



Ministry of European Integration
REPUBLIC OF SERBIA

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EU
PRO+

QUARTERLY STATUS REPORT

Jul - Sep 2025



UNOPS 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:	31 December 2025
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:	21 October 2025
Period covered:	1 July – 30 September 2025
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

During the third quarter of 2025, the **European Union for Local Development - EU PRO Plus Programme** maintained its momentum with twenty - seven projects worth over 17 million euros in implementation, while the outcomes and impact of the 278 projects whose implementation concluded in previous reporting periods, are still being generated.

The Programme has been working to **improve development planning in municipalities, focusing on the introduction of the Integrated Territorial Investment (ITI) concept**. This included designing and piloting investment plan templates, with the first plan for Užice territory, which included selection of 22 strategic projects to be included in the plan. The Programme also supported municipalities in applying for relevant calls, such as those under the New European Bauhaus.

The Programme has also made significant strides in **implementing socio-economic growth activities derived from integrated territorial planning strategies**. This includes the progression of 18 integrated projects across 30 local self-governments, with 61% completion and over 7.9 million euros in contracted works and services. While some projects, like those in Niš, Kragujevac, and Užice, face delays, others like those in Šabac and Loznica are actively managing contractors and resolving design deficiencies to stay on track. Notable progress has been made in various sectors, including waste management in Leskovac with the completion of a Zero Waste game app and delivery of a waste collection vehicle, and educational ecosystem improvements in Pirot, Dimitrovgrad, Babušnica, and Bela Palanka with works progressing well and equipment delivered.

Further developments include the completion of construction works for the Recycling Centre in Novi Pazar, the installation of solar power plants in Užice and Zlatibor, and the nearing completion of a start-up centre in Bor. Challenges persist in some areas, such as procurement delays for the Cultural Revival for an Enriched Šumadija Tourism (CREST) project and the Niš City "Tabula Peutingeriana" project. Meanwhile, various studies are underway, including an urban identity study for ITI Užice, a traffic study in Novi Pazar, archaeological research for Lazarev Grad in Kruševac, and prefeasibility studies for Kragujevac and Pirot, with extensions granted for several projects due to initial delays or new findings. Development of the Viskoza factory Master plan in Loznica is temporarily on hold due to land use issues with other planning documents.

In contribution to enhanced economic growth, 39 new jobs were created this quarter through improved infrastructure, contributing to a total of 1,584 new jobs. Notable investments include the revitalization of Mataruška Spa, which created 18 new jobs, and additional investments in the Šabac North West Zone by ENAL and MK ELEKTRO, with ENAL already employing 20 people. The Programme is actively supporting local self-governments, with Surdulica pursuing funds for a sports center and 14 women and youth startups receiving mentoring in financial management, sales, and marketing.

The Programme continued to contribute to improvement of social infrastructure following implementation of 37 projects in 35 local self-governments, benefiting over 280,000 people. Two additional local infrastructure projects are initiated in Medveđa and Raška, aiming to enhance learning conditions for 400 pupils and teachers and improve healthcare for over 20,000 patients and 136 medical workers, respectively. In Medveđa, 60% of works on replacing joinery at "Gornja Jablanica" primary school were completed while Raška secured a contract for health center works which are to be completed in October 2025.

Additionally, Rača municipality secured a usage permit for the bridge over the Krčmara River, following Vrnjačka Banja's permit in June 2026 for the Mala Reka river bridge. Significant progress is also noted in Lebane, where a day care center for 18 children and 30 young people with disabilities is awaiting its license after successfully meeting all regulatory requirements. Furthermore, the issuance of permits for bridges in Vrnjačka Banja and Rača municipality will provide safe access for over 4,000 people.

The Programme faced significant challenges during the quarter, including persistent procurement and implementation delays across several projects. Notably, the Šumadija CONNECT ISTD project experienced setbacks due to numerous bidder complaints, and political instability in Zaječar led to administrative delays, preventing timely payments and extending grant agreements. Slow progress in contracting works and services, often caused by a lack of interested bidders, bids exceeding estimates, and frequent complaints to the Republic Commission for the Protection of Bidders' Rights, further exacerbated these issues, as exemplified by the year-long procurement process in Preševo.

Additionally, slow administrative processes for issuing building permits, such as the seven-month delay for the Surdulica project, and the low capacities of implementation partners like the City of Niš and REDASP, contributed to significant project delays. The City of Niš also faces a substantial risk with the "Tabula Peutingeriana" project due to unrepeated public procurement for atelier reconstruction, while delays in obtaining construction permits and quality designs for the National Theatre roof in Užice threaten the "Green and Energy Transition" project timeline.

The Programme has effectively achieved most of its sustainability indicators, diligently monitoring all finalized projects to confirm the long-term application of sustainability elements and the fulfillment of individual project success indicators. While 31 out of 37 completed local infrastructure projects are fully operational, the Programme acknowledges the challenges in establishing new services, which are sometimes hindered by legal processes and administrative delays. Despite these hurdles, the Programme actively supports local self-governments in overcoming obstacles to ensure sustained functionality, as exemplified by efforts to establish a robust governance model and promotional measures for the new industrial zone in Preševo. The sustainability of ISTD projects is compromised in cases like CONNECT and Niš, where implementing partners failed to procure and implement major infrastructure components, leading the Programme to activate its own resources to finalize work on critical cultural heritage facilities.

The EU PRO Plus Programme consistently integrates crucial cross-cutting themes into its activities, including good governance, gender equality, social inclusion, environmental protection, and digitalization. Significant advancements include the establishment of Project Coordination Units (PCUs) in all twelve territories for strategic planning and governance, strong female participation in capacity-building and integrated projects, and active collection of gender-related data. Environmental sustainability is a key focus, with projects incorporating solarization and heat pumps, and the "Ecosystem for innovation and smart economy in Bor" project successfully completed guidelines for Circular Economy and Digital Marketing. Additionally, the project in Novi Pazar for recyclable waste management installed a new automatic baling press, tripling processing capacity, and the Green and Energy Transition project in Užice ITI territory installed four solar power plants.

The Programme maintained strong visibility throughout the quarter through various communication activities, including four press releases promoting integrated projects and site works, which generated 350 media reports, with 121 in national media. The Programme published three special newsletters for World Health Day, World Labour Day, and World Environment Day, reaching approximately 4,500 stakeholders. The website saw 21,365 visits, with public calls pages being the most accessed, and social media engagement remained steady across platforms. Additionally, seven new success stories and three media stories were published, and detailed support was provided for the visibility of individual ITI projects, including AI-generated video content, showcasing the Programme's successful communication efforts.

