



Ministry of European Integration
REPUBLIC OF SERBIA

#EY
ЗА ТЕБЕ



EU
PRO+

QUARTERLY STATUS REPORT

Jan - Mar 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: | 20 April 2023 |
| Period covered: | 1 January – 31 March 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

During the first quarter of 2023, the **European Union for Local Development Programme - EU PRO Plus Programme** made further progress towards socio-economic development of the two targeted regions. The Programme currently supports 185 projects implemented through grant modality, while 39 projects have been closed. Financial delivery follows the implementation pace with a total delivery of 12.68 million euros to date.

Identification of development needs which will serve for the definition of a **strategic framework for implementation for the twelve targeted territories** consisting of 31 local governments developing territorial strategies were concluded. These efforts are setting the grounds for aligning development needs and thematic areas in in strategy with the Priority objectives of EU Cohesion Policy priority objectives for 2021-2027 period which enables territories to unlock their potential, re-affirm their identity and become more competitive, by blending primary EU, but also other different sources of funding for implementation of development policies.

At the national level, the Integrated and Sustainable Territorial Development (ISTD) approach aligned with the EU territorial development instruments and place-based approach was presented to the Public Policy Secretariat. The Programme also extended its outreach with representatives of 85 out of the 99 LSTs (or 85.9%) benefiting from the capacity building activities, along with 23 representatives of the national institutions.

Contributing to **enhanced economic development**, the first concrete results were yielded during the quarter. Through 16 projects implemented by Business Support Organisations 469 enterprises were supported to enhance their competitiveness in various sectors out of which 142 enterprises participated in 15 training events organised during the quarter on topics related to development of digital content, sources of financing, data management, greening and introduction of circular economy. During the quarter nine BSOs have completed their activities, while an additional six are in the final stage of implementation. As a result of direct support to Micro and Small Enterprises (MSEs) twenty-two jobs (out of which 15 were occupied by women) were created, marking the beginning of a journey towards expected creation of over 250 new jobs in the 116 beneficiary enterprises.

Furthermore, the Programme finalised evaluation of the project proposals received in response to the Public Call for Economic Infrastructure projects which should create conditions for investments of at least 25 million euros in industry and tourism, and also support creation of project pipeline through development of technical documentation creating conditions for future investments. Out of the 58 project proposals received in response to the Call, 38 local governments were invited to submit full project proposals which were evaluated during the quarter.

Contributing to **improved social infrastructure and social cohesion**, the grounds for improvement of the position of over 2,000 most vulnerable citizens by strengthening of up to 25 different social services is fully set, with 20 projects in progress. First results are visible, with over 100 marginalised citizens improving their access to different social protection services through establishment of four new and improvement of three existing social protection services, including as personal assistance and day care service for children with disabilities and home care for elderly and persons with disabilities (PWDs), in Kraljevo, Loznica, Žitorađa, Novi Pazar, Tutin and Kragujevac.

Programme support for development of local infrastructure has already contributed to improved livelihoods of over 25,000 citizens with completion of construction works in Babušnica, Doljevac, Lapovo, Varvarin, Trstenik, Čičevac and Prijepolje. While these projects targeted educational, cultural, health and sports infrastructure their effects go beyond infrastructure improvements only. For example, next to improved infrastructure in primary school in Doljevac and kindergarten in Babušnica used by 325 pupils and 55 employees, Babušnica equipped a sensory room for children with disabilities, while Doljevac

formed a team for monitoring and registering energy savings derived from the infrastructure intervention. Support to an additional five local infrastructure projects in Leskovac, Ražanj, Svilajnac, Boljevac and Bujanovac was granted, creating the grounds for the improved functioning of educational, sport, cultural and health facilities and environmental protection outreaching over 58,000 citizens.

Sustainability of the Programme results is ensured through various elements embedded in the EU PRO Plus interventions during the quarter. When it comes to development of territorial strategies, the process is designed in accordance with the 2021 - 2027 EU Cohesion Policy objectives, where the focus remains the sustainable economic competitiveness through research and innovation, digital transition, and the European Green Deal objectives. Likewise, the ongoing local infrastructure projects are embedding the elements of social, environmental and economic sustainability, which will be monitored throughout implementation while their impact will be visible in years to come. The improvement of infrastructure and accompanying services will provide better working and living conditions for the local population, while improvement of energy efficiency and use of renewable energy sources will produce a positive impact on the environment and generate savings to ensure economic sustainability.

The cross-cutting themes of good governance, gender equality, social inclusion, environment and climate change and digitalisation addressed through design all Programme interventions are effective. During the reporting period, the Programme ensured equal opportunities and women representation in the capacity development activities related to the development of territorial strategies, with 52% of the 717 participants of round table discussions and capacity building activities being women. Furthermore, more than a half of all participants in the training and workshops on digitalisation and introducing innovations and standardisation, organised through projects implemented by BSOs were women entrepreneurs. Finally, the Programme ensured that access to the people with disabilities was included in six infrastructure projects in Lapovo, Čičevac, Trstenik, Varvarin, Prijepolje, Babušnica and Doljevac.

The Programme proactively **managed risks and addressed issues** during the quarter. With 185 projects under implementation, the greatest challenges faced relate to capacities of Programme beneficiaries to successfully implement activities and register results, especially taking into account the ongoing economic challenges. Securing co-funding is a risk faced by the majority of Programme beneficiaries, starting with MSEs whose businesses are severely affected by the market instability and therefore are less keen on committing to creation of new employment and business expansion. Likewise, some of the beneficiary LSGs also face challenges in securing co-funding, which causes delays in implementation of local infrastructure projects and projects contributing to improvement of social services.

Furthermore, with the largest grant scheme of the Programme of 10 million euros planned to be implemented in the second half of the year, leaving limited timeframe for implementation, one of the risks for the Programme relates to maturity of proposals that may be submitted in response to this Call.

While the progress of the Programme is accelerated, due to some previously generated delays and complexity of activities, the Programme initiated discussions on extension of implementation period with the donor and the Ministry of European Integrations and will continue to work on it in the second quarter of 2023.

Throughout the year the **EU support to local development through the Programme interventions was widely communicated and remained visible and recognisable** due to intense promotion of ongoing activities via traditional and digital media. Nine press releases were issued to promote the local infrastructure projects, and one media statement related to the start of a local infrastructure project in Nova Varoš was organised for B92 correspondents. As a result a total of 640 media reports were generated, out of which 193 (30%) were in the national media.

