



Ministry of European Integration
REPUBLIC OF SERBIA

**#EY
ЗА ТЕБЕ**



**EU
PRO+**

QUARTERLY STATUS REPORT

Apr - Jun 2023

(DRAFT)



Implementing partner
in 99 cities and municipalities in Serbia

Overall objective:	To contribute to socio-economic development, prosperity and social cohesion of Serbian society
Purpose:	To decrease socio-economic disparities in two regions within Serbia
Budget:	40 million Euros
Donor:	The European Union
Start date:	1 January 2021
End date:	30 June 2024
Programme area:	The Regions of Šumadija and Western Serbia and the Southern and Eastern Serbia
Implementing partner:	United Nations Office for Project Services (UNOPS)
Report date:	31 July 2023
Period covered:	1 April – 30 June 2023
Prepared by:	UNOPS

Acronyms

BSO	Business Support Organisation
CLLD	Community LED Local Development territorial development instrument
CFP	Call for Proposals
CSO	Civil Society Organisation
DEU	Delegation of the European Union
EU	European Union
GAP	Gender Action Plan
GAU	Grant Administration Unit
GG	Good Governance
GMT	Grant Management Team
GSA	Grant Support Agreement
HOC	Head of Cooperation of the EU delegation
ITI	Integrated Territorial Investment
ISTD	Integrated Sustainable Territorial Development
LAG	Local Action Group
LSG	Local Self-Government
MLEVSA	Ministry of Labour, Employment, Veteran and Social Affairs
MPALSG	Ministry of Public Administration and Local Self Government
MoE	Ministry of Economy
MoU	Memorandum of Understanding
MEI	Ministry of European Integration
PSC	Programme Steering Committee
RDA	Regional Development Agency
SCTM	Standing Conference of Towns and Municipalities
SME	Small and Medium Sized Enterprises
SUD	Sustainable Urban Development
URBACT	Urban Development Network Programme



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1. SUMMARY

The **European Union for Local Development Programme - EU PRO Plus** made further progress towards socio-economic development of the two targeted regions during the second quarter of 2023. With 15 projects completed during the quarter adding up to the total of 54 completed projects, the Programme currently supports implementation of 168 projects through grant modality. Financial delivery follows the implementation pace with a total delivery of 17.86 million euros to date.

In support to **development of Integrated and Sustainable Territorial Development approach**, the Programme has continued its capacity building efforts with organisation of the first out of the planned four study visits for representatives of local self-governments (LSGs), regional development agencies (RDAs) and the Ministry of European Integration (MEI). The participants got insight into best practice territorial projects in the Netherlands and Belgium and discussed implementation methodologies and challenges with key stakeholders in these two countries.

The capacity building at the local and regional level intensified with the implementation of workshops on objectives and measures, public forums in the twelve beneficiary territories and an on-line training on potential sources of funding. A total of 901 participants out of which 511 (or 56%) female benefited from these capacity building activities during the quarter.

Within Programme efforts to **support economic development**, 80 new jobs have been created during the quarter, contributing to the total number of 102 jobs created in beneficiary enterprises making a significant progress towards the planned creation of 248 jobs. Contributing further to the economic growth and enhanced competitiveness of enterprises, thus far the Programme supported a total of 612 SMEs, including the aforementioned 114 directly supported and 498 supported through the work of business support organisations (BSOs). The SMEs supported through BSOs benefited from various activities ultimately contributing to their increased competitiveness: 82 SMEs benefited from capacity building activities related to introduction of standards while 36 of those have introduced new standards which shall open new market opportunities for them; 287 SMEs improved their capacities related to digitalisation which shall increase their productivity; 114 SMEs were supported in greening and introduction of circular economy, out of which 25 received solar panels directly contributing to greening of their businesses, 189 SMEs built their capacities related to marketing and internationalisation while 163 SMEs improved their knowledge and skills related to financial instruments.

The Programme shall extend its impact on economic development with the award of economic infrastructure projects which should contribute to creation of conditions for realisation of industry investments of over 450 million euros and ensure in a five year period over 4,500 new jobs to the people from awarded municipalities and surrounding territories. In addition, some municipalities will be supported in enhancing their tourism potential through diversified offers in line with national and local strategies and plans that should in return generate a greater number of tourists and contribute to the local economy. Additional support through the Programme will be allocated to LSGs that seek assistance in development of technical documentation in the function of economic infrastructure.

Contributing to **improved social infrastructure and social cohesion**, the Programme continued to register tangible results. Eleven social services have been improved or initiated in ten LSGs during the quarter enabling improved quality of life for at least 1,700 people from the vulnerable and marginalised groups. Furthermore, provision of health care services is improved in eleven villages in Čičevac and Čuprija through procurement of medical and ICT equipment, adaptation of rural medical infirmaries and engagement of medical teams. Until now, access to health care services has been facilitated for over 1,500 citizens in rural areas. The Programme also promoted provision of integrated social services in Tutin, through an intersectoral partnership between public institutions, and in Kragujevac the first steps were made for integration of two social protection services - foster care and respite care services for children with disabilities.

Furthermore, with completion of the construction works on nine additional local infrastructure projects, totaling to 16 project with completed works, the quality of services provided by these LSGs to citizens have improved: in Ljubovija, Osečina and Zaječar the conditions for daily stay were improved for 591 preschool children, while the working conditions were improved for 121 employees servicing these three kindergartens; reconstruction of the Sports Centre in Krupanj and Sports field in Knjaževac has improved conditions for sports and recreation for over 12,000 beneficiaries of these two municipalities; reconstructed health centre in Raška has contributed to the improvement of health services provided to over 18,000 of inhabitants; while the reconstructed urban centre in Bajina Bašta provided benefits for 23,000 inhabitants and on average 50,000 tourists visiting the municipality annually; in Pirota a multi-functional facility adapted for social and cultural activities has improved the living conditions for 300 youth representatives and 130 people with disabilities.

The Programme proactively **managed risks and addressed issues** during the quarter. With a high implementation pace and 168 projects under implementation through grant modality, the greatest ongoing challenge is timely mitigation of risks for every individual project and adherence to the set timeframe. Several beneficiaries struggle with securing co-funding, some face administrative challenges to implement procurement processes, and some lack capacities to efficiently manage implementation processes while maintaining the quality of interventions. The Programme effectively mitigated these risks by continuous provision of technical assistance, constant monitoring and presence in the field, frequent visits to construction sites and involvement in key grant implementation processes.

Additionally, the Programme is monitoring developments related to effects of the heavy rainfalls and floods which caused severe damages to essential infrastructure with 56 cities and municipalities throughout Serbia declaring a state of emergency.

On the basis of consultations and under direction from the donor and the national beneficiary, the Programme initiated preparation of the amendment to allow time extension and enable completion of the activities. Looking ahead, the key challenge for the Programme is controlling the implementation timeframe and securing successful implementation of the forthcoming grant scheme for implementation of territorial strategies.

Programme **communications and public engagement** remained consistent through traditional and social media engagement. Five press releases mainly highlighted the progression of local infrastructure projects and two high-level visits organised during the quarter led to 380 published media reports out of which 125 (32%) in the national media. The Programme also contributed to several promotional campaigns and events organised by the EU Delegation, including the [EU Opportunity Week](#) where the EU PRO Plus work was prominently showcased. Further, within the DEU Campaign "Stories from Serbia" broadcast on Radio Television of Serbia, a total of seven EU PRO Plus predecessor EU PRO projects were promoted. Additionally two EU PRO and EU PRO Plus projects were included in the campaign [We care – better together!](#) which feature the EU member states ambassadors promoting EU-funded projects.

This Report provides review of progress and performance, update on management and coordination issues, review of assumptions and risks, quality and sustainability considerations, insight into the key outputs for the next reporting period, and lessons learned. A number of annexes give the readers opportunity to get in depth knowledge of some specific actions taken by the Programme.