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

The European Commission proposes a more flexible and performance-based [Cohesion Policy for 2028-2034](#). It is to be integrated in 27 National and Regional Partnership (NRP) Plans providing each Member State the possibility to direct the EU support to national and regional challenges, while a special plan will be prepared for Interreg. In the NRP Plans, Member States and regions can propose place-based key investments to better solve the pressing challenges. Designed in close partnership between the Commission, Member States, regions, local communities and other relevant stakeholders, the NRP Plans will allow for a better coordination of Cohesion Policy with other policies such as the Common Agricultural Policy, thus maximising the impact of each Euro invested. The total financing of the National and Regional Plans will amount to about 865 billion euros over the 2028-34 period. Out of that, around 450 billion euros will be dedicated to cohesion, rural development and fishing communities, which is broadly equivalent to that provided in the current multi-annual financial framework. Economic, social and territorial cohesion, as enshrined in the Treaties, is at the core of the National and Regional Partnership Plans. The proposal also includes a minimum allocation of 218 billion euros for less developed regions and differentiated co-financing rates according to the level of a region's development. Moreover, there is a safeguard ensuring that less developed regions will receive at least as much funding as they receive in the 2021-2027 period. This maintains Cohesion Policy as a policy of solidarity with the highest share of funding for those who need it most, leaving no region and no person behind. Cohesion Policy will also continue to invest in all regions solving structural challenges across the whole EU. When it comes to integrated territorial development, all types of territories will be supported, but without clear earmarking for territorial instruments.

Serbia signed the Agreement on financing the [Multiannual Operating Programme for the environment and energy sectors](#) worth 325 million euros, of which 240 million Euros are the grants extended through the IPA funds. The programme is to be managed by the institutions of the Republic of Serbia in an indirect management system, in line with the way EU Member States implement EU programmes under the cohesion and regional development funds. The Managing Authority of the Programme is the Ministry of Mining and Energy, while the Intermediate Bodies for policy management within their respective competences are the Ministry of Environmental Protection and the Ministry of Agriculture, Forestry and Water Management. The work of the Intermediate Body for Financial Management is carried out by the Ministry of Finance - Sector for Contracting and Financing of Programmes from European Union Funds. The programme covers the 2024 - 2027 programming period and will be implemented from 2025 to 2032, while the co-financing rate of the programme is 26.2%.

Serbia and the European Union also signed the Agreement on financing of the [Multiannual Operational Programme for Employment, Skills and Social Inclusion](#), with a total budget of 126.93 million euros, of which 100 million euros are grants as part of the IPA. The programme will finance support to employment, education, housing and social protection of the citizens of the Republic of Serbia until 2032. The Managing Authority for the Programme is the Ministry of Labour, Employment, Veterans and Social Affairs. The intermediate bodies for policy management are the Ministry of Education, the Ministry of Tourism and Youth, the Ministry of Construction, Transport and Infrastructure and the Commissariat for Refugees and Migration, while the Intermediate Body for Financial Management is the Ministry of Finance - Sector for Contracting and Funding of Programmes from the European Union.

The Government of Serbia adopted the Law on Confirmation of the Loan Agreement with the European Bank for Reconstruction and Development (EBRD) for the implementation of the [Air Quality Improvement Project](#), worth up to 50 million euros. The goal of the project is to shut down outdated boiler plants that www.euproplus.org.rs

use coal and fuel oil, which are mainly located in public buildings in the city centre and represent a significant source of harmful gas emissions. They will be replaced by sustainable heating systems such as heat pumps, biomass, industrial waste heat, as well as connection to the district heating network or the gas network, where possible. The project will include several local self-governments (LSG), and priority is given to cities with recorded emissions of harmful gases, out of which four are supported by the Programme - Niš, Zaječar, Novi Pazar and Smederevo. The project is implemented by the Ministry of Environmental Protection, which will form a special Unit for the implementation of the project and it should be completed by December 2029.

[A special Eurobarometer survey](#), published early in September, reveals that 56% of EU citizens are in favour of further EU enlargement, while this support is particularly high among young people, as around two-thirds of respondents aged 15 to 39 believe the (potential) candidates should join the EU once they meet the necessary conditions.¹ The perception surveys were also conducted in the candidate and potential candidate countries² during May and June 2025. The results reveal overall support for EU accession in the Western Balkans, however, showing that Serbia displays the lowest support for EU accession in the region at 33%. As noted in the report, the enthusiasm for EU accession is robust while at the same time influenced by each country's specific economic and geopolitical concerns, as "the EU's image in Serbia (38%) is affected by low levels of trust". In Serbia one in three respondents would vote in favour of the country joining the EU if the referendum was held today (33%), one third is against, while the last third is undecided.³ As many as 84% of citizens are aware of the EU's financial support, and top three factors citizens say would make them more positively disposed towards the EU are support to Serbia's economic development (41%); support for reducing corruption (39%) and financing projects at local level (infrastructure, agriculture, health, environment, culture, 32 %).⁴

The country continues facing nationwide eleven-month long student and citizens protests, demanding early elections, while the reporting period marked the start of the "Citizens against blockades" rallies. In a number of Serbian cities and municipalities there were incidents as the rallies against blockades and counter-protests were held at the same time.⁵

2.1.2 Progress towards achieving objectives

Although no new data on the gross domestic product (GDP) was released during the quarter, the figures related to unemployment now released for the second quarter of the year show an increase in unemployment in the two targeted regions.

In Q2 2025, the number of unemployed individuals in the Šumadija and Western Serbia Region increased by 22.7% to 81,100, from 66,100 in Q2 2024. A smaller increase in unemployment was recorded in the South and Eastern Serbia Region of 1.7%, with 77,400 unemployed in Q2 2025 compared to 76,100 in Q2 2024.

The Programme's contribution to employment includes the creation of 338 new jobs in directly supported businesses (of which 175 jobs in South and Eastern Serbia Region, and 163 in Šumadija and Western Serbia), with women occupying 178 (53%) of these positions. Furthermore, with 13 of 20 economic infrastructure projects completed, six new investments totaling over 180 million Euros have been realized in supported zones and tourist destinations indirectly contributing to creation of 1,645 new jobs thus far, predominantly in Šumadija and Western Serbia region.

