack of good quality bids received through open tenders, which required extension of originally set deadlines. This continually influences the implementation timeframe and it is imminent the activities are delayed. Furthermore, some of the received offers do not represent good value for money and negotiations with bidders had to be organized in at least two cases, albeit both unsuccessfully.

Finally, the political situation is not aiding the smooth running of the Programme. The local coalitions are fragile and unofficial election campaigns are already gearing up. There has been slight increase in tensions in both South and South West Serbia, which analysts link to the situation in the north Kosovo. In the South, there were at least two big protests against 'Government's discrimination' while in the South West the Mufti Muamer Zukorlić was calling his supporters to civil unrest and disobedience.

The sixth Swiss good governance mission was conducted during third quarter, and resulted in arrangements of experts' support in the next two years and agreement with SDC to finalise the next phase of programme funding during September /October as the present agreement expires on 31st October 2011. Small infrastructure projects and at least one inter-municipal project will strongly feature good governance; all EU-PROGRES' components will continue respecting good governance principles; there will be a pure governance reform in at least one municipality, while efforts will be made to continue with the vertical dimension of good governance, and these will be formalised in the next SDC agreement.

This report is structured into five chapters, providing an update on advancement of the EU-PROGRES activities and circumstances that affect Programme's implementation. Chapter 1 is a reminder of the overall objective, purpose and beneficiaries while the update of political, social and economic conditions in the Programme Area of Responsibility is given in Chapter 2. EU-PROGRESs in each component is described in Chapter 3, while administrative overview of the Programme is shown in Chapter 4. Chapter 5 contains information about visibility from July – September 2011, and the subsequent annexes provide in depth information into most important activities.



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Acronyms

ANMC	Albanian National Minority Council
AoR	Area of Responsibility
BIC	Business Incubator Centre
BIRN	Balkan Investigative Reporting Network
CAC	Citizens Assistance Centres
CAS	Citizens Advisory Service
CB	Coordination Body
CfP	Call for Proposals
CIF	Citizens Involvement Fund
CSO	Civil Society Organisation
DEU	The Delegation of the European Union to Serbia
DRP	Detailed Regulation Plan
EU	European Union
GG	Good Governance
GIT	Grant Implementation Team
GRP	General Regulation Plan
IP	Industrial Park
IT	Information Technology
IZ	Industrial Zone
LED	Local Economic Development
LF	Logical Framework
LSG	Local Self-Government
LTA	Local Tax Administration
MoEMSP	Ministry of Environment, Mining and Spatial Planning
MoERD	Ministry of Economy & Regional Development
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MHMRPALSG	Ministry of Human and Minority Rights, Public Administration and LSG
NGO	Non-governmental organisation
NMC	National Minority Council
OSCE	Organisation for Security and Cooperation in Europe
OSDUA	Office for Sustainable Development of Underdeveloped Areas
OSS	One Stop Shop
PSC	Programme Steering Committee
PRO	Municipal Development in South West Serbia
PUC	Public Utility Company
QMS	Quality Management System
SCTM	Standing Conference of Towns and Municipalities
SDC	Swiss Agency for Development and Cooperation
SEDA	Sandžak Economic Development Agency
SP	Spatial Plan
ToR	Terms of Reference
UNOPS	United Nations Office for Projects Services

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Intervention

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.*

Project purpose

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

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 EU-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.

Beneficiaries

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

- Ivanjica, Nova Varoš, Novi Pazar, Priboj, Prijepolje, Raška, Sjenica, and Tutin in the South West Serbia
- Blace, Žitorađa, Kuršumlija, Prokuplje in the Toplica District
- Bojnik, Vlasotince, Lebane, Leskovac, Medveđa, Crna Trava, Bosilegrad, Bujanovac, Vladičin Han, Vranje, Preševo, Surdulica, Trgovište in the South Serbia.



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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 EU-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.

Updates on political, social and economic developments

Political

Census

The population census in Serbia is scheduled to begin on 1 October and although the preparations were going on in all EU-PROGRES municipalities, there were fears that the minorities will be boycotting the registration¹.

The Assembly of Albanian Councillors, an informal body gathering key political representatives, invited Albanian citizens to boycott the census, displeased, among other reasons, about the non-existence of registration forms in Albanian language, obstacles to obtain personal documents and apply for residency, and the risk of artificial change of the demographic structure in municipalities where Albanians have large population. The local Serbian political organizations feared a similar risk, but they claimed the census could lead to greater number of Albanians listed as living in the South while in fact they were abroad. Riza Halimi, the only ethnic Albanian leader in the Serbian parliament, was also concerned that only eight out of 22 data collectors in Bujanovac would be ethnic Albanians.

The Minister of Human and Minority Rights, Public Administration and Local Self Government (MHMRPALSJ) and President of the Coordination Body (CB), Milan Marković, said that the Albanian community had no reason to boycott the Census and reaffirmed they would be treated the same as representatives of other ethnic minorities.

In the South West Serbia, the Bosniak Cultural Community, led by the Mufti Muamer Zukorlić, has called upon its supporters to refrain from taking part in the census. The Party of Democratic Action of Sandžak (SDA) condemned this move as improvident and dangerous². The Minister of Labour and Social Affairs, Rasim Ljajić, explained that the census can only benefit communities as it was crucial for government's policies for certain areas³.

¹ Bloomberg (2011) *EU urges Serbia's Ethnic Minorities to Take place in Census [Online]* Available at: <http://www.bloomberg.com/news/2011-09-29/eu-urges-serbia-s-ethnic-minorities-to-take-place-in-census.html> (Accessed on 1 October 2011)

² B92 (2011) *Officials, parties condemn Mufti's call for census boycott [Online]* Available at: http://www.b92.net/eng/news/politics-article.php?yyyy=2011&mm=09&dd=28&nav_id=76594 (Accessed on 2 October 2011)

³ B92 (2011) *Ljajić: Zukorlić only trying to attract attention [Online]* Available at: http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=09&dd=29&nav_id=545646 (Accessed on 2 October 2011)



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Other municipalities in EU-PROGRES are facing different challenges related to the census with for example, Kuršumlija, one of the territorially largest municipalities in Serbia where some 80 data collectors designated for villages said they would give up the job due to low remuneration, inaccessibility of the terrain of dispersed 92 mountainous villages, which are inhabited by some 5-6,000 people⁴.

The European Union (EU) provided 19.5 million Euro for the census this year and its Ambassador to Serbia, Vincent Degert, appealed on the minorities to take part in the census, as it provides relevant data that could assist EU in allocating and dispatching its support to the areas in need. The previous census was organized in 2002. Failure to take part in the census is punishable by Law - a fine of between €200-500 is envisaged for anyone who refuses to answer questions or who provides incomplete data.⁵

EU Integrations

Serbia's Deputy Prime Minister, Božidar Đelić, observed that Serbia has fulfilled Copenhagen criteria needed not only to get candidacy status but also to start negotiations. However, he warned of two possible impediments: the crisis in the EU and the attempt of Priština and part of international community to get concessions⁶, which may stall the process.

Meanwhile, the support for EU integration among the citizens of Serbia has dropped below 50% (to 46%) and Deputy Prime Minister Đelić expects it will continue to recede⁷. Compared to June 2011, when the previous survey was conducted, this is a decrease of seven per cent.

There is still a concern about the increase of false asylum seekers from the western Balkans' countries, including Serbia, and the EU Commission and some members asked the countries to explain what measures they are taking to deal with this issue⁸.

Legislation

The Assembly of Serbia voted for the new Law on Public Property that allows the republic, autonomous province and local self governments to own assets⁹. The municipalities will be responsible for streets, squares, parks, municipal roads and uncategorized roads. Concessions for use of water, mineral resources and subterranean waters can also be awarded to local self governments. The Law prohibits the use of public property for party interests and envisages that the

⁴B92 (2011) *Low remuneration discourages data collectors* [Online] Available at: http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=09&dd=23&nav_category=12&nav_id=544195 (Accessed on 2 October 2011)

⁵ BalkanInsight (2011) *Ethnic Albanians and Bosniaks to Boycott Census over Language* [Online] Available at: <http://www.balkaninsight.com/en/article/ethnic-albanians-and-bosniaks-to-boycott-census-over-language> (Accessed on 1 October 2011)

⁶ B92 (2011) *We deserve both the date and the status* [Online] Available at: http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=09&dd=18&nav_id=542909 (Accessed on 20 September 2011)

⁷ B92 (2011) *The support to EU accession dropping* [Online] Available at: http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=09&dd=30&nav_id=546038 (Accessed on 1 October 2011)

⁸ B92 (2011) *New increase in number of false asylum seekers* [Online] Available at: http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=09&dd=25&nav_category=1262&nav_id=544533 (Accessed on 1 October 2011)

⁹ B92 (2011) *Law on public property adopted* [Online] Available at: http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=09&dd=26&nav_id=544794 (Accessed on 2 October 2011)

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directors of public enterprises are selected through open competition.

