

MIR 2 – Municipal Improvement and Revival

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MIR2 QUATERLY REPORT 1 SEPTEMBER 2006 – 30 NOVEMBER 2006

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1. Executive Summary

During the reporting period Municipal elections were held in one of the programme municipalities Leskovac. This resulted in the election of a new mayor from the Democratic Party as well a new municipal assembly. The newly elected body as of November 30 had still not convened a municipal assembly. If the assembly meeting is not convened before December 11 interim measures will be introduced. Whether this happens or not it is likely there will be significant changes in senior municipal personnel from the head of department level upwards. In all the other three localities where elections took place during the last quarter municipal assemblies have now been held and the new structure established.

In terms of programme implementation the main highlights have been as follows

Component One Regional Cooperation

1. Registration and launch of the Center for Development of Jablanica and Pcinja Districts
2. Implementation of the assessment of the Guarantee Fund by an independent consultant
3. Agreement upon seven priority regional projects by the assembly of the center

Component Two Municipal Strategic Planning for Development

1. Strategies completed in eight municipalities and submitted to and approved by the Municipal Assemblies in both Medvedja and Vranje
2. The first two sub projects selected in Vranje and submitted to the Steering Committee for ratification.

Component Three Improved Municipal Management

1. Contracts signed with service providers for Project Cycle Management and Financial Management and the first two training sessions and one set of on site visits completed.
2. Agricultural trainers identified and the first training session delivered.
3. First agricultural information points established in both Medvedja and Vlasotince

Component Four Improved Delivery of Municipal Administrative Services

1. MOUs signed with both Bojnik and Surdulica for the establishment of Citizen Advisory Centres.
2. MOUs signed with Trgoviste, Crna Trava and Bosilegrad for the establishment of small information points
3. Workshop organised on the process of issueing building permits

The monitoring plan of the programme has been reviewed and it has now been decided that a mid term review of the programme will be implemented in Spring of next year. The main purpose of this review will be to examine the performance to date as well as review the programme document in the light of the external environment. The latter being a reference to the environment in the context of EU accession and funding mechanisms.

To conclude despite delays in certain areas the programme is on the whole progressing according to plan.

2. Project Synopsis

2.1 Overall Objectives

The overall programme objective is to

Contribute to the implementation of the law on local self-government by strengthening local good governance in southern Serbia in terms of delivery of services to citizens and local and inter-municipal stewardship of social and economic development.

2.2 Project Purpose

The specific purpose of MIR is to build local government capacities so that:

Southern Serbia municipalities, individually and jointly, plan and take strategic action to achieve the sustainable economic and social development of the region and to fulfil their obligations to citizens

2.3 Planned Results

1. Municipal and district stakeholders co-operate to implement joint actions to address key regional development problems and are prepared to institutionalise their co-operation on regional development
2. Municipalities have better internal capacity to gather and analyse data, assess development potentials and soundly plan and implement specific strategic development actions on the basis of extensive consultations with civil society
3. Municipal ability to communicate with citizens and manage staff, projects, development sectors and finances is improved

4. Citizens can swiftly obtain common municipal services in equipped and well-performing Citizen Assistance Centres

2.4 Beneficiaries

The individuals, groups and institutions that will be directly affected by MIR Phase II are the municipal governments, municipal leaders and administrative staff, special interest groups, leaders and members of local communities of Bojnik, Lebane, Leskovac, Medvedja, Bosilegrad, Bujanovac, Presevo, Vladicin Han, Vranje, Surdulica, Trgoviste, Crna Trava and Vlasotince (the 13 municipalities comprising the Jablanica and Pcinja districts).

3. Activities During the Reporting Period

The activities that have been implemented in each of the components during the reporting period will now be discussed

Component One Regional Cooperation

Activity 1.1: Regional Development Entity :- The targets set for this quarter in the last report were as follows

- Hold the preparatory meeting as well as the first assembly meeting
- Establish RDA office in the Chamber of Commerce
- Have the Director start in post

Of the targets set all four were met and in addition the following results were achieved

- The Center was officially registered as of Thursday November 30
- The official launching ceremony of the Center was held on November 17
- Following discussion with all the mayors as well as various other members of the steering committee seven priority projects for the region were identified and agreed upon.
- Preparation of the Centers Website and public relations material was completed so as to be ready for the launch and other necessary events.

All of the achievements during the last quarter will now be reported upon separately

1. In total three meetings of the assembly members were held during the reporting period on the following dates September 14 in Leskovac, October 3 in Vlasotince and November 2 in Vladicin Han. The first meeting was a preparatory meeting and the main aim of this was endorsement of the decision to select Ljudmila Stefanovic as

Director, this was agreed upon by all those present. The second meeting was suggested by the mayor of Vlasotince as Mr Dinkic the former Minister of finance, Mr Ljajic the Director of the Coordination Body and Mr Popovic the Vice Director of the Coordination Body were all visiting the region. The concept and idea of the center was presented to those present and the opportunity was also used for all founder members present to sign the foundation documents as well as the articles of association. The meeting in Vlasotince was also used as a forum where a Regional Steering Committee meeting was held several international agencies used this forum to present their respective programmes. The meeting held in Vladicin Han on November 2 was used as a forum where the regional priority projects were agreed upon. Furthermore at the meeting Vladicin Han the new mayor of Leskovac took up the post of Assembly President from the outgoing mayor. Minutes of all meetings are available on request.

2. The office for the Center has been renovated in the space provided by the Chamber of Commerce and is ready to be used. The only delay in the Center actually moving in has been caused by the delay in registration and the subsequent delay in obtaining a telephone line. Once this process has been completed the renovated office space will be occupied.
3. The Director began as of the end of September and began by developing a work plan for the initial three month period as well as a detailed budget for 2007. The Director has also taken the lead on facilitating the registration process as well as discussing with assembly members and others the regional priority projects. Other staff positions have been advertised and interviews are due to take place in early December. The selection committee was agreed upon at the assembly meeting in Vlasotince and will consist of the mayors of Lebane, Bojnik and the representative from the NGO Resource centre as well as the president of the Chamber of Commerce.
4. The center was officially registered on November 30. This process took far longer than anticipated simply due to the time required to collect all the necessary documentation and have it signed and stamped by the relevant people. In addition ensuring the correct amount of foundation capital was deposited in the correct manner has also been time consuming.
5. The Center was officially launched on November 17 at an event held in Leskovac and was attended by various dignitaries including representation from the Coordination Body, the European Commission, the European Agency for Reconstruction and the Austrian Embassy. Sadly the representation of the assembly members was not so impressive, apart from the civil society representatives who all attended, one of the private sector members were there and only five of the 13 mayors. In reality at such an event you do not expect more than ten of the 13 mayors to attend however one would expect municipalities who cannot be present to send representatives. Obviously there has been follow up to ascertain why the attendance was so poor and it does seem that it was an unfortunate set of circumstances with both the mayors of Presevo and Bujanovac being present at a Conference in Bujanovac, the mayor of Surdulica had an important meeting with the Ministry for Trade in Belgrade and the mayor of Lebane had personal reasons for not being able to attend. Nonetheless it

has to be acknowledged that the overall turnout was poor and this has been discussed with several of the mayors. All of the mayors spoken to directly have reiterated their support for the Center while at the same time highlighting the fact that they have significant other obligations. It does seem that after so much work having been done on the establishment of the Center now is the time to show some tangible results. The latter could be achieved by supporting some of the priority projects that were agreed upon as regional priorities by assembly members.

6. At the meeting held in Vladicin Han on November 2 seven priority projects for the region were agreed upon. Actually at the meeting itself there was some discussion about the water supply project however following a further meeting between the director of the Center and the mayors of Bujanovac and Presevo it was agreed that water supply for the two municipalities was a priority they however contended the feasibility of Prvo Nek damn being able to meet this supply. For a briefing on the priority projects agreed upon refer to annex VIII.
7. The centers website was developed as was a range of public relations material including a brief brochure in preparation for the launch. This material was developed specifically for use of at the launch and will also be available for use by the Center in future.

Activity 1.2: Regional Guarantee Agency for southern Serbia :- The targets set in the last report were as follows

- To recruit an international consultant
- Implement study of fund and recommendations as to future intervention

The study was implemented by a consultant, Patrice Penassi, who is a banking professional with extensive experience of working with Guarantee Funds in both France and the Balkans. Patrice had been involved with the evaluation of the Guarantee Fund in Skopje, an activity that is supported by Sida and was engaged through the institution Bankakemdie. The final report and its findings have been distributed to all Steering committee members. Also a presentation on the mission as a whole was made to several members of the steering committee on Friday 10 November. At that meeting it was agreed that the relevant follow actions should be written up and distributed to all steering group members. The main findings of the report were as follows

1. The existing institution should not be supported any longer as this is in effect a public sector institution and there is obvious opportunity for political interference.
2. The loans supported by the fund are in general good and there is a definite demand for this activity in the region.
3. If the fund is to continue it should be managed and run by a private sector institution.
4. The ideal size of the loan capital of the fund would be five million Euro.

Activity 1.3: Joint Infrastructure Project :- the target set during the last reporting period was as follows

- To as one of the priority tasks of the RDA director begin to establish a database/list of all the priority projects in the region. Among these projects will be regional infrastructure projects

The main progress here has been the establishment of a list of several priority regional projects. Clearly far more work is required but the fact that all the members of the assembly have agreed upon these priority projects is a very significant step. For more detail on these priority projects refer to annex VIII.