¹ [Enlargement.ec.europa.eu Majority of EU citizens support further EU enlargement, new Eurobarometer survey shows, while perception surveys in candidate countries point to overall support for EU accession](https://enlargement.ec.europa.eu/majority-of-eu-citizens-support-further-eu-enlargement-new-eurobarometer-survey-shows-while-perception-surveys-in-candidate-countries-point-to-overall-support-for-eu-accession) (2 September 2025)

² Albania, Bosnia and Herzegovina, Kosovo, Georgia, Moldova, Montenegro, North Macedonia, Serbia and Ukraine

³ [Europa.rs EU Enlargement – Perception in Serbia and EU Member States](https://europa.rs/eu-enlargement-perception-in-serbia-and-eu-member-states) (3 September 2025)

⁴ [WeBalkans.eu Annual perception surveys 2025- Serbia Factsheet; Annual Survey Serbia 2025](https://webalkans.eu/annual-perception-surveys-2025-serbia-factsheet-annual-survey-serbia-2025)

⁵ [Nin.rs Rallies against blockades and counter-protests: More incidents in Čačak, arrests in Belgrade](https://nin.rs/rallies-against-blockades-and-counter-protests-more-incidents-in-čaćak-arrests-in-belgrade) (28 September 2025)

2.1.3 Results and Activities

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

For the purpose of development of investment plans, the Programme designed templates to be tested on a pilot territory led by the City of Užice. During the introduction workshop in Užice the proposed templates were consolidated with the Project Coordination Unit (PCU) and other relevant stakeholders. The templates are being finalised and the process of piloting the first investment plan continued with the first workshop held in September dedicated to identification of strategic projects with a clear investment dimension, development of project overview, and their linkage with thematic objectives and measures. As the planned timeframe for the whole process of development of all 12 investment plans was modified by the Programme, the first investment plan will be piloted by the end of the year, while for the other eleven territories, the process will start in 2026.

The Programme continued with supporting and encouraging territories to apply for the calls relevant for implementation of territorial strategies, with the latest one related to currently open and forthcoming calls under the [European Union New European Bauhaus \(NEB\)](#).

Activity 1.1 Enhancing national capacity to introduce integrated territorial development

Discussion with the representatives of the MEI on the future national model for ISTD have continued with the organisation of a study visit to Portugal organised under the successor EU INTEGRA project.

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

Following the establishment of PCUs in all twelve territories, the development of the first pilot investment plan for Užice territory based on a prepared template started in this quarter. In September 2025, the list of 22 strategic projects were selected and will be elaborated in the investment plan. The investment plan also encapsulated project ideas within selected projects defined in the Study for unique urban identity for ITI Užice. The proposed templates were consolidated and verified with the PCU and other relevant stakeholders and the projects with clear investment dimension were identified and elaborated in September 2025.

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

The implementation of 18 integrated projects, covering the territory of 30 local self-governments, progressed to 61% with over 7.9 million euros of contracted works and services, resulting from 169 successfully finalised procurements out of 243 overall project procurements. Within this quarter, 30 status meetings were held to support the implementation of activities and tender processes, which were identified as the most challenging part of the implementation, given the multiple repetitions due to low interest rate of potential bidders or bidders' complaints. From 33 sites, work is completed on 12, while the works are ongoing at 18 construction sites at different progress rates. Three sites within projects Niš Tabula Peutingeriana, Kragujevac Connect and Užice Green and Energy Transition are still facing implementation delays.

In Šabac, the Programme identified 110 days of delay in the execution of the structural works on the gym within the **"Fair Play for Inclusion"** project, during this quarter, resulting in slow overall progress of works of 22%. The Contractor will not be able to fully recover from the delays, but remains committed to finalising the works by mid-December. The Programme is supporting Šabac in managing the Contractor, subcontractors and time schedule through weekly coordination meetings. However, solid progress is achieved in the implementation of procurements independent of infrastructure works such as www.euproplus.org.rs

procurement of costumes for art and cultural programmes and pupils' sports clothing for sports events planned for after the infrastructure works are completed. Further to this, one cycle of training for physical education teachers on movements and exercise as crucial to the development processes of children with disabilities was held in the reporting period.

Likewise, in Loznica, design deficiencies were finally resolved in August, enabling the contractor to resume work on 14 August. Despite a two-month delay, the contractor is still committed to finalising all works on refurbishing the space for youth and civil protection services within the **institution for sports and culture, Lagator**, by the end of November. During August, teams composed of professionals from various fields of expertise were formed to prepare documentation for the proper functioning of the newly renovated centre (Rulebooks on the management of the facility, Internal communication protocols, Rulebooks on the protection of data etc.).

Besides Knjaževac where construction works were completed in the previous quarter, during this quarter, Sokobanja completed works on landscaping the Bovan Lake and Boljevac completed works on tourist signalisation within the **Magic of Eastern Serbia ISTD project**. Two sites in Boljevac and Zaječar remained active. Boljevac completed works on the trim track and is close to finishing the work on the pump track according to the updated technical documentation. Zaječar also progressed with works on the Youth Camp, nearly finalising works on 16 units for accommodation of youth and work on the canteen, as well. However, Zaječar had to amend certain unforeseen works to upgrade the facility to ensure its registration as a Youth camp. High temperatures during July and August also impacted the work dynamic, but all remaining work will be finalised by the end of November. However, the tender for the Zaječar district tourist card failed for the second time and there were no interested bidders to apply to the tender for the marketing plan. Zaječar republished both tenders during September, expecting to sign both contracts in October. In case successful, all activities in Zaječar ISTD will be finalised within the current duration of the Programme.

Substantial process was made in the implementation of the **Improvement of the waste management system in the urban area of Leskovac with more advanced and innovative environmentally friendly solutions - PRO WASTE INNOVATIVE SOLUTIONS**. Namely, the city budget rebalance enabled the realisation of the project payments moving forward the administrative part of the project to follow the pace of realisation of project activities. In the reporting period, the development of the Zero waste game application has been completed and the game made available on the Google Play store. The material for the Zero waste campaign was developed by the contracted consultants and currently the timetable of promotional events is being agreed on. The procurement of the equipment for forming green spaces around waste collection sites was prepared and advertised during September with plans to contract the works at the beginning of October 2025. Further to this, the waste collection vehicle was delivered to the city in the second half of September, based on the payment of which, the city reached the threshold to request the second tranche of the Programme funding.

Within the realisation of activities on **Improving Educational Ecosystem in Urban Area of the City of Pirot and Municipalities of Dimitrovgrad, Babušnica and Bela Palanka**, the implementation of works on all three locations is progressing well with 40% of works on the facade of the Pirot Grammar school completed while the rate of completion of works on the arrangement of the schoolyard in the Babušnica primary school has reached 70%. Finally, in Bela Palanka, all works were completed on the improvement of lighting and the replacement of old flooring in the secondary school. However, the works on the fence of the primary school in Bela Palanka will need to be tendered again given that the current contractor identified the poor quality of the available design and refused to implement these works for safety reasons. Bela Palanka will work on the improvement of the quality of the design and a new tender would be conducted for these works. Further to the implementation of works, all contracted furniture and equipment was delivered to Dimitrovgrad pre-school institution. Finally, the project partners agreed on recording a podcast on education that will be available on the portal on educational opportunities in the region, which is in the final phase of preparation.

The implementation of the project **Šumadija CONNECT Fostering territorial development through innovation and cultural heritage valorisation** continues to experience delays in the procurement of construction works for the reconstruction and adaptation of the High School “Knez Aleksandar Karađorđević” building. This is due to a fourth request for protection of bidder rights, leading the programme to consider taking over the procurement process directly. Procurement for the interior design for the high school has been awarded. Soft measure activities are progressing well; the Rulebook for cultural heritage management has also been completed.

