



PROGRAMME STEERING COMMITTEE MEETING MINUTES

Gadžin Han, 29 July 2015



Republic of Serbia



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2. Presentation of Gadžin Han Municipality (short film)
3. Approval of the minutes of the Steering Committee Meeting held in Prijepolje 28 April 2015
4. Presentation of the Annual Report (07 May 2014 – 30 June 2015) and frameworks for social inclusion, infrastructure and competitiveness sectors
5. Information of EU funded projects through the Department for Contracting and Financing of the EU Funded Programmes (CFCU)
 - Finishing construction of a new block within Vranje Hospital
 - Construction and equipping of the building for emergency services in Novi Pazar Health Centre
6. Presentation of requests for approval
 - Annual Report (07 May 2014 – 30 June 2015)
 - Call for Proposal (CfP) for introduction of international quality or food safety standards and quality mark for Small and Medium Enterprises (SMEs)
 - CfP for provision of support for protection of geographic origin
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Minutes

Agenda item 1

Welcome and introductory speeches

The meeting commenced with the short welcome address by **Gadžin Han Mayor, Saša Đorđević** who expressed appreciation that European PROGRES has, comparing to its predecessor, engaged nine new municipalities in the Programme, including Gadžin Han.

Branko Budimir, the Acting Assistant to the Director of the European Integration Office of the Government of the Republic of Serbia (SEIO) and PSC Chairperson expressed satisfaction with the results of the Programme so far, acknowledged the challenges and invited the beneficiaries to voice concerns, discuss experiences and suggest solutions – to ensure the Programme is relevant and effective.

Agenda item 2

Presentation of Gadžin Han Municipality

A short movie on Gadžin Han presented the Municipality which covers an area of 325 km², has 34 settlements with 8,357 inhabitants and over 40% unemployment rate. Agricultural land makes 56.5 % of the total territory and 64% of active population works in agriculture. The soil and climatic conditions in the Municipality are suitable for growing berries, corn, tobacco and especially for livestock breeding.

Agenda item 3

Approval of the minutes of the Programme Steering Committee meetings

The PSC unanimously approved the minutes of the Steering meeting held in Prijepolje on 24 April 2015.

Agenda item 4

Presentation of the Annual Report (07 May 2014 – 30 June 2015) and frameworks for social inclusion, infrastructure and competitiveness sectors

Graeme Tyndall, European PROGRES Programme Manager invited participants to contribute to the discussion with critical overview of the past year's activities and ideas for improvement of the Programme's implementation in the future.

Marko Vujačić, European PROGRES National Programme Manager, presented the Annual Report covering the period from 7 May 2014 - 30 June 2015. The European Union (EU) and the Government of Switzerland through the Programme provided funding for implementation of 82 projects in the areas of infrastructure, competitiveness of municipalities and good governance. Six calls for proposals (CfP) have been conducted and additional three initiated including the call for proposals for the local infrastructure projects announced by the Department for Contracting and Financing of the EU Funded Programmes (CFCU) of the Government of Serbia's Ministry of Finance. The United Nations Office for Project Services (UNOPS) underwent two positive audits which included European PROGRES. The implementation follows UNOPS capacity development methodology that favours national ownership and ensures that the activities are embedded into national and local development politics. Frequent

political changes, delay in implementation of the CFCU managed grant scheme for local infrastructure projects, and limited number of economic projects have been noted as major issues.

Branko Budimir, thanked all Programme stakeholders for the listed accomplishments. The Annual Report is clear and details both the progress and the issues that cause delays and hinder project sustainability. Budimir announced that the Steering Committee members will, starting in September, conduct visits to the selected local self-governments to assess the challenges that are disrupting implementation of some of the supported projects. Budimir noted that larger number of quality projects is expected in the upcoming period and encouraged local self-governments (LSGs) to develop, with support from the Programme, more project with the substantial, long term economic impact.

