



Ministry of European Integration
REPUBLIC OF SERBIA

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EU
PRO+

QUARTERLY STATUS REPORT

Apr - Jun 2024



Overall objective:	To contribute to socio-economic development, prosperity and social cohesion of Serbian society
Purpose:	To decrease socio-economic disparities in two regions within Serbia
Budget:	40 million euros
Donor:	The European Union
Start date:	1 January 2021
End date:	31 December 2025
Programme area:	The Regions of Šumadija and Western Serbia and the Southern and Eastern Serbia
Implementing partner:	United Nations Office for Project Services (UNOPS)
Report date:	19 July 2024
Period covered:	1 April – 30 June 2024
Prepared by:	UNOPS

Acronyms

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



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1. SUMMARY

The **European Union for Local Development Programme - EU PRO Plus** finalised a significant portion of activities during the second quarter of 2024, while extending its support to new projects and activities. While five local infrastructure and four strengthening social services projects were completed during the quarter, the Programme awarded an additional six projects from the reserve list of projects under the Call for Women and Youth Start-ups, and initiated implementation of 18 integrated projects. With activities initiated in previous periods, 85 projects are currently under implementation, while 219 (71%) are completed.

The most significant progress during the quarter relates to the **initiated implementation of 18 integrated projects** in total value of over 12 million Euros which derived from the territorial strategies supported by the EU PRO Plus. This activity, planned to be implemented over the next eighteen months, sets the grounds for provision of direct benefits to around 350,000 people and indirectly more than 1.5 million inhabitants of the territories to improve the quality of urban areas, conditions for education and environmental protection through improved energy efficiency of public buildings and better waste management. Also, local self-governments (LSGs) and regional development agencies (RDAs) in cooperation with other local partners will work to activate and develop the tourist potential of these 11 territories while preserving the cultural and historical heritage, and through their initiatives will introduce digitization and innovations, taking into account social inclusion and vulnerable groups.

The EU PRO Plus support to **integrated and sustainable territorial development (ISTD) approach** is also boosted by the formal adoption of the twelve developed territorial strategies by all 31 participating LSGs, and initiated support in establishing the Project Coordination Units (PCU) envisaged by the territorial strategies which will be critical for development and implementation of investment programmes and identification and development of large scale integrated projects. The Programme also facilitated partnerships for the supported territories which have yielded results, with Kragujevac partnering with the Municipality of Ravenna for URBACT Innovation Transfer and Leskovac, Kragujevac, Užice, Zaječar, Niš and Pirot entering into fifteen partnerships in total under two calls for INTERREG Europe which were closed during the quarter.

The effects of the Programme assistance to **enhanced economic growth** continued to grow, with an additional 29 new jobs created, of which 17 are occupied by women, in the supported business start-ups, and creation of 26 new businesses. Likewise, economic infrastructure projects are beginning to yield concrete results, as in the case of the Šabac project, where infrastructure equipping of the industrial zone contributed to creating conditions for foreign investments of 180 million euros in constructing three factories and employing 690 people.

With finalisation of five projects under the activity for **strengthening social services is completed**, successfully reaching set targets as a result of 20 supported projects. Twenty-eight social services were established and/or improved and over 7,700 people from vulnerable groups directly benefited. Also important, this intervention facilitated 26 partnerships between civic and public sectors in 22 LSGs. During the quarter, the newly established Centre for Children in Niš directly supports 40 children, predominantly Roma, who live/work on the street and/or below the poverty line are provided with access to regular meals, shelter, clothes, followed by social, health and educational services. In Bor, the intervention resulted in strengthening the capacities of the Day Care Centre for the children and youth with behavioural problems through organising various educational activities, support programmes and technical equipping, reaching 80 children and youth from the target groups and involving over 300 children with prosocial behaviour. In Novi Pazar, the project implemented in partnership between public and civil sectors, recorded over 500 beneficiaries of the family counselling service.

Furthermore, an additional progress towards **improved social infrastructure and social cohesion** was made, with the completion of another two local infrastructure projects during the quarter, providing benefits in the area of education and culture to over 265,000 inhabitants of Niš and Golubac and www.euproplus.org.rs

neighbouring municipalities. Namely, the now energy efficient Puppet theatre in Niš ensures improved cultural development of children aged five to thirteen as well as improved working conditions for Puppet theatre staff members. Likewise, with the completion of reconstruction works on the facility which is now transformed into the city museum in Golubac, overall conditions for improvement of culture for all citizens of this municipality as well as tourist offer for all visitors to Golubac were improved.