The **City of Novi Pazar**, under the project aimed at improving the management of recyclable waste, finalised the construction works to increase the capacities of the Recycling Centre. The equipment for the recycling centre and the high school for textile has been delivered, as well as the special vehicle for the collection of textile recyclable waste. The new sorting line with the automatic baling press has been installed, tripling the processing capacity of the recycling center. A promotional campaign for recycling was launched.

The Solar power plants on the swimming pool in Užice and PUC Zlatibor were installed within the **Green and Energy Transition project in the Užice ITI territory**. The equipment for the solar power plant delivered to Bajina Bašta will be installed after the finalisation of the usage permit for the existing building. As reported the solar power plant for the Regional Training Centre is delayed and is planned to be installed in autumn. Based on the results of the examination of the Užice National Theatre building, after the designers sent a design for a building permit for the roof reconstruction, a new building permit has been issued. The design for construction delivered by the designers was forwarded to technical control. The works on the green facade in Zlatibor are nearing completion. Equipment and machinery for the agricultural school in Požega were delivered, and tenders for the irrigation system published.

In the **City of Bor**, the refurbishment of the start-up centre, as part of the “Ecosystem for innovation and smart economy” project, is nearing completion and is expected to be finalised by the end of October 2025. Solar panels in Zlot and Gorjane were installed, and the city is currently in the process of obtaining the necessary permit from PUC “Elektroprivreda Srbije”. Public procurements for electrical equipment, IT equipment, a drone, and a heat pump were completed, with the majority of the equipment already delivered. In total, 16 out of 19 public procurements were contracted, and the remaining three are scheduled for publication in the first half of October. As part of the project, Guide for Digital marketing for SMEs was created by the Faculty of Organisational Sciences in Belgrade, and Guide for the Circular Economy was created by the company Evrokontakt. The digital platform for innovation and a smart economy “[Inovacije Bor](#)” has been launched.

The Cultural Revival for an Enriched Šumadija Tourism (CREST) project, implemented by the Regional Economic Development Agency for Šumadija and Pomoravlje (REDASP), is experiencing delays in its procurement processes. Of the 32 planned procurements, 11 remain outstanding, primarily concerning the acquisition of furniture and equipment for all four project locations, which are significantly behind schedule. Regarding the remaining three infrastructure works, progress at the King's Winery in Topola is proceeding at a slower pace due to delays attributed to the project's architect. To mitigate further delays and expedite the decision-making process, EU PRO Plus will conduct weekly site visits in the forthcoming period. Works in Knić are also progressing slowly, with a current realization rate of 22%, so a 45-day extension of the supplier's contract was agreed. The Aranđelovac visitor-education centre in Risovača is progressing well, with structure fully constructed, though substantial work remains to be completed. Although so far minor delays are evidenced, all project activities should be finalised within the duration of the Programme.

The reconstruction of the Casemates has been completed as part of the **Niš City “Tabula Peutingeriana” project**. All soft measure activities are progressing, with two sets of training sessions planned for the upcoming period, targeting entrepreneurs in the creative industry and those involved in tourism practices. The works on the Ateliers, which represent the largest financial portion of the grant amounting to over 600,000 euros, face a significant risk as their completion is questionable due to the delayed initiation of

the public procurement process, a consequence of slow decision-making from the city of Niš.

Concerning **LOT2** projects, the most advanced in implementation is the project related to development of **urban identity study for ITI Užice** that is nearing completion. Upon the approved extension of the project duration until October 2025, the procurement for publication, which will be used to promote both the study and the Programme as a whole, was advertised and contracted.

The other grants are being implemented with minor delays. During the month, the process of development of the **traffic study and related strategic environmental impact assessment (SEIA) in Novi Pazar** continued with completion of the analysis and traffic measurements. The draft study is under preparation and will be presented on the roundtable in the beginning of October.

The archaeological research for **Lazarev Grad in Kruševac** is slightly extended due to new findings at the site while development of the study is ongoing in accordance with the plan. The round table related to discussion of the perspectives of the fortress was conducted in September.

The development of the **prefeasibility study for revitalisation of the mechanical Workshop at the Military Technical Institute (MTI), Kragujevac** is ongoing although with a slight delay. The first milestone has been submitted. Due to the initial delay caused by a failed initial procurement, and additional consolidation of submitted induction report for the study, the project duration was extended until 15 December.

The development of the **pre-investment feasibility study for the establishment of a higher education institution in Pirot** is going in accordance with the plan, and the selected contractor, the Faculty of Geography of the University of Belgrade, in cooperation with the Public Utility Company Urbanizam from Kragujevac, will prepare the draft study by the end of September. The study is expected to be completed by October 2025. The request for budget revision and duration extension was submitted and approved in August.

The procurement for the **Leskovac previous study of recultivation of the closed solid waste landfill at the location "Brst" into an ecologically acceptable area of public use** was advertised on 19 August. Due to the fact that the planned timeframe for the study is four months and it is expected to be contracted in early October, the project duration is extended by 15 February 2026.

Development of the **Viskoza factory Master plan in Loznica** is stalled, as the City developed a draft General Regulation Plan which changes the purpose of the subject land to a residential development, which is contrary to the objectives of the Master Plan. Once details are clarified with the City, the Programme will propose concrete actions to the Donor and MEI.

Result 2: Enhanced economic growth in targeted municipalities

During this quarter, 39 new jobs were generated as a result of improved infrastructure in the zones and tourist areas, creating conditions for new investments, generating 1,584 new jobs overall. The investor who bought Mataruška Spa continued its revitalisation, and, with the opening of a special hospital Mineral Termal, created employment opportunities for 14 new workers in addition to four new employees in the Maratuška Spa complex. In parallel, in Šabac North West Zone, where the Minth Group realised investments in the value of 180 million euros in the previous period and generated 1,492 new jobs, two companies invested additional 15 million euros in construction of the facilities for their businesses. ENAL, operating in Loznica, already opened a new facility in the Šabac North West Zone and employed 20 people in this quarter, while MK ELEKTRO finalised a new facility by investing ten million euros, planning to commence with operation in the next quarter.

The Programme is following the immediate outcomes and impact of the finalised project and supporting local self-government in efforts to achieve their full functionality.

Among them Surdulica, where the local self government is still waiting for the construction permit for the sports centre “Vodeničište” on Vlasina Rid in parallel applied for the funds for the realisation of the first phase of the project through the cross-border cooperation Serbia - North Macedonia Call. The full application from Surdulica is currently being evaluated and the decision is expected in the next quarter. If successful, Surdulica will be the first local self-government which managed to secure funds for implementation projects the development of technical documentation for which was supported through the EU PRO Plus Programme.

Fourteen women and youth startups received individual mentoring support in Q3 2025, focusing on financial management, sales and marketing.

