



Ministry of European Integration  
REPUBLIC OF SERBIA

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ЗА ТЕБЕ**



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PRO+**

# MINUTES OF THE PROGRAMME STEERING COMMITTEE

Belgrade, 14 Decembre 2023



## Agenda

- 10:00 Welcome and introductory remarks
- 10.20 Presentation of Programme update with Q3 2023 Report
- 10.50 Presentation of Results of the Public Call for Women and Youth Startups
- 11.15 Discussion and voting
- 12:00 Other business
- 12:30 End of meeting

### I Welcome note and introductory remarks

**Luka Pivljanin, Senior Advisor at the Ministry of European Integration**, addressed the progress and challenges of the Programme, now in its third year. The meeting served as a platform to review the past year's accomplishments, challenges, lessons learned, and future plans. Pivljanin highlighted two primary components of the Programme's implementation: the established grants schemes and Result 1, which is dedicated to strengthening the system for managing cohesion funds, pertinent to Chapter 22 of the negotiation process. He also commended the Programme's adaptability and responsiveness in handling emergency situations, specifically mentioning its contribution to the rehabilitation of infrastructure damaged during the recent spring floods.

### II Presentation of Programme update with Q3 2023 Report

**Marko Vujačić, the UNOPS Head of Programme**, presented the latest update on the EU PRO Plus activities for the period July-September and overall assessment of the Programme's progress in 2023 concluding that a solid progress was demonstrated with an accelerated pace of implementation. Acknowledgment was extended to the Project Steering Committee (PSC) members for their constructive discussions and coordination efforts.

Key statistics reveal significant progress: out of **242 projects supported through the Programme, 188, or approximately 78%, have been completed**. This completion rate correlates with a financial delivery nearing 25 million Euros. Notably, only one project, aimed at supporting enterprises, was cancelled. The cancellation was due to increased equipment costs and the absence of economic rationale, leading the grantee to withdraw before the contract and fund transfer.

As for the Programme's timeline, the majority of activities under **Results 2 and 3** are on track to be completed by the end of June 2024. These activities include support to micro and small enterprises (MSEs), Business Support Organization (BSO) projects, initiatives aiding women and youth start-ups,

local and economic infrastructure projects, and flood recovery efforts. However, it was noted that implementation extensions might occur in a limited number of cases.

**Marko Vujačić** provided a detailed update on the EU PRO Plus Programme, focusing on Results 1 and 2. **Under Result 1**, a significant portion of the activities has been completed, including the development of seven Sustainable Urban Development (SUD) and five Integrated Territorial Investments (ITI) strategies. These strategies received the first award at the International Urban Planning Exhibition in Niš in November 2023. This recognition was notable as it typically goes to planning documentation, and this was an unprecedented acknowledgment of territorial strategies as a planning instrument. Additionally, a Public Call for the implementation of integrated projects, valued at ten million Euros, has been announced. This is the largest call to be managed by UNOPS.

Regarding capacity building, a key aspect of Result 1, thirteen training sessions were held in the last quarter, with about 300 participants. Overall, approximately 1,400 individuals at local, regional, and national levels have been involved in these activities. Coordination with the Secretariat for Public Policy was also highlighted, particularly the agreement reached on the approval and harmonisation of territorial strategies with the Law on Planning System.

Under **Result 2**, focusing on economic growth activities, significant progress was noted. Of the 113 grants in implementation for equipment procurement and service provision for micro and small enterprises (MSEs), 105 have been completed, with 111 recipients receiving equipment. This led to the procurement of 403 pieces of equipment and 20 services, resulting in the creation of 259 new jobs, 54% of which were filled by women, indicating effective gender mainstreaming in practice.

The Programme also launched a Public Call targeting women and youth-owned start-ups in underdeveloped areas, the results of which will be presented to the Project Steering Committee (PSC) members. Additionally, twenty economic infrastructure projects are underway, expected to finalise by June 2024. These projects are anticipated to contribute to an investment of approximately 300 million Euros and the creation of around 3,000 jobs, representing collaborative efforts of the EU, national, and local governments.

Finally, the Programme successfully completed activities related to 16 grants implemented by Business Support Organizations (BSOs), enhancing the competitiveness of 519 SMEs. This included improving resilience, capacity building in digitalization, greening the economy, standardisation, and other areas.