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 [National Architectural Strategy Proposal for the period 2023-2035 with the Implementation Action Plan for the period 2023-2025](#) was published for discussion by the Ministry of Construction, Transport and Infrastructure which will take place by 17 March 2023. The Strategy represents a document of public policy in the field of architecture, which is brought with the purpose of contributing to the improvement of architectural practice and profession and improving the quality of spatial and urban planning and architectural design, and creating conditions for encouraging sustainable and integral approaches in the new construction, renovation and use of the built fund, construction and natural heritage as the bearer of the spatial and cultural identity of the Republic of Serbia, as well as raising awareness of the importance of architecture and the built environment for the life of citizens.

In January, the Government of the Republic of Serbia [adopted the 2030 National Youth Strategy](#), which is one of the most important documents that deals with the position of the youth. The most significant novelties in the Strategy relate to the recognition and standardisation of local youth policy and mechanisms for how all departments can allocate more funds for youth and contribute to intersectoral cooperation in the field of youth support.

The National Employment Service has published thirteen [Calls for active measures](#) for supporting employment. These include the [Call for self employment](#), which is open until 10 April 2023 and the results will be available by 10 May 2023.

The Ministry of Economy has prepared a set of measures for support of entrepreneurship. However, the Public Calls for SMEs have not yet been published, pending the Government's approval.

At the beginning of February 2023, 30 out of 41 members of Prijepolje local assembly requested replacement of Vladimir Babić, Prijepolje Mayor at the time, dissatisfied by his performance in the last period. At the Assembly session held on 13 February, 34 out of 41 members of the local assembly voted for his replacement and appointment of the new Mayor, Drago Popadić. Both previous and the current Mayors came from the ruling SNS party.

In late February 2023, the Ministry of Economy published a 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 allocated funds for the Call are over 790 million RSD with 07 March 2023 as the deadline for submission of proposals. The Call will complement the Programme efforts to boost the economy in the undeveloped regions in Serbia.

Public hearing on the Draft Law on changes and amendments to the Law on planning and construction, conducted by the Ministry of construction, transport and infrastructure was completed on 20 February 2023. Main changes relate to the improvement of Central evidence of unified procedures for issuance of construction permits and new elements of the "green agenda" (improvement of provisions on energy efficiency, introduction of the term "green construction" with issuance of certificates, increase of electromobility, specification of provisions related to solar parks, register of brownfield locations, obligatory connections to the existing infrastructure, without compensations which directly impacts upon the energy savings, management and storage of construction waste). Secondly, main state urbanist (planner) will be introduced to additionally introduce order in the area of spatial and urban planning while there are proposals to improve protection of natural and cultural areas with the Government adopting spatial plan for special purpose areas. Additionally, local governments would be encouraged to take a

more active role in the area of planning and arrangement by prescribing and adopting planning documents for a minimum 70 % of construction area allowing for legal construction and preventing illegal construction. Also, the changes contribute to improved application of this and special Laws, specifying certain provisions of Law, which in practice, were the subject of interpretation. Further to this, membership in the engineering chamber of Serbia would be mandatory. It would determine the minimum price for development of planning and technical documentation, technical review and commissioning of works, technical supervision for buildings and engineering objects. The information on location is also foreseen, while on exceptional basis, as per request of applicants, it could be issued by a notary, that is, legal entity or entrepreneur registered for the development of spatial and urban planning documents. Valid planning documentation adopted prior to January 1993, would cease to be valid within 24 months from the enactment of the new Law. The bodies authorised for adoption of those planning documents are obliged to adopt new ones with the deadline of 24 months. Finally, the establishment of an Agency for spatial planning and urbanism of Serbia is foreseen to take care of the Central register of the planning documentation. The Agency should prepare and monitor development of spatial and urban planning documents within the authority of Serbia, prepare decisions on the development of planning documents, issue certificates of “green construction”, establish and maintain e-space. LSG would be thus obliged to submit data on the brownfield locations on its territories 6 months from the establishment of the Agency the latest, upon which a Registry of the brownfield locations would be created and made public. The LSGs would also be obliged to adopt planning documents to include a minimum 70 % of the total construction land within the LSGs.

2.1.2 Progress towards achieving objectives

During the first quarter of 2023, there was no new available statistical data related to the share in the national GDP. As previously reported, the share of South-East Serbia Region in the national GDP increased by 1,7 pp, opposite to the share of Šumadija and Western Serbia Region which decreased by 0.7 pp, with the shares in the national GDP in 2021¹ in Šumadija and Western Serbia Region of 18.7% and South-East Serbia Region 15.3%, while Belgrade region held the leading position with 40.2% and Vojvodina with the share of 25.8%. The overall share of 34% for both regions in the country’s GDP has improved by 1 pp.

According to the [Labor Force Survey for 2022](#), published in February 2023, compared to year 2021, the number of employees in Serbia recorded an increase of 64,700 or 2.3% compared to the previous year (from 48.6% in 2021 to 50.3% in 2022) while the number of unemployed decreased by 50,300 (14.3%). The highest year-on-year growth in the employment rate is recorded in the Southern and Eastern Serbia Region, for 2.3 pp, reaching a level of 45.5%. In the Šumadija and Western Serbia Region, the employment rate increased by 1.6 pp. compared to 2021 and is 50.3%.

The decrease in unemployment is most noticeable in the Region of Šumadija and Western Serbia, where the number of the unemployed decreased by 20,700 on a year-on-year basis, and the unemployment rate is lower by 2.2 pp. (10.4% in 2022). At the same time, the unemployment rate is lower in the other regions as well compared to 2021. The region of Southern and Eastern Serbia, despite a decrease of 2.0 pp, maintains the highest unemployment rate (11.7% in 2022) compared to other regions. In Serbia, the rate of the population outside the labour force is lower by 1.5% and amounts to 48.5%, while the mentioned rate in the remaining two regions decreased only slightly (by 0.4 pp.) and amounts to 43.9% in the Southern and Eastern Serbia region.

During the quarter, the Programme made further progress towards socio-economic development of the two targeted regions. Identification of development needs was concluded for the 12 targeted territories developing territorial strategies, which will serve for the definition of a strategic framework for implementation. Such a framework should enable territories to unlock their potential, re-affirm their identity and become more competitive, by blending different sources of funding for implementation of development policies.