The long awaited Law on Restitution was adopted at the end of September. Some 150,000 claims for return of property confiscated after the World War II are expected¹⁰.

South and South West Serbia

There has been emergence of tension in the South and South West Serbia that analysts attributed to the crisis in northern Kosovo, but also to other issues related to possibility of gaining EU candidacy status¹¹.

In early September, Bosniak Council of Sandžak, led by Mufti Muamer Zukorlić, advocated for civil unrest and protests. Through a Declaration on Discrimination, the Council sought from international institutions protection, should the Government fail to change its policies. The Council renamed itself into the National Council of Sandžak, and said it would prepare necessary documents to open offices in Brussels, Washington, Istanbul and Sarajevo¹².

There was another call to the state institutions to start solving Sandžak problems, but this one included a request to tame the growing extremism. Several nongovernmental organisations claimed that the civil sector is one of the main targets of the Mufti, particularly since this sector was mainly led by women¹³. In addition, a multi-ethnic group of students originating from Novi Pazar, which gathered around Sandžak Otpor, accused Mufti for the problems in the area, and invited Bosniaks to oppose all his actions. Zukorlić said this was an “unscrupulous and cowardly” attack on his dignity¹⁴ and alleged the group was a product of the Minister Ljajić.

In late September, the Ambassadors of the United States, Denmark, Austria and Organisation for Security and Cooperation in Europe (OSCE), all members of an informal group "Friends of Sandžak", visited Novi Pazar and promised ‘support’ pointing out that a stable political climate was necessary to solve the problems. During OSCE-organised Forum, diplomats spoke with some 50 youth who pointed that the area was burdened by continuous inter-ethnic conflict that was being ignored by relevant stakeholders and called for establishment of Council on Inter-ethnic relations. The diplomats vowed to share their findings with the authorities in Belgrade¹⁵.

Earlier, in August, Reis-ul-Ulema of the Islamic Community in Bosnia and Herzegovina, Mustafa Cerić, visited Novi Pazar and called on Bosniaks to unify and create a state, which some understood to

¹⁰ Danas (2011) *The Restitution Law adopted* [Online] Available at: http://www.danas.rs/danasrs/ekonomija/usvojen_zakon_o_restituciji.4.html?news_id=224497 (Accessed on 1 October 2011)

¹¹ SETimes (2011) *Sandžak and the South are hotspots for Serbia* [Online] Available at: http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2011/09/20/feature-04 (Accessed on 22 September 2011)

¹² B92 (2011) *The Council of Sandžak voted for a declaration* [Online] Available at: http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=09&dd=11&nav_id=541264 (Accessed on 15 September 2011)

¹³ B92 (2011) *NGOs asking for Zukorlić to be controlled* [Online] Available at: http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=09&dd=13&nav_id=541644 (Accessed on 20 September 2011)

¹⁴ B92 (2011) *Chief Mufti Says he will sue media over accusations* [Online] Available at: http://www.b92.net/eng/news/society-article.php?yyyy=2011&mm=09&dd=24&nav_id=76543 Accessed on 2 October 2011)

¹⁵ EMG (2011) *Ambassadors ‘Friends of Sandžak’ promise assistance* [Online] Available at: <http://www.emg.rs/en/news/serbia/164756.html> (Accessed on 3 October 2011)



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mean the support of 'autonomy' while for others, Cerić's statement did provoke negative reactions.¹⁶

Finally, there have been no indications when the renewed elections for the Bosniak National Minority Council (BNMC) may be scheduled, and with national and local elections to be held by May 2012 latest, BNMC elections are appearing less likely beforehand.

In Ivanjica, the local Assembly President, Bosiljka Očokoljić, resigned without any specific explanation, at a session held on 23 September.

South Serbia

The conflicts in North Kosovo triggered reactions of South Serbia officials. Bujanovac Mayor, Shaip Kamberi, pointed out that the rule of law remained necessary precondition for stability. Slobodan Drašković, Medveđa Mayor, said that Kosovo situation has no impact on good inter ethnic relationships between Serbs and Albanians. On the other hand, Minister Marković believed that Kosovo developments reflect on Bujanovac, Preševo and Medveđa but he thought situation was stable, although challenging due to consequences of economic crisis.

The economic crisis was one of the reasons for the protest of several thousand Albanians from Preševo, Bujanovac and Medveđa¹⁷ who also asked the Government to stop discrimination of Albanian minority and improve education¹⁸. Riza Halimi highlighted the ongoing neglect of the state and pointed to bad economic situation that was worse than in 2001 when the Government adopted a plan for development of the area. The unemployment rate, according to Halimi, is over 80%. Earlier this summer; Halimi also expressed dissatisfaction with the results of the CB work, setting a September deadline for it to start resolving problems. In addition, Halimi said it was high time for the Albanians of South Serbia to have one Ministry.

In July, Nagip Arifi, deputy Mayor and the leader of a newly established Democratic Party criticized the work of Bujanovac municipality in public forums, which resulted in the Assembly initiating a procedure to dismiss him. The motion failed.

The Serbs in Bujanovac, gathered around the Serbian National Council (SNC) were also unhappy about inequality of the three communities living in the town, claiming this was causing exodus of Serbian population.

Toplica

In July, Kuršumlija Deputy Mayor Dejan Milošević was arrested for threats to the former head of the Municipal Court and was going to be imprisoned for four months.

¹⁶ Večernje novosti (2011) *Inflammatory statements by Cerić* [Online] Available at: <http://www.novosti.rs/vesti/naslovna/aktuelno.69.html:342206-Zapaljive-izjave-Cerica> (Accessed on 29 August 2011)

¹⁷ B92 (2011) *Albanians protested in Preševo* [Online] Available at: http://www.b92.net/info/vesti/index.php?yyvy=2011&mm=09&dd=21&nav_id=543544 (Accessed on 17 September 2011)

¹⁸ The protesters also asked for: full demilitarization of the "Preševo Valley"; reestablishment of the ground safety zone, as envisaged by the Kumanovo agreement; freedom of movement for population and goods; use of textbooks/curricula that would enable preservation of national and cultural values; recognition of diplomas of the University of Priština; improvement of health care; employment in state institutions, in accordance with the ethnic structure of population; approval for using of (Albanian) national symbols in the "Preševo Valley"; return of local courts in Bujanovac, Preševo and Medveđa.



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Socio-economic

Education

There was another protest in the South Serbia in September, gathering around 3,000 young ethnic Albanians from Bujanovac, Medveđa and Preševo, against the state policy on education and asking for cessation of discrimination¹⁹. The Head of the Albanian National Minority Council, (ANMC), Galip Bećiri, also attended the protest and said that the biggest problem was the lack of study books in Albanian. The Coordination Body for Preševo, Bujanovac and Medveđa called on the Ministry of Education to address the issues more efficiently and in accordance with the Laws. However, the Minister of Education and Science, Žarko Obradović, asserted the reason for protests were deeper and said education should not be misused for political purposes. According to the Minister Obradović, significant EU-PROGRESs has been made in education.

Only a day after the protest, there was an official presentation of the ABC book for Albanian pupils, imported from Albania and approved by the Ministry of Education, in Bujanovac. The ANMC President was pleased with the new books, but said it was a drop in the sea of pupils' needs. Bećiri said that the ANMC has submitted a full list of textbooks to the Ministry of Education but they have not received any response from it²⁰. With assistance of the Coordination Body and in cooperation with the Ministry of Education and Science, a number of text books in Albanian language (text books from the Republic of Serbia and textbooks imported from Albania) for primary school pupils, from first to fourth grade, were delivered to pupils in the South Serbia.

Furthermore, the technical talks between Priština and Belgrade resulted in an agreement to recognize verification of diplomas gained at the University of Priština.

There are 15 accredited universities in Serbia²¹, out of which eight are state run (one of them in Novi Pazar). The International University of Novi Pazar has not been accredited due to inability to fulfil conditions set by the state – to provide education on the BA, MA and PhD levels. Department of the Faculty of Economy from Subotica, Novi Sad University, was set to be opened in Bujanovac at the beginning of October. The studies will replicate the concept existing for Hungarian students in Subotica, whereby the Albanian students will listen majority of subjects in the first year in mother tongue. The number of subjects in Albanian language will be reduced in higher years of studies.

Bosilegrad officials say that a growing number of youngsters leave the town to study in Bulgaria, which offers them free study, accommodation and scholarships of 100 Euro a month.