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

From 20 awarded economic infrastructure grants, seven projects are still in implementation showing slow progress. During this quarter four⁶ time extensions were allowed, with justified reasons for delay.

With completed infrastructure works, **Preševo** contracted technical commissioning of the works, but is still struggling to secure the contract for the governing mechanism, as well as for marketing, branding and promotion of the industrial zone **Čukarka**. The Republic Committee for the Protection of Bidders' Rights decided against Preševo for the second time, and instructed LSG to again republish the tender, which Preševo did in September. In case successful, Preševo will manage to finalise all project activities within the duration of the Programme.

Bosilegrad is struggling to secure approvals to undertake the works on the reinforcement of the portion of the roof structure, determined with deficiencies in the bearing capacity. Although Bosilegrad prepared all documentation, the fire department did not approve the design, so Bosilegrad cannot prepare an amendment and proceed with this small portion of the remaining works on the **Kobos** factory. To ensure the building is safe and secure for its intended use, the Programme allowed a time extension to Bosilegrad until mid-December.

Kragujevac progressed with the reconstruction of the **road-pedestrian bridge in the FAS zone** to 70% and plans to complete all works in Q4 2025. Following the final activity, technical commissioning of the works, this project will enter the closure process.

Similar progress is registered in the Užice **Water Tower project**, which is expected to finalise all works and their technical commissioning in Q4 2025, after which closure will follow.

However, three remaining grants related to the development of technical documentation are facing administrative challenges. Despite the commitment of the designers to finalise portions of documentation subject to the appropriate permitting processes, there is evident delay on a local or national level in administering and approving the submitted documentation. Despite all delays, all three projects will be completed within the current Programme duration.

Zaječar is still in no position to secure the budget rebalance to ensure payment to the designer that fully finalised technical documentation for the **Roman Emperors Park** and obtained the construction permit. Although already extended, Zaječar will need another extension until the local administration is re-established and the City budget rebalance approved.

Paraćin has denied to issue the construction permit for the technical documentation for infrastructure equipping of the **Zmič zone**, as two cadastral parcels are in private ownership of two companies operating in the zone. The Programme served a letter to Paraćin, urging efficiency in resolving property rights that are entirely the responsibility of the LSG. Once this is resolved, the designer could resubmit the request and, upon obtaining the construction permit, could continue with development of the execution design.

⁶ Bosilegrad, Surdulica, Paraćin and Zaječar
www.euproplus.org.rs

With the approval of the execution design by the fire department, the project will enter into closure.

The Ministry of Construction, Transport and Infrastructure denied for the fourth time the request for the construction permit for the establishment of the **sports complex "Vodeničište"** on Vlasina Rid in **Surdulica**. Although the administration of the permitting process delayed development of technical documentation for 17 months, there is now evident progress in reviewing the technical documentation. The latest Decision on Rejection, issued within six days from submission of the updated design, confirmed that all previous remarks have been cleared by the Designer and Surdulica, while the Designer needs to align the dates in the design with the dates of the revision by the MCTI. Due to the iterative nature of the process with evident conversion, the Programme is anticipating the construction permit to be issued in October the latest, after which the Designer could proceed with the development of the execution design, with a two month contracted deadline for its completion. Upon its approval by the fire department, the project will enter into the closure stage.

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

During the third quarter of 2025, field visits and recommendation reports were conducted as part of mentoring support for the remaining 14 women and youth startups grantees that expressed interest in the mentoring support, making a total of 22 supported grantees. The final mentoring follow up meetings with the grantees are planned for Q4 of 2025.

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

Further to the results achieved through improving social infrastructure through 37 projects in 35 LSGs that have brought benefits to over 280,000 beneficiaries, the Programme is monitoring progress of two additional local infrastructure projects from the reserve list in Medveđa and Raška. Both projects managed to finalise the procurement of works successfully, which, once completed, should bring improved learning conditions to 400 pupils and teachers in the primary school "Gornja Jablanica" in Medveđa and improved healthcare conditions for over 20,000 patients and 136 medical workers employed in Raška Health Centre.

As part of monitoring activities of the completed local infrastructure projects where new services are being introduced, a positive step forward is evident in the case of Lebane. Having responded to all of the requests from the Ministry of Labour, Employment, Veterans and Social Affairs in terms of preparation of relevant documents for the licensing of the day care centre in this municipality, the Ministry commission, upon the visit to the rebuilt premises, certified its appropriateness for the introduction of the new social service. The licence document is expected in the coming period allowing 18 children and 30 young people with disabilities from this town to have access to these services. In addition, with issuing of permits for use for the bridges in Vrnjačka Banja and Rača municipality, 4,000 people will gain safe access to the neighbouring road structures ensuring transport of goods and services.

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

On 25 August 2025 Medveđa contracted the works on the replacement of joinery at the primary school "Gornja Jablanica" with a 57 day deadline for completion of all contracted works. At the beginning of September, an introductory meeting with the contractor was held to agree on the dynamics of work in relation to the school calendar. During September approximately 60% of the contracted works were finalised as the contractor manufactures the joinery at the workshop and uses weekends, when no classes are held, to install it. The services on production of promo video on the project activities were also contracted in the reporting period. Finally, as the contracted value of works is 6.5 million Dinars less than the estimated value of the procurement, the LSG is working on identification of works which are most favourable to the school facility so the contract could be annexed.

Raška also managed to secure the contract with the contractor for the works on the health centre in September, with no complaints to the tender. The contractual deadline for completion of works is 30 days after site access is given to a contractor, which is planned during October.

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

The activity is completed in earlier reporting periods.

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

The activity is completed in earlier reporting periods.

Activity 3.4 Support in rehabilitation of the flood-caused damages

Following the municipality of Vrnjačka Banja, which obtained the use permit of the bridge over the Mala Reka river in June 2026, the municipality of Rača also secured the permit for use for the bridge over the Krčmara River during the reporting period.

2.2 Management

2.2.1 Governance

During the quarter, the Programme discussed the possibility of an additional extension with the donor and the MEI, in order to provide support and allow additional time for completing the projects defined as at risk of finalisation within the current Programme duration. As these significant delays were caused by the lower capacity and inefficiency of the work of the grantees, one of the solutions proposed has been amending the Grant Support Agreements and UNOPS procuring the construction for these projects.

2.2.2 Coordination

During this quarter, The Programme participated at the Interreg Project event [FutureECOS Hybrid Study Tour in Niš - Future-Proof Living Spaces for All](#), held in September 2025, where the [project and the case study of Niš territory](#) was presented. In addition, the coordination and cooperation with the EU House Belgrade, as the list of projects proposed for media promotion was shared with them.

2.2.3 Human Resources

No changes related to the human resources took place during the quarter. The Programme personnel benefited from a variety of learning opportunities through UNOPS learning platform, including the courses on Infrastructure Asset Management and computer programmes simulating human conversation using artificial intelligence.