Ana Stanković, Project Manager with the Delegation of the European Union (DEU) acclaimed the Programme and partners on the first tangible results of European PROGRES. Summarising the past year she noted that 82 projects is impressive but that only few of these were contributing to increased economic activity while simultaneously only 29 municipalities regularly engage with European PROGRES. Stanković reminded that the CfP for Geographic Information System (GIS) is ongoing and invited all LSGs to take part. The DEU was pleased with the progress of Cluster and Women Entrepreneurship projects and voiced expectation that they would contribute to opening of new jobs. However, it will be necessary to identify causes for the underperformance of some of the municipalities and for limited progress of a number of projects from the previous Programme.

Petar Vasilev, the National Programme Officer with the Swiss Agency for Development and Cooperation (SDC) noted that European PROGRES is bigger, better funded and more experienced than its predecessor EU PROGRES. The Annual Report was a good record of the ongoing efforts while LSGs were reminded that the Programme is a partnership, and the dialogue is the key to further development. He encouraged all stakeholders to voice their concerns and assured them that there was room for adjustment in order to ensure that the solutions correspond to the reality on the ground.

Olivera Kostić, European PROGRES Competitiveness Sector (S2) Manager presented the progress of the activities underlining the provision of technical assistance for development of Capital Investment Planning and Programme Budgeting to 15 municipalities as well as issuing the grants for upgrade of local tax administration in 16 LSGs. European PROGRES S2 also issued five grants to cluster to support innovations and improved access to market positioning. Kostić invited PSC participants to discuss future activities that could enhance competitiveness.

Dragoljub Stevanović, Deputy Mayor of Vranje commended the support to Clusters and the planned introduction of standards in the Small and Medium Enterprises (SMEs). However Stevanović highlighted that further financial and technical assistance is needed to enhance management, marketing and export projects. Introduction of quality standards was also relevant and could help entry into new markets.

Branko Budimir questioned why the aim is predominantly on export rather than domestic market and said that the focus should always be on bettering the product for all markets.

Milan Živković, Head of the South Serbia's Regional Fruit Cluster, suggested that the support should extend beyond provision of certification into the area of procurement of modern equipment which would improve the overall production.

Bojan Tojaga, Director of Local Development Agency of Leskovac agreed that more funding should go towards procurement of the new equipment and infrastructure as these are most commonly voiced issues of the agricultural producers. Tojaga noted that the Green Zone project is developing slowly

due to low interest of the investors and unresolved issues around the land repurposing but that it has great potential for future business.

Hazbo Mujović, Sjenica Municipality Mayor, called for stronger support to agriculture. Sjenica has great potential but lacks qualified work force and hence educating agricultural experts through institutions would advance the existing production.

Branko Budimir agreed that educating experts through relevant institutions would be the best long term solution. Provision of technical assistance through consultants may be a short term approach that could help the agricultural producer to bridge the gap.

Emir Elfić, Councillor in Novi Pazar City Assembly, noted that SME support should also include youth initiatives. He gave an example of the grant funding provided by the Hilfe zur Selbsthilfe (HELP) in 2008/2009 as a good model, which initially supported start-up businesses and later extended to the existing companies. The initiative also incorporated the business management training and provided necessary funds for the equipment.

Branko Budimir noted that a very similar model is applied for the Women Entrepreneurships projects in European PROGRES and that widening the scope of beneficiaries of this model should be considered.

Branislav Veljković, Ministry of Agriculture and Environmental Protection (MAEP), Rural Development Sector announced the **Instrument for Pre Accession Rural Development – (IPARD)** Programme which is focussed on extending the competencies and the knowledge of individuals, agricultural clusters and SMEs to achieve better export capacities. The Programme is financed by the EU and will support primary and secondary production of fruit, vegetable, milk and meat producers. The implementation will start from mid-2016 and will offer grants that cover 50 to 70% of project cost. Veljković invited the participants to learn more by contacting the MAEP and to spread the news in their Municipalities.