There were reports from Jablanica District that the number of the first graders has dropped by ten per cent since last year²². Leskovac secured funding for Roma children in four elementary schools,

¹⁹ B92 (2011) *Bujanovac: Young Albanians protest* [Online] Available at: http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=09&dd=13&nav_category=12&nav_id=541803 (Accessed on 26 September 2011)

²⁰ Večernje novosti (2011) *Bujanovac: ABC in Albanian* [Online] Available at: <http://www.novosti.rs/vesti/naslovn/aktuelno.69.html:345155-Bujanovac-Bukvar-na-albanskom> (Accessed on 20 September, 2011)

²¹ B92 (2011) *Serbia has 15 Universities* [Online] Available at: http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=09&dd=28&nav_id=545381 (Accessed on 1 October 2011)

²² Južnevesti (2011) *Less First Graders in Leskovac* [Online] Available at: <http://www.juznevesti.com/Drushtvo/Manje-prvaka-u-Leskovcu.sr.html> (Accessed on 4 October 2011)



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hoping to speed up their integration into the educational system²³. A similar project will be implemented in another Jablanica municipality, Vlasotince, for eight months, total value of 35,000 Euro. Finally, there were concerns about segregation in Leskovac elementary school Petar Tasić, where 80% of 480 pupils are Roma and where some of the classes were made up solely from pupils from this ethnic group²⁴.

In Toplica, statistics show that 8.71% people are illiterate. Eight out of ten are women.

Although originally SDC withdrew support for its Novi Pazar kindergarten project²⁵, in August the project was reinstated and underway. The long delays were caused by an unreliable sub-contractor.

Media

The Government of Serbia adopted, in a phone session, the Media Strategy²⁶. Some of the key themes in the Strategy included: withdrawal of state from the media ownership, forming of six regional public television services, as well as allowing NMCs to set up media in minority languages. The European Commission said the Strategy was a good starting point for solving a number of deficiencies in media sector²⁷. However, previously, the Commission, according to media reports, criticized the Strategy, especially setting up of the regional public services, requesting privatization of media to ensure editorial and financial independence. Their other cause of concern was establishment of the NMC's media and their funding from the budget, as the Councils are politicized and can exert influence on reporting²⁸.

The Anti-Corruption Council's report on media pointed to strong political influences and a full control by political powers, claiming there were no media outlets where citizens can get full and objective information²⁹. Three key problems occur, according to the report: unclarity of ownership; economic influence by state institutions through different budget contributions; the failure of Radio Television of Serbia to be a public service which results in closeness of media to numerous problems faced by Serbia including that of corruption.

A two-member Tutin TV crew was attacked by four people while filming construction of a local cultural centre. The South East Europe Media Organisation (SEEMO), an affiliate of the International

²³ Južne vesti (2011) *3.5 million for education of Roma children* [Online] Available at: <http://www.juznevesti.com/Drushtvo/Leskovac-35-miliona-za-obrazovanje-romske-dece.sr.html> (Accessed on 20 September 2011)

²⁴ DW (2011) *Their first question is how many Roma children are there* [Online] Available at: <http://www.dw-world.de/dw/article/0,,15377986,00.html> (Accessed on 20 September 2011)

²⁵ This project is directly funded by SDC outside of PROGRES, with PROGRES staff providing monitoring services only

²⁶ B92 (2011) *Media Strategy Adopted* [Online]. Available at: http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=09&dd=28&nav_category=12&nav_id=545377 (Accessed on 30 September 2011)

²⁷ B92 (2011) *EC: Positive about Media strategy* [Online] Available at: http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=09&dd=29&nav_id=545633 (Accessed on 1 October 2011)

²⁸ B92 (2011) *EC Criticizes Media Strategy* [Online] Available at: http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=09&dd=22&nav_id=543799 (Accessed on 25 September 2011)

²⁹ Savet za borbu protiv korupcije (2011) *Presentation of the report on pressures and Control of Media in Serbia*. [Online]. Available at: <http://www.antikorupcija-savet.gov.rs/Storage/Global/Documents/mediji/SAZETAK%20ZVESTAJA%200%20MEDIJIMA.pdf>

(Accessed on 3 October 2011)

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Press Institute, condemned the attack and urged Serbia's authorities to protect journalists, especially in local communities.³⁰

In Leskovac, TV Klisura began broadcasting news in Roma language.

Civil society

Aida Ćorović, director of Novi Pazar URBAN-IN NGO, is the 11th recipient of the award "Conquest of Freedom" by the "Maja Maršičević Tasić" Fund³¹.

Ivanjica's Society for Cerebral Paralysis project *Support for Parents and Children with Physical Disability-New Way of Prevention* that was **supported by the EU-PROGRES Citizens Involvement Fund**, received ERSTE Foundation **Award for Social Integration**.

Culture

Ivanjica's cultural festival "Nušičijada" received award from the Tourist Organization of Serbia for significant achievements in improving the quality of tourism in the country. Over 30,000 people visited the event this year, a figure three times bigger than last year.

'Plum Days' in Blace, at the end of August, generated a lot of negative media publicity due to competition in drinking of traditional alcoholic drink – rakija.

Bulgarian minority in Serbia will soon get two newspapers in native language: "The voice of Bulgarians" in Niš and "Bosilegradsko Kraište" in Bosilegrad³².

Islamic holy month of Ramadan started on 1 August and ended on 29 August. The working hours in the South West Serbia (SWS) municipalities were shortened during this period. Mufti Zukorlić campaigned heavily during the month, throughout the SWS, in an effort to bolster additional support for upcoming elections.

Economy

According to the Development Agency for Preševo and Bujanovac, Kosovo embargo on the export of Serbian goods resulted, for seven local companies, in an estimated monthly loss of half a million Euro.

Contracts have been signed with six entrepreneurs from Vranje, Bujanovac and Preševo who will get 3,000 USD start up loans, for agriculture or services, within the USAID and HELP programmes aimed at reducing unemployment.

³⁰ IFEX (2011) *IPI Condemns a physical attack on TV Tutin crew* [Online] Available at: http://www.ifex.org/serbia/2011/09/30/tv_crew_assaulted/ (Accessed on 30 September 2011)

³¹ B92 (2011) *Conquest of Freedom goes to Aida Ćorović* [Online] Available at: http://www.b92.net/info/vesti/index.php?yyyy=2011&mm=09&dd=22&nav_category=12&nav_id=543862 (Accessed on 1 October 2011)

³² JugPress (2011) *Bulgarian culture richer for two newspapers* [Online] Available at: <http://www.jugpress.com/index.php/jug-srbije/10215-bugari-bogatiji-za-jo-dva-lista> (Accessed on 4 October 2011)



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A NALED project has designated support teams to attract foreign investors and improve business environment. In Vranje, the Slovak Ambassador will support wood industry development. Bujanovac team is composed of the Portuguese Ambassador and the director of Hypo Alpe Adria Bank in Serbia, while Leskovac will be the focus for the Ambassador of Slovenia and the Manager of “Ball Packaging”. The project was initiated by the Ministry of Foreign Affairs, NALED and the Prince Karađorđević.

The estimated pick of tobacco in the Bujanovac region is around 300 tons, and it is expected that the quality of tobacco will be high. Most tobacco is grown in the area of Veliki Trnovac village.

In Leskovac, the Serbian Deputy Prime Minister for Economy and Regional Development signed agreement with South Korea's Jura, which will build its fourth factory in Serbia in this city. Jura plans to invest 13 million Euros and employ 1,500 workers in Leskovac. In addition, Turkish company “Jeans Istanbul” started a small production, employing 20 workers, likely to extend to 500 workers in 2012. On the other hand, the Independent Trade Union in Leskovac announced that 35 of 51 privatised enterprises in Jablanica District declared bankruptcy and six were in the process of liquidation³³. This made the District a leader in the number of unsuccessful privatizations. The Trade Union estimated that 17,000 workers lost their jobs from 2002 until 2010. Grey economy in the district is on rise - during the past month, inspections found 51 persons that were employed contrary to law³⁴.

The Regional Chamber of Commerce and producers of “Leskovački Ajvar” submitted application to the Institute for the Protection of Intellectual Property for issuing of an International Certificate for Geographic Indications Protection for this delicacy made from red pepper.

Fifty-one persons with disabilities have been employed in Jablanica District over the past two years, as a result of implementation of the Law on Professional Rehabilitation and Employment of Persons with Disabilities³⁵.

Mayor of Surdulica Novica Tončev and Mayor of Trn in Bulgaria Stanislav Nikolov signed in Sofia an agreement on cross-border cooperation. The agreement includes complete reconstruction of the regional road Kostreševce – Palja, along the border crossing between Serbia and Bulgaria. The total value is 545,107 Euro, funded by IPA project granted to Surdulica.

The Minister of Labour and Social Affairs, Rasim Ljajić, visited Trgovište in September to open the newly constructed premises of the Centre for Social Work and announced the start of a new programme for town, prepared by the Government.

The Office for Sustainable Development of Underdeveloped Areas (OSDUA) donated funds for preparation of technical documentation for local infrastructure projects, to Blace, in the amount of 653,000 RSD and Žitorađa - 807,760 RSD. OSDUA also organized a conference in Sjenica on

³³ Pravda (2011) *In seven months 35 companies in liquidation* [Online] Available at: <http://www.pravda.rs/2011/08/21/za-sedam-mesecci-35-stecaja/> (Accessed on 3 October 2011)

³⁴ Južne vesti (2011) *Grey economy on the rise in Jablanica District* [Online] Available at: <http://www.juznevesti.com/Ekonomija/Rad-na-crno-u-porastu-u-Jablanickom-okrugu.sr.html> (Accessed on 3 October 2011)

³⁵ Južne vesti (2011) *51 invalids employed over two years* [Online] Available at: <http://www.juznevesti.com/Drushtvo/Leskovac-za-dve-godine-zaposlen-51-invalid.sr.html> (Accessed on 3 October 2011)



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development of agriculture in Pešter and opened, at the same time, a training facility for farmers, which should nicely complement efforts of EU-PROGRES and the Czech Development Agency's investment on the development of Pešter Development Centre (PDC).