2. QUARTERLY STATUS REPORT

2.1 Review of project progress

2.1.1 Policy and Programme Context

On June 30, Republic of Serbia signed the Agreement with the European Union on Serbia's participation in the [Digital Europe Programme](#) for the period until 2027. On the basis of that agreement, legal and natural persons with residence or headquarters in Serbia will be able to apply for funding of EU projects and will be on an equal footing with participants from full EU member countries in the allocation of grants from EU funds in the field of digitization. The value of the Digital Europe Programme is 7.5 billion euros. As the territorial strategies supported by the Programme have defined objectives in line with EU Cohesion Policy 2021 /2027, the possibilities of funding initiatives from territorial strategies will be additionally expanded.

The Ministry of Environmental Protection advertised a [Public call for public participation in the consultation process related to the development of the Adaptation Programme to Changed Climate Conditions with the Action Plan](#). The Programme aims to provide the capacity to improve the timely informing the public about weather and climate conditions and climate hazards increasing the preparedness of individuals, entrepreneurs, and employers. At the same time, the Programme enables the implementation of adaptation measures to the changed climatic conditions (adaptation) which are identified as the most urgent in order to prevent a multiple increase in damages and losses as a result of climate change. The Programme also ensures the implementation of interventions that relating to direct defence against climate hazards where it is not possible to mitigate the impacts, the implementation of measures that enable the initiation and maintenance of the adaptation process in the future sustainable way, as well as the implementation of measures that enable the rapid implementation of new scientific ones knowledge in the process of adaptation. In the context of EU Pro Plus, three measures 1, 20 and 21 are directly related to urban areas and activities related to support in territorial strategies development process.

In April 2023, the Government of the Republic of Serbia [made a decision on the establishment of the Council for Gender Equality](#) (GE) as an advisory body that will support implementation of the Strategy for Gender Equality and to be represented by the members of relevant public institutions and civil society. The topics that the Council will deal with are the empowerment of gender-sensitive categories of the population through the application of appropriate measures, building and improving the capacity of institutions for the implementation of GE policy and raising public awareness on the GE issues.

In June 2023, Innovation fund published [Mini Grants Programme \(Early Development Programme\)](#) aimed at private young enterprises which are engaged in the development of technological innovations with a clear market need. Deadline for applications is 15 September 2023. The grants are up to 120 thousand euros and the total available funds are 10 million euros.

Several public calls that are targeting improvement of social services and promotion of integrated approach, with particular focus on strengthening social protection systems and services at the local level, were published in this quarter. [The PRO Programme¹ published four Calls](#) for provision of technical support, capacity building and grants to CSOs and LSGs from 99 municipalities corresponding to the EU PRO Programme's AoR. [The Standing Conference of Towns and Municipalities \(SCTM\) under the EU-funded project published the Call for improvement of social protection at the local level](#), in order to contribute to strengthening of legal, financial and institutional mechanisms for sustainable planning and implementation of social protection services. All calls were closed during June 2023.

¹ Joint UN intervention funded by the Swiss Government
www.euproplus.org.rs

The Cabinet of the Minister for balanced Regional Development published [a public call](#) on 12 April 2023 for projects of importance for regional growth promotion in the Republic of Serbia. The total amount of 325,100,000.00 RSD is allocated for the implementation, from which 85,100,000.00 RSD is intended for co-financing of development documents for regional development and 240,000,000.00 RSD is allocated for co-financing projects of importance for regional growth in regional areas and local self-government. [The result](#) was published on 30 May 2023, with 31 projects approved for financing.

[Decision on the allocation](#) and use of funds to support the improvement of business infrastructure for the year 2023 was published on 30 March 2023. 21 projects were approved for financing with the value of 790,654,713.35 RSD. Following their decision to publish the Call twice a year, the Ministry of Economy republished on 26 June 2023 another [Public Call for economic infrastructure projects](#) targeting two measures: 1. Infrastructure equipping of Industrial zones and 2. Improvement of infrastructure so as to facilitate tourist development and development of other business activities. The Call will complement the Programme efforts to boost the economy in the undeveloped regions in Serbia.

[Local Infrastructure and Institutional Development Project in Serbia \(LIID\)](#), with the aim to improve the capacity of all 145 Serbian LSGs started with the implementation. The project is co-financed with the World Bank (WB), with Investment value of 265.2 million EUR (300 million USD), supported by the [Ministry of Construction Transport and Infrastructure](#). The Ministry of Construction started signing Framework Agreements with LSG.

The First call for concept notes under the Territorial Strategy [Interreg-IPA Cross-border Cooperation Bulgaria-Serbia Programme](#) was launched on 15 June 2023 with a total budget of 8,529,412 EUR. The Call is open for project ideas that contribute to the achievement of Specific objective 2 "To enhance regional competitiveness, with a focus on tourism.

The focus of Call 1 is based on the following fields of intervention: development of new integrated regional tourism products; restoration, preservation, and exposition of cultural heritage sites; strengthening the links between natural and cultural sites, including through enhancing the cycling network, road infrastructure, border crossing points infrastructure; The deadline for submission of concept notes is set to 15 August 2023.

State of emergency was declared in 56 cities and municipalities due to the floods in May and June 2023. After collecting data, Damage assessment reports were made in every affected municipality. Members of grant implementation teams were included in the development of the assessments which impacted on the implementation of LIP projects in the affected municipalities.

2.1.2 Progress towards achieving objectives

According to the [Labour Force Survey for the First Quarter of 2023](#) published by the Statistical Office of the Republic of Serbia in June 2023, the Labour market dynamics in the first quarter 2023 compared to the last quarter of 2022, the number of employed persons increased by 19,100, while the employment rate increased by 0.5 p.p. compared to the fourth quarter of 2022. At the same time, the number of unemployed persons increased by 25,200, so the unemployment rate increased by 0.7 p.p. The employment rate is slightly higher in Region Šumadije i Zapadne Srbije (0.2 p.p.), while in Region Južne i Istočne Srbije, it is lower by 0.1 p.p. compared to the last quarter of 2022.

During the quarter, the Programme made further progress towards socio-economic development of the two targeted regions. Strategic framework was determined for the 12 targeted territories developing territorial strategies, which will serve for the defining priority areas of intervention as a key territorial focus of the strategies, The territorial focus will enable targeted territories to blend different sources of funding in areas within their territory and to maximise effects in development transformation of their urban areas.

As a result of grant support to MSEs, 80 new jobs have been opened during this quarter making a total of 102 new jobs created so far, out of which 64 of new jobs are occupied by women. Around 250 new jobs are expected to be opened as a result of the 114 active grants for MSEs. Total of 262 SMEs have benefited from the BSO projects implemented in this quarter making a total of 498 SME beneficiaries as a result of this activity. The support included procurement of new equipment, introduction of standards, mentoring and training in the field of digitalisation, sources of financing, greening of SMEs and circular economy. More than two thousand people benefited from Corporate Social Responsibility activities implemented by 26 MSE grantees.

The Programme's support for improvement of social services primarily through intersectoral partnership is advancing, where a total of 17 social services in 16 LSGs have been initiated and/or improved until now, facilitating better access to education, health and social care services for disadvantaged citizens, while promoting integrated and innovative social services.

The finalised Call for Economic infrastructure should create conditions for over 450 million Euros investments in industry and tourism and bring new jobs to over 4,500 people.

During Q2 the number of LSGs that completed construction works within local infrastructure projects, increased to 16, given that nine more LSG finalised educational, cultural, health and sports infrastructure in Boljevac, Raška, Pirot, Ljubovija, Zaječar, Krupanj, Osečina, Knjaževac and Bajina Bašta, thus creating better working conditions for over 72,000 direct beneficiaries. Likewise, among five additionally supported LSGs, that should enhance life of 58,000 citizens, four are progressing according to plan, while the Programme registered slight delay in implementation of Bujanovac project.