¹ SORS - preliminary data
www.euproplus.org.rs

As a result of grant support to MSEs, a total of 22 new jobs have been created so far, out of which 15 new jobs are occupied by women. More than 250 new jobs are expected to be opened in the 116 MSEs directly supported by the programme. Total of 469 SMEs have benefited from the BSO project activities. The support included procurement of new equipment, introduction of standards, mentoring and training in the field of digitalisation, sources of financing, big data management, hospitality industry, greening of SMEs and circular economy.

The Programme's activity for improvement of the position of over 2,000 most vulnerable citizens by strengthening of up to 25 different social services is fully set, with 20 projects in progress. First results are visible, where over 100 marginalised citizens improved their access to different social protection services through establishment of four new and improvement of three existing social protection services in six LSGs.

The Programme assistance to local governments to enhance economic infrastructure through the Public Call under implementation, should create conditions for investments of at least 25 million euros in industry and tourism, and also support creation of project pipeline through development of technical documentation creating conditions for future investments.

Programme support for development of local infrastructure is already yielding results given the completion of construction works within the implementation of Babušnica, Doljevac, Lapovo, Varvarin, Trstenik, Čičevac and Prijepolje grants which subsequently improved the livelihoods of over 25 000 citizens through improved educational, cultural, health and sports infrastructure. Support to an additional five local infrastructure projects in Leskovac, Ražanj, Svilajnac, Boljevac and Bujanovac was granted, creating the grounds for the improved functioning of educational, sport, cultural and health facilities and environmental protection outreaching over 58 000 citizens.

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. At the national level, the Programme presented its Integrated and Sustainable Territorial Development (ISTD) approach aligned with the EU territorial development instruments to the Public Policy Secretariat.

At the local and regional levels, the process of development of seven Sustainable Urban Development (SUD) and five Integrated Territorial Investment (ITI) strategies continued. The 31 participating local self-governments (LSGs) concluded the analytical phase with developed contextual analysis, SWOT and identified development needs for all twelve territories, and entered into the strategic phase.

The Programme also extended its outreach with representatives of 85 out of the 99 LSTs (or 85.9%) benefiting from the capacity building activities, along with 23 representatives of the national institutions.

Activity 1.1 Enhancing national capacity to introduce integrated territorial development

As a part of harmonisation of pilot territorial strategies with the Law on Planning System, the Programme organised a presentation to the Public Policy Secretariat² in January 2023. The presentation was combined with the Capacity Building Plan Module I Training on EU territorial development instruments, envisaged for the national level stakeholders.

Programme for the study visit programme to Belgium and Netherlands³ for MEI, Regional Development Agencies (REDASP in Kragujevac and RDA Jug in Niš) and the representatives of the Kragujevac and Niš ITI territories were finalised and the visit and meetings confirmed for 24-28 April 2023 period.

² The Report on presentation to PPS is available in Annex I, Attn 1

³ The final study visit programme is available in Annex , Attn II

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 continued with the thematic round tables, organised with an aim to present, discuss and verify preliminary results of the prepared contextual analysis, SWOT and identified development needs. The two day events, which focused on the five thematic areas in line with 2021 -2027 EU Cohesion policy objectives, were organised in all twelve territories in the period from 30 January to 10 March 2023. The thematic round tables were combined with the trainings for SWOT and needs identification, as a part of the Module II of Capacity Building Programme⁴. A total of 717 participants attended the 60 thematic round tables, out of which 51,9% were female. Beside representatives of the 31 participating LSGs and nine RDAs included in territorial strategy development process, the round tables were also attended by representatives from five LSGs and one RDA which are not receiving direct technical support in development of territorial strategies⁵. Additionally, representatives of national level institutions also participated in some of the round tables.

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, taking into account the New European Bauhaus with particular focus on participation. Its presentation to MEI and DEU is planned for April 2023, while the Call is planned to be published in July 2023.

Result 2: Enhanced economic growth in targeted municipalities

With publishing of the Call for economic infrastructure projects opportunities are provided to LSGs to enhance economic infrastructure through realisation of industry investments, tourism or innovative business development initiatives. The realisation of project activities aims to create new jobs and facilitate a minimum 25 million Euros of new investments, while some of the tourist destinations will be supported to valorise their potential and enhance scope and quality of touristic offer, which should in turn increase the number of tourists. Additionally, the LSGs will have an opportunity to obtain support for development of technical documentation that would provide the necessary technical preconditions for further industry/tourism investments.

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 585 SMEs have been supported, 469 and 116 respectively. Through fifteen training events (nine in person and six online), 142 SMEs received support on topics of developing digital content, sources of financing, big data management, hospitality industry, greening of SMEs and introducing circular economy. Through direct support to SMS for procurement of new equipment 22 new jobs have been opened so far 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

In line with the PSC endorsement of the evaluation results of the received 58 concept notes, the Programme invited 38 positively assessed applicants to submit full project proposals as part of the second phase of implementation of the [Public Call for proposals for economic infrastructure projects](#). To get fully acquainted with all of the requirements of the second phase of the Call, the Programme organised three online sessions for each of the three LOTs included in the Call which gathered 58 participants from 33 LSGs and posted answers to the received questions to remove any uncertainties. 34 full applications were received by the set deadline and the evaluation process of those is in its final stage with field visits to all LOT 1 and LOT 2 applicants conducted in mid March 2023.

⁴ The report from the thematic roundtables is available in Annex I, Attn III

⁵ Aleksinac, Blace, Trgovište, Varvarin and Velika Plana and the Regional Agency for Spatial and Economic Development of Raška and Moravički District

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 124 MSE beneficiaries were approved for Grant Support Agreements (GSAs). During the first quarter seven endorsed applicants (four before, and three after signing of GSA) have withdrawn from the process due to changed business circumstances, and one applicant failed to provide evidence related to criminal conviction which was mandatory per criteria of the Call. Thus, 116 MSEs grants remain in active implementation. Online orientation meeting was held for all grantees on 9 February 2023 covering project implementation and reporting procedures and all grantees started project implementation by opening project bank accounts, registering in the UNGM and OneUNOPS systems and preparing project procurements. Total of 58 grantees have published procurements and 18 finalised all or some of the procurement processes and contracted suppliers.