2.2.4 Procurement and Grants

During the third quarter of 2025, no new Grant Support Agreements (GSAs) were issued. Currently, there are 27 GSAs under implementation. During the quarter, seven amendments to the GSAs were processed, which included time extensions, budget revisions, and revisions of the GSA provisions concerning the dedicated project bank account.

All procurement activities related to the equipping of the MEI premises were completed and goods and

services delivered to the beneficiary. In addition, the procurement of printing services for the 2026 calendar was successfully completed, and the supplier selected.

2.2.5. Finance

The following are the main financial indicators⁷:

- The total delivery of the EU PRO Plus as of 30 September 2025 was 35,899,143.79 Euros or 89.75% of the Programme budget.
- The delivery in Q3 2025 was 777,805.84 Euros.
- The forecast delivery for the next reporting period is 2,095,552.20 Euros.

3. RISKS AND ISSUES

During the quarter, the Programme proactively managed risks and issues, related to implementation of integrated and remaining economic infrastructure projects. Although the implementation of the majority of the integrated projects is ongoing as per plan, the risk of not being implemented in the given time has been confirmed for a few of them. The following risks and issues have been identified as being the key.

In Kragujevac, the Regional Agency for the Development of Šumadija and Pomoravlje (REDASP) failed to procure and implement the works on the reconstruction of the High School, supported through the Šumadija CONNECT ISTD project. The fourth complaint to the tender results has been raised by the bidder to the Republic Committee for the Protection of the bidders' rights, thus prolonging the project implementation timeline beyond the Programme's current duration. The Programme informed the donor and MEI on the potential mitigation scenario, and following the approval, the Programme will initiate the amendment and take over the procurement and implementation from REDASP

The complex political situation in Zaječar following the local elections held in summer 2025 is seriously affecting the operations of the local administration and consequently, the implementation of grant support agreements signed with the Programme. Namely, the rebalance of the city budget for 2025 is obligatory for the project budget lines to be properly appropriated in the city budget, however the executive bodies of the City of Zaječar have not still been put in place to conduct the budget rebalance. In addition, during the period of dispute of eligibility of the mandate of the elected Mayor, none of the payments could be processed, as the Mayor is officially the holder of the local budget. This resulted in the inability of the finance unit to process payments to the designers who completed their contractual activities months ago. The Programme is constantly monitoring the developments and in cooperation with the municipal grant team exploring options on how to resolve the issue. At the end of the reporting period, GSA was annexed for the sixth time, this time extended until the end of November 2025, awaiting successful resolution of the political issues in the LSG.

Slow progress in contracting works or services affects the grant implementation timelines. Namely, public procurement processes have proven to take much longer than it is anticipated by the grantees in their project action plans. The reasons for slow progress in contracting works and services are lack of interest of potential bidders, bids surpassing the estimated values of procurement and most frequently, complaints to the Republic Commission for Protection of Bidders' Rights. These processes have proven to be very time consuming with Preševo being one of the most striking examples where procurement of soft measures lasted more than one year and is still not completed. This procedure was first initiated in August 2024 and had to be retendered three times due to complaints to the Republic Commission for protection

⁷ While these figures provide quality insight into the Programme's spending, the final figures are only provided in the Programme's financial reports.

of bidders rights. The LSG has lastly made the decision on the best bidder within the fourth procurement procedure of the soft measures, with a pending ten day complaint period. Several procurements of soft measures failed also in Zaječar due to the low interest of the potential bidders to apply.

Slow administration in processing of requests for the issuance of building permits seriously affects the timely implementation of projects. For instance, in the case of the Surdulica project related to the development of technical documentation, it took seven months for the Ministry of Construction, Transport and Infrastructure, as the responsible authority for the issuance of the building permit, to respond as opposed to the legally mandated five days for each request. This has led to a serious delay in the implementation of grant activities with five grant extensions to allow for successful completion of all project activities.

Low capacities of the implementation partners in implementing infrastructure works, lead to delays outside project tolerances. In case of the City of Niš, delays outside of project tolerances were generated due to delays of the Niš administration and the Niš Institute for Urban Planning, in charge of developing all design documentation for the City, to prepare good quality design and tender timely the works on ateliers from the Tabula Peuntigerana project. Low capacities for implementing infrastructure works were also evident in the REDASP as the agency failed to procure the works on the CONNECT project after 15 months from grant issuance. The Programme will, with approval from the donors and MEI, take over the projects at risk of not being completed within the Programme timeline, and conduct direct implementation.

Delays in the public procurement process led by the local self-governments, as in the case of the City of Niš. Namely, the City has not yet repeated the public procurement process for the reconstruction of ateliers within the fortress supported through the integrated project - active protection of the cultural heritage "Tabula Peutingeriana". This presents a significant risk, as the completion is questionable due to the accumulated delay and slow decision making process within the City.

The delay in issuing the construction permit and provision of quality implementation design for the reconstruction of the National Theatre roof in Užice poses a significant risk to the timely implementation of the ISTD project **Green and Energy Transition in the Užice ITI Territory**, led by RDA Zlatibor. Development of adequate technical documentation, administrative and procedural setbacks in obtaining the permit could lead to postponements in publishing tender and construction activities, potentially disrupting the overall project timeline and affecting key deliverables. Deterioration of the existing building posed additional risk for safety. This delay may also impact funding utilization, contractual obligations, and stakeholder commitments, ultimately jeopardizing the successful execution of project objectives related to this activity. The Programme is closely monitoring the implementation of this activity. Coordination meetings with key stakeholders, including RDA Zlatibor, local self-government representatives have been organised to facilitate the process and implement timely corrective actions. The examination of the condition of existing building materials was conducted by the certified testing body and technical documentation was revised in accordance with the results before requesting the building permit. After the design was revised, the new building permit was requested and issued. Technical control of the design for construction is being conducted before tendering the works.

4. SUSTAINABILITY: Social, Environmental, Economic, National Capacity

While nearing completion and reaching most of the set success indicators outlined in the sustainability management plan, the Programme continues to monitor the success indicators set in the logical framework matrix of individual projects, thus supporting beneficiary local self-governments to ensure long-term sustainability of the supported interventions.

Although 44 closed infrastructure grants reached full functionality, the Programme is still following six infrastructure projects, struggling to commence with operations, mainly with a new service to be introduced. The progress is evident in this quarter in **Lebane** day care centre, where the inspection of the line Ministry of Labour, Employment, Veterans and Social Affairs finally confirmed that the institution could host the children and young people with disabilities, and the facility will become fully operational upon receiving of the certificate. The **Municipality of Knjaževac** finally decided on governance structure in the rehabilitation centre within the Banjica complex, entrusting the ownership for the governance to the tourist organisation, which will manage the wellness part of the centre and will outsource services for management of rehabilitation part. The project supported in **Aleksinac**, although fully operational with strong governance prior to intervention, is still in the process of obtaining a use permit. Namely, after completing the works from the project scope, the fire department instructed the municipality of Aleksinac, during technical inspection, to secure the water tank for supply of the fire protection system in the building. Aleksinac secured technical documentation and funds in 2025 after which the LSG procured the works on the water tank which the contractor finalised during Q3. It was agreed that two separate technical inspections will follow in the Q4, with two permits for use that would be the basis for formal commencement of the work of the institution for rest and stay in Lipovac. It is expected that all three projects become fully operational in the following quarter. On the other hand, **Ćuprija, Paraćin, Sjenica, Ražanj, Bujanovac and Bosilegrad** are in the various stages in the process of obtaining use permits, while Ražanj municipality is the most advanced.