2.1.3 Results and Activities

Result 1: Improved development planning in targeted municipalities and introduction of the ITI concept

The Programme continued the activities related to introduction of territorial development concept through its capacity building activities at all levels of governance. During April 2023, the Programme organised the first out of four planned study visits. The study visit to Belgium and Netherlands², included representatives of the Ministry of European Integration (MEI), representatives of the two biggest supported urban areas - Niš and Kragujevac ITI territories and two regional development agencies.

At the local and regional levels, the process of development of seven Sustainable Urban Development (SUD) and five Integrated Territorial Investment (ITI) strategies entered the final stage. For all twelve strategies, the strategic phase is almost completed, where the objectives and measures as well as the indicative list of project ideas are defined. The Programme also developed Territorial Innovation Atlas³, as a supporting tool for upcoming pilot grant scheme for projects deriving from territorial strategies, but also for future strategies implementation. The Atlas is a comprehensive collection of projects aimed at promoting territorial development in urban and territorial areas. It showcases various examples from across Europe, demonstrating initiatives that aim to transform, regenerate, and connect urban and rural areas.

The Programme also extended its outreach with 1,375 individuals in total from local and regional level benefiting from the capacity building activities to date, along with 29 representatives of the national institutions.

Activity 1.1 Enhancing national capacity to introduce integrated territorial development

The Programme organised the first study visit to Belgium and Netherlands⁴ for MEI, Regional Development Agencies (REDASP in Kragujevac and RDA Jug in Niš) and the representatives of the

² The report of the study visit to NL and BE is available in Annex I, Attn 1

³ The Territorial Innovation Atlas is available in Annex I, Attn 2

⁴ The report of the study visit to NL and BE is available in Annex I, Attn I, Evaluation of the study visit is available in Annex I, Attn 1

Kragujevac and Niš ITI territories. The visit was organised from 24 to 28 April 2023. The study visit participants visited five cities, met with three Managing Authorities (MAs), visited five sites, participated in four walking tours of specific city areas that are subject of redevelopment, visited three urban development institutions and one EU Commission department. They had an opportunity to get acquainted with the governance and implementation aspects of the SUD and ITI mechanisms.

The study visit to Greece⁵ developed for MEI only is expedited for the first week of July 2023, instead of originally planned November 2023. Meetings with the Greek Ministry of Development and Investments, managing authorities, and intermediate bodies are a part of the itinerary.

The Programme also devised the concept of the study visit to Italy⁶, which is scheduled for the first week in September 2023.

Activity 1.2 Improving capacities of municipalities and regional development agencies to introduce concepts of integrated territorial planning

The provision of technical support to development of territorial strategies has entered the critical phase, with the key capacity building activities relating to Module II (strategy development process) completed and Module III (strategy implementation) initiated.

In addition to capacity building activities, the EU Joint Research Centre (JRC) [Handbook for Sustainable development Strategies](#) has been translated and its finalisation is pending JRC approval.

During April 2023, the Programme organised objectives and measures workshops⁷ including training in twelve territories, with an aim to define strategic objectives and measures within territorial strategies. A total of 330 participants attended, out of which 188 or 57% were female. Beside representatives of 29 LSGs and nine RDAs included in the territorial strategy development process, workshops attended representatives from four LSGs (Krupanj, Vladimirci, Vrnjacka Banja, Aleksandrovac) which are not receiving direct technical support in development of territorial strategies.

Public forums were organised during May and June 2023 in eleven territories⁸. Public forums are designed as a form of public consultation and include children's art competition, "World Caf" and a visioning exercise, allowing participants of all ages to contribute their ideas towards strategy development. A total of 499 participants were present, out of which 275 were female, including 27 LSGs, seven RDAs and one national institution.

The online training on potential sources of funding⁹ for territorial strategies was held in June 2023. The training attended 72 participants, out of which 48 or 66.7% were female.

By the end of June 2023, a total of 1,375 stakeholders benefited from capacity building activities, out of which 717 (52.1%) were female.

Activity 1.3 Implementing activities contributing to socio-economic growth deriving from integrated territorial planning strategies

The overall approach with the set of preliminary criteria for the pilot grant scheme for projects deriving from territorial strategies has been developed and presented to MEI and EU Delegation in April 2023. The initial draft of the Call is under development and is planned to be presented and discussed with MEI and DEU in July 2023. In addition, the Programme also developed Territorial Innovation Atlas¹⁰, as a supporting tool for upcoming pilot grant scheme for projects derived from territorial strategies, but also for future strategies implementation.

⁵The Study visit outline is available in Annex I, Attn 3

⁶ The study visit concept is available in Annex I, Attn 4

⁷ The report from the objectives and measures workshop is available in Annex I, Attn 5

⁸ Public forum in Loznica will be incorporated into upcoming workshop on priority areas of intervention due to the difficulties with organisation caused by replacement of working group coordinator

⁹ The report from the training on potential sources of funding is available in Annex I, Attn 6

¹⁰ The Territorial Innovation Atlas is available in Annex I, Attn II

Result 2: Enhanced economic growth in targeted municipalities

The awarded projects under the Call for economic infrastructure projects should contribute to creation of conditions for realisation of industry investments of over 450 million Euros and ensure in a five year period over 4,500 new jobs to the people from awarded municipalities and surrounding territories. In addition, some municipalities will be supported in enhancing their tourism potential through diversified offers in line with national and local strategies and plans that should in return generate a greater number of tourists and contribute to the local economy. Additional support through the Programme will be allocated to LSGs that seek assistance in development of technical documentation in the function of economic infrastructure.

With two groups of grants for improving competitiveness of SMEs in implementation, grants for Business Support Organisations (BSOs) and grants for Procurement of Equipment and Introduction of Services for Entrepreneurs, Micro and Small Enterprises total of 612 SMEs have been supported, 498 and 114 respectively. Through direct support to MSEs for procurement of new equipment 102 new jobs have been opened so far out of which 64 (or 62.7%) are held by women and a total of 248 new jobs are expected through this support by the end of the year.

Activity 2.1 Developing economic infrastructure and business related services at the local level

The Evaluation of the full project proposals submitted to the Call for Economic infrastructure was completed in the previous quarter, resulting in submission of 18 recommended and 6 projects on the reserve list to the Programme Steering Committee for approval, through e-voting. The process of e-voting should be completed by 7 July, with a planned start of issuing of GSAs on 10 July, pending the approval from the Programme Steering Committee.

Activity 2.2 Enhancing competitiveness and sustainability of enterprises contributing to economic stability of local communities

Under the Public Call for Proposals for Procurement of Equipment and Introduction of Services for Entrepreneurs, Micro and Small Enterprises two of the 116 awarded MSE grantees withdrew from grant support agreements due to decrease in business activities and increased prices of equipment. The programme organised continuous monitoring and support of the grant implementation for the remaining 114 grants. Total of 93 MSEs completed procurement processes out of which 28 received equipment. Remaining 21 MSEs are in the process of procurement of new equipment and services. Twenty six MSEs have completed Corporate Social Responsibility activities including financial support, products and services to children and vulnerable groups, persons with disabilities and refugees as well as donations to schools, hospitals and sport clubs with more than two thousand final beneficiaries.

During the reporting period, six BSO grantees have finalised their project activities, while the deadline for one remaining project implemented by Center for innovative youth entrepreneurship - Startup Center was extended by the end of July 2023. In this quarter, The Association of catering, hotel and tourist workers of Nis finalised protection of the new "A Bite of the South" trademark with the International Property Office. Regional Chamber of Commerce and Industry of Moravica and Raška Districts completed development of conceptual technical concepts of photovoltaic power plants for 22 SMEs. Regional agency for spatial and economic development of Raška and Moravica districts supported 21 SMEs to become part of Vojvodina Metal Cluster. Business Association of Employers "Union Čačak 2000" completed activities of implementing and certifying the HACCP system at selected 5 SMEs. Centre for innovative youth entrepreneurship - Startup Center started innovation school. During the quarter ten lectures and one workshop was organised. Themes covered Innovation ecosystem, Initial pitch, Entrepreneurial mindset, Definition of problems and challenges, Lean methodology, Business Model Canvas, KPIs in startups, Monetization and commercialization, Market analysis, market strategy and promotion. Thirty teams with innovative ideas are linked with mentors and mentoring sessions have started. RDA South has developed 10 circular solutions for participating 10 SMEs. In addition, financial analysis has been prepared for 21 MSMEs that participated in training activities. Solutions were showcased online on the Zoom Event

platform (lobby event) on 19th April 2023. [The project closing event and Corporate Social Responsibility activity](#) was held in "Jastrebacki partizani" primary school in Merošina municipality on 19th April 2023.