Component Two

Activity 2.1: Embedded Capacity for Strategic Planning :- The targets set in the last quarterly report were as follows

- For the strategic planning process to have been completed and a plan written in six of the programme municipalities ideally with the plan having been endorsed by the assembly
- In five of the others to have at least completed a first draft of the plan
- In Trgoviste to have implemented an alternative to strategic planning that would allow key priorities to be identified.

These activities are now reported upon below in further detail

- a. The work plan created at the beginning of the Programme has not been altered and still functions as the frame work of benchmarks and deadlines.

#	Activity	Deadline (all for year 2006)
1	SG/WG installed	March
2	Work plan adopted; data collection	April
3	SWOT	May
4	Drafting Strategic Objectives	June
5	Defining Priorities	July
6	Formulating Specific Objectives	August
7	Creating Action Plan	September
8	Final draft Strategic Plan	October
	Launch	October/November

Actual programme progress is defined in that 7 Municipalities managed to finalise a draft Strategic Plan by November: Medvedja, Lebane, Bojnik, Vlasotince, Crna Trava, Vladicin Han and Bosilegrad. In Medvedja the plan was also approved by the Municipal Assembly on November 27. The Municipalities of Leskovac and Surdulica are in the process of

finalizing their draft, with Surdulica aiming at Assembly adoption by mid-December. The joint MIR2-CHF process in Bujanovac aims at adoption in January 2007, whereas a full process will not be implemented in Trgoviste because of political problems at the local level. The Vranje strategy was approved by the Municipal Assembly in June and in Presevo a strategy has been completed but has still not been endorsed by the Municipal Assembly.

In short therefore the strategies have been completed in nine of the MIR2 municipalities but in only two of these Vranje and Medvedja have they been endorsed by the municipal assembly. The Municipalities of Bojnik, Lebane, Vlasotince, Vladicin Han, Bosilegrad and Crna Trava are planning to adopt the Strategic Plans during their annual budget session, which is to be held before December 15 -exact dates are as yet unknown. Presevo Municipality is still debating its strategy (CHF sponsored consultancy product) and has not officially adopted it yet.

Surdulica has just finalized its first Action Plan draft after public consultations. A draft Strategy is being edited, and is close to a final version. Latest information from Mayor Momcilovic is that he intends to bring the Strategy in front of the Assembly before the end of the year. However this does at this point seem an ambitious target. The joint process in Bujanovac with CHF is progressing steadily and the current target is for this to be completed by the end of January. In Trgoviste following ongoing problems a decision was taken to not do a strategic plan but in its place implement a prioritization exercise. This has been completed and the next step will be to agree upon a process for selection of priority sub projects. At a meeting that took place with the mayor of Trgoviste on November 23 it was agreed that the Municipal Council will take the lead in this process. This will ensure that the projects are endorsed by a bi partisan committee.

The Municipality of Leskovac has lost some of its momentum it had gained during the last reporting period because of the local elections held on October 22. The larger part of September and October immobilized the Municipality because of the election campaigns. The uncertain outcome of the elections further hampered cooperation with key stakeholders such as Heads of Departments who had fears of losing their position after the elections (many are political appointees). Nevertheless, a draft Strategic Plan and Action Plan were produced. The main challenge here remains in maintaining support of the new political leadership and ensuring understanding of the Strategic Plan as a non-political document. The revision of the Strategic Plan has reached the phase of a final draft, while the Action Plan is currently undergoing a reality check. The Steering Group, which is the managing body of the revision process, is planning to meet during the first week of December to finalize the draft Plan, and to highlight priority projects from the Action Plan to be formulated during December and January.

Activity 2.2: Municipal Projects to Catalyse Sustainable Economic and Social Development:-

- To have completed the process of selection of Technical Teams in all locations
- To have selected the committee for the protection of local self government in four municipalities and in six others have begun the process
- In Vranje to have had the first projects approved by the project steering committee

These targets have all been completed and will now be reported upon individually. The table below provides an update on the formation of the Technical Teams and the council for the protection of local self government.

Council for the protection of local self government		Municipal Technical Teams	
Municipality	Date of establishment	Municipality	Date of establishment
Leskovac	Jan 07	Leskovac	Jul-06
Medvedja	17-10-2006	Medvedja	20-Jul-06
Lebane	27-10-2006	Lebane	25-Jul-06
Bojnik	10-11-2006	Bojnik	26-Jul-06
Vlasotince	Sep-06	Vlasotince	Aug-06
Crna Trava	Sep-06	Crna Trava	Aug-06
Vranje	31/10/06	Vranje	21/07/06
Vladicin Han	30-Aug-06	Vladicin Han	19-Jul-06
Surdulica	Jun-06	Surdulica	Jul-06
Bujanovac	Dec-06	Bujanovac	01/09/06
Presevo	Jan-07	Presevo	21/07/06
Bosilegrad	22-Mar-06	Bosilegrad	26-Jul-06
Trgoviste	Unlikely	Trgoviste	17-Jul-06

The technical teams have been established in all thirteen municipalities and as it is these individuals who will be involved in developing project proposals the same people are also involved with the learning programme on Project Cycle Management. The vast majority of these teams have already been heavily involved in the development of priority sub project proposals.

The Council for the protection of Local self Government has been established in the majority of locations and in others (those which are shaded) an estimated date of establishment is given. In Surdulica the council was established but is not necessarily representative of the community either on gender or other grounds. However despite questions from the side of MIR2 it seems highly unlikely that the composition of this council will be amended in the near future due to political problems in the municipality.

Finally as stated in the previous section as the process of strategic planning is coming to an end in most locations project identification has begun for a more detailed discussion on this issue see the various points raised below

- During the previous PSC Meeting on Sep 24, it was agreed that MIR2 staff should facilitate the fast tracking of at least one project proposal for the Municipality of Vranje. For logistical reasons, MIR2 decided to work on two different Vranje projects

simultaneously. The projects were drafted in line with the EU standard Project Proposal Format sheet and were submitted to the Project Steering Committee via email on November 1.

- Additionally, MIR2 Management decided to include other Municipalities in this process as well. As reported above, the majority of the Municipalities in the Jablanica region had reached the final phase of preparing their Strategies and Action Plans and thus were in a position whereby they could begin to prioritize and develop certain ideas further.
- In order not to lose time but while also conscious of protecting the legitimacy of certain structures that were under development a fast track exercise was employed. This process essentially employed structures other than the Council for the protection of Local Self Government, where it had not been formed, for scoring projects and providing decisions on which projects should be funded.
- The solution was found in replacing the Council with the Strategic Planning Steering Groups. Having been established through Assembly decision, these bodies bear the political and legal leverage, while also being a representation of those who have been most engaged with the planning process at the local level. Therefore in many Municipalities, the Strategic Planning Steering Groups were gathered to identify Municipal priority projects based on the draft Action Plans
- This process has been implemented in the Municipalities of Medvedja, Lebane, Bojnik, Vlasotince, Crna Trava, Vladicin Han and Bosilegrad. Additionally, the Municipality of Presevo has had a Council decision on the construction of a new green market as a priority project for MIR2. Finally also in Leskovac there has been the identification of at least one priority project. MIR2 staff is heavily involved in facilitating and guiding the local Technical Teams in developing these project ideas into fully fledged proposals. It is planned that all these Municipalities will submit at least one proposal to the steering committee before the next meeting on December 14.

Component Three Improved Municipal Management

Activity 3.1: Improving Universal Management and Communication Skills:- The targets that were set in the last report for this quarter were as follows

- Sign a contract with a local service provider for provision of learning programmes on financial management, communications/public relations and project cycle management.
- To hold initial training events on project cycle management and financial management
- To develop an outline plan on the general management component

In regard to these targets the following has been achieved during the reporting period.

1. Contracts have been signed with local service providers for both the Project Cycle Management and Financial Management learning programmes. YU Build is delivering the Project Cycle Management component and Halifax the Financial Management component. Both are locally based consultancy companies. A provisional agreement has also been

reached with Halifax on the communications and public relations component however this is conditional on their performance in the other sector.

2. The Learning programme began as of September. The methodology is one of training courses and events followed by on site visits then further events. Each of the service providers have engaged a certain number of experts who are taking the lead in delivering the training furthermore with Project Cycle Management so called local experts are also engaged. These are individuals from the region who have worked previously on developing proposals and who may come from a civil society, private sector or municipal background. The whole concept to this methodology is that these individuals can provide value to the training and also develop their own skills in the meantime thus enhancing the general capacity of the region. For the Project Cycle Management before any of the actual training commenced this group were put through a training of trainers course (ten participants). This took place on September 20-22. The actual trainings were delivered as illustrated in the table below. For the Project Cycle Management the Technical Teams were the target group whereas for the financial management the members of the financial departments were the participants. A lot of effort was put into ensuring that the correct people attended with the mayor of each municipality being sent a list of attendees as well as all individuals also receiving a personal invite. Despite this there were still problems with the attendance by certain municipalities however as part of the follow up visits this was discussed with the mayors or senior officials in the relevant locations.