**Luka Pivljanin** noted that this grant scheme was partially implemented during the post-Covid 19 crises in 2022 thus contributing to resilience, and adapting to new normality.

**Marko Vujačić** continued with insights into the developments and challenges of the EU PRO Plus Programme, particularly focusing on **Result 3** - Improved Social Infrastructure and Social Cohesion. Out of 37 local infrastructure projects supported by the Programme, 26 have been completed. Additionally, two projects have finalised construction works, and nine are currently active construction sites. Noteworthy progress has been made in grants aimed at strengthening social services, with six out of 20 supported projects completed. This has led to the establishment or improvement of over 20 social services across 22 Local Self-Governments (LSGs), benefiting more than 5,700 vulnerable individuals.

In collaboration with the EU Delegation and the Ministries for Public Investments and European Integration (MEI), the Programme has effectively responded to **flood-caused damages**. After considering time, financial, and feasibility aspects, three bridge reconstruction projects in Rača, Vrnjačka Banja, and Lučani were selected for support. Two out of four tenders for these reconstructions are completed and ready for contracting, with the respective municipalities responsible for securing 15 percent co-funding.

**Vujačić** also highlighted potential risks associated with the upcoming parliamentary and local elections, which might minimally impact the majority of the Programme activities, given the Programme's established presence and familiarity with partners and beneficiaries. However, the ISTD grant scheme could face delays, despite having mitigation measures like close monitoring, timely information sharing, and encouragement for quality project proposal preparation. This activity has experienced delays since the Programme's inception, necessitating an extension of the Programme's duration.

Additionally, Vujačić emphasised the Programme's successful promotion and visibility, mentioning numerous field visits organised for representatives from the Delegation of the European Union (DEU) and the Ministry of European Integration (MEI). This aspect of the Programme has been effectively managed, ensuring continuous engagement and awareness among stakeholders.

**Luka Pivaljanin** commended the high visibility of the Programme, highlighting it as one of the most visible EU projects that tangibly demonstrates benefits to citizens. He emphasised the Programme's effectiveness in coordinating and rapidly responding to crisis situations such as the flood assistance initiative, where approximately half a million Euros are to be allocated through the Programme.

Regarding the flood related projects **Dragana Novaković, EU PRO Plus Infrastructure Sector Manager** reported on the EU PRO Plus Programme's flood-related projects. Separate tenders were issued for bridge construction in Vrnjačka Banja, Rača, and Lučani, and for technical supervision of these bridges. The tenders for the Vrnjačka Banja bridge and supervision services are complete and ready for contracting, while the tenders for Rača and Lučani bridges are nearing completion.

**Martin Klaucke, Head of Operations II of the EU Delegation** asked about the ISTD component, its recognition and institutionalisation of the process as well as the development of the national ISTD model.

**Viktor Veljović, EU PRO Plus Capacity Building Sector Manager** outlined the Programme's collaboration with the Public Policy Secretariat, assessing that the cooperation has been very productive throughout the entire process. The Programme and Secretariat agreed that the territorial strategies should adhere to Articles 49 and 50 of the Law on Planning System as the content and structure of the territorial strategies are governed by EU regulation 2021/1060, which was enacted after the adoption of the Law, thereby giving precedence to EU directives as stated in the mentioned articles. Discussions were held with the Republic Secretariat for Public Policy on establishing a national-level monitoring system for the implementation of territorial strategies, utilising an objective indicator framework developed by EU PRO Plus.

**Luka Pivljanin** discussed Serbia's preparation process, for using territorial instruments to absorb cohesion funds as a future EU member state noting that in some EU countries, the absorption rate for these funds is about 30%. As learned through the work and the practical insights of the

Programme the process is complex and requires a collaborative territorial approach. Discussions on the implementation model are ongoing and will inform the Law on Cohesion Policy. The Ministry of Construction, Transport and Infrastructure handles national strategies for sustainable urban development, while cities are responsible for their local strategies, crucial for future cohesion fund absorption. These experiences and lessons will also contribute to the Law on Cohesion Policy.

### III Presentation of Results of the Public Call for Women and Youth Startups

**Enis Ujkanović**, EU PRO Plus SME Sector Manager, presented the process and outcomes of the Public Call for Proposals for Supporting Women and Youth Start-ups, targeting unemployed women and youth registered with the National Employment Service (NES), and entrepreneurs who started their businesses in 2022 or later, in 43 underdeveloped local self-governments.