A Call for Proposal for support of women and youth entrepreneurship was prepared in collaboration with the Ministry of Economy, National Employment Service and Ministry of Tourism and Youth. Analysis of possibilities of focusing the scope was done in order to have a more targeted impact of this support. The Call has been sent to Programme Steering Committee members for approval.

Result 3: Improved social infrastructure and social cohesion in targeted municipalities

All 37 local infrastructure projects under implementation are contributing to the improved functioning of educational, cultural, sports, health and social protection institutions, communal infrastructure and the functioning of public institutions improving life to around 248,000 beneficiaries.

During the reporting period the construction works were completed under nine projects, leaving soft measures tailored to improve services, yet to be implemented in the newly constructed or reconstructed premises. By completing the works in Ljubovija, Osečina and Zaječar the conditions for daily stay were improved for 591 preschool children, while the working conditions were improved for 121 employees servicing these three kindergartens.

Reconstruction of the Sports Centre in Krupanj and Sports field in Knjaževac has improved conditions for sports and recreation for over 12,000 beneficiaries of these two municipalities. With improved capacities for increase of sport tourism visits to these LSGs, primarily facilitating preparatory activities of various sports clubs, would generate additional income for the local communities.

Finalisation of reconstruction of the Health Centre in Raška has contributed to the improvement of health services provided to over 18,000 of inhabitants of Raška. Better services will be rendered through improvement of infrastructure facilities and better equipment for Health Centre, resulting in the overall improvement of Health services for post-covid patients and the general population.

Furthermore, completion of infrastructure works at the arrangement of the urban centre of Bajina Bašta and establishment of the pedestrian zone has improved conditions for over 23,000 inhabitants of Bajina Bašta and a bit under 50,000 tourists that visit Bajina Bašta annually; completion of the water supply network in Boljevac has improved water supply for 1,563 inhabitants of Podgorac village while adaptation of a municipality owned building in Pirot into a multi-functional facility for various manifestations and improvement of socio-cultural life has improved the living conditions for 300 youth representatives and 130 people with disabilities.

The Programme continued its activities for supporting strengthening social services, recording further results. In addition to the previously initiated and improved services, eleven new services have started and/or improved in ten LSGs, including Prijepolje, Čičevac, Ćuprija, Niš, Bojnik, Lebane, Čajetina, Bor, Velika Plana and Leskovac, enabling improved quality of life for at least 1,700 people from the vulnerable and marginalised groups and through engagement of 13 new professionals. For example, the personal companion of a child service has been launched for the first time in Bojnik and Lebane and it is being provided to five children with disabilities, enabling their better access to education. An innovative service for forensic interviewing of a child was established in the Centre for Social Work of Niš through public-civil partnership. In the course of the project, the service was provided to four children victims of violence, preventing their secondary traumatisation in a court. Furthermore, the lead CSO established the family support service within their premises, enabling psychological support until now to eleven families and ten individuals from vulnerable groups. The capacities of two Daily Centers for Children and Youth with Behavioural Problems in Prijepolje and Bor are strengthened through procurement of technical equipment and initiation of psycho-social support programmes for the beneficiaries. It is expected that at least 100 children and young people with behavioural problems, as well as their families will have benefits.

When it comes to the health care services, provision of medical services is improved in eleven villages in Čičevac and Čuprija through procurement of medical and ICT equipment, adaptation of rural medical infirmaries and engagement of medical teams. Until now, access to health care services has been facilitated for over 1,500 citizens in rural areas. Innovative neurofeedback services for the children and adults with disabilities are being piloted in Velika Plana and Leskovac, it is intended for regulating and addressing different mental health issues. Furthermore, psychological support is now being provided to PWDs in Čajetina and Kragujevac.

Moreover, several social cohesion projects are promoting integrated social services. In Tutin, through an intersectoral partnership between public institutions, the project facilitated integrated provision of social protection and health care services for 12 elderly beneficiaries of the home care service. In Kragujevac, first steps are made in integration of two social protection services - foster care and respite care services for children with disabilities.

Activity 3.1 Developing and improving infrastructure which contributes to enhanced quality of life

During the reporting period construction works were completed in nine Grants Ljubovija, Osečina, Krupanj, Bajina Bašta, Zaječar, Raška, Knjaževac, Boljevac and Pirot. Soft components of these Grants are still to be conducted and they vary from preparation of relevant strategic documents such as the Preparation of the Development Plan in Osečina or the Plan of the Development of Sports in Krupanj to organisation of various manifestations, as it is the plan of Bajina Bašta municipality.

In the last previous quarter the Programme collected, verified and processed the first tranche for the five newly signed Grants in Leskovac, Ražanj, Boljevac, Svilajnac and Bujanovac with the latter being the only LSG which is yet to initiate the Public Procurement procedure. Additionally, the second instalment of funding to the dedicated sub-accounts of the municipalities of Raška, Ljubovija, Bajina Bašta, Zaječar, Pirot, along with the budget revisions for Raška and Ljubovija.

Public procurements for Grants in Niš and Sjenica were completed successfully, and Contracts for works for both Grants were signed in the previous quarter, which means that currently the programme has 16 active construction sites, with a perspective of four more in the immediate future, as the Public procurement procedures for newly signed Grants are expected to be completed soon.

All relevant documents project data and documentation is collected and stored in the monitoring tool where progress of activities could easily be tracked while the grantees submit monthly progress reports. Regular Programme visits are accompanied by photo documentation regularly shared with communication colleagues allowing organisation of adequate media coverage such as press releases, social media etc.

Activity 3.2 Supporting public institutions, including the social protection institutions, to enhance social services and preparedness for emergencies

Twenty projects for social services strengthening are underway, enabling better access to health and social protection services for the vulnerable and marginalised citizens.

Most of the grantees have completed the procurement procedures and commenced realisation of planned social services or they are set for initiation. Furthermore, they delivered various capacity building activities that include different local actors in order to launch and contribute to the sustainability and quality of the services. Total of 68 people participated in nine different trainings that were realised within five projects.

In Čajetina, the association working with the people with disabilities (PWDs) conducted capacity building training for 15 young volunteers for engaging in work with their peers with disabilities. Additionally, they initiated development of Protocol for providing support to PWDs in the crisis situations through the organisation of training activities with ten local actors. In Kragujevac, personal assistance service for the PWDs is strengthened through realisation of an accredited training for 15 new personal assistants which www.euproplus.org.rs

will facilitate further expansion of the service. In Leskovac and Velika Plana, the neurofeedback therapy services have been initiated for the children and adults with disabilities after completion of specialised training activities for ten experts. In Zaječar, two trainings for 18 people were organised that will enable establishment of innovative outreach service in the forthcoming period.

The Women's Initiative from Trstenik has signed the memorandums of understanding with two licenced providers of home care service for elderly in Brus and Prijepolje, as a prerequisite for piloting of innovative improvement of the service through introduction of communication equipment based on a panic button system monitoring. It was initially planned to introduce these services, apart from Trstenik, in the municipalities of Sokobanja and Paraćin, but due to a change of local service providers, the grantee established new partnerships.

Provision of the family support service in Novi Pazar through civic-public partnership had to be temporarily placed in the premises of the CSO partner, the Association of the Psychologists, considering that the offices of the Centre for Social Work are currently under reconstruction. So far, the service provided assistance to over 50 beneficiaries via psychologists and social workers.

Two procurement processes for improvement of help at home service in Babušnica and for piloting of personal companion of a child services in Bojnik and Lebane had to be repeated, given the insufficient number of offers that also exceeded the budgeted funds. Prolonged procurement process will require extension of both projects.