Workshop	Number of Participants	Workshop
Project Preparation (Project Cycle Management One)	58	Project Preparation (Project Cycle Management)
Project Design (Project Cycle Management Two)	56	Project Design (Project Cycle Management)
New law on how to finance local self-governance (Financial Management One)	32	New law on how to finance local self-governance (Financial Management)
Budgets (Financial Management Two)	48	Budgets (Financial Management)

Follow up Visits

Municipality	Project Management Cycle	Financial Management
Presevo	09.11.06	08.11.06
Bujanovac	09.11.06	08.11.06/14.11.06
Trogoviste	10.11.06	14.11.06
Vladicin Han	14.11.06	10.11.06
Surdulica	14.11.06	10.11.06
Vlasotince	15.11.06	16.11.06

Crna Trava	15.11.06	16.11.06
Leskovac	16.11.06	23.11.06
Bosilegrad	17.11.06	15.11.06
Vranje	22.11.06	13.11.06
Medvedja	22.11.06	23.11.06
Lebane	23.11.06	09.11.06
Bojnik	23.11.06	09.11.06

In regard to the communication learning programme the initial plan was to begin it before the end of the year and have an initial training programme before Christmas. However it has become apparent that this will not be possible and hence the first of the communication training sessions will be held in the new year. The intention is to link the initial topics to increasing awareness about the strategic plan at the local level.

3. Finally in regard to the general management learning topic the plan is to develop the curriculum in the New Year. The plan being to gather a core team who will develop a curriculum targeted at senior municipal officials and focusing on topics such as Modern Management Techniques, Human Resources Management, Negotiation skills, Conflict Management, the value of internal communication (minutes of meetings etc.) as well as vision/goals/ priorities.

Due to the workload of the team working on component 3 it has been decided to hire an additional Training and Development Advisor as it was provisioned in the program document. The new staff member will start in January.

Activity 3.2: Improving Management of Agricultural Sector Development :- The following targets were set for this activity during the last reporting period

- To establish at least one pilot information centre
- To identify trainers who will be used in each of the three separate areas
- To hold a training of trainers event for all the trainers who will be involved in delivering the training.
- To identify local trainers who will participate in the training programme
- To draw up a detailed plan of training events

All of the above activities have been completed on schedule and in addition the first of the actual trainings has been completed and the second scheduled, the latter will take place in mid December. Each of the other activities will now be reported upon separately.

- Information centres have been established in both Medvedja and Vlasotince. In both locations they are established in municipal buildings and private premises. The plan is that these centres (they are no more than a book shelf with various books and printed materials) will provide a low cost means of providing information to farmers. They are

placed in locations such as municipal buildings and popular cafes/restaurants where the target group, that is rural people, are likely to gather. The first two pilot locations will be monitored and if successful this activity will be scaled up.

- The individual trainers were recruited and a meeting held with all of them where the different curriculums developed and methodology to be implemented were discussed.
- Local trainers who will also participate in delivering the trainings were identified. This is the same concept as that applied in the Project Cycle Management learning programme with the concept being to give as many people as possible the opportunity to participate and learn. Local trainers were individuals who were from the region and have a background in agriculture and are enthusiastic and willing to learn
- A training of trainers event was held on September 26 and 27 at which both the local experts and the main trainers received up to date training and instruction on the latest theories and techniques with regard to learning. This also allowed the group as a whole to bond as a team
- The first of the main trainings was held from November 9 – 11 and for this event there were 72 participants. The participants were divided into three groups and a training was delivered on each of the following topics
 - Marketing
 - Farm Management
 - Business Planning

At the next workshop the participants will cover one of two topics they did not cover at the last workshop. Further trainings will be held on the following dates

- December 11-13
 - End of January
- At the final event or at a separate event the participants will also be given some instruction on project cycle management and completing the EU call for proposal format. Following on from this criteria will be provided and all participants will have the opportunity to apply for grant funding to complete an extension type/technical assistance project.

Component Four Improved Delivery of Municipal Administrative Services

Activity 4.1: Establishment of Citizen Assistance Centres:- The targets set in the last quarter were as follows

- Sign MOU and begin work in Bojnik, Crna Trava, Bosilegrad and Trgoviste
- Complete negotiations in Surdulica.

In regard to the first target MOUs have been signed with all the municipalities in question. Following protracted negotiations an agreement has now been reached with Surdulica municipality and the MOU signed. There is ongoing discussion concerning the design for

the CACs and once this is completed the tenders will be launched for the construction works.

Two separate tenders have been launched for the supply of both hardware and software. Furthermore meetings with the head of administrations in both Bojnik and Surdulica have been held in order to discuss the restructuring of staff that will be necessary in order to make the CACs function properly.

Activity 4.2: Strengthening of Citizen Assistance Centres : The targets that were set in the last report were as follows

- Begin implementation of the plan
- Hold workshop and the main purpose of which will be developing suggestions with regard to steps that can be taken to resolve the problem with building permits

The workshop on issuing building permits actually took place in the first week of December although it had originally been planned for October. The delay was due to the availability of the local consultants.

At this point in time it is this specific service that is delivery of building permits that this part of the programme will focus on. The reason for this being twofold

1. This is a huge problem that requires a large amount of attention
2. Many of the other simple functions being provided by the CACs are working relatively well according to the baseline data that was collected.

Visibility

In regard to this activity the targets that were set in the last report were as follows

- Establish television and radio promotional material
- Update website
- Develop leaflets and fliers associated with specific aspects of the programme

The main focus during the reporting period has been in supporting the development of promotional materials for the Center for the Development of Jablanica and Pcinja Districts. Furthermore the Communications Associate took the lead in organising the launch of the Center. The actual communication materials that were developed for the Center are as follows

- Website developed
- Information booklet on the Center
- Promotional material such as notebooks, keyrings and pens etc

- Banners developed for the launch which can also be used at other promotional events

In regard to the targets that were set in the last report the development of promotional television and radio materials has not been developed yet. This is simply because the focus has been on other issues namely that of developing communication material for the Center. However this activity will be implemented during the next quarter. The MIR2 website is currently being updated and this linked with the fact that the UNDP website has recently been revamped and is receiving a significant increase in the number of hits per month bodes well for the future. There has been one leaflet developed for the programme as a whole and in addition a small information pamphlet has been produced on the Center.

Cooperation With Other International Agencies

There continues to be good working relationships with all the other international organisations working in the area. MIR2 were represented at the last meeting of international organisations working in South Serbia on Wednesday 8 November.

MIR2 was also present at the various conferences that were organised by the RSEDP and MSP East Serbia programme during the reporting period. Finally MIR2 was represented at the conference held on the Poverty Reduction Strategy.

There are also good ongoing relationships with other UNDP projects and in particular the PRO project in South West Serbia. Both projects coordinate closely exchanging information and supporting one another. For example the MIR2 communication associate provided PRO with considerable support in organising their launch and designing and developing their initial public relations material.

4. Summary of Inputs Deployed in Current Reporting Period

For detailed information on the inputs deployed in the current reporting period refer to the tables presented in annex V

5. Project Planning for Next Reporting Period

5.1 Activities to be Undertaken and Outcomes to be Achieved

During the next reporting period the key milestones for each of the activities that make up the programme proposal will be as follows

Activity 1.1: Regional Development Entity

- Advertise and recruit staff
- Move into offices

- Develop business plan for the year
- Organise study tour for all assembly members
- Finalize budget for 2007 and present to assembly members

Activity 1.2: Regional Guarantee Agency for Southern Serbia

- Communicate the results of the consultancy visit to all members of the Steering Committee
- Communicate the results of the consultancy to the stakeholders at the local level
- Develop agreement with all stakeholders as to what is the most appropriate way forward on this activity

Activity 1.3: Joint Infrastructure Project

- Based upon the priority projects agreed upon by the assembly members develop “project fiches ‘ of these ideas as a means of attracting funding
- Ideally begin implementation on at least some of the priority projects using resources available under the MIR2 programme.

Activity 2.1: Embedded Capacity for Strategic Planning :-

- For plans to have been completed and approved by the Municipal Assembly in Six of the municipalities
- For Strategies to have been completed in three other municipalities

Activity 2.2: Municipal Projects to Catalyse Sustainable Economic and Social Development:-

- To have 50% of the total budget for sub projects ratified by the steering committee
- To have a further 30% of the budget ready in the form of completed projects and waiting for ratification
- To have developed project fiches on other priority projects

Activity 3.1: Improving Universal Management and Communication Skills

- To have implemented the next phases of the training on Project Cycle Management and Financial Management
- To have signed a contract and developed a plan of action for the communications training
- To have a curriculum developed for the general management training

Activity 3.2: Improving Management of Agricultural Sector Development

- To have held the final two trainings

- Held an additional training on applying for EU funds
- Established the criteria for and launched the grants programme

Activity 4.1: Establishment of Citizen Assistance Centres

- Completed the design works and signed contracts for the completion of construction works in both Surdulica and Bojnik.
- Finalise the procurement process for the purchase of equipment, furniture and software for the centres.

Activity 4.2: Strengthening of Citizen Assistance Centres :

- Held the workshop on improving the process of improving the provision of building permits
- Based upon the outputs of this workshop developed follow up actions for each of the programme municipalities

Monitoring & Evaluation

- Based upon discussion and communication during the last quarter develop Terms of Reference for a mid term review. These should be advertised with a view to having the review take place during the month of March 2007.

