

THE FIFTH PROGRAMME STEERING COMMITTEE MEETING

Prijepolje, 28 April 2015



Republic of Serbia



Programme Funded by EU



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC



Implementing Partner

Agenda

1. Welcome note and introductory speeches
2. Presentation of Prijepolje municipality
3. Approval of the minutes of the Fourth Steering Committee meeting held in Blace on 27 February 2015
4. Presentation of the Second Quarterly Report from 1 January – 31 March 2015
5. Presentation of the requests for approval:
 - Cluster support projects
 - Capital Investment Planning Technical Support projects and Programme Budgeting projects
 - Call for Proposals for introduction and development of Geographic Information System (GIS)
 - Call for Proposals for support to Public-Private Partnerships
 - Call for proposals for assistance to development of women entrepreneurship
 - Support to municipalities in development of social inclusion through employment of vulnerable groups
6. Voting
7. Any Other Business

Minutes

Agenda Item 1

Welcome note and introductory speeches

Emir Hašimbegović, Prijepolje Mayor, welcomed all participants and thanked the European Union and the Government of Switzerland for their continuous development support to the municipality. He highlighted that the unemployment rate in Prijepolje, although still high, had been in decline since 2012 and that the municipality would continue to work on infrastructure improvements to facilitate further development.

Branko Budimir, Acting Assistant Director at the Government of the Republic of Serbia's European Integration Office (SEIO), said that European PROGRES was nearing completion of the first year of implementation which was a good opportunity to summarise its progress, opportunities and challenges. He thanked the local self-governments (LSGs) for engagement so far and expressed hope of more quality projects in the future.

Agenda Item 2

Presentation of Prijepolje municipality

Esad Hodžić, member of Prijepolje Municipal Council for Economic Development, presented local development potentials, primarily in small and medium-sized enterprises (SMEs), tourism, and agriculture sectors. Hodžić confirmed continued support to agriculture as a branch with maximum development potential, to wood processing, construction of mini hydropower plants and textile production and expressed hope that the construction of the regional sanitary landfill with the neighbouring municipalities would provide a solution to solid waste management as the principal obstacle to development.

Agenda Item 3

Approval of the minutes of the Fourth Steering Committee meeting

The PSC unanimously approved the minutes of the Fourth Steering Committee meeting held in Blace on 27 February 2015.

Agenda Item 4

Presentation of Quarterly Report

Marko Vujačić, European PROGRES National Programme Manager, presented the Second Quarterly Report covering 1 January – 31 March 2015 period. While providing an overview of the progress achieved, Vujačić highlighted the limited number of economic projects and the noted political turmoil in the area as the two most serious issues encountered by the Programme.

Branko Budimir confirmed that the PSC would like to see more economic projects because of their prime developmental impact and reiterated that the closing infrastructure call for proposals (CfP), advertised by the Department for Contracting and Financing of EU Funded Programmes (CFCU) might make a difference in this respect. He noted the delays due to unpaid local co-funding and invited the LSGs to respect the agreed schedule and announced that the PSC would review whether LSGs responsibly used and maintained outputs delivered by the predecessor Programme, EU PROGRES.

Ana Stanković, Project Manager with the Delegation of the EU to Serbia (DEU), said that LSGs should make additional efforts to minimise delays to avoid repeating the mistakes from the previous programmes, focus on the project results and be more cooperative regarding co-funding, since the successful implementation of a project was the best possible reference when applying to the same donor for a new one. DEU would also take this into account with the upcoming Calls for Cross-border Cooperation projects and the Exchange 5. She added that the DEU would discuss the status of projects implemented during EU PROGRES that may not yet have reached their maximum potential in terms of lessons learned. She commended the project for its contribution to overall development by equipping the Prijepolje Industrial Zone.

Petar Vasilev, Swiss Agency for Development and Cooperation (SDC) National Programme Officer, said that the SDC supported continuous development, so when planning future support, an assessment would be made on how the potentials of previous opportunities had been used. A certain degree of cooperation would be necessary to assure donors that the municipality was a reliable partner.

Saša Đorđević, Mayor of Gadžin Han, informed the PSC that his municipality had not transferred the co-funding to the joint sub-account as Niš Treasury had advised that the co-funding advance payment could not be made without the Contractor's invoice for provided services. He asked for the assistance from the PSC in this matter as he believed that the Ministry of Finance's official opinion would allow municipalities to proceed with the implementation of the approved projects.