The Programme support in **rehabilitation of flood-affected communities**, with construction of two bridges in Vrnjačka Banja and Rača also progressed. These interventions should significantly contribute to reduction and mitigation of risks in case of future floods which may affect these areas.

The Programme proactively **managed risks and addressed issues** throughout the quarter. The greatest challenges faced during the quarter were related to implementation of public procurement processes for economic infrastructure projects, with complaints to the Committee for Protection of Bidders' Rights delaying the planned implementation pace for projects. Furthermore, especially in remote municipalities, procurement processes needed to be repeated for several projects due to lack of bids which also contributed to delays in implementation.

Looking ahead, the key challenge for the Programme remains controlling the implementation timeframe and securing successful finalisation of the supported projects.

The Programme continues investing efforts in **visibility of its interventions** by promoting local and economic infrastructure projects, support to MSEs and integrated approach to development. The promotion of the newly 43 awarded grants in support to women and youth startups was organised in April 2024 in Vrnjačka Banja in presence of the Deputy Head of the EU Delegation and the representative of the Ministry of European Integration. However, the key event was promotion of 18 awarded integrated projects in Belgrade which gathered the Minister of European Integrations and the EU Ambassador to Serbia along with the 80 representatives of local self-governments, including 11 mayors, and directors of six regional development agencies, thus confirming long-standing partnership UNOPS has developed and maintained with local and regional partners. Several visits to EU PRO Plus and its predecessors' projects were organised in Vranje, Bajina Bašta, Osečina, Leskovac and Vrnjačka Banja, generating media attention and promoting achieved results. In the last quarter, these efforts yielded 384 positive media reports, of which a half (189) was published 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.

QUARTERLY STATUS REPORT

2.1 Review of project progress

2.1.1 Policy and Programme Context

The European Parliament and the Council reached agreement on 4 April 2024 on the 6 billion Euros [New Growth Plan for the Western Balkans](#), underpinning the Reform and Growth Plan proposed by the Commission in November 2023. It constitutes an unprecedented offer to the Western Balkans to access some benefits of EU membership before accession. The Facility will provide increased financial assistance in exchange for socio-economic and fundamental reforms defined in ambitious Reform Agendas being prepared by the Western Balkan partners. The overall amount of the Facility for the period 2024-2027 is 6 billion Euros. This amount is composed of 2 billion in grants and 4 billion in highly concessional loans. At least half of the overall envelope will be allocated through the Western Balkans Investment Framework (WBIF), supporting infrastructure investments and connectivity, including transport, energy, green and digital transitions. The remaining part will be released as direct support to the national budgets. Funds will be released twice a year, based on requests by the Western Balkan partners and following verification by the Commission and, where appropriate the EEAS, that all relevant conditions have been met.

[Interreg Europe](#) closed a third call for project proposals on 7 June 2024. The Call, which was for the first time open for IPA countries, encapsulated [206 project proposals](#), out of which 44 were submitted from Serbia. The call objectives are in line with EU Cohesion Policy 2021 - 2027 objectives, and the call is complementary to territorial strategies developed with EU PRO Plus, and enable further implementation of the policy instruments envisaged by strategies.

The [URBACT call for Good Practices](#), closed on 30 June 2024, was designed for submission of existing local practices that are impactful, participatory, integrated, relevant for the European Union and transferable to other European cities. The eligible applicants, apart from the cities from European Union's 27 Member States, Partner States (Norway, Switzerland), were also cities from countries benefiting from the Instrument for Pre-Accession to the EU (Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia), as well as from Ukraine and Moldova. The selected practices are to be widely promoted at the URBACT City Festival on 8-10 April 2025 in Wroclaw (PL). The call is also in line with practices obtained through the process of development of territorial strategies supported by EU PRO Plus.