Visibility

- Establish television and radio promotional material
- Complete update of website
- In cooperation with Coordination Body based upon the schools drawing competition develop a calendar

5.2 Summary of Inputs to be Deployed

Table Five Summary of Inputs to be Deployed

Activity	Inputs to be Deployed
Activity 1.1: Regional Development Entity	MIR2 staff International and local consultants
Activity 1.2: Regional Guarantee Agency for Southern Serbia	MIR2 staff
Activity 1.3: Joint Infrastructure Project	Staff from Regional Development Agency with the support of MIR2 staff. International consultants.
Activity 2.1: Embedded Capacity for Strategic Planning	MIR2 Staff International Consultants Local consultants

Activity 2.2: Municipal Projects to Catalyse Sustainable Economic and Social Development	MIR2 staff Local contractors
Activity 3.1: Improving Universal Management and Communication Skills	MIR2 staff Local Service Provider International consultants
Activity 3.2: Improving Management of Agricultural Sector Development	MIR2 staff Local consultants
Activity 4.1: Establishment of Citizen Assistance Centres	MIR2 staff Local contractors
Activity 4.2: Strengthening of Citizen Assistance Centres	MIR2 staff Local consultants

6. Assessment of Progress Towards Planned Results

For an assessment of the progress towards planned results the reader should refer to the comments attached to the gant charts that are provided in annex III and the overall results performance report that is provided as part of annex VII.

This report marks the completion of one year of implementation of the programme hence at the steering committee a presentation will be given on the achievements and the progress to date of the programme against the initial targets as outlined in the programme document and inception report.

7. Conclusions

The main achievements of the programme during the last quarter have been as follows

- The launch of the Center for the development of Jablanica and Pcinja Districts and the agreement by assembly members of priority regional projects
- The completion of the strategic planning process in seven of the municipalities and the beginning of the development of sub projects
- The engagement of service providers for both Project Cycle Management and Financial Management and the beginning of the implementation of these programmes
- Signed MOUs with the municipalities of Surdulica and Bojnik for the establishment of CACs in those locations.

A huge amount of what one would refer to as front end work has now been performed particularly with regard to strategic planning. The challenge for the next reporting period is

turn this work into concrete results that are visible at the local level through the design and implementation of projects.

The same applies with regard to the Center for the Development of Jablanica and Pcinja Districts, that is a huge amount of work has been done in terms of establishing the center and now some quick positive results are required if the momentum is to be continued. These will be delivered through the following activities

1. Implementation of the study tour for the members of the assembly of the center
2. Funding support to one or more of the regional priority projects that have been identified and agreed upon by the assembly of the Center.

It is these two issues that is development of sub projects and support to the development of the Center that will be the priority for the programme in the forthcoming reporting period.

Annex I Financial Report

MIR II Total Expenditure Report as of 30 November 2006				
Description	Total Budget (USD)	Total Expenditures (USD)	Expenditure in %	Balance
ACTIVITY 1				
1. Programme Management				
1.1 International Staff				
1.1.1 Programme Manager - 71100	308,772	152,300	49%	156,472
1.2 Local Staff				
1.2.1 DPM	84,211	34,652	41%	49,559
1.2.2 Operations Manager	71,579	35,537	50%	36,042
1.3 Admin Support Staff				
1.3.1 Three Finance & Audit Assistants	122,863	61,483	50%	61,380
1.3.2 IT Assistant	36,491	18,581	51%	17,910
1.3.3 Admin & Procurement Assistant	40,954	22,384	55%	18,570
1.3.4 Receptionist	35,088	18,387	52%	16,701
1.3.5 Logistics Assistant - 71400	36,491	18,694	51%	17,797
1.3.6 Two Drivers - 71400	56,140	26,113	47%	30,027
1.3.7 Programme Assistant - 71400	36,491	19,162	53%	17,329
1.3.8 Guards (4) & one Cleaner (Total of five staff = 120 months) - PERLOC	56,140	30,987	55%	25,153
1.3.9 Translation Services - 71300	17,544	3,131	18%	14,413
1.3.10 Technical Support Services - 71300	52,632	10,601	20%	42,031
1.4 International Consultants				
1.4.1 Monitoring & Evaluation Consultant	49,708	32,010	64%	17,698
1.4.2 Change Management	24,854	19,196	77%	5,658
1.5 Staff Development & Travel				
1.5.1 Staff Training/Conferences	35,088	7,574	22%	27,514
1.5.2 Travel	17,544	9,921	57%	7,623
1.6 Administrative Costs				
1.6.1 Office Rent	98,246	40,176	41%	58,070
1.6.2 Utility Costs Electricity	70,175	29,307	42%	40,868
1.6.3 Computer Equipment	37,427	6,706	18%	30,721
1.6.4 Vehicle Maintenance & Fuel	84,211	42,103	50%	42,108
1.6.5 Stationery etc	16,842	5,850	35%	10,992
1.6.6 Updating Programme Management Unit Software	14,035	0	0%	14,035
1.6.7 Visibility	116,959	37,910	32%	79,049
Sub Total	1,520,484	682,765	45%	837,720
ACTIVITY 2				
2. Regional Cooperation -				
2.1.1 National Component Leader - 71400	70,175	0	0%	70,175
2.2 Dev Regional Entity				
2.2.1 International Consultants - 71100	59,649	14,077	24%	45,572

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2.2.2 RSC Meetings (8) - 72100	5,146	2,750	53%	2,396
2.2.3 Establishment Of Regional Development Agency	253,965	29,796	12%	224,169
2.2.4 Support of Coordination Body	81,871	9,881	12%	71,990
2.3 Regional Gaurantee Fund				
2.3.1 Support of Guarantee Fund - 72100	259,020	0	0%	259,020
2.3.2 Programme Staff One Staff Member	37,895	412	1%	37,483
2.4 Joint Infrastructure Project				
2.4.1 International Consultants	39,766	0	0%	39,766
2.4.2 Baseline Survey	23,570	0	0%	23,570
2.4.3 Study Tour Twenty People	46,784	0	0%	46,784
2.4.4 Financing Regional Waste Management Strategy/Plan	350,877	0	0%	350,877
Sub Total	1,228,718	56,916	5%	1,171,802
ACTIVITY 3				
3. Strategic Planning				
3.1.1 International Component Manager - 71100	210,526	103,460	49%	107,066
3.2 Embedded Capacity for Strategic Planning				
3.2.1 International Consultants (Strategic Planning)	54,678	46,178	84%	8,500
3.2.2 Sectoral International Consultants	49,708	0	0%	49,708
3.2.3 Local Consultants	43,860	1,830	4%	42,030
3.2.4 Raising Awareness	70,175	8,046	11%	62,129
3.2.5 Purchase of Two Vehicles	39,766	588	1%	39,178
3.2.6 PIU Support and Maintenance	243,275	64,987	27%	178,288
3.3 Municipal Projects				
3.3.1 Project Fund - 72100	3,751,353	0	0%	3,751,353
Sub Total	4,463,342	225,089	5%	4,238,252
ACTIVITY 4				
4. Improved Municipal Management				
4.1.1 International Component Manager - 71100	210,526	73,954	35%	136,572
4.2 Improving Universal Management & Communication Skills				
4.2.1 Contract with International Training Provider	347,953	5,398	2%	342,555
4.2.2 Contract with local service providers	116,959	13,561	12%	103,398
4.2.3 Study tours	116,959	0	0%	116,959
4.2.4 Production of manuals	58,480	0	0%	58,480
4.2.5 Training events	116,959	33,240	28%	83,719
4.2.6 Addressing certain Specific training needs	116,959	2,009	2%	114,950
4.3 Improving Agricultural Support in Municipalities				
4.3.1 Increased Capacity Development of Municipal Ag Advisors	295,760	32,882	11%	262,878

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4.3.2 Two Technical Support Staff - 71400	75,789	16,062	21%	59,727
Sub Total	1,456,345	177,106	12%	1,279,238
ACTIVITY 5				
5. Improved Delivery of Municipal Administrative Services				
5.1 Establishment of CACs				
5.1.1 CAC Advisor - 71400	37,895	19,478	51%	18,417
5.1.2 Renovation Costs	175,439	1,032	1%	174,407
5.1.3 Training & Software	58,480	1,324	2%	57,156
5.2 Strengthening of CACs				
5.2.1 Conference	23,392	14,050	60%	9,342
5.2.2 International Consultants	59,649	0	0%	59,649
Sub Total	354,854	35,884	10%	318,970
ACTIVITY 6				
6. Staffing Costs (Split amongst all three components)				
6.1 Facilitators & Supervisors				
6.1.1 Facilitators (13) 13 staff x 24 months = 312	474,386	190,640	40%	283,746
6.1.2 Supervisors (4) 4 staff x 24 months = 96	175,158	92,327	53%	82,831
6.2 Technical Team (5)				0
6.2.1 Training Managers (2) 2 staff x 24 = 48	75,789	19,664	26%	56,125
6.2.2 Public Relations Assistant	43,789	20,902	48%	22,887
6.2.3 Engineers (2) 2 staff x 24 = 48	75,789	19,847	26%	55,942
Sub Total	844,912	343,380	41%	501,532
ACTIVITY 7				
7. Programme Evaluation & Audit -				
7.1 Programme Evaluation	70,175	0	0%	70,175
7.2 Programme Audit	58,480	0	0%	58,480
7.3 Baseline and Follow Up Surveys	58,480	0	0%	58,480
Sub Total	187,135	0	0%	187,135
Direct Programme Cost	10,055,789	1,521,140	15%	8,534,649
General Management Services (GMS) 7%	703,905	106,480	15%	597,425
Overall Total Budget	10,759,695	1,627,620	15%	9,132,074

Annex II Logical Framework

	Intervention Logic	Verifiable Indicators	Sources of Verification	Assumptions	Results
Overall Objective	To contribute to the implementation of the Law on Local Self-Government by strengthening local good governance in southern Serbia in terms of delivery of services to citizens and local and inter-municipal stewardship of social and economic development	<ul style="list-style-type: none"> Improvement of at least 15% between month 2 and month 23 on a municipal capacity index-type tool tailored for southern Serbia based on SLGRP example 	Survey of municipalities conducted and analysed in M2 and M23	Other projects that, with MIR, aim to improve governance are implemented successfully	1. Municipal Capacity Index completed and first round completed in all 13 of the programme municipalities
Project Purpose	Southern Serbia municipalities, individually and jointly, plan and take strategic action to achieve the sustainable economic and social development of the region and to fulfil their obligations to citizens	<ul style="list-style-type: none"> At least 9 municipalities implemented municipal development projects, conforming to the identified socially inclusive priorities and adhering to strategic development principles, by month 23 Municipalities jointly planned and drafted a realistic regional (involving at least 4 municipalities) infrastructure development project by month 23 Municipalities legislated (via Municipal Assembly) organisational reforms in favour of better services to citizens between month 2 and month 23 	Contracts; programme records; Regional Steering Committee minutes; Municipal Assembly official record	Political leaders willing to allocate most resources according to technical, rather than political, criteria	<ol style="list-style-type: none"> Strategic plans approved by the Municipal Assemblies in both Medvedja and Vranje All members of the center for development agree upon seven priority regional projects at a meeting held in Vladicin Han on November 2. A decision taken by the municipal leadership of both Bojnik and Surdulica municipalities to establish a CAC.