The Call offered support ranging from 5,000 to 10,000 Euros, with a co-funding requirement of 10% for the unemployed (Lot 1) and a minimum of 15% for entrepreneurs (Lot 2) and focused on the procurement of new equipment or introduction of services to start businesses. The Call was developed in coordination with the Ministry of Economy and the Ministry of Tourism, integrating lessons from previous initiatives and ensuring no overlaps. The process involved close coordination with NES, including its local branches, for dissemination.

The Call received 108 applications from 39 local self-governments, with 80 advancing to post administrative review for technical evaluation. An evaluation committee, comprising eight evaluators and observers from relevant ministries and agencies, selected 62 applications for field visits and interviews. Eventually, 45 applications from 23 local self-governments were recommended for funding, with an additional seven on the reserve list.

The selected projects, divided into two lots (26 in Lot 1 and 19 in Lot 2), total a value of 475,363 USD, with EU funding of 401,007 USD and applicant co-funding of 83,356 USD. Industries predominantly include wood and furniture, food, textile production, along with personal services, architecture, engineering, and design. The initiative is expected to create over 50 jobs in 2024, with a potential for 100 more in the next three years.

**Ujkanović** noted that all but four of the 43 targeted municipalities submitted applications. The average success rate for the Call was 42%, with 56% for eligible applications. The average grant value was 8,911 USD, varying slightly between the two lots.

**Luka Pivljanin** remarked on the strong social aspect of the recent Call for Proposals, targeting specific groups and geographical areas. He suggested that the response to this Call could indicate the demand and necessary funding for this sector and region.

**Vera Veljanovski, Chief of Division for Implementation and Monitoring of Implementation of Projects Financed from EU Funds and Other Sources, within the Ministry of Labour, Employment, Veteran and Social Affairs**, raised concerns about sustainability noting that the Ministry would be the managing authority for about ten projects worth approximately 100 million Euros starting next year. The financial agreement for this operational programme is expected to be signed in 2024, and lessons learned from the EU PRO Plus Call will be crucial for these new projects. Post-agreement, various entities including ministries and national services will be involved in projects involving grants and technical assistance.

**Pivaljnin** added that the new IPA will see substantial funds implemented through national programmes, with ministries acting as managing authorities.

**Enis Ujkanović** confirmed that the activity will run from December to mid-2024, and the Programme's experience and lessons will be shared with all interested parties.

**Miona Popović Majkić, Head of Group for Programming of EU funded projects with the Ministry of Economy** commended the UNOPS team for their significant work. Despite initial concerns about the Call's limited geographical coverage, the response was positive. The Ministry of Economy, noting no overlap with its support, expressed support to potentially supporting projects from the reserve list, which would involve five additional local self-governments.

**Ana Stanković, Project Manager at the EU Delegation** praised the efforts invested in the Public Call for Proposals, highlighting the tailored methodology, information sessions, and the overall process's effectiveness in targeting specific groups. The Call's efficiency in terms of value for money was emphasised, noting its role in creating taxpayers and reducing unemployment. Valuable insights from the presentation, such as supporting underdeveloped LSGs and applicants through Regional Development Agencies to enhance application quantity and quality, were acknowledged. Satisfaction with the Call's wide geographical coverage and the variety in services and sectors, aligning with EU Delegation expectations, was expressed. A recommendation to connect young enterprises with Business Support Organizations for further business support was also made.

**Luka Pivljanin** requested that the Programme share an overview of lessons learned and recommendations to enhance future calls.

In response to suggestions from the Ministry of Economy and the EU Delegation to include reserve list projects, **Enis Ujkanović** clarified that the Programme sought approval for both the 45 recommended projects and the seven reserve projects. This approach would allow activation of the reserve list for funding if funds become available due to withdrawals or budget savings. **Ana Stanković and Luka Pivljanin** agreed, emphasising careful budget management, especially considering the Programme's extension.

## V Voting

The PSC members unanimously voted adoption of the following:

- The Quarterly Report for the period July-September 2023
- The results of the Public Call for Proposals for Supporting Women and Youth Start-ups through Procurement of Equipment and Introduction of Services that include the 45 projects proposed for financing and seven projects from the reserve list.