Nine out of the sixteen BSO grantees have finalised their project activities, while the activities under the remaining seven projects will be completed by the end of May 2023. During the reporting period twenty one events have been organised by BSOs with more than 450 participants. These included six final conferences presenting project results, nine in person and six online training sessions that covered topics of developing digital content, sources of financing, big data management, hospitality industry and greening of SMEs and introducing circular economy. The special promotional event for the opening of the Tasting and Education Center in Nis was organised by the The Association of catering, hotel and tourist workers of Nis. The Association participated at the 24. International Tourism Fair where they promoted the new "A Bite of the South" trademark that will be used by the Association members. ISO certification has been completed for 8 SMEs, additional 8 SMEs received mentoring/consulting support in connection with the protection of intellectual property and 39 SMEs received support for development of websites, online shops or other digital marketing tools. Local food fair was organised by BSO Union 2000 in Čacak and the sales and distribution platform Moravski Market was promoted. Twenty one SMEs received HACCP certification within a project implemented by RDA Šumadija and Pomoravlje. RDA Braničevo Pomoravlje finalised procurement of equipment for eleven SMEs from their region. Digital solutions for 10 companies have been developed and delivered to companies by Business Incubator Zip Center from Pirot. Professional video conferencing equipment was delivered and installed at the BSO NIT Center in Novi Pazar in order to be used for training and business meetings by the IT companies. Solar panels were installed in 20 SMEs, project beneficiaries within the project implemented by Center for Development of Pcinja and Jablanica Districts.

Centre for innovative youth entrepreneurship - Startup Center produced two films about successful startups from Nis. One is about the company [Jurist Soft](#), which combines law and IT, and the other is about the company [Chunky Loaf](#), which emerged in the Gaming Center of the Startup Center, and today is the winner of a Smart Start grant and a grant from the Fund for Innovation Activities of the Republic of Serbia. As some of the project activities for the Startup Center are delayed there might be the need for no-cots project deadline extension.

Restricted Call for MSMEs was published on 1 February 2023 by RDA South with the purpose to select up to 10 MSMEs interested and capable of further strengthening their commitment in the circular economy. For 10 selected MSMEs there is a currently ongoing on-site diagnosis and development of the circular solutions implemented by external consultants.

The BSO project implemented by the Regional agency for spatial and economic development of Raška and Moravica districts has considerable delays in the implementation of project activities. The meeting with the grantee was held, the actions that the grantee should undertake are agreed. The results of agreed actions and future activities will be discussed in the following month.

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

The 37 local infrastructure projects under implementation are contributing to the improved functioning of educational, cultural, sports and health, and social protection institutions, while a few projects contribute to improved communal infrastructure and the functioning of public institutions contributing to around 248,000 beneficiaries.

With the finalisation of works on the reconstruction of the primary school in a village Belotinac in Doljevac and the completion of construction works on the kindergarten building in Babušnica over 325 pupils and 55 employees were provided with improved working and learning conditions. Additionally, Babušnica equipped a sensory room for children with disabilities, which is a novelty in the work of kindergarten, unique on the territory. Babušnica also developed an Energy Efficiency programme to monitor energy consumptions and will switch to pellets in the winter season. Likewise Doljevac where LSG formed the team for monitoring and registering the energy savings into the System for Energy Management of the Republic of Serbia and also installed wastewater treatment equipment to ensure clean water discharge.

Additionally, with completion of works on the central square in Lapovo, 7,842 citizens obtained improved infrastructure conditions for organising and engaging in cultural and social events, among them Association of Women “Moravske Šarenice” with 17 members, Cultural and Tourist Center “Stefan Nemanja” and Cultural and artistic association Lapovo with 150 members, while the constructed children's playground in a village Bačina in Varvarin provided 2022 citizens with an opportunity for social gathering, practising sports and promoting a healthy lifestyle, among them 371 children and 396 youth.

Similarly, over 3000 children and their parents, recreational and professional athletes, persons with disabilities and other residents of Čičevac central area will benefit from a newly arranged children playground with sports terrains and outdoor gym with inclusive character. serving as a gathering point for all cultural and sprouts events. Also, over 37000 inhabitants will benefit from Improved conditions for provision of health services in Trstenik Health Center “Dr Sava Stanojević”, among them 10.000 patients on annual bases of of which 51% women, 500 persons with disabilities or temporary immobility, 700 people from marginalised groups and 226 health workers. Finally, over 34.000 citizens will have benefits from the newly reconstructed park in Prijepolje, among them 16,968 women, 6076 youth, 3756 children, 5000 tourists, 1500 athletes and 691 persons with disabilities.

After withdrawal and replacement of two endorsed projects, the contracts were issued to the municipalities of Bela Palanka and Tutin. Therefore, all 20 envisaged projects for supporting strengthening of social services are initiated and they are progressing with first recorded results. Until now, the piloting of different social protection services, such as personal assistance and day care service for children with disabilities and family support service, has started in Kraljevo, Loznica, Žitorađa and Novi Pazar, while expansion of existing social protection services for PWDs is initiated in Tutin and Kragujevac. Total of 27 professionals are engaged in the provision of services to over 100 citizens coming from vulnerable groups, including elderly, adults and children with disabilities and victims of domestic violence. For the first time, personal assistance to children with disabilities is being provided in Žitorađa, the Day Care Service for children and youth with autism in Kraljevo, home care service for elderly from rural areas in Loznica and family counselling support to victims of domestic violence in Novi Pazar. Furthermore, first steps were taken pertaining to the piloting of the service for personal assistance to the children with developmental disabilities in Bojnik and Lebane.

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

With the Programme receiving approval from the members of the PSC for funding of additional five local infrastructure projects submitted by Leskovac, Ražanj, Svilajnac, Bujanovac and Boljevac from the reserve list, the number of active grant support agreements for the implementation of local infrastructure has risen to thirty seven. Unfortunately, based on the mutual agreement by both parties, the grant support agreement with the municipality of Požega had to be terminated.