The investment plans as a tool for creation of pipelines and for identification of the project's level of maturity, are designed to channel investments to priority areas of intervention of territorial strategies. They also provide overview of bottlenecks that should be resolved in order to achieve project maturity of selected projects with clear investment dimension. Such approach helps the PCUs to harmonise procedures and to strive for smoother implementation, while on the other hand, increasing the capacity of PCU to direct development processes.

The sustainability of ISTD projects is compromised in case of CONNECT and Niš projects, where the implementing partners failed to procure and implement the major infrastructure components. In liaison with the donor and MEI, the Programme will activate its own resources to finalise work on two infrastructure facilities of greatest importance for preservation of cultural heritage to the local communities.

5. CROSS-CUTTING THEMES: Good governance, Gender equality, Social inclusion, Environment and climate change and Digitalisation

The Programme is continuously supporting LSGs also in implementing measures designed in the projects so as to support the most vulnerable population, digitalisation and environmental protection.

Within the project "Ecosystem for innovation and smart economy in Bor," both the guidelines for Circular Economy and Digital Marketing have been successfully completed. The initial draft for the "Elaboration of energy efficiency with preliminary preparation of architectural and construction bases for the BIC Bor" has also been submitted and is expected to be finalised within the forthcoming month.

As part of the project of improving the management of recyclable waste on the territory of the city of Novi Pazar, a new automatic balling press has been installed practically tripling the capacity of the center to process the recyclable waste collected by the PUC.

Within the Green and Energy Transition project in the Užice ITI territory installation of four solar power plants, two in Užice, one in Čajetina and one in Požega, has been completed and it is expected to increase use of renewable energy. Additional six public buildings received documentation needed for installation of solar power plants.

6. COMMUNICATIONS AND VISIBILITY

The Programme on 23 and 24 September supported a **two-day visit of the Deputy Head of the EU Delegation and eleven deputy heads of missions** of the EU member states to southeast Serbia. The visit included EU funded projects in Aleksinac, Sokobanja and Knjaževac, of which four implemented within EU PRO Plus, two cross-border cooperation projects and the capital project in the environment sector related to the construction of a Waste Water Treatment Plant in Sokobanja. The briefing documents, and media material was prepared for the visit.

Further, an overview of the projects in Knjaževac and eastern Serbia was prepared as requested by the MEI, followed by the overview of projects to be promoted in 2025 for both MEI and DEU. The list of successful projects to be promoted within the new series Stories from Serbia was prepared for the EU House, while the project overview for Novi Pazar was developed for DEU visit.

Additionally, the Programme provided briefing inputs and led the organisation of the visit of the UNOPS Deputy Executive Director to the UNOPS implemented projects in Sviljanac, including one EU SHAI and two EU PRO projects.

Two press releases were published to promote the start of work on the Topola Kings Winery within the CREST integrated project, and Medveđa local infrastructure project. These together with the other Programme activities generated media coverage of 220 positive media reports, of which 91 (41%) published in the national media.

The Programme issued **two** special editions of the **newsletters** to mark the International Youth Day, [Rhythm is a dance](#), and the European Week of Sports [Be Active: Sport - Force for Connection, Equality and Inclusion](#), each distributed to approximately 4,500 stakeholders.

The continuous support was provided to separate projects regarding the alignment with the Communications and Visibility guidelines, including support to the ISTD project in Novi Pazar, Niš, Bor, Kruševac, Leskovac, Užice and Šabac. The UN Newsletter featured the start of the works on the renovation of the Kings Winery, while the Programme Newsletter published to mark [International Women's Day](#) was featured in UNOPS Gender Equality and Social Inclusion (GESI), showing the progress in mainstreaming GESI across the project portfolio.

The municipal profiles were updated with the latest statistical data related to the population, average income and the number of active entrepreneurs and enterprises as per Statistical Office of the Republic of Serbia. The programme website recorded 40,101 visits from 27,404 unique visitors, with pages related to territorial strategies being the most accessed. Social media engagement remained steady, with 18,870 followers on Facebook, 3,301 on Instagram, and 1,162 on Twitter. Six new success stories were published on the website, and nine media stories were uploaded to the Programme's YouTube channel.

7. LESSONS LEARNED

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

Following the establishment of new enterprises, **professional mentoring support** is highly valuable, offering guidance that can make the difference between struggling and thriving in the early stages of business. Practical advice and tailored recommendations on key aspects such as business expansion, marketing strategies, and operational improvements, provided by experienced mentors, help startups identify opportunities, avoid common pitfalls, and develop a clear path for growth, increasing their chances of long-term success and sustainability.

While differences in capacities of Regional Development Agencies (RDAs) compared to Local Self-Governments (LSGs) were noted in previous reports, continued obstacles in implementing public procurement processes for complex integrated projects are also caused by **lack of technical capacities and manpower** in both beneficiary RDAs and LSGs. While the LSGs are better equipped for management of various technical aspects of integrated projects, having access to various departments and units with different expertise ranging from development of Terms of References (ToR) for services to Bills of Quantities (BoQ) for infrastructure works, they too ultimately rely on expertise of a limited number of people, whose absence, if prolonged, affects both the quality and the timeliness of activities. The RDAs are even worse situated, as they start off with reduced manpower. One of the ways to address these shortcomings is a very strict assessment of capacities of applicants to implement proposed projects, during the evaluation process, and an appropriate availability of funds for human resources within the project. This assessment should also take into account the overall workload of a potential implementing partner as the resources may be scattered between different projects.

8. NEXT REPORTING PERIOD⁸

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 Provide follow up consultations on the proposed Study on National model for ISTD upon proposed EU Cohesion Policy 2028-2034
- Activity 1.2 Develop one pilot investment plan for supported territory
- Activity 1.3 Following the ongoing work in ISTD projects on sites Aranđelovac, Knić and Topola within CREST project, Lagator in Loznica SUD, New Gym in Šabac SUD, ongoing sites in Zaječar, and Boljevac within Magic for eastern Serbia project and site in the startup centre in Bor .