Tutin, Sjenica and Novi Pazar signed an agreement with the USAID to participate in the Sustainable Local Development (SLD) programme, while civil society organisations joined the effort by initialling the amendment to the agreement.

Novi Pazar started utilizing a credit line, worth up to 200 million RSD and began paving roads, building bridges and pedestrian areas. This might prove to be a good move for the existing administration, seen by people as a long overdue action.

The Head of Novi Pazar Economy Department accused the International University of Novi Pazar, which is headed by the Mufti Zukorlić, of owing more than 23 million dinars to the City for privatization of the Textile factory "Raška" where the University is seated. The factory workers were on a strike, organizing a sit-in at municipal administration entrance, which resulted in late August, in a police effort to remove them. The workers saw this as excessive use of force.

Within the first MHMRPALSG call for allocation of funds from gaming, 64 municipalities received a total of 120 million RSD. Raška was awarded with 1.8 million RSD for construction of access road to the monastery Končul, while Leskovac received 1.1 million RSD for modernization of Civil Registry.

Raspberry producers in Ivanjica have been protesting over the summer over low prices for their product.

Prijepolje and Priboj continue to suffer financial difficulties, but they seem to be smaller than in the first half of the year. In the September assembly session, Priboj adopted its six month budget report which showed that only 55% of funds planned for schools were paid to the intended beneficiaries, while the sports clubs were received 130% of planned amount. PUC "USLUGA" employees were not paid for August, and the situation is similar in other public enterprises.

Environment

In Bujanovac, access to the municipal waste collection centre was allowed in July following a month long protest by the local Serbs who possess land in the vicinity. Srbijašume allowed the municipality to use their land for construction of transfer station. In return, the municipality will release the company from paying the tax for five years.

Due to a long drought, water springs in seven villages in Bujanovac municipality, dried up. The villagers are supplied from water tanks, provided by the Public Enterprise "Komunalac".

In Kuršumlija, a fish kill was blamed on two companies that discharge wastewaters into the Toplica River. In Leskovac, around 100kg of fish were found dead in the river Veternica that flows through Leskovac, due to a shortage of oxygen because of the long draught³⁶. However, the environment inspection service also found traces of deadly substances. This is the second time in four years that such a chemical spill occurred.

³⁶Južne vesti (2011) *Cause for fish pestilence in Veternica found* [Online] Available at: <http://www.juznevesti.com/Drushtvo/Utvrdjen-uzrok-pomora-ribe-u-Veternici.sr.html> (Accessed on 15 September 2011)



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The German development bank KfW said they would invest three million Euros to solve Leskovac City's problem with water supplies, while the City administration announced it would construct a 950-kilowatt solar power plant, with 60 solar panels, a project worth two million EUR³⁷. A similar announcement was made in Vranje where the Assistant Mayor said that a Chinese investor would build a 5MW solar power plant. The deal foresees an investment of 300 million EUR and will result in abundant energy source for Vranje and the entire South Serbia.

A 4.3 degree Richter scale earthquake shook Prokuplje in July, causing small damages.

Raška Mayor signed a contract for construction of recycling yard with the MoEMSP. MISP representatives visited the municipality and started work on data collecting for Feasibility study for wastewater treatment that will be prepared by February 2012.

Raška and Prijepolje Assemblies adopted Spatial Plans for their municipalities.

Sport

Novi Pazar football club made it to the first league, albeit under suspicious circumstances according to reports. Consequently, performances in the first league have been dismal, igniting popular resentment towards Minister Ljajić, who is a board member of the Club.

Activities during reporting period

Component 1: Good governance

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

Key outputs

- ✓ Citizens' Involvement Fund internal assessment conducted
- ✓ Two organisations selected to set up CAS, one in Prokuplje, the other in Žitorađa. CAS operating in Novi Pazar serviced 64 beneficiaries
- ✓ Ivanjica adopted the European Charter for Gender Equality on the Local Level
- ✓ Sixth mission of the Swiss good governance experts was conducted

Imminent outcomes

- ✓ CIF review points to contributions in the fields of employment, provision of services to local vulnerable and marginalized groups and civic participation in municipal work, but also to a positive shift in public perception of the importance of cooperation between local authorities and civil society

Activities:

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

³⁷SEE News (2011) *Serbian City of Leskovac may start building a solar park in October – Media* [Online] Available at: http://seenews.com/news/latestnews/serbiancityofleskovacmaystartbuildingsolarparkinoct_media-134916/ (Accessed on 25 September 2011)



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An internal analysis of Citizens' Involvement Fund (CIF) projects³⁸ showed that the Fund's key contributions to date were in the field of employment, provision of services to local vulnerable and marginalized population, and civic participation in municipal work. Citizens also started to express opinion on local priorities and working on them, and it can be said that CIF projects have aided a shift in public perception of the importance of cooperation between local authorities and civil society.

Continuous monitoring and auditing of CIF projects, as well as evaluation of mid-term narrative reports, showed there are no significant concerns in most cases. Some common mistakes included: change of units and unit rates in the budget without prior approval; payment of invoices with tax; spending EU-PROGRES contribution on items that were not included in the budget or on budget lines that should have been paid through co-financing. These are all picked up in financial audits, noted and distributed to all grantees as a part of capacity building strategy.

However, one grant had to be cancelled after regular financial and legal control showed that at the time of contract signing the NGO did not exist as a legal entity. This project was replaced while taking into account the territorial representation and scoring results. Full details of grants' implementation to date are available with the CIF administrator.

1.2 Citizens' Satisfaction Surveys

No activities in this period.

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

The first Call for Proposals (CfP) resulted only in one contract for Citizens' Advisory Services (CAS), awarded to the Sandžak Committee for Human Rights in Novi Pazar. The second applicant that scored highly in the evaluation, NGO Initiatives from Prokuplje, had to be disqualified after audit checks showed false financial data and registration papers.

The second CfP, which had a deadline of 31 July, had to be extended until 15 August, due to the low quality of submitted applications. By the closing date, three bids were received: two for Prokuplje, from EHO and the Association of Roma Prokuplje (ARP), and from the Centre for Development of Roma Resources -CDDR for Žitorađa. The evaluation committee recommended two projects for funding – ARP and CDDR. Following confirmations from the EU-PROGRES audit department both CAS should start with activities during October 2011.

The EHO NGO has complained about the process verbally and in writing; the EU-PROGRES response letter is available to PSC members upon request.

During EU-PROGRES Day in Novi Pazar, the project implemented by the Sandžak Committee was further advertised. In the past three months, this CAS had 64 beneficiaries, not only from Novi Pazar, but from neighbouring towns as well. Most of them sought support in obtaining personal documentation. It was agreed that the Sandžak Committee would provide necessary technical assistance/advice to CAS projects in Toplica municipalities, if the need arose.

³⁸ Please see Annex I of this report



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

The call for proposals period for the budgetary hearings tender, which was advertised during July, had to be extended at the end of month due to a small number of offers. Three applications were received and reviewed by the Programme evaluation committee in August. The application that was recommended for funding had extremely high price. As no agreement was reached during follow-up negotiations with the bidder which could give value for money, it was decided to change the approach to the activity.

A consultation meeting was organised with Balkan Investigative Reporting Network (BIRN) representatives, an organization that carried out a pilot project in EU-PROGRES in Year 1. It was agreed the second round of public budget hearings should be carried out after political circumstances become stable (i.e. after the elections), but that preparations should start as soon as possible. A follow-up meeting was scheduled for early October at which a strategy leading to a timetable to develop programme document and budget is hoped to be agreed. This is in line with the approved and contracted EU-PROGRES programme document which predicted such a process may be taken.³⁹

Finally, in discussions and agreement with the OSCE, the next anti-corruption seminar/training for local officials and media is planned for early December. The lecturers will be the most prominent Serbian journalists in investigative journalism.

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

After in house consultations, and discussions with the Swiss good governance experts, about the first concept note for Leskovac Green Zone project, it was concluded that this activity required another re-conceptualization, with a fresh approach to the stated goals and potential setting up of new targets. It was also clear that there was a need for a much more integrative approach between this and certain activities in components 2 and 3. The whole methodology, in addition, is multi-faceted due to the imminent beginning of election campaign.

The conception is currently revised and another draft is expected during the next quarter.

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

DamaD was expected to submit information on requested budget revision by 21 September, but until the end of the month this was still not received. The new budget proposal was to consider realistic cost for upcoming capacity building and assistance to formulate local action plan (LAP) for gender equality, and lobbying for adoption of the European Charter for Gender Equality on the Local Level. It is expected that DamaD's project will help to capacitate the councils how to gather necessary information and to transform expert inputs, knowledge and local community needs into a comprehensive action plan that outlines their future work.