While the five newly signed grants are in the preparatory phases of implementation with two of them (Boljevac and Svilajnac) already submitted requests for the first tranche of the Programme funding, the implementation of LIP grants signed in May 2022 substantially progressed. Namely, the contracted construction works were completed and officially handed over in Doljevac, Babušnica, Varvarin, Prijepolje, Trstenik, Ćičevac and Lapovo. In January the RS Committee for the protection of bidder's rights denied an appeal from the second-rated bidder allowing Nova Varoš to successfully complete the procurement process, sign the contract with the best bidder and initiate the works. Additionally, the municipality of Žagubica, having had to re-advertise the works due to the cancellation of the initial contract and partial implementation of works, managed to successfully complete the procurement process, signed a new contract and initiated implementation of works. Thus, twenty three active construction sites were evidenced throughout the Programme area. However, two local governments are still struggling to complete the procurement processes for realisation of works. Firstly, the municipality of Sjenica, having had to terminate the initially signed contract as the contractor failed to submit a performance guarantee, re-advertised the tender with the deadline prolonged to 27 March 2023 due to questions from potential bidders. Secondly, the city of Niš, having finally advertised the tender in January 2023, had to prolong the tender opening twice for the same reason as Sjenica, with the finally set deadline to 23 March. Five offers were submitted to both tenders, enabling evaluation.

During the reporting period, the Programme collected, verified and processed the second instalment of funding to the dedicated project sub-accounts of the municipalities of Doljevac, Boljevac, Prijepolje, Varvarin, Osečina and Babušnica. Further to this, relevant documentation from Lapovo and Ćičevac was collected, reviewed and verified with the actual transfer of funds expected in the coming period.

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

In January, the Programme issued the contracts to the Municipality of Bela Palanke and the Municipality of Tutin, whose projects were on the reserve list, after two endorsed applicants withdrew from the grant awarding process.

Implementation of 20 projects for social services strengthening is progressing and first results are being recorded with around 70% of planned procurement procedures being finalised. The grantees in Bojnik, Bela Palanka, Žitorađa, Zaječar and Loznica conducted seven different training sessions for certification of 65 social protection service providers. In Leskovac, Bor, Čajetina and Niš, ten capacity building and peer mentoring workshops for 163 representatives of the public and civil sectors working in social protection and educational institutions and organisations were delivered.

In Loznica, the home care for elderly service started upon mapping of the beneficiaries and selection and accreditation of the service providers. In Kraljevo, the Association for Helping People with Autism in partnership with the LSG initiated piloting the Day Care service for people with autism. The capacities of the Centre are planned for 14 beneficiaries and the next phase of the project includes preparation of all required documentation and conditions for licensing of the Centre. The training for accreditation of personal assistants for children with disabilities in Žitorađa is completed and the service piloting started in March. Technical equipment for establishment of forensic interviewing of a child in the Centre for Social Work in Niš was procured, accompanied by the organisation of a specialised training on their employees in order to initiate innovative service. The premises of two organisations that are working with people with disabilities (PWDs) in Leskovac and Velika Plana are equipped for establishment of neurofeedback therapy for improvement of psychological and physical well being of PWDs, and the service will be initiated upon realisation of training for professional workers.

The Municipality of Čičevac started adaptation and equipping of four rural infirmaries that were closed during COVID-19 pandemic. In Čajetina, three trainings for over 65 educational workers and employees in social protection are delivered, increasing their skills in working with children with developmental disabilities during emergency situations. Furthermore, they gained knowledge about the preparation of project proposals that will be utilised to improve the position of children with disabilities.

Overall, the projects are delivered in line with the activity plans, with slight delays in several activities and challenges related to the increase of the market prices that were addressed through budget reallocations. During Q1, six milestone reports were processed followed by the second tranches transferred and one more report is in the process of verification.

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

With the administrative closing of all grants supporting 23 medical centres in combating COVID-19, the activity is completed.

2.2 Management

2.2.1 Governance

During the quarter, the Programme organised an e-voting procedure of the Programme Steering Committee (PSC) members with a motion to support five projects from the reserve list under the Call for Local Infrastructure Projects which was unanimously supported.

The next Steering Committee meeting is planned for May 2023.

2.2.2 Coordination

During the quarter, the Programme met with representatives of the World Bank, namely, the two projects, [Serbia Local Infrastructure and Institutional Development Project Programmes \(LIID\)](#), and [The Green, Livable, Resilient Cities in Serbia Programme and Serbia Local Infrastructure Programme \(SECO\)](#), to get the update of the current status of activities, and to discuss opportunities for synergies and cooperation, especially regarding linkages relevant for implementation of territorial strategies supported by the Programme.

The Programme also had a meeting with the [Cohesion Policy Project](#), to inform the project on the current status of activities, but also to get the info on the activities related to creation of the legal framework for Cohesion Policy in Serbia.

2.2.3 Human Resources

During the report period, as a response to rising needs for development of territorial strategies and reduced timeframe of the process, the Capacity Building sector reinforced the existing pool with two additional Capacity Building Senior Officers for Urban Development Strategic Planning.

Following the established corporate timelines, Programme personnel completed performance reviews for 2022 by the end of February 2023. Over 40 courses in the area of Project Management, Infrastructure, Corporate Tools and ICT, Human Resources Management, Diversity and Inclusion have been completed by the personnel.

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 first 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 first quarter of 2023 included:

- Processing of 24 request for payments,
- Verification of 21 financial reports,
- Registration of 113 GSAs with the VAT Office,
- Processing of 12 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 20 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. In relation to the value of the processes, its nature and complexity of the requirements, UNOPS has conducted the following solicitation processes:

- 3 Shopping processes, i.e. small value purchases up to USD 5,000.00 for purchase of various visibility material and goods/services for normal functioning of the office.
- 17 Requests for Quotation and Call of Order processes for provision of services regarding the organisation of different events (12 x thematic roundtable events, study visit, DEU and Swedish Ambassadors visit...); annual registration and CASCO Insurance of project vehicles; visibility project signboards.

2.2.5. Finance

The following are the main financial indicators⁶:

- The total delivery of the EU PRO Plus as of 31 March 2023 was EUR 13,833,859.83 Euros or 34.58 % of the Programme budget.
- The delivery in Q1 2023 was 1,148,473 Euros
- The forecast delivery for the next reporting period is 6,978,568.87 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:

- **Limited investments into identification and development of project proposals may result in lack of quality projects which may be supported through the pilot grant scheme for implementation of territorial strategies reducing the efficiency and effectiveness of this scheme and overall Programme results.** Though many project ideas have derived from the process of development of territorial strategies, availability of technical documentation, building permits, and other indicators of maturity of projects is questionable. To mitigate the risk, the Programme continuously promotes this opportunity among the eligible territories and encourages identification and development of project proposals. The criteria of the Call are being designed taking this into account, with possibility for support to creation of project pipeline through the scheme as well.
- **The increase in market prices continues to negatively affect implementation of projects as the beneficiaries may not have the capacity to secure co-financing.** Due to changed business circumstances, including lower demand, increased prices of new equipment or inability to find

⁶ While these figures provide quality insight into the Programme's spending, the final figures are only provided in the Programme's financial reports.

new workers, eight out of the 124 MSEs endorsed for support have cancelled their participation in the Programme activities.