Meho Mahmutović, Mayor of Novi Pazar, added that small-value projects sometimes had high impact. Project designs completed during EU PROGRES amounted to 92,000 Euros and pulled in a seven-million Euro investment. Mahmutović noted examples of the local Diagnostic Centre and the flood protection dams. Novi Pazar, unlike Gadžin Han, had no problems with co-funding transfer.

Marko Vujačić added that after the municipalities had made repeated queries on the legitimacy of the co-funding transfer to the joint sub-account, European PROGRES had consulted its internal legal team,

whose legal opinion was expected shortly. He also noted the problem of different Treasury department procedures in different municipalities.

Branko Budimir asked for complete information to be delivered to the SEIO so that it could pass it on to the Ministry of Finance for clarification.

Agenda Item 5

Presentation of requests for approval

Mladen Cvetanović, Business Development Programme Associate, presented the results of the CfP for support to clusters. Nine out of 13 identified clusters had submitted an application, seven had passed the administrative check and five had been put forward for support. The total value of the supported projects was 198,000 Euros, with EU and SDC contributing up to 174,000 Euros. Completion was expected by mid-2015 whereupon the European PROGRES would measure the expected impact.

Branko Budimir enquired about the number of employed persons in clusters proposed to be supported by the PSC to which **Cvetanović** replied that it was close to 1,000.

Bojan Marčić, Municipal Management Programme Associate, presented projects proposed within the CfP for assistance in preparation of Capital Investment Plans and the Programme Budgeting. The Programme would support ten cities or municipalities in preparation of the Capital Investment Plans and the Programme Budget for 2016 by engaging external consultants to provide technical assistance. Ten out of fifteen proposals received were recommended for support.

Branko Budimir asked why only 15 out of potential 34 proposals had been received; the reply was that ten municipalities had already developed Capital Investment Plans; nine had had low interest in the call, while those with the limited capacities had opted not to apply due to the overlapping with other European PROGRES CfPs.

Saša Đorđević added that the Programme Budgeting was an already ongoing process in all municipalities, but his municipality had not applied since it did not meet the criteria of the call – it did not have an institutionalised Local Economic Development Office (LED).

Viktor Veljović, Spatial Planner, presented the conditions of the CfP for introduction and development of the Geographic Information System (GIS). The total amount available under this call is 1,035,000 Euros in two “packages”, with grants worth up to 100,000 Euros for single applicants and up to 150,000 Euros for partnership applications. He announced more info to municipalities during GIS trainings planned for 11 – 21 May.

Branko Budimir asked about details regarding info sessions and calls. He added that some municipalities’ modest capacities prevented them from applying to more than one call at a time, and that as many as three overlapping calls were likely. **Viktor Veljović** replied that there would be trainings and four info sessions and that the call would last for at least 45 days, specifying that partnership

proposals were required to nominate a lead partner with the relationship between partner municipalities defined by a memorandum of understanding.

Mladen Cvetanović, Business Development Programme Associate, presented the CfP for technical support in establishing Public-Private Partnerships for the following thematic areas in the competence of LSGs: energy efficiency, solid waste management, waste water management, public transport, public parking. Cvetanović announced info sessions for interested municipalities once the call was advertised.

Ana Nedeljković, Good Governance and Gender Equality Programme Associate, presented the CfP for assistance to women entrepreneurship development saying that preparatory activities were ongoing – seven info sessions had been held with a total of 420 participants, some 200 of whom had applied for trainings on business plan preparation, envisaged for mid-May. The total amount available for this call is 400,000 Euros, with grant value ranging from 1,500 to 10,000 Euros for procurement of equipment necessary for starting a business, with trade and primary agricultural production as sectors ineligible to apply.

Branko Budimir asked if women could apply in partnerships. To make them eligible, there must be a leading partner designated to sign the Grant Agreement. He also enquired about mechanisms to prevent the equipment from being sold in cases of potential unsuccessful projects. **Ana Nedeljković** replied that the contract would include a clause preventing the grantees from selling the obtained equipment for at least two years after project approval.

Ragmi Mustafa, Mayor of Preševo, stated that Preševa had a similar activity planned in their Programme Budget for 2015, allocating four million RSD for assistance to women entrepreneurship. He asked if European PROGRES could co-finance it from funds reserved for women entrepreneurship development. **Branko Budimir** replied that the call was competitive for women entrepreneurs from all 34 municipalities and that this proposal could not be accepted, but that Preševa could use that allocation to co-fund successful applicants from their municipality.