	Intervention Logic	Verifiable Indicators	Sources of Verification	Assumptions	Results
Results	1. Municipal and district stakeholders co-operate to implement joint actions to address key regional development problems and are prepared to formalise or institutionalise their co-operation on regional development	<ul style="list-style-type: none"> • Municipal and district leaders launched by month 23 a regional development agency • Municipal and district leaders decided by month 23 whether to launch a fully elaborated, joint infrastructure development project • SSRGF is reformed according to principles outlined in Reinprecht Report by month 23 	RSC minutes; SSRGF articles of incorporation & other foundation documents	Economic and political stability continues (no conflict or sudden negative changes occur)	<ol style="list-style-type: none"> 1. RDA formed, registered (Nov 29) and launched (Nov 17) 2. Seven priority regional projects agreed upon by all assembly members of the center 3. Assessment of the guarantee fund implemented and recommendations made
	2. Municipalities have better internal capacity to gather and analyse data, assess development potentials and soundly plan and implement specific strategic development actions on the basis of extensive consultations with civil society	<ul style="list-style-type: none"> • At least 5 municipalities approve sound Strategic Sustainable Development Plans developed via an internal strategic planning process by month 23 • At least 9 municipalities identified, via a participative process, development priorities by month 12 	Municipal Assembly records; Programme documents	Willingness of municipal officials to consult with civil society is genuine	<ol style="list-style-type: none"> 1. Vranje (June 2006) and Medvedja (Nov 2006) Strategic Plans formally approved by the Municipal Assembly. 2. Projects identified from several municipalities and submitted to the steering committee for approval
	3. Municipal ability to communicate with citizens and manage staff, projects, development sectors and finances is improved	<ul style="list-style-type: none"> • At least 50% of municipalities established a public relations department or position by month 23 • Municipal staff attitudes towards the management practices of senior staff improved by 20% from month 2 to month 23 • The number of project proposals drafted by municipal staff (i.e. not by outside consultants) increased by 40% from month 2 to month 23 • 25% of municipalities introduced and used new, modern financial management tools by 	Municipal records; Survey of municipal staff conducted and analysed in M2 and M23; Records on content and quality of municipal sub-projects; Project Facilitator observations; Municipality	Municipality willing to implement organisational reforms to accompany new competencies	<ol style="list-style-type: none"> 1. The first round of the MCI index completed. This will form the baseline data against which future improvements are measured. 2. Several project proposals that

	Intervention Logic	Verifiable Indicators	Sources of Verification	Assumptions	Results
		<p>month 23</p> <ul style="list-style-type: none"> • 8 municipalities applied for and delivered/hosted specific training events based on self-identified needs by month 23 • 70% of municipal agriculture staff participating in the MIR Agricultural Sector Development module passed the written and practical tests administered throughout the programme period • 20% more farmers from individual municipalities access the available agricultural grants and credits in month 23 in comparison to month 2 • The number of registered farmers across the region increased by 20% between month 2 and month 23 • The number of active farmers groups (either associations or registered cooperatives) across the region increased by 20% between month 2 and month 23 	<p>Agriculture Departments'/Ministry of Agriculture registration records; agriculture grant and credit programme public records</p>		<p>are drafted by municipal staff submitted to PSC for ratification.</p>
	<p>4. Citizens can swiftly obtain common municipal services in equipped and well-performing Citizen Assistance Centres (CACs)</p>	<ul style="list-style-type: none"> • 20% more municipalities use IT systems to provide citizen records or permits in month 23 in comparison to month 2 • Citizen satisfaction with services provided by municipalities increased by 20% from month 2 to month 23 	<p>Survey of municipalities and citizen satisfaction survey conducted and analysed in M2 and M23</p>	<p>Municipalities willing to fulfil their role in achieving a successful CAC (and not viewing it as a gift of equipment and furniture)</p>	<p>1. MOUs signed with both Bojnik and Surdulica on the establishment of CACs.</p>
<p>Activities</p>	<p>1. Facilitate regional co-operation for development 1.1 Facilitate establishment of regional development agency 1.2 Leverage improvements of Regional Guarantee Fund in support of sustainable development 1.3 Facilitate launch of joint infrastructure project</p> <p>2. Build municipal</p>	<p><u>Means:</u> Technical Assistance ICT Equipment Furniture (see activity schedule)</p>	<p><u>Costs:</u> Lump sums Reimbursables Direct costs (see budget)</p>	<p>Municipal leaders willing and able to meet on 4-monthly basis</p> <p>Co-ordination Body willing to drive process</p> <p>SSRGF willing to undergo reform in mission and operations</p> <p>Municipal officials</p>	<p>1.1 Center established and launched 1.2 Assessment implemented and report distributed. 1.3 Seven priority projects agreed upon</p> <p>2.1 Strategic plans approved by municipal assemblies in two</p>

	Intervention Logic	Verifiable Indicators	Sources of Verification	Assumptions	Results
	<p>capacity to strategically plan for development 2.1 Assist municipal officials to gather data, analyse, plan and/or prioritise measures for long-term development and produce strategic plans accordingly 2.2 Provide resources and technical assistance to municipalities to design and implement projects in support of strategic development plans or priorities</p> <p>3. Build municipal capacity to manage and communicate 3.1 Design and implement training and consulting programme to achieve improved management and communication performance 3.2 Design and implement training programme to raise ability of municipal agriculture department staff</p>			<p>willing to participate in preparatory process to prepare joint infrastructure project</p> <p>Municipal officials willing to go beyond their TORs to participate in intensive strategic planning process</p> <p>Municipal leaders willing to dedicate staff time to capacity building efforts</p> <p>Municipalities want establishment of CACs</p> <p>Pilot municipality interested in streamlining administrative processes</p>	<p>locations completed and waiting to be approved in another 7 locations</p> <p>2.2 Sub projects from several municipalities submitted to the PSC for ratification</p> <p>3.1 Service providers for two elements identified and learning programme begun.</p> <p>3.2 First training session implemented and</p>

	Intervention Logic	Verifiable Indicators	Sources of Verification	Assumptions	Results
	<p>4. Improve delivery of municipal administrative services</p> <p>4.1 Establish new Citizen Assistance Centres in municipalities lacking such facilities</p> <p>4.2 Propose and facilitate improvements to administrative processes behind services of CACs</p>				<p>next two planned for next quarter</p> <p>4.1 MOU signed with Bojnik, Surdulica, Crna Trava, Bosilegrad and Trgoviste</p> <p>4.2 Workshop on issueing building permits implemented.</p>
				<p><u>Pre-condition:</u> Ministry of Finance commits money to Municipal Development Funds, representing the municipal contribution for sub-projects (Component 2)</p>	