Likewise, social inclusion projects, where the procurement process is being prolonged in order to ensure detailed inquiry on the market prices and to prevent any deviations from the planned. So far, all the issues were addressed through budget reallocations, where the grantees utilised the funds that were saved on other budget lines. Only in one case the quantity of the items had to be decreased, but without significant implication for the project results.

Challenges with securing co-financing are also faced by LSGs such as Bela Palanka and Bosilegrad. Bela Palanka municipality requested an extension of the deadline for payment of co-funding for implementation of the local infrastructure project. The LSG made assurance that the contribution will be provided in the forthcoming period and they are preparing other necessary requirements for launching of the activities. Likewise, in Bosilegrad, there is a risk that the co-funding for local infrastructure activity expected from MLEVSA will not be secured, in which case the LSG will need to seek alternative co-funding sources. The Programme is constantly monitoring the new developments in this regard so as to prepare for an adequate reaction.

- **Lower capacities of some of the Programme grantees may influence the implementation of projects.** When it comes to projects relating to improvement of social services, some of the grantees lack capacities to efficiently implement activities, and challenges in partnership coordination require provision of the continuous support by the Programme during the implementation. Initially, several grantees have faced the problem with the conduction of the procurement procedure, which required guidance through the entire process by the Programme representative, while a few procurements had to be repeated.

Likewise, complex procedures for opening dedicated project accounts and lower capacities of bank branches in smaller towns delay implementation of MSE grants. To mitigate the risk, the Programme provides support to grantees in communication with the banks to resolve these issues wherever possible resulting in over 85% of grantees registering designated bank accounts during the quarter.

Furthermore, the inability of Sjenica and Niš to finalise procurement processes for works could jeopardise the timeline for completion of works. In case of Sjenica, there is a risk of failure of the re-initiated public procurement for works after termination of the contract with contractor, which might impact the time envisaged for implementation of the works. The Programme will support Sjenica in promoting the tender and closely monitor the outcomes of the procurement to avoid escalation of this risk into issue. Further to this case, the city of Niš has not managed to finalise the procurement process for works having gone through a lengthy preparation of the tender documentation and given the fact that the tender opening was postponed three due to questions from potential bidders. The Programme will follow further developments and take proper measures to ensure timely implementation of project activities.

4. QUALITY

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

As a part of the capacity building process, and the territorial strategies development, the Programme conducted thematic round tables with included training on SWOT and needs identification. Considering the high participation (717 participants) and 609 filled evaluation questionnaires, the average overall 4.6 score for the all events and the average 4.7 score on the quality of the training shows the positive perception of the quality of implemented activities.

During the quarter, as envisaged by the Quality Management Strategy, the Programme developed the evaluation questionnaire for 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 measuring will be initiated at the next Definition of Objectives and Measures workshops in April.

In addition to a daily monitoring of the social cohesion project activities, the Programme reviewed and verified six milestone reports, confirming that the activity plans are delivered in line with the contracts. Furthermore, five field visits were conducted in order to confirm quality of infrastructure works and delivery of activities and equipment. All procurement documentation is reviewed in detail, with the specifications for goods and/or services being most often revised by the Program before the start of procurement in order to meet quality requirements, while the tender procedure had to be repeated only in two cases.

In order to ensure that implementation of MSEs grants all procurement documentation is reviewed ex ante by the programme staff. The whole documentation is reviewed ex post by the grant unit before transferring the grant funds. 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.

During the quarter, the Programme revised tender documentation for public procurement of works for reconstruction of mechanical installations of Niš puppet theatre and tender documentation for the construction of facility for categorisation and refrigeration of animal waste in Sjenica, both announced in January and February respectively and finalised successfully in March.

Following the requirements embedded in the GSA, the infrastructure team requested interim reports from all grantees with ongoing LIPs to evaluate if the implementation is within time tolerances and to address those having delays compared to the set milestones.

The infrastructure team registered 42 visits to the construction sites, reviewed 6 narrative and financial reports accompanying the requests for payment and approved one request for modification of budget with no cost implication on granted funds.

Furthermore, during this quarter the mechanical, electrical and civil engineering experts internally reviewed all 27 design documentation packages, submitted to the Call for Economic Infrastructure projects, to assess their quality and legal compliance and to ensure all shortfalls should be addressed during the initial phase of implementation, in case awarded grants. The committee drafted and received clarification for 15 submitted applications. In addition, independent evaluation committee members visited 26 projects proposed for funding that passed administrative review, and prepared respective reports.

5. SUSTAINABILITY

The aspect of sustainability is 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, where the focus remains the sustainable economic competitiveness through research and innovation, digital transition, and the European Green Deal objectives. The development needs identified and verified to date under the strategies are ensuring creation of measures that will serve to these objectives.

Under the social cohesion activity, establishment of new social protection services that were initiated in Žitorađa, Kraljevo, Loznica, Bojnik and Lebane and expansion of existing in Tutin, Bela Palanka, Kragujevac, and Babušnica are closely monitored by the Programme in order to secure fulfilment of the legal requirements as a prerequisite to their sustainability. This includes monitoring and provision of technical support to realisation of different steps, such as certification of engaged service provision

personnel, involvement of all relevant institutions, particularly the Centre for Social Work, identification and selection of the beneficiaries, and licensing of service providers in line with the Law on Social Protection and its subsidiary legislation.

The ongoing local infrastructure projects are embedding the elements of social, environmental and economic sustainability, which will be monitored throughout implementation while their impact will be visible in years to come. The improvement of infrastructure and accompanying services will provide better working and living conditions for the local population, while improvement of energy efficiency and use of renewable energy sources will produce a positive impact on the environment and generate savings to ensure economic sustainability.