Graeme Tyndall offered European PROGRES' assistance to the MAEP in organisation of events to present IPARD to the LSGs in in the Programme municipalities.

Branko Budimir agreed and suggested to coordinate modality of support with the MAEP, noting that the application process could require most support. Reallocation of funds for this activity was discussed as the initial strict budget and activities envisaged by the Programme were set to increase the competitiveness of the Calls for Proposal (CfP) but have now resulted in a rigid programming. European PROGRES should find the way to be flexible enough to respond to unexpected opportunities such as the Ministry's initiative but also to be able to react to emergencies such as floods and migration.

Jasmina Ilić, European PROGRES Infrastructure Sector Manager gave an overview of the infrastructure related achievements – allocation of 40 grants for the development of the main designs for local infrastructure; training on the contract modality of the International Federation of Consulting Engineers (FIDIC); ongoing construction of Subotica Faculty of Economy Bujanovac Department and provision of assistance to the CFCU. Ilić noted that the Programme needed more flexibility in order to respond to the emerging challenges and better meet the needs of beneficiaries. She identified the need for European PROGRES' intervention on flood protection, planning documentation for regional projects and migration related support. She asked the PSC participants to identify crucial needs and better exploit the funds available for the local infrastructure projects.

Osman Balić, President of the League of Roma said that municipalities had no regulation plans for Roma settlements. Investment into development of planning documentation would enable legalisation of Roma settlements across the Programme municipalities.

Nenad Krstić, Trgovište Municipality Mayor, supports the idea that flood recuperation activities should be conducted by the Programme but only in the municipalities that were excluded from the national flood recuperation activities. Krstić also suggested that at least one CfP should be used to provide funds for the individual projects that the Municipalities identify as crucial. Additionally, he suggested continued rather than the current one-off support to the SMEs. The business development is phased process and requires different capacity development and support in all phases from production enhancement to product marketing.

Milan Đokić, Knjaževac Municipality Mayor commended the Programme for the achievements but also noted that the timeline for the infrastructural projects is crucial and that currently there are only predictions that the CFCU led infrastructure projects will begin in 2017.

Nataša Šimšić, the Assistant to the Minister of Finance and the Head of the CFCU noted that the grant scheme was delayed compared to the initial plan. The issues were resolved, the Call was under control and should proceed in accordance with the dynamics provided in the Guidelines for Applicants.

Branko Budimir added that the grant scheme was implemented by the national institutions through the Decentralised Implementation System and in accordance with the EU rules. This affected the overall dynamics of the activity.

Hasbo Mujović, voiced the dissatisfaction of all municipalities regarding support to infrastructural projects and noted a fall in quality comparing to the EU PROGRES Programme.

Branko Budimir reaffirmed that European PROGRES has changed the approach in order to enhance capacities of institutions needed for management of infrastructure projects. This is why the CFCU managed the scheme and UNOPS was providing technical assistance. He called on LSGs to invest efforts in planning and development of Projects to ensure that the long term plan covers the sustainability aspect of the project i.e. maintenance of the infrastructural projects.

Bojan Tojaga, suggested that more focus should be given to youth projects and subsequent financing of sport facilities as well funding actions contributing to energy efficiency for social infrastructure.

Branko Budimir noted that energy efficiency projects were compatible with the CfPs for the main designs and local infrastructure. He encouraged the LSGs to use all opportunities to access donors' funds.

Sunčica Nestorović, Kuršumljia Local Economic Development (LED) Agency recognised the importance of the planning and technical documentation projects and agreed that there is a need to further develop good governance approach in the municipalities. She, however, strongly suggested that funds for small scale infrastructural interventions up to 30,000 Euros should be made available, as these kind of actions would be visible for people and directly affect their lives.