In addition the PSC members agreed with the Programme activities related to the assistance for rehabilitation of the flood-caused damages through the EU PRO Plus Programme.

## VI Participants

|                        |                                                                                                                            |                                                             |
|------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Martin Klaucke         | Head of Operations II                                                                                                      | Delegation of the European Union to Serbia                  |
| Ana Stankovic          | Project Manager                                                                                                            | Delegation of the European Union to Serbia                  |
| Luka Pivljanin         | Senior Advisor                                                                                                             | Ministry of European Integration                            |
| Aleksandra Todorović   | Sector for planning, programming, monitoring and reporting on EU funds and development assistance                          | Ministry of European Integration                            |
| Miona Popović Majkić   | Head of Group for Programming of EU funded projects                                                                        | Ministry of Economy                                         |
| Nina Zelić             | Head of the Planning and Project Preparation Group                                                                         | Ministry of Public Administration and Local Self-government |
| Vera Veljanovski       | Chief of Division for Implementation and Monitoring of Implementation of Projects Financed from EU Funds and Other Sources | Ministry of Labour, Employment, Veteran and Social Affairs  |
| Aleksandar Radovanović | Independent Associate                                                                                                      | Ministry of Tourism and Youth                               |
| Jelena Sedlarević      | Assistant of State Secretary                                                                                               | Ministry of Construction, Transport and Infrastructure      |
| Maja Rakočević         | Project Coordinator                                                                                                        | Ministry for Public Investment                              |
| Ivan Milivojević       | Deputy Secretary General                                                                                                   | Standing Conference of Cities and Municipalities            |
| Marko Vujačić          | Head of Programme                                                                                                          | UNOPS Serbia MCO                                            |
| Viktor Veljović        | Capacity Building Sector Manager                                                                                           | UNOPS, EU PRO Plus                                          |
| Enis Ujkanović         | SME and BSO Sector Manager                                                                                                 | UNOPS, EU PRO Plus                                          |
| Dragana Novaković      | Infrastructure Sector Manager - online                                                                                     | UNOPS, EU PRO Plus                                          |
| Ivana Popović          | Communications Manager                                                                                                     | UNOPS, EU PRO Plus                                          |
| Biljana Kerić          | Officer for Social Cohesion and Gender Equality- online                                                                    | UNOPS, EU PRO Plus                                          |
| Marija Radulović       | Media and Communications Officer - online                                                                                  | UNOPS, EU PRO Plus                                          |

## VII List of common abbreviations

|               |                                                             |
|---------------|-------------------------------------------------------------|
| <b>DEU</b>    | Delegation of European Union                                |
| <b>EU</b>     | European Union                                              |
| <b>EPP</b>    | EU PRO Plus                                                 |
| <b>ITI</b>    | Integrated territorial investments                          |
| <b>ISTD</b>   | Integrated sustainable territorial development              |
| <b>LSG</b>    | Local self-governments                                      |
| <b>ME</b>     | Ministry of Economy                                         |
| <b>MEI</b>    | Ministry of European Integration                            |
| <b>MPALSG</b> | Ministry of Public Administration and Local Self-Government |
| <b>MGSI</b>   | Ministry of Construction, Transport and Infrastructure      |
| <b>MPI</b>    | Ministry for Public Investment                              |
| <b>MTY</b>    | Ministry of Tourism and Youth                               |
| <b>SME</b>    | Small and Medium Enterprises                                |
| <b>RAS</b>    | Development Agency of Serbia                                |
| <b>RDA</b>    | Regional Development Agency                                 |

The European Union for Local Development Programme - EU PRO Plus is implemented by UNOPS in 99 cities and municipalities of Šumadija and Western Serbia and Southern and Eastern Serbia, in partnership with the Ministry for European Integration, Government of the Republic of Serbia.

|              |                                                 |
|--------------|-------------------------------------------------|
| <b>RSJP</b>  | Republic Secretariat for Public Policy          |
| <b>SUD</b>   | Sustainable Urban Development                   |
| <b>PSC</b>   | Programme Steering Committee                    |
| <b>SCTM</b>  | Standing Conference of Towns and Municipalities |
| <b>TD</b>    | Technical Documentation                         |
| <b>UNOPS</b> | United Nations Office for Project Services      |