Annex III Overall Work Plan for the Project as a Whole

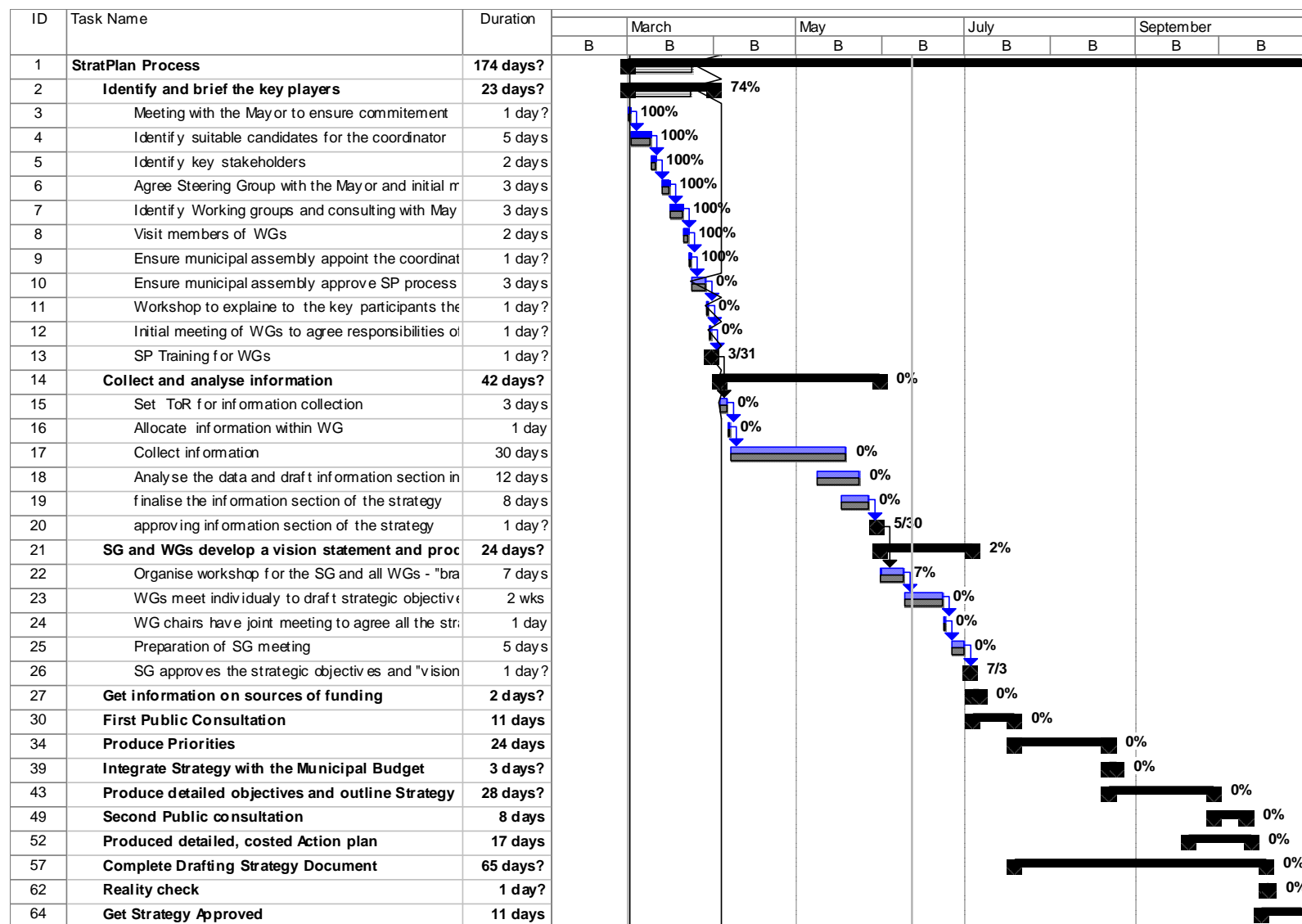
Gant Chart – Component One

2006

ID	Task Name	Duration	Start	Finish	January	February	March	April	May	June	July	August	September	October	November	December	
					B	M	E	B	M	E	B	M	E	B	M	E	B
1	Agreement with international stakeholders	43 days?	Mon 1/2/06	Wed 3/1/06	[Bar]												
2	Initial discussion with mayors	66 days?	Wed 3/1/06	Wed 5/31/06			[Bar]										
3	Regional Steering Committee	8 hrs	Thu 3/16/06	Thu 3/16/06													
4	Meeting with all mayors	1 day?	Wed 4/19/06	Wed 4/19/06													
5	Meeting with all mayors	1 day?	Wed 5/24/06	Wed 5/24/06													
6	Final agreement upon assembly composition	45 days?	Mon 5/1/06	Fri 6/30/06					[Bar]								
7	Recruitment of director	32 days?	Thu 6/1/06	Fri 7/14/06						[Bar]							
8	Design and approval of statute	22 days?	Thu 6/1/06	Fri 6/30/06						[Bar]							
9	Approval of all municipal assemblies of st:	55 days?	Mon 7/3/06	Fri 9/15/06							[Bar]						
10	Formal establishment of RDA	1 day?	Mon 10/2/06	Mon 10/2/06													
11	Develop work plan	3 mons	Mon 10/2/06	Fri 12/22/06										[Bar]			
12	Recruitment of staff	60 days?	Mon 10/2/06	Fri 12/22/06										[Bar]			

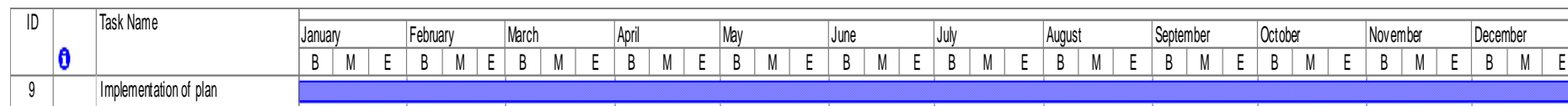
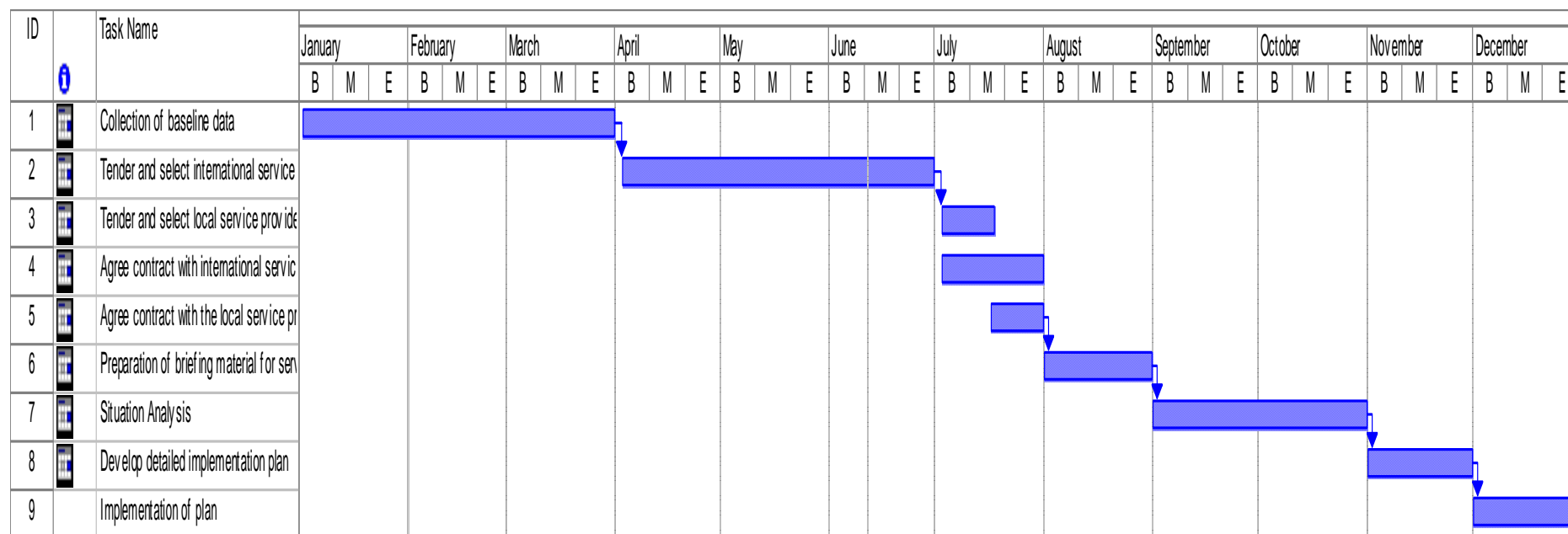
Gant Chart – Component Two Activity 2.1

MIR2 Quarterly Report 1 September 2006 – 30 November 2006



The strategic planning process has now been completed in eight of the municipalities with the plan having been endorsed by the assembly in two of those locations. Furthermore sub projects developed as priorities coming out of the municipal planning process have been developed and submitted to the project steering committee from several municipalities.

Gant Chart – Component Three



Despite delays and changes to the original plan the implementation of the learning programme began only one month behind schedule during the month of October. Two of the training components have been launched with two sets of training and one set

of site visits delivered. The remaining two learning components are still in the development stage (refer to the main body of the text) and these will both be rolled out in the New Year.

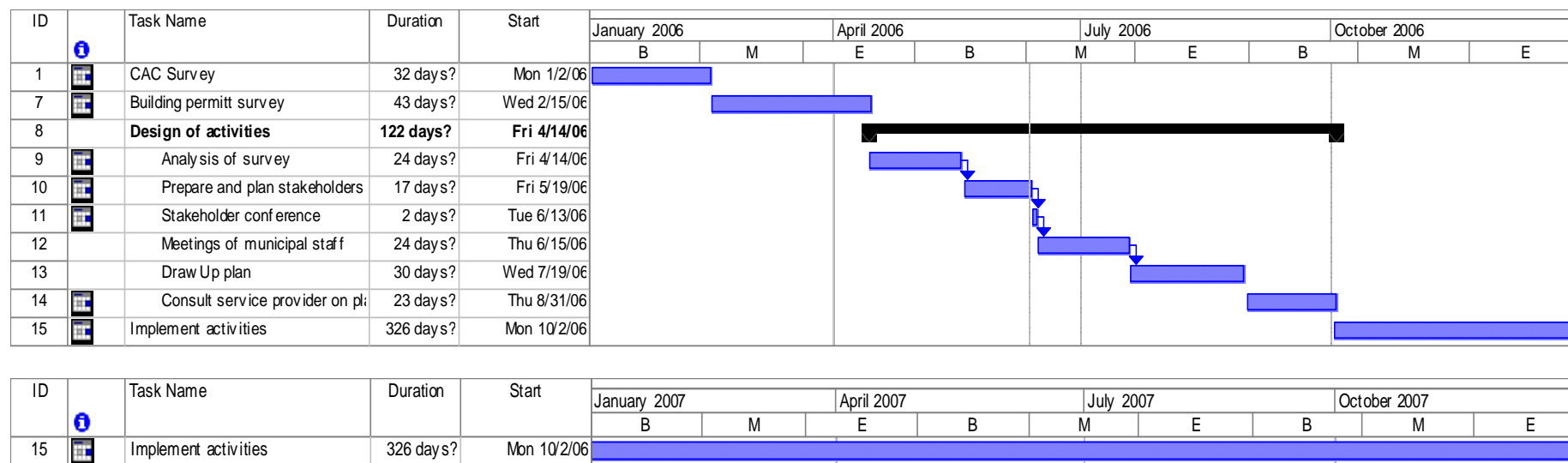
Gant Chart – Component Four

Activity 4.1

ID	Task Name	Duration	Start	January 2006			April 2006			July 2006			October 2006		
				B	M	E	B	M	E	B	M	E			
1	CAC Survey	32 days?	Mon 1/2/06	[Bar]											
2	Establishment of CACs	522 days?	Mon 1/2/06	[Thick black bar]											
3	Identification of needs	42 days?	Mon 1/2/06	[Bar]											
4	Develop plan	90 days?	Wed 3/1/06		[Bar]										
5	Implementation	280 days?	Wed 7/5/06								[Bar]				