Dragan Mladenović, European PROGRES Good Governance and Social Inclusion Sector gave a brief overview of the developments in the Sector. The foundation for good governance (GG) work has been established: there were two missions by the Swiss Backstoppers for GG that helped the

Programme to define approach for implementation of activities and, in particular, the methodology for establishment of the GG competence centres in the LSGs; the Local Governance Assessment was conducted and will provide insight into the governance levels of the participating LSGs is in the final phase; in consultation with the Standing Conference of Towns and Municipalities, European PROGRES defined approach for vertical dimension of GG that should contribute to improved coordination between the national and the local authorities.

Janoš Urgić, the President of Roma Intellectuals Association, Vitomir Mihajlović and Nenad Tairović, National Minority Council of the Roma National Minority President and his Deputy, Vasil Bakić, Leskovac National Minority Coordinator and Osman Balić all individually thanked the Programme for supporting the Roma community. Balić advocated for more significant increments into Roma inclusion as, according to the national level estimates, only four Euros were provided per Roma citizen to this end.

Mihajlović highlighted need to enhance access to employment and education for the Roma community. He asked support for printing of school books in Roma language by 01 September 2015. This will facilitate education in mother tongue, which is important minority right and will enable employment of 40 Roma teachers.

Agenda item 5

Information of EU funded projects through CFCU

Presentation of the two projects funded by the Delegation of European Union and implemented through the CFCU.

- **Finishing construction of a new block within Vranje Hospital**

Predrag Sazdanović, Assistant to the Minister of Health (MH) – European Integration and International Cooperation Department gave a short introduction and **Nevena Šojić, MH Consultant** presented Vranje General Hospital project. The objective of the project is to enhance quality of health services delivered to 250,000 inhabitants of the Pčinja District and around 60,000 of the Kosovo - Pomoravlje District. The total value of the project is 4.3 million Euros of which MH will contribute approximately 1.5 million Euros necessary to complete the project, including acquisition of the new equipment while the European Union through European PROGRES will allocate 2.8 million Euros.

- **Construction and equipping of the building for emergency services in Novi Pazar Health Centre**

Emir Elfić, presented Novi Pazar Emergency Service Block project. The objective of the project is to avail quality emergency medical aid to 100,410 citizens of Novi Pazar and around 85,000 the citizens of the neighbouring municipalities. The funding requested from the European Union for the construction works is 680,000 Euros, while the City will provide 120,000 as co-funding.

Branko Budimir, reminded that the Programme Document envisaged identification of at least one infrastructure project of regional significance from the project pipeline (check PPF5). Since no projects were ready in the pipeline, Vranje Hospital and Novi Pazar Emergency were identified.

Agenda item 6

Presentation of requests for approval

- **CfP for introduction of international quality or food safety standards and quality mark for SMEs and CfP for provision of support for protection of geographic origin**

Olivera Kostić briefly presented requests for approval for introduction of quality standards in small and medium enterprises and for projects dealing with protection of geographic origin. Both initiatives in the total value of 177,000 Euros aim to improve the competitiveness of the municipalities covered by the Programme. The earlier will benefit no less than 30 small and medium enterprises while the latter will assist at least three new agricultural products to be registered for the protected designation of origin.

Within materials to be considered by the PSC, European PROGRES submitted the following four project proposals:

- Music Art Project, to be implemented by El Sistema Serbia, with the budget of 17,530 Euro
- Strengthening Safety Culture in Roma settlements, to be implemented by the Yurom Centre, with the budget of 21,450 Euros
- Capacity Building for District Offices of the Roma National Minority Council in the Municipalities Bujanovac, Leskovac, Prokuplje and Surdulica, to be implemented by the Roma National Minority Council, with the budget of 17,154 Euros
- Primary Free Legal Aid Services in Novi Pazar, to be implemented by the Sandžak Committee for Protection of Human Right and Freedoms, with the budget of 9,524 Euros
- The project proposals are in line with the Programme Document, activities 3.2, 3.4, and 3.5. The envisaged activities aim to improve the position of the Roma community and enable provision of free legal aid. European PROGRES will address written remarks received from the SDC on the proposals and, since there were no further comments by the PSC members, provide grants for implementation of the above noted projects.