The issue with the project implemented by Bela Palanka continued, causing significant problems and delays in the project implementation. Until now, the grantee provided one third of their contribution. The LSGs is in an unfavourable financial situation that resulted in improper use of funds from the LIP project. The Programme is considering two options - rescheduling of the tranches payment or to terminate the grant, which will depend on recovery of funds for the LIP project.

During Q2, three milestone reports were processed followed by the second tranches transferred and three budget revision and two time extensions were administered.

Activity 3.3 Support to COVID-19 related prevention and response activities

The activity is completed in earlier reporting periods.

2.2 Management

2.2.1 Governance

During the quarter, the Programme organised a preparatory meeting of the Programme Steering Committee (PSC) with the donor, the Ministry of European Integration (MEI) and the Ministry of Economy (ME) to present the results of the Call for Economic Infrastructure and a Draft Call for Business Start-ups. For time efficiency reasons, an e-voting procedure was agreed in lieu of the PSC meeting.

The next Steering Committee meeting is planned for September 2023.

2.2.2 Coordination

During this quarter, the Programme met with the representatives of the Ministry of Agriculture in order to ensure that the support to Women and Youth entrepreneurship do not overlap with IPARD or national measures for agriculture. Additionally, in April 2023, separate meetings were held with the Ministry of Economy, Ministry of Tourism and Youth and National Employment Service in order to coordinate the support to Women and Youth entrepreneurship, ensure support of these institutions in preparation and promotion of the support provided by the Programme and avoid potential overlaps with the support provided by these institutions.

In June 2023, the Programme participated at the seventh consecutive [Data Workshop for the Sustainable Development Goals \(SDGs\)](#), dedicated to strengthening the data framework and indicators for monitoring and reporting on the urban development dimension in the 2030 Agenda,. The workshop was organised in cooperation with the Office of the Permanent Coordinator of the United Nations in the Republic of Serbia, UN-Habitat (the United Nations Program for Settlements) and the Republic Institute of Statistics (RZS). The workshop, which was organised in the RZS conference hall, was attended by 16 participants from five national institutions and four participants from four international institutions. The aim of the workshop was to provide SDG indicators for the Global Urban Monitoring Framework. Out of a total of 77 indicators that are planned for monitoring in all member states of the United Nations, 46 are SDG indicators, of which 83%, or 38 indicators, are already monitored by the Statistical Office of the Republic of Serbia.

2.2.3 Human Resources

During the reporting period, a position of the Project Management Support - Senior Assistant for the Capacity Building Sector was recruited as temporary replacement of a colleague on gestational leave. Also, the Communications team was reinforced with the retainer position of the Capacity Building Officer who will support development of the training programme targeting young journalists and students of journalism.

Following the established corporate timelines, individual performance related objectives and learning plans for 2023 were established.

The Programme personnel attended The Ethics in Action dialogues series designed to cultivate and nurture a culture of ethics, integrity and accountability to open up a dialogue with UNOPS personnel globally around UNOPS commitment to a values-based approach to daily work. Programme personnel regularly attend “We Learn Orientation Seminars” which are organised with the aim to provide an introduction to the available wide range of learning opportunities and resources at UNOPS.

2.2.4 Procurement and Grants

The EU PRO Plus predominantly uses grant methodology which gives ownership over the projects to the grantees while the Programme maintains monitoring and advisory roles. During the second quarter of 2023, the Grant Administration Unit (GAU) conducted issuance and administrative support to the management of 125 Grant Support Agreements (GSA). In brief, administration of GSAs during the second quarter of 2023 included:

- Processing of 109 request for payments,
- Verification of 104 financial reports,
- Registration and update of 23 GSAs with the VAT Office,
- Processing of 18 budget revisions and/or time extensions.

In addition, the GAU conducted administrative closure and financial report verification of 6 GSA projects (issued in 2022) for enhanced competitiveness and resilience of SMEs and their ability to recover from the negative impact of COVID-19 through support provided by the beneficiary BSOs.

Following the project needs, UNOPS has conducted 18 different procurement processes for purchase of various goods and services. As for the Covid 19 related purchases, the maintenance of the previously delivered disinfection devices is still ongoing. 988 out of 2000 disinfection devices have been controlled so far. In relation to the value of the processes, its nature and complexity of the requirements, UNOPS has conducted the following solicitation processes:

- 2 Shopping processes, i.e. small value purchases up to USD 5,000.00 for Installation and services of two air conditioners in EPP Novi Pazar office and Provision of additional funds for electronic highway pass (TAGS) for UNOPS office vehicles.
- 16 Call of Order processes for provision of services regarding the organisation of different events (12 x Public forums events, two study visits, Organisation of DEU and MEI visit); visibility project signboards.

2.2.5. Finance

The following are the main financial indicators¹¹:

- The total delivery of the EU PRO Plus as of 30 June 2023 was EUR 17,864,087.76 Euros or 44.66 % of the Programme budget.
- The delivery in Q2 2023 was 3,554,565.86 Euros
- The forecast delivery for the next reporting period is 5,941,674.33 Euros.

3. RISKS AND ISSUES

During the quarter, the Programme proactively managed risks and issues. A summary of the current set of issues and risks affecting the Programme is as follows:

- **Heavy rainfalls and floods causing severe damages to essential infrastructure, such as roads and bridges, agricultural land, as well as people's homes may cause delays in implementation of Programme activities in the affected areas.** Namely, the heavy rainfalls which started in early June and continued throughout the month have caused significant damages in several Programme LSGs shifting the attention of the local administration and reshuffling the priorities for implementation of development projects. While, thus far, this did not cause any significant delays in implementation, if poor weather conditions continue this risk may become more significant.
- **Lack of mature project proposals for the planned pilot grant scheme for implementation of territorial strategies still poses a major challenge for the Programme.** As the strategic planning process continues, the beneficiary local self-governments (LSGs) progress with identification of project proposals aligned with the strategies, however these proposals are also becoming more complex and more difficult to be conceptualised and implemented, especially when it comes to inter-municipal initiatives derived from Integrated Territorial Investment (ITI) strategies. The Programme invests maximum efforts into strengthening the capacities of LSGs and Regional Development (RDAs) to develop these proposals, through capacity building activities including the study visits, and has developed an Atlas of projects which should serve as an inspiration for the beneficiary territories.
- **Neglecting the requirements of the Programme grant methodology may lead to cancellation of an activity.** Namely, during the quarter, two LSGs have made unauthorised transactions from the dedicated accounts for implementation of projects. These transactions are being assessed, and if misuse of funds is proven, the Programme will initiate termination of the Grant Support Agreement, in line with the Agreement.
- **Lower capacities of some of the Programme grantees may influence the implementation of projects.** Though a vast majority of awarded projects are being implemented in line with the agreed timeframe, some grantees with lower capacities struggle to maintain the agreed pace of implementation. Furthermore, administrative requirements for LSGs implementing projects pose

¹¹ While these figures provide quality insight into the Programme's spending, the final figures are only provided in the Programme's financial reports.

an additional challenge as the legal deadlines for solving issues related to public procurement processes are too long for the timeframe in which the Programme operates¹². To mitigate this risk, the Programme continuously supports grantees to develop high quality tender documentation prior to initiating the procedure, to assess and mitigate risks at the project level and to adhere to the agreed implementation dynamics as much as possible.

- **Securing co-funding remains challenging for some of the Programme beneficiaries.** There are several Programme beneficiaries struggling to secure co-funding for a period of time which influences project implementation dynamics. This mostly relates to the LSG beneficiaries which are awaiting transfers from the central government which were expected to be materialised sooner. The Programme monitors the status of budgets and, where necessary, may request re-scoping of activities¹³.

4. QUALITY

The Programme continuously implements quality management procedures defined in its Quality Management Strategy securing quality planning, control and assurance.