ID	Task Name	Duration	Start	January 2007			April 2007			July 2007			October 2007		
				B	M	E	B	M	E	B	M	E			
5	Implementation	280 days?	Wed 7/5/06	[Bar]											
6	Review and support of CACs	110 days?	Wed 8/1/07									[Bar]			

Activity 4.2



Activity 4.1 is progressing as per the plan. However with 4.2 there has been progress up until the last quarter however since then delays have been experienced due to the problems with securing the services of the consultants who will be involved in delivering the workshop on issuing building permits. This however took place in early December and following this action plans and follow up actions will be developed for all municipalities.

Annex IV Plan of Operations for the Next Period

Refer to the main body of the text section 5.1

Annex V Resource Utilisation Report 1 and 2

RESOURCE UTILISATION REPORT 1

Project title: Municipal Improvement & Revival Programme Phase II (MIR2)	Contract No:	Country: Serbia & Montenegro	Page:
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MIR2 Quarterly Report 1 September 2006 – 30 November 2006

Planning period:	Prepared on: 30/11/06								
ACTIVITIES IMPLEMENTED & TIMEFRAME	PERSONNEL INTERNATIONAL		PERSONNEL LOCAL		EQUIPMENT AND MATERIAL		OTHER		
	Planned	Utilised	Planned	Utilised	Planned	Utilised	Planned	Utilised	
Activity 2.1 Strategic Planning	1 Project Manager 24 months	12 months	1 Deputy Programme Manager 24 months	12 months	Vehicles 20	18			
	2 Component Team Leaders 48 months	16 months	1 Operations Manager 24 months	12 months	13 PIUs	13 PIUs			
	International Strategic Planning consultant	Total 60 days	1 Component Manager	0 months	Computers 52	Computers 52			
	International Organisational Change Consultants (Two people)	Total 20 days	1 Public Relations Assistant 24 months	11 months	Printers 27	Printers 27			
Activity 1.1 Development of RDA			1 IT Assistant 24 months	12 months	Photocopiers 13	Photocopiers 13			
			3 Finance & Audit Assistants 72 months	32 months	Scanners 7	Scanners 7			
			1 Admin Assistant 24 months	12 months	Cameras 11	Cameras 11			
			1 Logistics Assistant 24 months	12 months	Mobile phones 29	Mobile Phones 29			
		International Regional Development	Total 21 days	1 programme assistant 24 months	12 months	Lap Tops 7	Lap Tops 7		
				Drivers 2 for 48	12 months	Beamer 3	Beamer 3		

Activity 1.2 Regional Guarantee Fund	Consultants (2)		months					
	International consultant	Total 22 days	Supervisors 4 for 96months	48 months				
Activity 3.1 Improved Municipal Management	International consultant	Total 5 days	Facilitators 13 for 24 months = 312 months	125 months				
Activity 3.2 Improving Management of Agricultural Sector Development	International consultant	Total 15 days	Engineers 2 for 24 months = 48 months	1 for 12 months				
Monitoring & Evaluation	International M&E consultant	Total 40 days	CAC Advisor 1 for 24 months	12 months				
			Guarantee Fund Advisor	0				
			Component Manager	0 months				
			Agriculture Advisor 1 for 24 months	12 months				
			Training Manager 2 for 24 months = 48 months	1 for 9 months				
			Environmental consultant	3 days				
			M&E consultant	17.5 days				
			Agriculture consultants 52 days	82 days				
			Messenger	12 months				
			Watchmen	48 months				
			Cleaning lady	12 months				
			RDA Director	3 months				

Note :- all of the equipment apart from where stated was purchased by MIR or SSMIRP and transferred over to MIR2.

RESOURCE UTILISATION REPORT II

Project title: Municipal Improvement & Revival Programme		Contract No:		Country: Serbia & Montenegro		Page:
Planning period:		Prepared on: 31/05/06		United Nations Development Programme		
RESOURCES/INPUTS	TOTAL PLANNED	PERIOD PLANNED	PERIOD REALISED	TOTAL REALISED	AVAILABLE FOR REMAINDER	
PERSONNEL	Programme Manager (int)		12/05 – 11/06	12 months	12 months	
	Component Manager Strategic Planning (int)		01/06 – 11/06	11 months	13 months	
	Component Manager Improved Municipal Management and Service Delivery		04/06 – 11/06	8 months	16 months	
	Deputy Programme Manager		12/05 – 11/06	12 months	12 months	
	Operations Manager		12/05 – 11/06	12 months	12 months	
	Communications Associate		12/05 – 11/06	11 months	13 months	
	IT Assistant		12/05 – 11/06	12 months	12 months	
	Finance & Audit Assistants (3)		12/05 – 11/06	32 months	40 months	
	Logistics Assistant		12/05 – 11/06	12 months	12 months	
	Admin Assistant		12/05 – 11/06	12 months	12 months	
	Programme Assistant		12/05 – 11/06	12 months	12 months	
	Drivers (2)		12/05 – 11/06	12 months	36 months	
	Supervisors (4)		12/05 – 11/06	48 months (4 persons)	48 months	
	Facilitators (13)		12/05 – 11/06	125 months (10 persons)	187 months	
	Training Managers (2)		12/05 – 11/06	9 months (one person)	39 months	
	Engineers (2)		12/05 – 11/06	12 months (one person)	36 months	
	Agriculture Advisor		12/05 – 11/06	12 months	12 months	
	Guarantee Fund Advisor			0 month	24 months	
Component Manager			0 months	24 months		
Sub-total						

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EQUIPMENT AND MATERIAL	20 vehicles		18 vehicles transferred from MIR and SSMIRP one more to be purchased		
Sub-total					
OTHER INPUTS	11 PIUs established as part of MIR1 and two newly established PIUs. A total of 13	02/06	02/06	13	
Sub-total					
TOTAL					

Annex VI Resources Utilisation Summary

Project title: Municipal Improvement & Revival Programme Phase II (MIR2)	Contract No:	Country: Serbia & Monetenegro	Page:	
Planning period:	Prepared on: 30/11/2006			
REPORTING PERIOD	MAIN ACTIVITIES UNDERTAKEN	CONTRACTOR	INPUTS UTILISED	
			MATERIALS AND EQUIPMENT	OTHER
01/09/06 – 30/11/06	Supporting PIUs	MIR2 staff	Vehicles Computers office equipment etc	MIR2 staff
	Developing visibility materials	MIR2 staff Various local service providers	Vehicles Computers office equipment etc	MIR2 staff
	Establishing an RDA	MIR 2 staff	Vehicles Computers office equipment etc	MIR2 staff Local Consultants International consultant
	Implementing strategic planning process at the local level in 13	MIR2 staff and one international consultant	Vehicles Computers office equipment etc	MIR2 staff

	municipalities			International consultant
	Development of sub project proposals	MIR2 staff and YU Build service provider on project cycle management	Vehicles Computers office equipment etc	MIR2 Staff International consultant
	Implementation of learning programme on project cycle management	YU Build Local trainers MIR2 staff	Vehicles Computers office equipment etc	MIR2 staff Local Independent Consultants
	Implementation of learning programme on Financial Management	Halifax Consulting MIR2 staff	Vehicles Computers office equipment etc	MIR2 staff
	Implementation of Agricultural learning programme	Independent consultants Local trainers MIR2 staff	Vehicles Computers office equipment etc	MIR staff
	Establishment of CACs where they do not already exist	MIR2 staff Local architects	Vehicles Computers office equipment etc	MIR2 staff
	Improve existing services offered at CACs	MIR2 staff Local consultants	Vehicles Computers office equipment etc	MIR2 staff

Annex VII Overall Result Performance Report

Project title: Municipal Improvement & Revival Programme	Contract No:	Country: Serbia & Montenegro	Page
Prepared on:		Implemented by United Nations Development Programme	
Results	Deviation original plan (+ or -%)	Reason for deviation	Comment on constraints & assumptions
<p>Programme Management Inception Phase – Work Planning, Staff Training, Development of Monitoring and Evaluation System Implementation Phase – Project Management and Monitoring Completion Phase – Final Evaluation, Handover and Closure</p> <p>Component 1: Regional Co-operation for Development</p> <p>Activity 1.1: Regional Development</p>	<p>M&E plan finalised, MCI complete and first round of questions completed. Mid term review planned for March 2007.</p>	<p>Mid term review planned as a consequence of the changing external environment</p> <ol style="list-style-type: none"> 1. In terms of changing EU funding framework 2. The general changes with regard the EU accession process 	<p>Timeframe will be a constraint</p>