³⁹ Please see page 17 of the Description of Action document, activity 1.4



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It was agreed that LAPs would be developed in local governments with sufficient capacity and a stable political situation. The final list of beneficiaries will be available after the second capacity building training foreseen for October.

Ivanjica adopted the European Charter in late September, while EU-PROGRES gave support to Gender Equality Council in Prokuplje to prepare notification letter to European Council of Cities and Regions about the adoption of the Charter.

The Component Manager participated in a regular meeting of Local Gender Equality Mechanisms Support Group in Novi Sad in mid September and presented EU-PROGRES activities. Programme's support to drafting LAPs has been noted and further exchange of information has been agreed.

Finally, upon request from the UN Women, EU-PROGRES nominated mechanisms from Prokuplje, Novi Pazar, Sjenica and Raška to participate in an event on advancing gender equality on the local level that will be held in the autumn.

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

As agreed around the Annual Steering Committee in Bosilegrad, the Albanian, Bulgarian and Roma National Minority Councils prepared a tri-partite project for EU-PROGRES consideration. The proposal was discussed with Department of Human and Minority Rights of the MHMRPALSG, who suggested that the project should include an exchange of experiences with other NMCs, such as Hungarian. The revised project should be submitted in early October and should be accompanied by a technical agreement among the three NMCs.

Good governance as a crosscutting theme

In the third quarter of 2011, the Swiss good governance (GG) experts were consulted on several documents: Terms of Reference (ToR) for participatory budgeting; Banjica Landfill (contracts and municipal decisions); a paper from Economy Expert; Programme logical framework (LF); Leskovac Green Zone and Pešter Development Centre project proposals/LFs, as well as public awareness campaign.

During August, EU-PROGRES team held meetings with the recipients of infrastructure grants, to discuss GG aspects of projects⁴⁰, and to encourage municipal officials to contribute with their own thoughts on the subject. The initial discussions were focussed on the nature of local policies or decisions needed to tackle the raised issues. All interlocutors reacted enthusiastically, many of them confirming this was much needed and vowed their full support to the process. It was recognised that some of the GG issues have already been addressed by local regulations. In addition, some officials expressed willingness to enter "pure governance reforms". GG activities will be conducted in parallel with implementation of infrastructure projects.

The sixth mission of good governance experts was held in mid September, with an aim to discuss and evaluate all activities carried out from January-August 2011. Budgetary restraints have been noted as restraining factor for further engagement with clients. It was agreed that there was advancement in the Programme and its staff, achieved both internally and externally, noting that there is a room for further improvements. The proposal for the next two years, in regards GG as a cross-cutting aspect, is to link all small and at least one big inter-municipal infrastructure project with GG; to

⁴⁰ All 14 municipalities, except Nova Varoš, whose officials were not available



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provide support to other components/activities in keeping them on GG track; to implement GG vertical component activities; and to start a pure governance reform in at least one municipality (if genuine interest was demonstrated)⁴¹.

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

- ✓ Tenders for technical designs of CAC in Crna Trava, Bosilegrad and Trgovište advertised
- ✓ 80,000 EUR approved in the PSC meeting for modernization of CACs in nine municipalities. An extensive assessment of the technical needs of requesting LSGs has been conducted and tenders will be published in October
- ✓ BICs in Prokuplje and Vranje developed and submitted project proposals which will be considered by EU-PROGRES in early October
- ✓ The request for proposals for establishment of One Stop Shops (OSS) advertised at the end of September

Activities:

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

Grant contracts for Citizens' Assistance Centres (CAC) for Crna Trava, Bosilegrad and Trgovište were signed and all municipalities opened separate bank accounts during August. Crna Trava paid 100% of its contribution in September. Bosilegrad had to undergo a budget revision so that it could reallocate funding towards the project and that was done in late September. In Trgovište, the municipal budget is depleted and they have requested funding aid from the OSDUA. Regardless of this the municipality managed to make a preliminary payment needed for technical designs, as envisaged by the contract.

Requests for Bosilegrad and Trgovište technical designs were advertised in September. In Crna Trava, the CAC technical design is a part of the overall town hall building reconstruction project, and the EU-PROGRES engineer has actively participated in defining the CAC needs and division of bills of quantities (BoQ) so that the CAC can be implemented as a separate phase. The design is finalised and should be advertised in the first week of October.

Following allocation of up to 80,000 EUR in the annual Programme Steering Committee (PSC) meeting, CAC bids for the provision of new IT equipment or other means of modernization that should enhance the efficiency of service delivery in nine municipalities, were approved. Detailed assessment of the technical specification for the IT equipment occurred in August and the final report and the list for tender was finalized in September. This procurement will be combined with the procurement for the Urban Planning Directorates under Activity 3.1 and will be advertised in early October.

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

⁴¹Full details of the mission visit are available at PROGRES, upon request.



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In house consultation and elaboration of model for support to Local Economic Development (LED) offices in development of Business Incubator Centres (BICs) and clusters was conducted. Two experts will be engaged in October to lead in preparation of concepts and documentation for establishment of three new clusters, plans for attracting investments and functions of LED offices connected with the One Stop Shops (OSS) and industrial zones.

The BIC in Prokuplje resolved the ownership issues and organizational arrangements and appointed new Manager ad interim. This BIC, and that in Vranje, completed full project proposals for funding and submitted them to EU-PROGRES in the second half of September. After final review and endorsement they should be ready for granting procedure in early October.

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

The Request for Proposals for establishment of OSS was advertised on 30 September and will be open for a month.

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

Analysis of the submitted questionnaires for Local Tax Administration (LTA) support was completed in the first half of July and subsequently cross-matched with MSP IPA 2007 and GIZ. EU-PROGRES will recommend to the PSC that Preševo, Bujanovac, Vranje, Surdulica, Lebane, Bojnik, Prokuplje, Žitorađa, Blace, Sjenica and Priboj receive grants for tax payers' database update and procurement of IT equipment for the LTA offices.

2.5 Support LSG to strengthen financial management capacity

The programme budgeting methodology developed by the Standing Conference of Towns and Municipalities (SCTM) adviser, approval from the Ministry of Finance (MoF), and meetings of the Expert Working Group are now long delayed.

The draft methodology that SCTM promised to be shared with EU-PROGRES in the first half of August and then postponed onto mid-September was not sent while unofficial information from MSP IPA 2007 and the SCTM, indicate that the possibility for programme budgeting preparations and activities commencing this year are very slim. Furthermore, the MoF has shown a lack of strong support for the introduction of programme budgeting and its legal formalization. With the elections due by May 2012, the realistic involvement of EU-PROGRES to support the initiative locally in the time-frame of the Programme is now questionable.

EU-PROGRES we believe has no choice but to re-conceptualize this activity, link to Activity 3.1, planning documentation, and make recommendations at the next PSC meeting in January 2012. One possibility is to provide support in producing plans for capital investments, which would enable municipalities to improve financial management in this area on a multiyear level. This will be in line with the planning focus of Component 2, but also to further emphasize all findings of the Investment Obstacle Analysis produced earlier by the EU-PROGRES team and presented at the annual EU-PROGRES meeting and to look for solutions to these obstacles to investments.

2.6 Introduce Quality Management System in Municipal Administration



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During July, Quality Management System (QMS) introductory workshops were held in Vranje, Leskovac and Prokuplje. Six municipalities which did not attend the workshops⁴² will be considered uninterested in involving further in this activity.

The final report for the QMS implementation selection has been submitted and endorsed by the Component Manager and Technical Specialist, pending the English versions and final approval from the Programme Manager⁴³. The municipalities recommended for the QMS implementation are: Ivanjica, Novi Pazar, Prokuplje, Surdulica and Bujanovac.

The activity has been aligned along GG principles during workshops and in the final assessments, while the level of GG principles understanding was one of the scoring points on the final list.

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

Key outputs:

- ✓ Nine municipalities will receive funds for 12 DRPs, following PSC decision
- ✓ PSC voted to award 75,000 EUR to Novi Pazar, Vranje and Leskovac urban directorates, for upgrade of equipment

Activities:

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

The implementation of the projects, especially public procurement, has shown a need to revise the project budgets and (potentially) amend the contracts as the prices acquired on tenders are lower than originally budgeted which was according to the Chamber of Engineers scale of pricing. This process will also change the dynamics of EU-PROGRES funds release and potentially cause a need to prolong the duration of some grant agreements. Detailed steps were discussed with the Operations Unit and coordinators during September and the final model for revisions and contract amendments will be cleared by UNOPS Legal Department. However, it is important that all grantees have paid their co-funding into designated accounts.

General Regulation Plans (GRP):

Nova Varoš implementation is running smoothly.

Prijepolje – following positive review by the legal and planning experts of the tender process in Prijepolje, municipal co-funding has been revised and was set to be transferred to the dedicated account by 8 August. The funds were received on 10 August.