Faruk Suljević, Advisor to Novi Pazar Mayor, asked if the call's criterion stipulating that a woman applicant had to be unemployed could be rephrased as it was difficult for unemployed women to start a business and quickly become entrepreneurs. **Ana Nedeljković** replied that the call sought unemployed women with viable ideas for their business and that those employed were lower on the vulnerability scale as they had some income.

Graeme Tyndall, European PROGRES Programme Manager, added that this was a valid point that needed to be discussed further. He advised all to read the Programme documents on the European PROGRES website and to come up with proposals as to what the European PROGRES should be doing – what relevance the programme had at the moment and what it should be doing in the following two years. If Preševa could allocate a million RSD to support women entrepreneurship, the European PROGRES might complement their action. He added that **Dragan Mladenović, Good Governance and Social Inclusion sector Manager** would visit Preševa officials to learn more about their procedure.

Saša Dorđević said that a similar project had been implemented in Gadžin Han, supported by the Office for Sustainable Development of Underdeveloped Areas. A woman entrepreneur had received a grant for raspberry growing, the business was still active, and, since most of these 34 municipalities were predominantly rural, he asked why primary agricultural production was an ineligible sector under this call.

Dragan Mladenović, Governance and Social Inclusion Sector Manager, answered that this was because primary agricultural production was supported by multiple donors and the maximum amount available in the call was insufficient for serious engagement in primary agricultural production, but that primary agricultural production-based processing activity was an eligible activity for this call.

Ana Stanković added that the possibility of including primary agricultural production should be taken into consideration. Dragan Mladenović agreed.

Fazila Azemović, LED Office Bujanovac, asked, on behalf of the Association of Business Women of Bujanovac, if the grantees from the ongoing Citizen Involvement Fund (CIF) project would be eligible to apply under this CfP. This association had received a grant, the activities were similar to the ones foreseen by the call for women entrepreneurship, differing only in grant size.

Dragan Mladenović replied that the activities within the CIF project would be completed by the time the women entrepreneurship project became operational, so there were no obstacles for them to apply under the second call.

Dragan Mladenović presented the activity of support to municipalities in the employment of the most vulnerable groups (women, unemployed, Roma, youth...) with the aim of boosting their social inclusion and of institutional strengthening of local actors dealing with socially marginalised groups' issues, to recognise and analyse their community needs, make appropriate plans and use these pilot projects to find suitable solutions.

Agenda Item 6

Voting

Branko Budimir informed the meeting participants that the PSC members had had an insight into the submitted proposals and confirmed the adoption of the following:

- Quarterly Report for 1 January – 31 March, 2015
- Support to cluster projects¹
- Capital Investments Planning Technical Support projects and the Programme Budgeting projects
- CfP for introduction and development of the Geographic Information System (GIS)
- CfP for support to Public-Private Partnerships
- CfP for assistance to development of women entrepreneurship – approved in principle (further consultations needed)
- Support to municipalities in development of social inclusion through employment of vulnerable groups

Agenda Item 7

Any Other Business

Marko Vujačić offered clarification of the sub-account issue. The issues reported by individual municipalities were conveyed to UNOPS Legal Firm in Serbia and the formal request for clarification would be sent to the Ministry. According to **Saša Đorđević**, the solution would be that the Programme agree to transfer funds to the joint account, while the municipalities would transfer their co-funding upon receipt of the Contractor's invoice.

Branko Budimir said that this was not in line with UNOPS implementation methodology and that the answer would be provided upon receipt of UNOPS legal advisors' opinion. SEIO would be ready to assist in the matter by contacting the Ministry of Finance, as it was unusual to have different Treasury procedures in different municipalities.

The next Steering Committee Meeting will take place in Gadžin Han.

¹The table with approved projects is available in Annex I

Steering Committee Members			
#	Name	Institution/Organisation	Function
1.	Branko Budimir	European Integration Office of the Government of the Republic of Serbia	Acting Assistant Director
2.	Ana Stanković	Delegation of the European Union	Project Manager
3.	Petar Vasilev	Swiss Agency for Development and Cooperation	National Programme Officer
4.	Milica Rodić	Coordination Body for Preševo, Bujanovac and Medveđa	Advisor to the Director
5.	Miona Popović Majkić	Ministry of Economy	Head of Group for Planning of IPA Projects
6.	Nikola Veža	Ministry of Construction, Traffic and Infrastructure	Advisor to the Strategic Planning Sector
7.	Graeme Tyndall	European PROGRES	Programme Manager