During the quarter the projects submitted to the Call for economic infrastructure projects were being evaluated against the key elements of sustainability, also incorporated in the conditions of the Call. The members of the evaluation committee will be eliminating the proposals with negative impact on nature and without secured funds for maintenance and structures for governance. Furthermore, the proposals having secured letters of intent or contracts with future investors were prioritised as more relevant in case investing more funds and employing a larger number of workers, thus reducing the number of unemployed while securing social and economical sustainability and supporting economic development of the area.

This quarter was also an opportunity to summarise the key performance indicators against our Sustainability Management Plan and the topics dealing with the Economic Impact, Market presence, Health and Safety and Energy.

The economic impact can not be measured yet as the 116 SME and eight BSO grants are still ongoing, while the Call For Proposals For Economic Infrastructure is being finalised, with 34 project proposals in the final stage of evaluation. Out of eight BSO Grants which are complete, one Donation Agreement is signed and seven Donation Agreements are in the preparation phase.

As far as the Market presence is concerned, the Programme received 876 applications valuing over 60 million Euros as a response to five public calls completed so far. Local Self Governments were a subject of two public calls and 75 out of 99 municipalities covered by the Programme took part in those public calls by submitting 133 proposals.

The Programme currently has 23 active construction sites, with seven of them already closed from the public call for Local infrastructure and all of them were accident free as Health and Safety measures are being taken and actively monitored upon by the Programme.

As for the topic of Energy, a special care was taken to incorporate criteria that will favour innovative solutions in call for Local infrastructure projects in terms of energy efficiency and renewable energy sources. This resulted in 15 Grants within Local infrastructure CfP dealing with Energy Efficiency, while all other LIP Grants have some sort of innovative solution that directly or indirectly positively impacts the environment.

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 training sessions and round tables for 12 territories who are developing ISTD strategies attracted 717 participants, 52% of whom were female, coming from local, regional and national level institutions. This result exceeded the target set by the Gender Action Plan, which envisaged at least 40% of female participants.

Through 16 projects implemented by business support organisations, a total of 460 enterprises were supported, where 27 percent are women owned. In addition, more than a half of all participants in the

training and workshops on digitalisation and introducing innovations and standardisation, organised through these projects, were women entrepreneurs. Furthermore, the Draft CFP Public Call for Proposals for Supporting Women and Youth Startups is being prepared and planned for publishing in next quarter. It envisages strong contribution to the GE and youth by supporting women and youth entrepreneurship through procurement of equipment and introduction of services.

The Programme is strongly contributing to the improvement of the position of the marginalised groups through the projects for strengthening social services. Six of such projects enabled access to social protection services for over 100 most vulnerable citizens, while ensuring employment for 23 women as service providers.

The activities within Result 1 implemented in this quarter shows continuation of positive trends in gender mainstreaming. At the national level, the Programme had a presentation for the key representatives of the Public Policy Secretariat. From the total of eight participants attending, there were six female participants (75 %). With regards to twelve two days thematic roundtable events that were organised during territorial strategies development, out of 717 participants in total, 372 (51,9) were female.

With regards to social inclusion, the specific thematic area defined for all territorial strategies which will be elaborated through the process is the Pillar of Social Rights, which is in line with the [20 principles of the European Pillar of Social Rights](#).

New employment of women and vulnerable groups was encouraged in evaluation criteria for the Call for Proposals for Procurement of Equipment and Introduction of Services for Entrepreneurs, Micro and Small Enterprises. Initial results indicate that this measure was effective as 68% of new jobs are occupied by women (15 out of 22).

During the reporting period, completed arrangement of public parking within the central square in Lapovo will ensure over 24% of greenery and illumination with LED lighting, while the installation of benches with solar power will create conditions for the installation of lighting panels with information of importance for the local community. Solar benches will also have the possibility of charging mobile phone batteries. Within soft measures REDASP in cooperation with KTC Lapovo and Women's Association will hold two trainings aimed at strengthening women in the social and economic field in the forthcoming period.

Also, improved energy efficiency from class D to class C is already creating savings in operational costs of the Health centre in Trstenik which will be monitored in the forthcoming period in addition to the development of a local action plan for improvement of health services.

Installation of waste water treatment equipment in Doljevac will contribute to a cleaner environment, likewise increase the energy efficiency class of the building which would create operational savings in the future period.

Reconstructed park in Prijepolje will ensure new creative content for children and youth, while LSG organised one project management workshop and one training on the functioning and maintenance of parks and public areas and develop rulebooks on management of parks and other public areas within good governance activities. Also, within soft activities, training for five coaches and school of sport for 30 children was established. New creative content for children, primary and secondary school students and young people, while School of sports was established in this quarter.

All seven local infrastructure projects⁷ completed during the quarter have enabled access for persons with disabilities. Additionally, in Prijepolje for example the rehabilitation and adaptation of the Park of National Heroes also included equipping the park with sports and recreational equipment suitable for persons with disabilities.

⁷ Lapovo, Čičevac, Trstenik, Varvarin, Prijepolje, Babušnica and Doljevac
www.euproplus.org.rs

7. COMMUNICATIONS AND VISIBILITY

As a part of Programme communications numerous activities were undertaken to promote sectoral and other programme activities.

Nine press releases were issued to promote the local infrastructure projects, and one media statement related to the start of a local infrastructure project in Nova Varoš was organised for B92 correspondents. The team also prepared the inputs for the DEU interview for Smart Regions Magazine related to the regional development aspect. As a result a total of 640 media reports were generated, out of which 193 (30%) were in the national media.

Per the request of EUIC the Programme provided the list of potential projects to be included in the DEU Campaign "Stories from Serbia" and Campaign "We Care" which feature the ambassadors of the EU member states visiting and promoting EU-funded projects. Additionally, support and inputs, video and written stories, photos, and information about the Programme were provided for the Opportunity Week the EU Delegation would organise in May 2023. 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 Programme supported the visit of the Minister of European Integration to Jablanički district and the EU and Sweden Ambassadors visit to Čačak for which relevant briefing and press materials were developed. An elaborate visit to Novi Pazar involving a substantial number of ambassadors and ministers was prepared but then postponed by the DEU due to unforeseen events.

A total of eight briefing materials and overviews were developed. Besides the two visit related briefings, upon the request of DEU and MEI a plan for potential events was developed for the first quarter of 2023 while per MEI request a list of projects suitable for the media visit was generated and includes ongoing EU PRO Plus, completed EU PRO and EU SHAI projects. As per MEI request a total of four project overviews were created - Jablanički district and Lebane municipality, municipalities of Bujanovac and Preševo and the overview of the support to socio-economic empowerment of women.