Priboj and Bujanovac - following meetings and warning letters to Mayors, municipal contributions were paid and both tenders are in process.

Detailed Regulation Plans (DRP):

Sjenica tender was completed, and so were those in Tutin and Raška. Two DRPs in Blace are still pending the final proof of co-funding by the municipality.

Vlasotince was considerably late in paying their contribution and after the second warning letter to the Mayor, during a problem-solving meeting held on 25 July, it was agreed that the municipality would transfer their contribution by 15 August. Yet, Vlasotince sent a formal letter informing EU-

⁴²Lebane, Medveđa, Crna Trava and Žitorađa did not send any representatives, while the participation of Vladičin Han and Bojnik was symbolical

⁴³The report is available at PROGRES, with the Component 2 Manager



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PROGRES that they are not able to co-fund the Industrial Zone DRP grant and initiated the cancellation of the contract.

Nine municipalities that applied for 12 DRP grants, a batch approved in the last PSC meeting, submitted full project proposals at the end of September. The internal programmatic and financial check-up started and the issuance of grant contracts is expected in mid-October.

Finally, as Vranje, Leskovac and Novi Pazar haven't received any funding from EU-PROGRES for planning documents, as they are using own resources in the urban directorates, the PSC approved provision of IT equipment and specialized software in the total amount of 75,000 EUR to support them. During August, a detailed IT specification for the three Urban Planning Directorates was done. The procurement of hardware and software will be done together with the IT equipment procurement from Activity 2.1, assuring a more cost-effective purchase, but also a standardized quality of equipment for the end recipients. The technical specification is prepared and ready to be advertised at the beginning of October.

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

A month long tender, for local sustainable development strategies' (LSDS) monitoring mechanisms for Toplički District and the South West, was closed on 31 July, while the evaluation of offers was conducted in August. The best offeror was invited for negotiations since they also submitted the best offer for the activity 1.4 (participatory budgeting). The negotiations failed, as the price decrease was not sufficient to accommodate in the stringent budget. Additionally, they failed to prove capacity to handle two complex projects within EU-PROGRES and another three professional engagements at the same time.

This has correlated with the fact that further attempts to support LSDS implementations in municipalities through establishment of monitoring and reporting mechanisms would be feeble without a proper budgetary system in place i.e. multi-annual programme budgeting introduction in the LSGs.

Due to all above, EU-PROGRES will re-conceptualize this activity together with the Activity 2.5 as a closely linked action and recommend during the next PSC meeting that these two activities could be modified to support the municipalities in producing Plans for Capital Investments. This will be in line with the planning focus of Component 2, but also an effort to further emphasize all findings of the investment obstacle analysis produced earlier by the EU-PROGRES team and already presented to the PSC as mentioned above.

A more detailed explanation of the proposed re-conceptualization will be given in a separate document that will be discussed with donor representatives presented at the next PSC meeting in January 2012.

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.

Initial contacts were made with Kraljevo and Belgrade Housing Agencies, both being among few institutions in Serbia that have history of best practices and active projects in the social housing field, with an idea to finalise the approach for this activity. Meetings previously arranged for September in



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Kraljevo and Belgrade to share experiences have been postponed to October.

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 20 projects for development of technical documentation in 14 municipalities, in the amount of up to 380,000 EUR

Activities:

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

Banjica Landfill – while there has been advancement in the process of setting up the company and management structures and establishing mechanisms of accountability and transparency, there is still no advancement in formalising the partnership with the Ministry of Environment, Mining and Spatial Planning (MoEMSP) or of securing co-funding. The draft ToR for redesign was completed and submitted to MoEMSP in June 2011 but the MoEMSP discussion leading to finalisation and therefore advertisement is long overdue. The studies and documents produced by technical (ToR for redesign), legal (founding legal documents for two options public utility company - PUC and Ltd) and business plan experts sent as draft versions to “Banjica PUC” acting director and the deadline to receive comments is mid October.

In the meantime, MSP IPA 2007 completed Draft Regional Waste Management, and it was confirmed that the ToR for redesign correlated with it.

Waste water treatment and water supply system – Kopaonik tourist centre: the PSC gave tentative support for the project in July and the full proposal is being developed for consideration of the PSC board in October. The applicant will be Serbia Water, while the associates have been identified as PC National Park Kopaonik, PC Skiing Resorts of Serbia, the MoEMSP, PUCs of Raška and Brus. EU-PROGRES will provide consultancy support to MERR to finalise the proposal but it remains doubtful if a request for a final approval can be submitted to the PSC on 26th October next.

Meteris Landfill Vranje: initial bilateral meetings were held with Mayors of Vranje, Preševo and Bujanovac. A joint meeting with three Mayors and the MoEMSP, to develop project plan and project organization, is pending.

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

Recycling yards:

Raška – EU-PROGRES paid the first instalment and tender package was prepared. However, the project was put on hold, until the municipality agrees with the MoEMSP about the location for the yard. The original location which has the location permit has not been approved by the Ministry while the Ministry’s preferred location is in town, but is not covered with planning documents. At the meeting with the Ministry in mid September, Raška agreed to provide all available planning and urban information for both locations, before the Ministry makes a final decision. For EU-PROGRES grant contract there is no difference which location the municipality uses, as long as the location permit can be issued to satisfy the building planning law before the project implementation can commence.



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Nova Varoš – EU-PROGRES paid the first instalment. The municipality changed the location and failed to produce the proof of funds available to acquire it (the deadline to do so was 1 August). The new deadline was set for September, and the new location involves procedure with the land directorate of Serbia and an assembly decision (started by the municipality already). However, the deadline was missed again as the procedure with the Serbian Land Directorate and the transfer of property to public took longer than envisaged.

Vranje- Subsequent project activities did not occur through the grant implementation team (GIT) adequately and this sub project is also well behind schedule. The MoEMSP has ordered the main technological design for the recycling yard from the Faculty for Technology and Metallurgy while, in the meantime, Vranje Urban Institute is working on creating one cadastral plot for the yard (urban design is a precondition for the activity from EU-PROGRES contract). During September, several meetings were held with the Vranje officials that resulted in better understanding of roles within the GIT, as well as the role of EU-PROGRES. In September Vranje finally paid their contribution into the project account in full, and is working to issue the location permit for the project. The municipality is in contact with the MoEMSP as well, to propose the suitable tender documents.

Comment– the municipalities need too much time to solve technical issues. Forming the construction plot takes longer than necessary, coordination between the utility companies is difficult to initiate, in which case the grant managers do not have executive influence thus creating the atmosphere that the team does not meet if EU-PROGRES does not initiate. Since equipping of the recycling yards is contracted with the MoEMSP, and EU-PROGRES contracts are ending in April 2012, there is still time to step back and wait until the municipalities agree the details with the Ministry.

Technical assistance:

The PSC approved funding of 20 projects for development of technical documentation in 14 municipalities, in the amount of up to 380,000 EUR. Municipalities are preparing location permits, as a pre-condition to start writing project proposals for submission to EU-PROGRES. The deadline for receiving the documents was 23 September with 11 out of 20 permits received. However, only three came with the conditions from utility companies (as is the obligation stated in the Law on Building and Construction). EU-PROGRES has a reserve list as well, approved by the PSC, which will be activated in case the location permits for the first 20 projects on the list cannot be issued.

Comment – the absence of complete permits with PUC conditions cannot be attributed to one simple reason. This is the consequence of the absence of planning documents, cadastral issues (lack of underground installations registry) and bad practice where the conditions are issued only after the main design is completed.

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

As previously reported, this activity has been reconceptualised to engage consultants' which would support formulation of project proposals that could secure further financing, such as the Waste



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Water Treatment and Water Supply System – Kopaonik tourist centre, Pešter Development project, Banjica Landfill, Leskovac Green Zone.

Result 6: Selected projects financed and implemented through EU-PROGRES

Key outputs:

- ✓ 13 contracts signed for small infrastructure projects from the first Cfp
- ✓ 16 projects received in the second Cfp, nine passed evaluation of concept
- ✓ PSC approved financing Leskovac Green Zone (up to 485,000 EUR) and Pešter Agro-Development Centre (for up to 221,690 EUR)

Activities:

6.1 Implementation of small municipal infrastructure projects in Blace, Kuršumljija, Prokuplje and Žitorađa municipalities

Žitorađa – it was only in September that the tender was advertised, and 50% of municipal contribution paid, due to delays caused in synchronising tender BoQ with technical designs.

Blace - serious delays in implementation of all projects occurred due to lack of staff to work on grant implementation. In a meeting with the Mayor of Blace, on 5 August, and a letter sent on 11 August, it was requested that the municipality clarifies problems and suggests the way ahead. No formal reply was received during August and the municipality has not paid its contribution for either the reconstruction of the school toilets or the health clinic in Barbatovac village. Later, Blace has requested cancellation of the contract for the health clinic, while it has paid 100% of their contribution for the primary school toilets and is working on tender package.