During the quarter the Programme conducted study visit to Belgium and Netherlands and collected feedback from the participants which included representatives of the Ministry of European Integrations, local self-governments and Regional Development Agencies through an evaluation questionnaire. The results showed very positive feedback, with an overall average rating of 4.92 out of 5. With regards to territorial strategies development process, the two conducted training showed also positive feedback, 4.47 in case of objectives and measures workshop and 4.41 in case of training on potential sources of funding.

During April 2023, at the Objectives and measures workshop organised as a part of capacity building process for development of territorial strategies, the Programme initiated the measurement of those who will directly participate in ISTD strategies formulation process. The assessment will enable the Programme to perceive the end result of the capacity building process, and the level of change in knowledge and skills of the beneficiaries. The action is envisaged by the Quality Management Strategy.

During the quarter, the Programme revised tender documentation for public procurement for four newly signed LIP projects in Svilajnac, Ražanj, Boljevac and Leskovac, all respectively announced, among them three successfully finalised selection process.

To ensure quality output of the infrastructure works underway during the quarter, the Programme paid 65 visits to construction sites in LSGs implementing local infrastructure projects. Additionally, during the quarter, three milestones reports for social cohesion projects were reviewed and verification visits conducted, confirming their compliance with the contract requirements and as a prerequisite to the transfer of funds. Furthermore, on a daily basis, the Programme conducts review of procurement documentation, selection of beneficiaries procedure, reports on services provision, different technical documentation and any other material produced under the social cohesion projects in order to ensure quality delivery of the activities.

All procurement documentation within MSE grants is reviewed ex ante by the programme staff and ex post by the UNOPS Grant Administration team before transferring the first tranche of the grant funds.

¹² For example, the procurement process for improvement of help at home service in Babusnica had to be repeated, given the insufficient number of offers that exceeded budgeted funds. Longer appeal deadlines prescribed by the Law have slowed down the whole process and the new tender was finally published in June 2023. Considering that the service provider is still not selected and the start of the service provision is delayed, this will require project extension

¹³ For example, the prolonged delay in co-funds secured by the Municipality of Bela Palanka for the social cohesion project jeopardises its implementation. So far, the LSG secured only one third of its contribution and delivered part of the activities. Given that the contractual obligation has not been fully met, the Programme is unable to transfer its first instalment and further activities are stopped.

Documentation for a total of 171 procurements for 371 pieces of new equipment and 14 services have been reviewed. Programme team members participated in bid opening for large procurements and verification field visits to all MSE beneficiaries are planned once the equipment is received.

5. SUSTAINABILITY

The aspect of sustainability is not only highly recognised in the structure of thematic areas for territorial strategies, as they are defined in accordance with the 2021 - 2027 EU Cohesion Policy objectives, but the Programme also incorporated Smart Specialisation Strategy priorities under territorial strategies, as a recommendation given by EU through [the New Urban Agenda for EU](#), which should ensure better compliance with available EU sources of funding, and more successful implementation of territorial strategies.

All 18 economic infrastructure projects, recommended for award, will greatly contribute to social and economic sustainability once implemented, as for their high impact on decrease of unemployment rate and poverty in targeted municipalities and surrounding territories, while improving the social and economical status of citizens. At the same time all 32 awarded LIP grants with ongoing implementation are embedding measures with positive impact on environment, either through increased energy efficiency of the facilities in case of 23 LSGs¹⁴, or through use of renewable energy sources in case of 16 LSGs¹⁵, planting greenery in case of 7 LSGs¹⁶, wastewater or waste management measures in case of four LSGs¹⁷ or through educational workshops aimed at raising awareness on the significance of the environmental protection in case of 14 LSGs¹⁸. The soft measures, with ongoing implementation in 32 local infrastructure projects, will improve services and provide benefits to their users, once completed, while adoption of the acts will ensure verification of plans for development of sport in case of Krupanj or for sustainable cultural development in case of Pirot.

During the quarter, the Programme closely monitored the piloting of the new social services making sure that the aspects concerning institutional sustainability are in place and in line with the law requirements. In this respect, the Centre for Social Work Niš adopted the decision on establishment of the forensic interviewing of a child service, as a prerequisite to the service initiation. Piloting of the personal assistant of a child service in Bojnik and Lebane was conditioned by the previously adopted decision of the Municipal Assemblies on the provision of this social protection service. For sustainability of the service, the lead CSO commenced working on the licence obtaining and it is provided with mentoring support.

In order to improve sustainability of grants for Women and Youth Startups, additional technical support for running the business, marketing and finance is planned for all selected grantees.

6. CROSS-CUTTING THEMES:

Good governance, Gender equality, Social inclusion, Environment and climate change and Digitalisation

During the reporting period, the Programme ensured equal opportunities and women representation in the capacity development activities related to the development of territorial strategies. The conducted study visit and workshop/training shows continuity in adequate female representation, where on study visit the female representation was 50%, on objectives and measures workshop 57%, on public forums 55,1%, and on potential sources of funding training 66.7%.

¹⁴ Merošina, Sjenica, Krupanj, Bajna Bašta, Zaječar, Bosilegrad, Raška, Mionica, Užice, Bela Palanka, Ljubovija, Šabac, Lebane, Niš, Doljevac, Žagubica, Vrnjačka Banja, Golubac, Nova Varoš, Čuprija, Trstenik, Pirot, Osečina

¹⁵ Merošina, Sjenica, Babušnica, Bajna Bašta, Paraćin, Bosilegrad, Mionica, Bela Palanka, Šabac, Lebane, Golubac, Knjaževac, Žagubica, Čičevac, Pirot, Lapovo

¹⁶ Bajna Bašta, Paraćin, Lapovo, Prijepolje, Varvarin, Čičevac, Lapovo

¹⁷ Paraćin, Bajna Bašta, Čuprija and Doljevac

¹⁸ Merošina, Sjenica, Krupanj, Babušnica, Bela Palanka, Ljubovija, Šabac, Vrnjačka Banja, Boljevac, Prijepolje, Čuprija, Varvarin, Čičevac, Osečina

Concerning the good governance aspect, the piloted methodology development of territorial strategies envisages strong participation, reflected through two major participatory events, where the one of them - Public forum is a part of public consultation process, in line with the requirements of the Law on Planning System. By conducting public forums in selected territories, draft territorial strategies were verified and additionally improved by a wider group of stakeholders, which secured legitimacy of the process and more feasible implementation of strategies.

The environmental aspects in territorial strategies are in the focus from the beginning of the development process, as the objective “green and energy transition and mobility” is one of the objectives defined in all twelve strategies, fully in line with current EU policies and objectives.

The proposal for Public Call for Proposals for Supporting Women and Youth Startups has been prepared and planned for publishing in July 2023. It envisages strong contribution to the GE and youth by supporting women and youth entrepreneurship through procurement of equipment and introduction of services.

The incentives for the MSE applicants who employ women in the evaluation criteria have resulted in 63% of the recorded 102 new jobs being occupied by women.

During the reporting period, the municipality of Doljevac obtained an Energy performance certificate (passport) based on the reconstruction works completed in January 2023, showing the increase of the energy class for three levels, that is, from F to C class. The savings in energy consumption costs would be evident with the start of the new 2023/2024 school year and monitored by a Commission established by the decision of the principal of the branch school in village Belotinac in Doljevac on 15 May 2023. Furthermore, the city of Pirot produced a Program of sustainable development of cultural events highlighting all annual cultural events organised by the city and the possibilities of utilising the reconstructed facility. Finally, in Čičevac and Varvarin awareness was raised on healthy lifestyles and the importance of practising sports through the organisation of workshops, round tables and sports competitions which included all age groups from preschool children to students. The issues related to the importance of environment protection and recycling were also tackled in both places.

All nine local infrastructure projects¹⁹ completed during the quarter have enabled access for persons with disabilities. Additionally, the rehabilitation of kindergarten “Dečija radost” in Babušnica, included equipping of a sensory room for children with disabilities, which is a novelty in the works of the kindergarten and only sensory room on this territory. Ongoing infrastructure project in Mionica aimed at improving sports infrastructure, creating better conditions, promoting equal treatment in sports and including marginalised groups in sport activities, formed within the project soft measures, the first women football club which won the first prize at the tournament held in June in Mionica.