Result 2. Enhanced economic growth in targeted municipalities

- Activity 2.1 Completion of seven ongoing economic infrastructure projects implemented by Bosilegrad, Užice, Surdulica, Paraćin, Preševo, Kragujevac and Zaječar.
- Activity 2.2 Finalise the mentoring support to Women and Youth Start-ups

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

- Activity 3.1 Follow on construction works in two LIP grants awarded to Medveđa and Raška projects.
- Activity 3.4 Following up on the expiration of defect notification period for Rača bridge.

Programme Communications

- Conduct 2026 Calendar Completion
- Promotion of the Programme results (start and completion of infrastructure projects)

⁸ EU PRO Plus Work Plan for the period from 1 April to 30 June 2023 is available in Annex V, Attachment 5.1.

- Work on development of Final publication and movie
- Work on development of Legacy material and thematic factsheets

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	WB replaced the Doing Business report with Business Ready (B-READY) report that evaluates the business and investment climate worldwide. However, B-READY 2024 does not cover Serbia. Data for Serbia are expected to be included from the B-READY 2025 report.
	Global Competitiveness Index Rank 69	The World Economic Forum has not continued comparative country rankings on the Global Competitiveness Index after the COVID-19 pandemic in 2020.
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 available data shows that the nominal GDP of Šumadija and Western Serbia Region in 2023 increased by 10.5%. However, the share of this Region in the national GDP decreased by 1.1% to 17% in 2023 compared to 2022. The number of unemployed in the Western Serbia Region in the Q2 2025 was 81,100 which is a increase of 22,7% compared to 66,100 in the Q2 2024, but still not exceeding the target value.
	South-East Serbia Region GDP and number of unemployed - 14.2% / 83,712	The available data shows that the nominal GDP of South and East Serbia Region in 2023 increased by 14.1%. The share of the same Region in the national GDP decreased by 0,5 % to 15.1% in 2023 compared to 2022.

		The number of unemployed in the South-East Serbia Region in the Q2 2025 was 77,400 which is an increase of 1.7% compared to 76,100 in the Q2 2024, but still not exceeding the target value for this indicator.
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	All 12 supported strategies including 31 LSGs are adopted by all 31 local assemblies
	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)	Implementation of 83% (10 out of 12) territorial strategies initiated with at least three projects with different funding sources
Result 2 Enhanced economic growth in targeted municipalities	OC 2.1 Number of jobs created or facilitated - At least 300 (2023)	A total of 338 new jobs have been created directly by supported business entities, out of which 178 (53%) are occupied by women. Of that, a total of 274 new jobs have been created by supported MSEs grantees, out of which 142 (52%) new jobs are occupied by women and a total of 64 new jobs have been created by supported Women and Youth Startups, out of which 36 (56%) new jobs are occupied by women. Additionally, A total of 1,645 jobs have been created as a result of 180 million new investments generated after infrastructure equipping of the industrial and tourist zones
	OC 2.2 Number of start-ups and MSEs that benefited - 500 (2023)	A total of 512 MSEs are supported through activities implemented by 16 BSOs. A total of 113 MSEs have been supported by direct grants. Further, 42 grants have been implemented by Women and Youth startups in extremely underdeveloped municipalities.

	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)	13 of 20 awarded EIP completed. Six new investments valued over 180 million Euros were realised in supported zones/tourist destinations, subject to equipping through the project
Result 3: Improved social infrastructure and social cohesion in targeted municipalities	OC 3.1 Number of persons benefiting from improved public facilities/ services - at least 65,000 (2023)	The activity was successfully completed in 2024. Over 280,000 persons benefited from the improved conditions in cultural, educational, sports and health infrastructure in 37 completed projects. Implementation of two new grants awarded in Q12025 ongoing
	OC 3.2 Number of introduced or improved social services provided by CSOs and/or LSGs - at least 15	The activity is successfully completed. A total of 28 social services have been established or improved in 22 LSG facilitating better access to education, health and social care services for over 7,700 disadvantaged citizens.
	OC 3.3 Number of persons benefiting from enhanced health care services related to COVID-19 prevention and recovery - at least 300,000 (2022)	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. Additionally, 5000 disinfection devices, 60,000 L disinfection liquid and 41 triage containers were delivered.
Activity 1.1 Enhancing national capacity to introduce integrated territorial development	Number of persons at the national level trained - 40 (middle 2023)	50 persons at the national level trained to date, out of which 24 from MEI
	Proposals for regulators and procedural framework to enable preparation of the EU model for territorial planning - in place (end of 2024)	The Comparative Study on EU member states prepared. The draft Study on the National Model for ISTD prepared
	Monitoring, reporting and evaluation approaches related to ISTD model - in place (2022)	The objectives framework indicator set for monitoring, reporting and evaluation of territorial strategies developed and agreed with the Public Policy Secretariat.
	Number of tools developed or enhanced - at least one (2022)	Initial ISTD networking platform is established. A revised Concept Note on the potential IT tool prepared .
Activity 1.2 Improving capacities of municipalities and regional	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

development agencies to introduce concepts of integrated territorial planning		RDAs participated in the training activities within Module I, II, III and IV of Capacity Building Programme - 1,449 persons in total)
	Population covered by SUD and ITI Strategies - at least 2 million (end of 2022)	The territories supported for development of territorial strategies are inhabited by approximately 1,6 million people.
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)	A total of 18 integrated projects deriving from ISTD strategies are supported.
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 - 20 (2024)	Of 20 awarded LSGs in support of economic development, 13 finalised activities, and 7 are still under implementation
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)	The activity is successfully completed. 113 MSEs were supported to procure new equipment and services.
	Number of supported youth and women entrepreneurs - at least 50 (2022)	While 52 youth and women startups passed the technical evaluation, 7 chose not to sign contracts and 3 more terminated agreements during project implementation due to risks related to uncertain market conditions. A total of 42 startup projects are successfully implemented. Twenty-two grantees received mentoring support for development of their business.
	Number of supported BSO projects - 10 (2022)	The activity is successfully completed. Sixteen BSO projects were supported, and activities implemented by them completed.
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)	37 initially awarded LIPs were completed and closed. Additional two from the reserve list of projects awarded in Q1 2025 and ongoing
Activity 3.2 Supporting public institutions, including the social protection institutions, to enhance social	Number of CSO projects related to social services supported - 20 (2023)	The activity is successfully completed. All 20 projects for strengthening social services successfully completed

services and preparedness for emergencies		implementation.
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.
Activity 3.4 Support in rehabilitation of flood-caused damage	Number of infrastructure projects related to rehabilitation of flood-caused damages implemented - up to 3 (2024)	Works on both bridges (Vrnjačka Banja and Rača) are fully completed and handed over. Both bridges obtained permit for use

ANNEXES

Annex I Improved Development Planning

Annex IV Communications

Annex IV_ Attn 1 Overview of Media Coverage for Q3 2025

Annex V Programme Management

Annex V_ Attn 1 EU PRO Plus Work Plan for Q4 of 2025