Agenda item 7

Voting

The PSC unanimously approved the following:

- Annual Report (07 May 2014 – 30 June 2015)
- CfP for quality standards for SMEs
- CfP for protection of geographic origin.

Branko Budimir informed the participants that the core PSC members, including the representatives of the Ministry of Health and the CFCU of the Ministry of Finance attended the preparatory PSC in Belgrade held on 26 July 2015 and agreed with the above noted requests for approvals.

Agenda item 8

Other business

Graeme Tyndall concluded that discussion showed there was agreement to provide support to the SMEs, Roma, and youth it also seemed that support to flood protection was relevant. He reminded that European PROGRES was about partnership with municipalities and said that the Programme's ultimate goal was to help the institutions to run the projects independently which will initially

require adjustments in the approach and delays in implementation. This goes for all projects supported, whether they were developmental or humanitarian, such as that concerning migrants in Preševo.

Branko Budimir underlined that all flexibility in the funds distribution mentioned during the course of the meeting is still only in the discussion stage. The decisions will be made on a case by case base and upon the consent from the Programme donors.

Saša Đorđević thanked the participants for constructive discussion and reminded that European PROGRES is a partnership Programme meaning that all municipalities should work together and bring cooperation to regional level especially in the regional projects in the field of economy and environment that benefit more citizens.

LIST OF PARTICIPANTS

European PROGRES Steering Committee Gadžin Han, 29 July 2015

Organisation	Name	Title
PSC MEMBERS		
1.	European Integration Office - SEIO	Branko Budimir
		The Acting Assistant to the Director of the European Integration Office of the Government of the Republic of Serbia (SEIO)
2.	The Department for Contracting and Financing of the EU Funded Programmes (CFCU) of the Government of Serbia's Ministry of Finance	Nataša Šimišić
		Head of CFCU, Assistant to Minister
3.	Ministry of Economy	Eva Zdravković
		Advisor in the Instrument for Pre-Accession Assistance (IPA) Unit
4.	Ministry of Agriculture and Environmental Protection	Branislav Veljković
		Head of Rural Development Sector
5.	Government of Serbia Coordination Body for the Municipalities of Preševo, Bujanovac and Medveđa	Danijela Nenadić
		Director
6.	Standing Conference of Towns and Municipalities	Ivan Božović
		Programme Coordinator
7.	Delegation of the European Union to the Republic of Serbia	Ana Stanković
		Project Manager
8.	Swiss Agency for Development and Cooperation	Petar Vasilev
		National Programme Officer
Guests at the main table		
9.	Ministry of Health – European Integration and International Cooperation Department	Predrag Sazdanović
		Assistant to the Minister for European Integration and International Cooperation
10.		Nevena Sović
		Independent Consultant
11.	Gadžin Han Municipality	Saša Đorđević
		Mayor
PREDSTAVNICI OPŠTINA		
Municipality	Name	Title
1.	Aleksinac	Čedomir Rakić
2.		Deputy Mayor
3.		Uroš Veličković
4.		Officer
		Danijela Petković
		LED Officer
		Stefan Đurić
		Officer
5.	Babušnica	Jelena Milenović
		Programme Municipal Focal Point
6.	Bela Palanka	Bošković Ivan
		Officer
7.	Blace	Ivan Burgić
		Mayor
		Gordana Kitanović
		Head of Public Land Funds
		Miloš Čolić
		Officer
10.	Brus	Zoran Radenković
		Assistant to Mayor
11.	Bojnik	Boban Petrović
		Assistant to Mayor
12.		Nenad Jovanović
		Head of Building Directorate
13.	Bosilegrad	Mikica Vasilev
		Programme Municipal Focal Point