The principles of good governance and gender equality are ensured under the projects for improving social services. The delivery of social services to the disadvantaged groups is being implemented by respecting principles of transparency in the beneficiaries selection, rule of law in establishment of the services and participation of relevant local actors in strategic planning and capacity building activities. Furthermore, all of 13 newly engaged service providers in the reporting period are women.

7. COMMUNICATIONS AND VISIBILITY

Two high-profile visits were organised - completion of a local infrastructure project in Prijepolje on 20 April attended by the MEI Minister and DEU Head of Cooperation, and the official visit of DEU Head of Operations Iltó Lapovo and Smederevo on 1 June 2023. The visits were supported by comprehensive

¹⁹ Boljevac, Raška, Pirot, Ljubovija, Zaječar, Krupanj, Osečina, Knjaževac and Bajina Bašta
www.euproplus.org.rs

briefing documents and press materials. Additionally five detailed overviews of past and current projects, potential promotional events, and project statistics were prepared.²⁰

Public engagement remained consistent through traditional and social media engagement. Five press releases mainly highlighted the progression of local infrastructure projects and high-level visits and led to 380 published media reports out of which 125 (32%) in the national media.

EU PRO Plus website attracted 11,790 (7,407 unique visitors), while social media platforms continued to expand their following with Facebook / Twitter / Instagram pages standing at 19,196 / 1,185 / 3,030 followers respectively. The Programme's YouTube Channel and website were updated with 19 success video stories.

Contribution to several promotional campaigns and events organised by the EU Delegation. During the [EU Opportunity Week](#), prominently showcased EU PRO Plus work at the [dedicated booth](#) and through participation of the Programme Manager in sessions focused on the Economy and Business held in Belgrade and the Local economic development, energy, green transition and cross-border cooperation held in Niš. In addition, the [women enterprise success story](#) from the predecessor programme was a part of the promotion campaign for the event while as many as ten successful EU PRO and EU PRO Plus project stories were presented on [EU Opportunities](#) web portal.

Within the DEU Campaign "Stories from Serbia" broadcast on Radio Television of Serbia, a total of seven EU PRO projects were promoted. Additionally two EU PRO and EU PRO Plus projects were included in the DEU campaign [We care – better together!](#) which feature the EU member states ambassadors promoting EU-funded projects. EU PRO Plus BSO project Moravski market in Čačak was promoted by [Italian Ambassador Luca Gori](#), while the EU PRO SME Loom of Fruit project in Smederevska Palanka was promoted by [the Danish Ambassador Susanne Shine](#).

The input was also provided for the UN Country Team joint social media campaign to mark the International Women's Day and the weekly newsletters.

[The 2023 Annual survey on Opinions of European Integration](#) has been analysed and compared to the results from the previous four years, showing a clear positive trend in the level of awareness and attitude towards EU integration. The rise in popularity and positive disposition towards the topics covered by the Programme indicate that the Programme's Communication and Visibility efforts have contributed to this optimistic opinion shift in the AoR.²¹

Lastly, the planned [needs assessment](#) was conducted to inform development of the upcoming Programme Youth and Media initiative.

8. LESSONS LEARNED

During the quarter, the Programme noted several lessons learned, the following being the most important:

The administration of a Grant Support Agreement in the initial phase of implementation may take significantly longer than anticipated, especially for the beneficiaries who do not have experience with activities implemented under grant modality. This is particularly important as delays at the very beginning of implementation may build up to be unmanageable throughout project implementation. Thus, wherever

²⁰Per MEI, request the overview of projects implemented in Užice, as well as the list of potential promotion events, shared also with DEU, while a complete [overview and statistics on Infrastructure projects implemented between 2010-2023](#) via UNOPS area based local development Programmes and a comprehensive overview of the [CFJU projects implemented during the European PROGRES](#) were prepared for internal and external stakeholders. As per DEU request six visit agendas were developed for the DEU Head of Cooperation.

²¹ [Complete Surveys and detailed statistical Analyses for the Annual EU Integration Surveys](#)
www.euproplus.org.rs

feasible, grantees should be advised to plan for a longer period of administration in the project initiation phase.

With one of the key risk mitigation mechanisms - requirement of double signatories for the project account, ceased to be implemented, the Programme must reinforce other options for controlling grant funds. To do so, the Programme should wherever possible introduce additional conditions for transfer of tranches, such as payment of co-funding and completion of tendering process prior to transfer of first tranche. Likewise, meticulous and frequent monitoring of the project budgets has been proven effective.

Organising frequent online meetings and sharing a video recording of orientation meetings for grant implementation with the grantees can improve efficiency of grant implementation and reduce mistakes in administering grant documentation by the grantees.

9. NEXT REPORTING PERIOD²²

The following are the key milestones for the upcoming period:

Result 1. Improved development planning in targeted municipalities and introduction of the ITI concept

- Activity 1.1 Finalising Comparative analysis of EU member states regarding usage of EU funds upon MEI comments
- Activity 1.1 Preparing report with an overview of the EU member states' cases regarding capacities needed for management of territorial mechanisms
- Conduct Module I training on territorial development instruments for MEI
- Activity 1.1 Conducting recruitment process of national legal experts for analysis of Serbian legal framework for ISTD
- Activity 1.1 Confirm the needs related to development of IT tools with MEI and DEU and initiate their development
- Activity 1.1 Conduct second study visit
- Activity 1.2 Conducting workshops/trainings on priority areas of intervention and strategic projects and on monitoring, evaluation and implementation as a parts of the territorial strategies development process
- Activity 1.3. Obtain approval for the criteria for the Call for Proposal for pilot projects derived from territorial strategies

Result 2. Enhanced economic growth in targeted municipalities

- Activity 2.1 Ensure endorsement by the PSC and award grants to the recommended applicants to the EIP Call.
- Activity 2.1 Open dedicated accounts, transfer first milestone payments and support initiation and monitor the public procurement activities.
- Activity 2.2 Complete 90% of procurements for MSE grants and 70% of CSR activities and 90% of planned new employment.
- Activity 2.2 Finalise one remaining BSO grant,.
- Activity 2.2 Publish Public Call for Proposals for Supporting Women and Youth Start-ups through Procurement of Equipment and Introduction of Services and conduct promotion of the Call

Result 3. Improved social infrastructure and social cohesion in targeted municipalities

- Activity 3.1 Continue monitoring of implementation of 37 local infrastructure grants: monitor finalisation of public procurements and initiation of works in four newly signed GSAs. Monitor implementation of infrastructure works in the remaining 16 LSGs and implementation of soft measures in 30 GSAs. Initiation of projects closure in at least 5 GSAs

²² EU PRO Plus Work Plan for the period from 1 April to 30 June 2023 is available in Annex V, Attachment 5.1.
www.euproplus.org.rs

- Activity 3.2 Regularly monitor of implementation of 20 social services projects and facilitation of payments per contracts' milestones
- Activity 3.3 Activity completed

Programme Communications

- High level visits organised for the EU Delegation
- Develop and publish Media and Youth Media Training
- Promotion of the Public Call for Women and Youth Entrepreneurship
- Develop general and thematic Legacy Factsheets

DRAFT

LFM – progress against indicators

Legend

	Activity completed, outputs delivered in accordance with the set targets
	Activity progressing in accordance with the plan
	Activity progresses with manageable delay
	Activity is critical

