

**Speech delivered by Josep M. Lloveras, Ambassador,  
Head of Delegation of the European Commission  
at the launching of the Municipal Development Project in  
South-West Serbia**

**Press Conference in the Government of Serbia,  
15 September 2006 at 10:00**

Dear Ministers, your Excellency, dear colleagues from the UNDP and the European Agency for Reconstruction,

I am pleased to be with you today on the occasion of the launching of the Municipal Development Project in South-West Serbia.

The project purpose is: to develop capacities of local governments so that municipalities, individually and jointly, plan and take strategic action to achieve the sustainable economic and social development of the region.

This project is funded by the EU through the European Agency for Reconstruction and the Government of Switzerland through its Agency for Development and Cooperation.

We are happy to be able to count once again with the participation of the UNDP as implementing agent. This will undoubtedly bring very relevant experience to ensure the success of the project.

The municipalities that will benefit from the project: Novi Pazar, Sjenica, Tutin, Prijepolje (funded by the EU), Nova Varoš and Priboj (funded by Swiss) are amongst the poorest in Serbia. This project is mainly aimed at improving living conditions of the people in these regions.

This project will therefore bring support to the implementation of the Poverty Reduction Strategy of Serbia as the municipalities selected will receive resources and expertise that will contribute to close the gap they suffer in economic development.

The EU support through the CARDS programme (and since 2007 through IPA) and our joint political priorities as reflected in the European Partnership are the two sides of the same coin: the European integration process.

That is why the European Agency and the Delegation of the EC in Serbia work hand in hand and so often appear together alongside our partners (at central, regional or local level) to explain our joint effort to support the European agenda in Serbia.

We have learned some lessons from a similar project in South Serbia that are relevant for the success of this project. The key success factors are: good cooperation with the central Government, good cooperation between municipalities, and local ownership of the project.

In this context let me express concern about recent developments in Novi Pazar that led to a tragic incident last Sunday on the day of the extraordinary municipal elections. This project should certainly contribute to bring stability in South-West Serbia, through economic and social development. But basic political and social stability is also a key precondition for its success. We strongly appeal to all the key political and social actors, both at central and local level to contribute to appeasement and stability in the region. Violence can never be a substitute for dialogue and tolerance in a democratic society.

The project we are launching today is also linked to the European Partnership priorities of pursuing decentralisation and viability of local governments. In line with this we wish to support the strengthening of public administration at local levels.

Let me also stress how important is to build capacities at local level as quickly as possible for the future implementation of IPA, as this will facilitate better absorption of funds, including regional projects, and projects with regions in neighbouring countries.

I look forward for our next meeting to take place in South-West Serbia so that we can all see the first steps in the concrete implementation of this project.