14.		Živko Stoilkov	Programme Municipal Focal Point
15.	Bujanovac	Nagip Arifi	Mayor
16.		Fazila Azemović	Programme Municipal Focal Point
17.	Doljevac	Miloš Vukotić	Deputy Mayor
18.		Jasmina Zlatanović	Programme Municipal Focal Point
19.		Neda Jovanović	LED Officer
20.	Gadžin Han	Domaćini	Hosts
21.	Ivanjica	Milomir Zorić	Mayor
22.	Kuršumlija	Sunčica Nestorović	Officer
23.	Knjaževac	Milan Đokić	Mayor
24.	Lebane	Srđan Perić	Assistant to Mayor
25.		Srđan Sojilković	President of PUC
26.	Leskovac	Bojan Tojaga	LED Director
27.		Vasiš Bakić	Leskovac national minority coordinator
28.		Saša Mladenović	Officer
29.	Medveđa	Nebojša Arsić	Mayor (V.D)
30.		Marina Radenković	Officer
31.		Goran Petrović	Officer
32.	Merošina	Nataša Andrejević	Officer
33.		Maja Milosavljević	Officer
34.	Novi Pazar	Emir Elfić	City Council member
35.	Prokuplje	Vesna Živković	Head of Urbanism departments
36.		Maja Bašić	City Council member
37.	Preševo	Muhamed Abdullahu	Head of Municipal Administration
38.		Avni Redžepi	Officer
39.	Priboj	Saša Vasilić	Municipal Assembly President
40.	Prijepolje	Dobro Lazarević	Deputy Mayor
41.	Raška	Ivan Vuković	Deputy Mayor
42.	Sjenica	Hazbo Mujović	Mayor
43.	Svrljig	Jelena Radojković	Assistant to Mayor
44.	Surdulica	Ankica Milenković	LED Officer
45.		Aleksandra Popović	Mayor
46.	Trgovište	Nenad Krstić	Mayor
47.	Tutin	Šemsudin Kučević	Mayor
48.	Vranje	Dragoljub Stevanović	Deputy Mayor
49.	Vlasotince	Miroslav Ljubenozić	Mayor
50.		Vladica Dimitrijević	Officer
51.		Zoran Stojiljković	Officer
52.	Vladičin Han	Vladimir Kostić	Assistant to Mayor
53.		Milan Vučković	LED Officer
54.		Novica Petrović	Officer
NGOs			
	Organisation	Name	Title
55.	Regional Agency for Economic Development and Entrepreneurship of Pčinja	Živko Ivanković	President
56.		Goran Kostić	Officer
66.	UNW Serbia	Jelena Milovanović	Officer
67.	Roma National Council	Vitomir Mihajlović	President
59.		Ljuan Koka	Officer

60.	Agencija za regionalni razvoj	Vladan Nikolić	President
61.	Društvo Roma Prokuplje	Dejan Živković	President
62.	OSCE	Ivica Stamenović	Officer
63.	Udruženje Roma	Janoš Kurtić	President
64.	Društvo za edukaciju Roma	Kadrija Redžepović	President
65.		M. Tasić	Treasurer
66.	Društvo Roma Staniša Denić	Nataša Vučković	President
67.	Liga Roma	Osman Balić	President
European PROGRES staff			
	Organisation	Name	Title
68.	European PROGRES	Graeme Tydall	Programme Manager
69.	European PROGRES	Marko Vujačić	National Programme Manager
70.	European PROGRES	Dragan Mladenović	Sector 1 Manager
71.	European PROGRES	Olivera Kostić	Sector 2 Manager
72.	European PROGRES	Jasmina Ilić	Sector 3 Manager
73.	European PROGRES	Radule Ristović	South Serbia Programme Coordinator
74.	European PROGRES	Nermin Hasanović	West Serbia Programme Coordinator
75.	European PROGRES	Mladen Cvetković	Programme Associate
76.	European PROGRES	Viktor Veljović	Programme Associate
77.	European PROGRES	Aleksandra Radivojević	Regional Associate
78.	European PROGRES	Ivana Todorović	Regional Associate
79.	European PROGRES	Evgjenije Isljami	Regional Associate
80.	European PROGRES	Ivana Popović	Communication Officer