Objectively verifiable indicators	Objectively Verifiable Indicators - Target	Progress during the reporting period
Overall Objective: To contribute to socio-economic development, prosperity and social cohesion of Serbian society	WB Doing Business Report score 74	Not available. The WB discontinued publishing of the Doing Business Report.
	Global Competitiveness Index Rank 69	The World Economic Forum paused comparative country rankings on the Global Competitiveness Index during the turbulent times of COVID-19 pandemic.
SO1. To decrease socio-economic disparities of two regions within Serbia	Šumadija and Western Serbia Region GDP and number of unemployed - 20% / 101,760	The share of Šumadija and Western Serbia Region in the national GDP decreased by 0.7% to 18.7% in 2021. The Western Serbia Region experienced an increase of unemployment by 7.2% or 7,600 persons in total.
	South-East Serbia Region GDP and number of unemployed - 14.2% / 83,712	The share of the South-East Serbia Region in the national GDP increased by 1,7 % to 15.3% in 2021. In the same period, the South-East Serbia Region managed to reduce the number of unemployed persons by 3,100 or by 3.6%.
RESULT 1		
Improved development planning in targeted municipalities and introduction of the ITI concept		
Result 1. Improved development planning in targeted municipalities and introduction of the Integrated and Sustainable Territorial Development (ISTD) concept	OC 1.1 The number of adopted Integrated Territorial Investment (ITI) and Sustainable Urban Development (SUD) strategies and the number of LSGs covered with these Strategies (Corresponds with IPA PF 2.11) - At least 15 strategies which include at least 35 LSGs	Call for Applications for Development of Territorial Strategies conducted. The Programme awarded 12 territories including 31 LSGs
	OC 1.2 Implementation of at least 80 percent adopted SUD and ITI Strategies initiated with at least three different funding sources - at least 12 (mid 2024)	This activity is planned for 2024.

<p>Result 2 Enhanced economic growth in targeted municipalities</p>	<p>OC 2.1 Number of jobs created or facilitated - At least 300 (2023)</p>	<p>Assessment of the implementation modality for support to Business Related Services carried out and shared with MEI. Total of 102 new jobs have been created by supported MSEs grantees, out of which 64 new jobs are occupied by women.</p>
	<p>OC 2.2 Number of start-ups and MSEs that benefited - 500 (2023)</p>	<p>Fifteen out of sixteen BSO projects finalised, one project remain ongoing. 498 MSEs supported so far. 114 MSEs grants implementation ongoing.</p>
	<p>OC 2.3 Number and financial value of initiated investments in industry and services facilitated - At least six investments valued at least 25 million Euros (mid of 2024)</p>	<p>18 applications recommended for award in Q2, would facilitate 450 million of future investments</p>
<p>Result 3: Improved social infrastructure and social cohesion in targeted municipalities</p>	<p>OC 3.1 Number of persons benefiting from improved public facilities/ services - at least 35,000 (2023)</p>	<p>Over 97,000 persons benefited from the improved conditions in cultural, educational, sports and health infrastructure in 16 completed projects, among them 9 in Q2.</p>
	<p>OC 3.2 Number of introduced or improved social services provided by CSOs and/or LSGs - at least 15</p>	<p>Total of 17 social services in 16 LSGs have been initiated and/or improved until now, facilitating better access to education, health and social care services for disadvantaged citizens.</p>
	<p>OC 3.3 Number of persons benefiting from enhanced health care services related to COVID-19 prevention and recovery - at least 300,000 (2022)</p>	<p>The activity is successfully completed. Supported 23 medical centres to enhance services related to COVID-19 prevention and recovery, facilitating provision of over 2,645,000 medical services related to COVID-19. 5000 disinfection devices, 60,000 L disinfection liquid and 41 triage containers were delivered.</p>
<p>Activity 1.1 Enhancing national capacity to introduce integrated territorial development</p>	<p>Number of persons at the national level trained - 40 (middle 2023)</p>	<p>29 persons at the national level trained</p>
	<p>Proposals for regulators and procedural framework to enable preparation of the EU model for territorial planning - in place (end of 2024)</p>	<p>The Comparative Study on EU member states prepared. The preparation of the report with an overview of the EU member states' cases regarding capacities needed for management of territorial mechanisms initiated. The content and the structure of the Study on national model for ISTD is</p>

		prepared.
	Monitoring, reporting and evaluation approaches related to ISTD model - in place (2022)	A wider list of indicators for monitoring and implementation of territorial strategies recommended by the European Commission, and those identified with the Strategy for Urban Development is developed.
	Number of tools developed or enhanced - at least one (2022)	A revised Concept Note on the potential IT tool and ToR for ISTD networking platform is drafted.
Activity 1.2 Improving capacities of municipalities and regional development agencies to introduce concepts of integrated territorial planning	Number of LSGs and RDAs benefiting from interventions - at least 80 percent (middle 2023)	85,9 percent of the LSGs and RDAs benefiting from the capacity building process (85 LSGs and 11 RDAs participated in the training activities within Module I, Module II and Part of the Module III of Capacity Building Programme - 1375 persons in total)
	Population covered by SUD and ITI Strategies - at least 2 million (end of 2022)	The awarded applications from the Call for Development of Territorial Strategies cover a population of approximately 1,6 million.
Activity 1.3 Implementing activities contributing to socio-economic growth deriving from integrated territorial planning strategies	Number of integrated projects deriving from the ISTD strategies, whose implementation is supported - at least 15 (mid 2024)	This activity is planned for late 2023.
RESULT 2 Enhanced economic growth in targeted municipalities		
Activity 2.1 Developing economic infrastructure and businesses related services at the local level	Number of supported economic infrastructure projects - 16 (2024)	Results of the Call for Economic Infrastructure Projects with 18 projects recommended for funding and an additional six on the reserve list submitted to PSC for e-voting
	Number of LSGs supported in improvement of at least one business related service - 10 (2024)	This activity is planned for the next reporting period.
Activity 2.2 Enhancing competitiveness and sustainability of enterprises contributing to economic stability of local communities	Number of supported start-ups, entrepreneurs and enterprises - 100 (2022)	114 MSEs grants ongoing for acquiring new equipment and introduction of services. Total of 93 MSEs completed procurement processes out of which 28 received equipment.
	Number of supported youth and women entrepreneurs - at least 50 (2022)	Call for Proposals prepared and shared with the Programme Steering Committee members for approval.
	Number of people benefiting from skill-development training - 200 (2022)	The activity is not yet initiated.

	Number of supported BSO projects - 10 (2022)	Fifteen out of sixteen BSO projects were finalised. Implementation of one remaining project is ongoing.
RESULT 3		
Improved social infrastructure and social cohesion in targeted municipalities		
Activity 3.1 Developing and improving infrastructure which contributes to enhanced quality of life	Number of social infrastructure projects implemented -at least 30 (2022)	Among 37 LIP projects under implementation, 16 completed construction works (9 in Q2), 17 with active construction sites, 3 with finalised tenders and one delaying with public procurement for works. GSA with Ljubovija and Raška amended to include additional works.
Activity 3.2 Supporting public institutions, including the social protection institutions, to enhance social services and preparedness for emergencies	Number of CSO projects related to social services supported - 20 (2023)	Twenty projects for strengthening social services are advancing. In addition to the previously initiated and improved services, eleven new social services have been started and/or enhanced in ten LSGs.
Activity 3.3 Support to COVID-19 related prevention and response activities	Number of medical centres supported to enhance services related to COVID-19 prevention and recovery - at least 20 (2022)	The activity is successfully completed. Supported 23 medical centres to enhance services related to COVID-19 prevention and recovery.

ANNEXES

Annex I Improved Development Planning

Annex I_Attn 1_Study Visit to BE & NL Report
Annex I_Attn 2_Territorial Innovation Atlas
Annex I_Attn 3_Study Visit to Greece Outline
Annex I_Attn 4_Study Visit to Italy Concept
Annex I_Attn 5_Report on Training on Objectives and Measures
Annex I_Attn 6_Report on Training on Sources of Funding

Annex II Enhanced Economic Growth

N/A

Annex III Improved Social Infrastructure and Social Cohesion

Annex III_Attn 1_LIP Status

Annex IV Communications

Annex IV_Attn 1 EU PRO Plus Overview of Communication Activities

Annex V Programme Management

Annex V_Attn 1 EU PRO Plus Work Plan for Q3 of 2023

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