<p>Entity Activity 1.2: Regional Guarantee Agency for Southern Serbia Activity 1.3: Joint Infrastructure Project</p>	<p>1.1 Agency established as planned 1.2 Evaluation of Guarantee Fund completed and recommendations made. Significant changes to original plan likely 1.3 Seven priority regional projects agreed upon</p>	<p>1.2 Changes necessary due to the poor performance of the existing institution 1.3 Slightly delayed in order to find general consensus at the local level</p>	<p>1.2 Likely to be difficulties in agreeing upon changes to the original plan with stakeholders at the local level 1.3 Time and quality of existing information and documentation</p>
<p><u>Component 2: Municipality Strategic Planning for Development</u></p>			
<p>Activity 2.1: Embedded Capacity for Strategic Planning Activity 2.2: Municipal Projects to Catalyse Sustainable Economic and Social Development</p>	<p>2.1 On schedule in all locations in Jablanica delays expected with municipalities in Pcinja. A different process will be implemented in Trgoviste 2.2 On schedule with process having been agreed upon and project identification underway in Vranje and several other locations</p>	<p>2.1 Due to political problems in the municipality of Trgoviste a simpler process will be implemented there.</p>	
<p><u>Component 3: Improved Municipal Management</u></p>			
<p>Activity 3.1: Improving Universal Management and Communication Skills</p>	<p>3.1 On schedule</p>	<p>.</p>	
<p>Activity 3.2: Improving Management</p>	<p>3.2 On schedule</p>		

<p>of Agricultural Sector Development</p> <p><u>Component 4: Improved Delivery of Municipal Administrative Services</u></p> <p>Activity 4.1: Establishment of Citizen Assistance Centres</p> <p>Activity 4.2: Strengthening of Citizen Assistance Centres</p>	<p>4.1 On schedule</p> <p>4.2 On schedule</p>		
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Annex VIII Priority Regional Projects

INTRODUCTION

The following 7 projects are proposed as priority regional projects to be considered for support by the Assembly of the Development Centre for Pcinja and Jablanica Districts. For each project there is a short description and the reasons why it should be considered as a priority regional project.

1. VLASINA LAKE SEWAGE OUTFLOW

Description

The project consists of pipelines, pumping stations and a water treatment plant, and provides mains sewage and water treatment for the settlements round the lake and thereby enables future development of tourism activities. The technical documentation is nearly complete for this project, which is being organised by the Municipality of Surdulica.

Why is this a priority regional project?

- It is consistent with the RSEDP strategy (Strategic Goal on Tourism Development, Priority 4.5. - Product Development) The RSEDP strategy indicative financial framework contained a project to design this project which received funding. It also contributes towards implementing the infrastructure priorities within the strategy (Strategic goal on Infrastructure, spatial planning and environment preservation, Priority 1 - improved economic infrastructure, which includes the improved treatment of sewage, management of solid waste)
- It deals with a region-wide issue, as Vlasina lake is a regional facility for tourism.
- It gives an opportunity for regional economic development in the SME sector, as it would enable the development of more tourist and tourism-related SMEs.
- It provides environmental benefits – improved conditions for the inhabitants and environmental protection of an area of natural beauty which has regional significance.

2. REGIONAL SOLID WASTE MANAGEMENT FACILITY

The disposal of solid waste is a problem for all municipalities, especially those which are away from major urban centres. A landfill site exists for the Pcinja district (Meteris – Vranje) and one for the Jablanica district is being constructed in Leskovac. Intermediate transfer stations and recycling plants and transport facilities are needed to complete the regional solid waste network based on these two facilities.

A number of municipalities have proposed local recycling plants/landfill sites, but finance for such facilities will be limited. The process of waste disposal and recycling across the region will be more efficient and effective if it is co-ordinated at regional level. The proposed project is

therefore a feasibility study to establish the most effective and cost-effective way of ensuring that the needs of all the municipalities are met through a system which covers the whole region. The feasibility study could be completed fairly quickly and will lead to the design of the required infrastructure projects.

Why is this a regional priority project?

- Solid waste disposal is a major problem for all municipalities
- A regional system of disposal and recycling will be more effective and cheaper to run than unconnected individual solutions.
- The economic benefits of recycling are likely to be greater if all regional recycling is co-ordinated
- It makes a major contribution towards implementing the infrastructure priorities within the RSEDP strategy (Strategic goal on Infrastructure, spatial planning and environment preservation, Priority 1 improved economic infrastructure, in relation to improved treatment of sewage, management of solid waste, and also Priority 3 – Improved Environmental Preservation – in relation to illegal dumping and waste management)

3. REGIONAL SPATIAL AND URBAN PLANS

Spatial planning is a legal requirement and spatial plans are required before effective urban plans can be produced. A regional programme for spatial planning covering the whole of the Jablanica and Pcinja districts has been completed. Most municipalities in the region do not have complete spatial and urban plans. The project is to complete the spatial and urban plans for all the municipalities as a single, co-ordinated activity, building on the regional programme which has already been developed.

Why is this a regional priority project?

- Land use planning is a regional development issue – the lack of certainty over land use inhibits not only small scale economic activity but also investment into the region
- The development of the plans is a major priority for all the municipalities. Resources will be better used if the work is done across the whole region. Spatial plans are a legal requirement and are a pre-requisite for urban plans
- It makes a major contribution towards the implementation of the RSEDP strategy (Strategic goal on Infrastructure, spatial planning and environment preservation, Priority 4 – Improved spatial planning and better use of opportunities)

4. IMPROVEMENT OF REGIONAL ROADS

A number of regional roads require major improvement. There are proposals for these contained in the draft strategic plans for the municipalities, which are listed in a separate document. Financial constraints will apply, and it is important to identify which road improvements would provide the greatest benefit to the region. The proposal is therefore a study to review all the road proposals and to make recommendations as to which of them should be given priority status.

Why is this a regional priority project?

- Roads have a major impact on regional economic development
- Regional roads are part of a regional network of communications, which is best considered as a whole
- It contributes towards the implementation of the RSEDP Strategy (Strategic goal on Infrastructure, spatial planning and environment preservation, Priority 1 improved economic infrastructure, which includes the improvement of local and regional roads)

5. WATER SUPPLY FOR BUJANOVAC AND PRESEVO

The project is to carry a feasibility study to examine exactly what is the most effective means of solving the water supply issues in Bujanovac and Presevo .

Why is this a regional priority project?

- It provides significant public health benefits to a significant number of the inhabitants of the region
- The improvement of the quality and reliability of the water supply increases the likelihood of business development in the southern part of the region.
- It contributes towards the implementation of the RSEDP Strategy (Strategic goal on Infrastructure, spatial planning and environment preservation, Priority 1 improved economic infrastructure, which includes improved water supply)

6. ENCOURAGEMENT OF INWARD INVESTMENT

Inward investment by large companies both from within Serbia and from abroad will bring major economic and wider benefits to the region. Successful investments have been made based on the privatisation of DIV (Vranje) and Zdravlje (Leskovac), but more investment will be needed to compensate for the large decline in economic activity in the region.

There are a number of barriers to inward investment, which include - lack of certainty on land use and land ownership issues, difficulties with permits, the poor image of Serbia outside the country, the lack of national economic development, national political uncertainty and poor regional infrastructure. The project is therefore a region-wide feasibility study on what the major barriers are and how they might be overcome.

Why is this a regional priority project?

- Major inward investment can only be dealt with at the regional level. Dealing with it at the local level wastes limited resources, leads to competition between municipalities and is unlikely to make an impact on potential investors. Inward investment requires a co-ordinated approach.
- It is crucially linked to other regional issues – roads and other communications infrastructure, basic infrastructure (water supply, solid waste, energy supply etc.)
- It provides a major input into the future activities of the centre itself.

- It contributes towards the implementation of the RSEDP Strategy (Strategic goal for Economic Development and SME - A competitive, active economy, with the development of small and medium sized enterprises and entrepreneurial initiatives as generators of new employment in Southern Serbia, Priority 2 - Attractive social and economic environment for foreign and domestic investors)

7. REGIONAL TOURISM INITIATIVE

Tourism is seen as a priority by the municipalities in the region. It is a complex issue, relating to local, national and international markets and existing infrastructure. There are a number of areas within the region which have tourist facilities or potential for the development of tourism. Specific opportunities for the entire region are also provided through the traffic that passes along the E75 (Corridor 10).

The project is a study with two components:-

- The first will consider the general potential for tourism in the region, including a review of the existing infrastructure and of opportunities for developing tourism, but focusing particularly on the likely future market for tourism in the region.
- The second will consider the feasibility of the development of infrastructure for facilities (parking, catering, hotel accommodation etc) for the traffic which passes along the E75. This would link with an existing commercial proposal to create a shopping mall at the border near Presevo.

Why is this a regional priority project?

- Tourism requires substantial planned, co-ordinated investment in infrastructure, training, and promotion. Tourism development cannot effectively be handled at local level, and European experience suggests that tourism development at regional level creates visibility and uses limited resources more effectively than uncoordinated activity.
- The E75 is the most significant highway in the region as a whole, and the opportunities which it provides must therefore be co-ordinated at regional level.
- The project contributes towards the implementation of the RSEDP Strategy (Strategic goal for tourism - Well-developed tourist potentials and a better tourist image of Southern Serbia as tourist destination, in relation to all 5 of its priorities)