Prokuplje:

- There was a delay for the health clinic plateau project due to delays caused in synchronizing tender BoQ with technical designs. The package was finally approved in the meantime and a tender issued. Prokuplje paid 100% of municipal contributions into project account.
- Regulation of Stražavačka river project- the technical design was revised by EU-PROGRES experts and is of good quality. However, the municipality is facing delays in obtaining final consent from Serbia Waters. As the issue has still not been resolved in September, cancellation of the contract may be considered. The municipality is sure that the issue will be solved soon and is willing to pay the full contribution into project account as a proof.

Kuršumljija paid 100% of their contribution for both its projects - the sports hall and the central laboratory. The bills of quantities are being finalised, the grant implementation team is working on tender packages, and tenders should be advertised during October.

General comment – EU-PROGRES coordinator, Senior Coordinator South, Programme Engineer and senior management had several meetings during September to try and move the projects in Toplica District from a standstill. The results should show during October. The municipalities do not have sufficient staff dedicated to project development, and the coordination between the municipal departments and PUCs is weak – that is the general remark and the cause of slow implementation of projects.

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



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Contracts for all 14 projects identified in the first CfP were signed (except Tutin which will do so in October, as it had problems in proving availability of funding), and all municipalities formed Grant implementation Teams (GIT), opened project accounts and started working on tender documentation, finalizing of tender BoQs and correcting technical designs as per short term expert reports.

Leskovac, Prijepolje, Bosilegrad, Bojnik, Lebane, Vladicin Han, Novi Pazar and Nova Varoš paid 100% of their contribution; Sjenica, Raška, Surdulica and Priboj paid half and promised to provide their share from the next transfers they receive from the state. Trgovište has largest problems as it is trying to secure co-funding from the OSDUA, but there is no confirmation whether it will be successful.

All contractors must be selected in an open process of procurement. However, there is a different perception within municipalities about legal requirements and sometimes municipalities perceive that EU-PROGRES staff are insisting on things “that are against the law”, which in other municipalities passes as a standard norm.

Leskovac tender has already been advertised; Sjenica, Novi Pazar, Prijepolje, Nova Varoš, Raška, Priboj, Vladicin Han can be tendered in the first half of October while Bojnik, Surdulica, Bosilegrad, Lebane, Tutin can do so in the second half.

The second CfP for small infrastructure was announced in July. Nominal budget available was around 700,000 EUR. Due to the exchange rate fluctuations, the actual money available was around 500,000 EUR. Two consultants were engaged to support municipalities in project preparation. The call was closed on 1 August and the evaluation took place during September. 16 project proposals were received, while nine passed evaluation of concept stage⁴⁴. The technical evaluation is ongoing and the evaluation committee will recommend to the PSC the projects for implementation at the beginning October.

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

In July, the PSC approved financing of Leskovac Green Zone (up to 485,000 EUR) and Pešter Agro-Development Centre (for up to 221,690 EUR).

In August, contracts have been signed for both projects and preparations for tendering for the Leskovac Green Zone started. The advertisement for the prior notice was sent which means that the tender can be advertised in the second half of October. The project team is working on the remainder of tender package, while the City activated a bank loan for their co-funding and paid entire co-funding into the designated account.

Regarding Pešter project, SEDA is preparing an action plan, while EU-PROGRES' consultant is working on the ToR for the study that will define the organizational and management model and area market opportunities. News on EU-PROGRES support to Pešter Development Centre has caused positive reactions among public within three beneficiary municipalities who all agree that it is a well prepared project, worth supporting (mostly because most people recognize the potential Pešter plateau has in a way of developing agriculture and other sectors).

⁴⁴Summary of the projects received is available in Annex II of this report



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6.4 Implementation of municipal infrastructure projects in Pčinjski and Jablanicki District municipalities

During July and August, there were discussions with the municipalities and relevant stakeholders in Jablanica and Pčinja Districts about ideas that could be developed into good projects with a cross-border effect.

Having in mind the potential influence of the Green Zone project, which could be positioned as a regional distribution centre, the City of Leskovac was asked to conceptualise the proposal which would be a solid ground for further negotiation. The concept note should be prepared in October, and be presented to the PSC later that month.

Other possibilities are being explored but it too early to communicate.

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 Annual Steering Committee successfully organized, gathering 70 participants, including representatives from 20 municipalities
- ✓ Third International Folklore Festival supported in Bosilegrad
- ✓ Successful contract signing ceremony between OSDUA and EU-PROGRES staged in Belgrade in late July
- ✓ EU-PROGRES day organized in Novi Pazar, marking the first year of Programme implementation
- ✓ Concept for Calendar 2012 competition prepared
- ✓ Grant contract with Sandžak Danas finalized. The project should produce 12 reports on gender related issues
- ✓ EU-PROGRES website enhanced, now offering section in minority languages and all important Programme documents
- ✓ EU-PROGRES visibility improved and a new slogan launched
- ✓ Six bids received in CfP for good governance public awareness campaign

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

The **First Annual Steering Committee** was held on 27 July in Bosilegrad, gathering over 70 participants, out of which 11 Mayors and representatives from 20 EU-PROGRES municipalities. This was an excellent turnout having in mind the meeting took place in remote Bosilegrad, during summer holidays. Both the hosts, who recognized commitment of donors and the Serbian Government to support their community and the guests, many of whom visited this part of the country for the first time and saw some development potentials of the area, appreciated the fact that the PSC took place in this logistically isolated town. The meeting represented another confirmation of continuing interest of stakeholders for the Programme and provided room to ministries and donors to announce their activities that could be beneficial to local governments.

The Steering Committee coincided with the **Third International Festival “Bosilegradsko Kraište peva i igra”**, a weeklong folklore manifestation which is the most significant cultural event in town. The



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Festival promotes cultural heritage, tolerance and cooperation and EU-PROGRES assisted in development of its visual identity and production of promotional items: banners, posters, leaflets, folders, paper bags and certificates. Partly due to EU-PROGRES support, the Festival gathered four times more participants than ever before: over 450 representing 20 dancing groups from Serbia, Bulgaria, Macedonia and France. A special bonus was participation of groups from Novi Pazar and Raška, which in addition to cross border gave the manifestation a strong inter-ethnic and inter-municipal character. The Festival has been attracting over thousand spectators each evening, a number that was three times higher in comparison with previous years.

EU-PROGRES also assisted signing of **Memorandum of Understanding (MoU) between the OSDUA and UNOPS**, on 28 July in Belgrade. The MoU was verified by the Minister without Portfolio, in the presence of the Deputy Head of the Delegation of the European Union and the Director of the Swiss Agency for Development and Cooperation for Serbia. The function was among the main news from the Serbian Government for the day, and further promoted EU-PROGRES as credible development partner in the South and South West Serbia.

At the end of September, EU-PROGRES organised a **series of public events in Novi Pazar**, aiming to portray its achievements to date and cultivate relationship with the local community. The Programme Manager presented EU-PROGRES results and handed over grant contracts for Novi Pazar school and Pešter projects; EU-PROGRES info desk that had been placed in the centre of the town was visited by several hundred Novi Pazar residents who participated in the quiz about the Programme; Interethnic Youth Alliance, gathering activists from Bosniak and Serbian community organized third “Pazarska Sofra”, manifestation that through traditional music, costumes and delicacies promoted multiculturalism and tolerance; finally, for the second time, EU-PROGRES staff donated funds and contributed to Fund “Spjalica”, a scholarship scheme designed to support promising Novi Pazar students. The events generated positive publicity for the Programme, and provided channels for communication of good governance principles and multiculturalism as European values; the actions also demonstrated Programme commitment to openness and transparency. DamaD Executive Director, during Programme presentation, said: “EU-PROGRES initiated exactly what we had hoped international organisations and programmes would - to hear and respond to community needs. That is a quality we did not have before.”

Concept for (traditional) **EU-PROGRES Calendar 2012** art competition for secondary schools in the participating municipalities has been developed⁴⁵. The competition theme will be the one of UN Week: Serbia – Alliance of Civilizations and by selecting this theme, EU-PROGRES will contribute to promoting diversity of cultures, ethnicities, tradition and religions as Serbia’s wealth and European values. EU-PROGRES will provide awards to pupils who prepare 12 best works and to three winning schools. The competition will be launched in early October while the awards ceremony is planned for mid December. The UN Day in Serbia will be marked with a broad range of activities from September until November. In addition, since marking of UN Day will be implemented in cooperation with a number of EU Embassies, EU-PROGRES will be ready to facilitate their visits to the South West Serbia.

⁴⁵Concept is available in Annex III, attachment 3.1



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Grant contract with **Sandžak Danas**, for promotion of gender equality in the South West Serbia, has been signed and preparations for implementation are ongoing⁴⁶. The project will result in twelve monthly articles and supports professional media work.

Structure of **website** library has been improved to simplify search of Programme reports and documents, with an aim to further enhance transparency of activities. The website section with minority languages has been completed by placing appropriate banner on the home page. Some materials are already available in Albanian language, while efforts to ensure access to documents in Bulgarian and Roma language are ongoing.