The fourth issue of the [EU PRO Plus Newsletter](#) was sent to over 4,500 email addresses of international and national stakeholders. The newsletter included the annual Communication Survey on the citizens' opinions on EU support, which was also promoted through a twenty-day (3-23 February) long paid digital media campaign on Facebook and Instagram. The campaign resulted in 3,233 clicks and 1,212,437 impressions, reaching 881,476 people. The Annual survey on Opinions of European Integration in the AoR collected 175 responses and was closed on 14 March. The Programme website was visited in total 12,067 times by 8,237 unique visitors, and the most visited pages were those dedicated to the public calls and their results. The Programme's social media channels have 19,212 followers on Facebook, 3,002 on Instagram, and 1,182 on Twitter. The Programme YouTube Channel, as well as the website, was updated with four video success stories promoting local infrastructure projects.

New Year VIP promotional packages (170) and calendars were distributed to major stakeholders including the Delegation of the European Union, Ministry of European Integration, and Programme Steering Committee members.

The recruitment process of the Capacity Building Retainer that will support the implementation and monitoring of the Youth and Media initiatives within communications activities was finalised.

8. LESSONS LEARNED

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

Slight delay noted for several social cohesion projects, related to the fulfilment of administrative and other procedural requirements with the initiation of implementation, implies that [the project duration should be designed in a way](#) that the first month of realisation should be dedicated exclusively to delivery of these requirements.

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. As the activities are implemented in different periods, the grantees can review the video recording at the time they are preparing the documentation. The Programme team can also reference the link with the recording when answering requests for clarifications from the grantees.

The conditions of the Calls for proposal should include previous experience with applicants and eliminate proposals in case previously funded projects were not fully functional. In addition, the field visits should be validated in the final scoring equally as desk review.

The change of scope in full applications compared to concept note should not be allowed, however deviation in the budget could allow increase in co-funding.

9. 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 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 first study visit
- Activity 1.2 Conducting workshops on Objectives and Measures, Public Forums and workshop on sources of funding as a part s of the territorial strategies development
- Activity 1.3. Prepare and 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 Complete evaluation process of the received EIP Call full applications and ensure endorsement of the evaluation results by the PSC
- Activity 2.1 Award GSAs for the realisation of EIP Call successful applications
- Activity 2.2 Complete 60% of procurements for MSE grants and 40% of CSR activities and 50% of planned new employment.
- Activity 2.2 Finalise all BSO grants.
- Activity 2.2 Publish Public Call for Proposals for Supporting Women and Youth Startups through Procurement of Equipment and Introduction of Services

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

- Activity 3.1 Continue monitoring of implementation of 37 local infrastructure grants: monitor that all procurements for works are advertised and completed within the newly signed GSAs and the remaining 2 procurements, monitor both the start and the

⁸ 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

completion of implementation of works, supervision and health and safety measures are in place and the promo activities.

- Activity 3.1 ensure implementation of the already agreed good governance measure and make sure the GG measures are agreed within the 5 newly signed GSAs
- 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 representatives
- Publishing Calendar Competition
- Promotion of the Call for Economic Infrastructure Projects, and the SME Call results
- Organisation of Programme meeting (TBC)

LFM – progress against indicators

Legend

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| | 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. |

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| Result 2 Enhanced economic growth in targeted municipalities | OC 2.1 Number of jobs created or facilitated - At least 300 (2023) | Assessment of the implementation modality for support to Business Related Services carried out and shared with MEI. |
| | OC 2.2 Number of start-ups and MSEs that benefited - 500 (2023) | Nine out of sixteen BSO projects finalised, remaining seven ongoing. 469 MSEs supported so far. 116 MSEs grants implementation contracted. Total of 22 new jobs have been created, out of which 15 are occupied by women. |
| | 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) | Evaluation of 34 Full applications submitted to the Call for Proposals for Economic Infrastructure Projects ongoing |
| 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 35,000 (2023) | Over 80,000 persons benefit from the improved conditions in cultural, educational, sports and health infrastructure in Babušnica, Doljevac, Lapovo, Varvarin, Čičevac, Trstenik and Prijepolje. |
| | OC 3.2 Number of introduced or improved social services provided by CSOs and/or LSGs - at least 15 | Twenty projects for strengthening social services are progressing. Up to 25 social services are expected to be improved/introduced, and over 2,000 disadvantaged people to benefit from the intervention. |
| | 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>The activity is successfully completed.</p> 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. |
| Activity 1.1 Enhancing national capacity to introduce integrated territorial development | Number of persons at the national level trained - 40 (middle 2023) | 23 persons at the national level trained |
| | 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 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 |

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| | | 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 and in the part of the Module II of Capacity Building Programme) |
| | 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) | 34 Full applications submitted on 29th January 2022 to the Call for Proposals for Economic Infrastructure Projects and for Technical Documentation and are being evaluated |
| | 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) | 116 MSEs support initiated in acquiring new equipment and introduction of services. Total of 58 grantees have published procurements and 18 finalised all or some of the procurement processes and contracted suppliers. |
| | Number of supported youth and women entrepreneurs - at least 50 (2022) | Call for Proposals drafted and shared with the Programme stakeholders. |
| | Number of people benefiting from skill-development training - 200 (2022) | This activity is planned for the next reporting period. |

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| | Number of supported BSO projects - 10 (2022) | Nine out of sixteen BSO projects were finalised. Implementation of the remaining seven 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) | Additional 5 LSGs signed GSAs while 1 GSA cancelled, totaling to 37 LIP projects in implementation. 7 completed construction works, 23 with active construction sites, 2 with tenders in evaluation process. Out of 5 new grantees, 2 received the first milestone payment. GSA with Šabac 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) | Two projects under the Call for Proposals for Strengthening Social Services from reserve list are contracted after withdrawal of two endorsed applications. Total of 20 projects are on-going and progressing. |
| 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) | This activity is completed. |

ANNEXES

Annex I Improved Development Planning

Annex I_Attn 1_Report on presentation to PPS

Annex I_Attn 2_Study visit Programme

Annex I_Attn 3_Report from the thematic roundtables

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 Q2 of 2023