Participants			
#	Name	Position	Municipality
1.	Emir Hašimbegović	Mayor	Prijepolje
2.	Hanka Hajdarević	Head of Administration	Prijepolje
3.	Esad Hodžić	Municipal Council Member	Prijepolje
4.	Admir Mušović	Municipal Council Member	Prijepolje
5.	Nedžad Hodžić	Municipal Council Member	Prijepolje
6.	Vesna Novosel	Head of Urbanism Department	Prijepolje
7.	Svetlana Slović	LED Office	Prijepolje
8.	Selma Serdarević	LED Office	Prijepolje
9.	Selma Čičić	Urbanism Department	Prijepolje
10.	Dragiša Rakonjac	Head of Finance Department	Prijepolje
11.	Sead Hamzić	Textile cluster	Prijepolje
12.	Ivan Ljujić	Textile cluster	Prijepolje
13.	Enes Turković	RDA Zlatibor, Prijepolje Local Centre	Prijepolje
14.	Meho Mahmutović	Mayor	Novi Pazar
15.	Faruk Suljević	Advisor to the Mayor	Novi Pazar
16.	Ertan Bogučanin	Pešter Agro Cluster Manager	Novi Pazar
17.	Sulejman Ugljanin	President of Bosniak National Council	Novi Pazar
18.	Milka Kaplanović	LED Office	Ivanjica
19.	Tijana Vučićević	LED Office	Ivanjica
20.	Aleksandar Radonjić	LED Office	Ivanjica
21.	Saša Đorđević	Mayor	Gadžin Han
22.	Ljubica Nikolić	Knjaževac municipality	Knjaževac

23.	Marjan Stanković	Lebane municipality	Lebane
24.	Radula Ratković	LED Office	Brus
25.	Arandjel Stojković	Deputy Mayor	Brus
26.	Marijana Azdejković	LED Office	Brus
27.	Nenad Todorović	Municipal administration	Nova Varoš
28.	Ankica Žegarac Milenković	LED Office Associate	Surdulica
29.	Ragmi Mustafa	Mayor	Preševo
30.	Ilir Sadriu	LED Office	Preševo
31.	Šemsudin Kučević	Mayor	Tutin
32.	Ignjat Rakitić	Mayor	Raška
33.	Boban Stanković	Assistant Mayor	Vranje
34.	Bojan Nešić	Mayor	Merošina
35.	Jelena Jovanović	Head of Mayor's Cabinet	Merošina
36.	Goran Miljković	Mayor	Bela Palanka
37.	Biljana Milenković	LED Office	Bela Palanka
38.	Senad Mahmutović	Municipal Council Member	Sjenica
39.	Maida Kasumović	LED Office	Sjenica
40.	Hazbo Mujović	Mayor	Sjenica
41.	Goran Ljubić	Mayor	Doljevac
42.	Neda Jovanović	LED Office	Doljevac
43.	Jelena Milenković	LED Office	Babušnica
44.	Saša Stamenković	Mayor	Babušnica
45.	Saša Dodić	Municipal Administration	Bojnik
46.	Dejan Tasić	Deputy Mayor	Bojnik
47.	Nagip Arifi	Mayor	Bujanovac
48.	Arber Pajaziti	Chief of Mayor's Cabinet	Bujanovac
49.	Fazila Azemović	LED Office Associate	Bujanovac
50.	Salih Salihi	LED Office Associate	Bujanovac
51.	Miroslav Jovanović	Municipal Council Member	Vlasotince
52.	Krsto Janjušević	Assistant Mayor	Priboj
53.	Vladan Atanacković	OSCE	Novi Pazar
54.	Vitomir Mihajlović	President of Roma National Council	Belgrade
55.	Aleksandar Jovanović	UNDP	Belgrade
56.	Siniša Čađo	USAID	Belgrade
57.	Dragiša Petrović	Mayor	Medveđa
58.	Dragan Mladenović	Governance and Social Inclusion Sector Manager	UNOPS
59.	Bojan Marčić	Municipal Management Programme Associate	
60.	Ana Nedeljković	Good Governance and Gender Equality Programme Associate	

61.	Edin Bašić	Programme Assistant	
62.	Nermin Hasanović	Regional Coordinator	
63.	Marko Vujačić	National Programme Manager	
64.	Evgjenije Islami	Regional Programme Associate	
65.	Milan Kolašinac	Programme Engineer	
66.	Radule Ristović	Regional Coordinator	
67.	Viktor Veljović	Spatial Planner	
68.	Dejan Drobnjak	Communications Officer	
69.	Mladen Cvetanović	Business Development Programme Associate	
70.	Slobodan Derikonjić	Regional Programme Associate	