Refreshment of **EU-PROGRES visual look** has been completed and will include slogan “One Good Turn Deserves a Better One” and a tree, as a symbol of “picking yields”. The slogan conveys a core message to the Programme partners: diligent work on development and good governance will in the long run provide multiple benefits. EU-PROGRES T-shirts, mugs and leaflet have been produced. Tender for a range of promotional items will be advertised in early October.

Overall, the EU-PROGRESs of activity 7.1 has exceeded expectations. First, the Communications Strategy serves its intended purpose: it provides good quality framework for communications activities. Core aspects of the Strategy, such as communication tools (events, high profile visits, website, newsletter, promotional items etc.) have been developed and are implemented. Targets set by the Strategy and Action Plans have been met and in many cases surpassed. In comparison to the Annual Work Plan, there have been no delays in implementation of this activity. Communications Action Plan for the next quarterly period has been developed⁴⁷

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

Pursuant to consultations with the Swiss good governance experts and the approval of the EU-PROGRES Steering Committee, the Terms of Reference (ToR) for good governance campaign was finalised, and advertised in the second half of August. The tender closed on 21 September, and six bids were received. The evaluation is under way and will be completed in early October.

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

Key outputs

- ✓ Recommendation made for consultancy to be contracted for destination branding plans

Activities

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

The original tender for destination branding plans had to be extended for a month, due to a small number of received offers. At the end of the second month, in August 2011, six offers were received and were reviewed during September. The recommendation for contracting was made and the conclusion of administrative procedure is expected in early October.

Possible venues for organization of branding workshops, that are the first step in the development of branding plans, have been identified in consultation with the Head of the South West Serbia Office

⁴⁶ Sandžak Danas project is available in Annex III, attachment 3.2

⁴⁷ Communications Action Plan for October – December 2011 is available in Annex III, attachment 3.3



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and Senior Coordinator in the South Serbia. Sjenica, Vranje or Vlasina i seem to be the best logistical choices. Preparations for organisation initiated and the workshops should be held in the last quarter of 2011.

Management and administration

Implementation Overview Matrix is available as Annex IV of this report.

Procurement

- EU-PROGRES Procurement Assistant appointed as Procurement Advisor resulting in ability to pre-clear rights for contracts above 50,000 USD
- Summary of tenders and tender statuses, as well as grants are available in the Annex V of this report.

Human resources

- Following contracts have been issued during the 3rd quarter 2011⁴⁸:
 - o Good governance project coordinator
 - o Second legal expert, as a result of growing need for legal support in implementation of big projects through grants
 - o Report and Communications Specialist
- Following contracts have been extended for additional year: Good Governance Coordinator, Programme Coordinator
- Contracts for Good Governance Component Manager, Head Of South West, Operations/ IT assistant and Senior Coordinator for South Serbia submitted to HR advisor and Local Contracts and Procurement Committee in Copenhagen for review and extension
- Short-listing for Translators to be finished by mid October for TOR in September
- Deputy Programme Manager post advertised, with interviews to be organised in late October
- Merit awards (UNOPS sponsored) paid to staff in September

Finance

- The second payment from SDC budget was entered into Atlas and is accessible
- Exchange rate fluctuation remains a concern – with additional 1.4 million Euros approved in the July PSC meeting, the focus of the Programme shifts to implementation and spending what had already been approved. The danger of over-committing is carefully monitored.
- Delivery rate is influenced by municipal contribution to the joined sub-project accounts but Programme delivery and expenditure ratio is gaining momentum. Expenditures in September were higher than in August: 215,762.61 Euro versus 305,731.30 Euro. October plans are significantly higher: 713,512.60 Euro.
- Spent of received, as of end of September of SDC funds was 76.77 %. This will trigger a payment request for 3rd payment from SDC in October
- Spent of received, as of end of September of DEU funds was 62.92 %. This will trigger a Payment request for 2nd payment from DEU in October
- Formal discussions with SDC for extension of existing contract for the period 1 November 2011 to 30 June 2013 commenced. Budget of 1.5 million Euros available. Due to extensive

⁴⁸Overview of HR is available in Annex V of this report



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travel for project implementation, travel costs related to specific sub-projects (components of the Programme) are charged to corresponding activity and component

Security

- No major security concerns related to EU-PROGRES activities emerged (the arrest of Goran Hadžić and Northern Kosovo blockade did not influence activities in EU-PROGRES AoR)
- First Area Security Management Team meeting was held in Kraljevo and Area Security Wardens were appointed. Additional Zone Wardens will be appointed in October.

Logistics / travel

Regular support to Programme logistics provided.

ICT

- IT assessment of municipalities included in CAC improvement process and urban planning departments was performed (described in Component 2 activities). Tender will be organized and completed in the next quarter
- Temporary outage in electricity and Internet services were registered in all EU-PROGRES offices, caused primarily by poor technical capacities of service providing companies in and works on road infrastructure or overload of Internet traffic
- EU-PROGRES Web site was inaccessible in period 23 to 26 September 2011 due to technical problem with hosting provider
- Backup and system updates performed on a regular basis.

Visibility

EU-PROGRES annual meeting and Folklore Festival in Bosilegrad, as well as signing of the MoU between the Programme and OSDUA attracted big media attention in **July** resulting in over 50 media reports⁴⁹. Besides Programme results in the first year, the narratives about the Steering Committee focused on the upcoming projects, in particular Leskovac Green Zone and Pešter Agro Business Centre. The folklore festival generated excellent visibility for EU-PROGRES and donors in the local community through numerous public statements of organisers as well as through visual communications that included EU and Swiss logos. Coverage included positive reports on Radio Television of Serbia and Bulgarian national TV. The headline of the web story on the International Radio of Serbia, "The longest folk dance launched a message of peace from three-abutment of the Balkans", was a good indicator of Festival's success and of relevance of EU-PROGRES intervention. EU-PROGRES produced video clips both about the annual meeting and the festival which were distributed to local media to broadcast royalty free.

Media coverage of July events continued throughout **August** resulting in additional 30+ reports in leading national media - Politika, Danas, Večernje Novosti, Blic, and two TV reports on Evronet, a programme shown on the first channel of the Radio Television of Serbia. A simple qualitative analysis of available clippings confirms EU-PROGRES commitment to ensure visibility for donors. For example, out of 11 available newspaper clippings, nine underline EU and Swiss funding support, one speaks about "European Partnership Programme", and only one report, the shortest of all, does not

⁴⁹Media coverage table, for July-September 2011, is available as Annex III, attachment 3.4



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communicate donors' support.

Furthermore, EU is mentioned about 20 times in 11 reports and Swiss Government about 15 times, in affirmative context.

Media attention continued in **September**, when over 40 reports were generated, including: four texts in Blic, one in Politika, two in Večernje Novosti and three in Danas. Local and regional media, such as TV Regionalna, TV Jedinstvo, Radio Sto Plus, and Jug Press extensively reported about EU-PROGRES public activities. Programme Manager gave a TV interview for national agency Fonet which was picked up by local media in Lesovac and posted on regional news website JugPress.

Overall, quite a few media base their reports on EU-PROGRES press releases, again proving that the practice of sending media statements immediately after the events was effective.

Implementation of CIF projects continues to increase EU-PROGRES' visibility in local communities, but also to generate good coverage for the Programme and its donors.

For example, a project for education of women in Sandžak about breast cancer and Elderly Club in Novi Pazar were reported in national daily Danas; there were two articles in Danas and Večernje Novosti about "Extended Hands", a project from Prijepolje, while national TV Happy noted EU-PROGRES support to youth office in Blace.

EU-PROGRES **website** had 5,188 visits in July, which is the highest number of visits since its creation. Four video clips about Programme have been added to the gallery and linked to newly created EU-PROGRES **YouTube** channel, which attracted 246 views in less than a month. Furthermore, EU-PROGRES banner has been posted on 15 official websites of EU-PROGRES municipalities thus further promoting the portal, while EU-PROGRES Facebook group has about 300 members.

The Communications team has prepared **EU-PROGRES visibility framework** – a paper deriving from the Communications Strategy and outlining planned events by the end of 2011⁵⁰. The document provides timely information to donors so they could consider participation in visibility functions; internally, it helps EU-PROGRES staff to allocate time for organization of activities.

The media coverage generated, vivid public interest and dominantly positive feedback about communications activities have greatly contributed to EU-PROGRES result 7: increased awareness about logic and effects of changes. However, it becomes clear that Programme beneficiaries, primarily local self governments, are not always eager to engage in more complex and time consuming reforms but prefer quick and visible project results which are not the essence of EU-PROGRES. Therefore, communication activities will try, in the coming period, to encourage stronger engagement by municipalities and manage their expectations. Having in mind approaching elections this will be a challenging bit still necessary endeavour.

⁵⁰Visibility Framework is available as Annex III, attachment 3.5



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Annex I	Component I
Annex II	Component III
Annex III	Component IV
Annex IV	Implementation Overview Matrix
Annex V	Administration and Management

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

www.progresprogram.org