The second [National Urban Forum \(NUF\)](#), with the theme "Localisation of Sustainable Development Goals and monitoring of urban development in the Republic of Serbia", was successfully held in Niš in from 11-12 April 2024 as a preparation for the Twelfth World Urban Forum (WUF12), which will be held in Cairo from 4 to 8 November 2024. The theme of the National Urban Forum (NUF) was in line with the main theme of the World Urban Forum ("It all starts at home: Local actions for sustainable cities and communities"). The forum that gathered around 200 participants, was organised by the Agency for Spatial Planning and Urbanism of the Republic of Serbia, the Ministry of Construction, Transport and Infrastructure of the Republic of Serbia, the City of Niš, the Standing Conference of Cities and Municipalities, in partnership with the Office of the Resident Coordinator of the United Nations in Serbia, The United Nations Programme for Settlements - UN Habitat and the World Bank, with the support of the Science and Technology Park in Niš and the Swiss Organisation for Economic Cooperation.

With active role of the United Nations agencies, UNDP, UNOPS, UNESCO, UNFPA, UNEP and UN Habitat, the forum covered numerous topics, such as the activities of UN Habitat on the localization of the Sustainable Development Goals, the role of the Republic Institute of Statistics in monitoring the implementation of the Sustainable Development Goals, as well as topics from parallel sessions such as the inclusion of young people in the achievement of the Sustainable Development Goals, urban development in the East Europe and Central Asia, Green Agenda in urban development, urban forums and smart cities and architectural and social aspects of urban development. The NUF has taken into account the principle www.euproplus.org.rs

of multi-level governance and has made significant progress in achieving better vertical integration from the Global Goals to their implementation at the local level.

[Incentive Fund for People with Disabilities in Serbia was established](#) in May by the Divac Foundation, the City of Kragujevac and the Regional Agency for Economic Development of Šumadija and Pomoravlje, with support from the United States Agency for International Development (USAID) under the project “Job Fit: Economic Empowerment of People with Disabilities”. The fund will provide financial support to individuals with disabilities who wish to start their own businesses, as well as to employers who hire people with disabilities. The USAID announced establishing a similar fund in the next 12 months in Serbia. Along with local self-governments USAID will provide support worth over 4.3 million dinars, while the first Call for applications is expected in mid-year.

In May 2024, the Government of Serbia [adopted the Conclusion on the adoption of the framework document of the Republic of Serbia for the issuance of green and socially sustainable bonds](#), which will support a new form of green and socially sustainable financing concept, important for environmental protection and social inclusion. This is a continuation of the implementation of the Declaration on the Green Agenda for the Western Balkans, signed in Sofia. Previously, the Green Bond Framework was adopted in 2021 providing information on how the funds obtained through the issuance of green bonds will be used to finance green projects. In line with these principles, the Green Bond Framework consists of four basic components: use of funds, evaluation and selection of eligible expenditures, management of funds and reporting.

On 18 June 2024 the Ministry of Mining and Energy announced a [Public call](#) for the allocation of funds for energy efficiency improvement projects in buildings of public importance in local self-government units, as well as city municipalities.

2.1.2 Progress towards achieving objectives

During the quarter, the Programme made further progress towards socio-economic development of the two targeted regions.

The impact of developed territorial strategies on selected territories in terms of implementation is evident through a significant number of applications submitted for the important EU programmes in the area of urban/territorial development - URBACT and INTERREG Europe, where the supported territories applied for all open calls conducted in this quarter. The City of Kragujevac is the one of two cities from Serbia for the first time awarded within [URBACT Innovation Transfer Networks](#), and in overall URBACT programme, while in case of INTERREG Europe, 15 partnerships from five Programme ITI territories and one from SUD were agreed, namely: five applications from three ITI territories (Kragujevac, Niš and Zaječar) for the the ongoing restricted call, and ten applications from five ITI territories (Kragujevac, Užice, Zaječar, Niš and Pirot) and one from SUD Leskovac for the new call. The City of Leskovac also applied for [URBACT call for Good Practices](#).

With completion of the activity for strengthening social services during the quarter, the Programme has successfully implemented 20 projects in total. The set target of 15 social services was exceeded with the establishment and/or improvement of 28 social services, including innovative and integrated services. Over 8,400 direct beneficiaries (62% are female) are reached, out of which over 7,700 people are from vulnerable groups. Furthermore, it is estimated that over 23,700 people (54% are women) benefited indirectly from the intervention.

With the completion of activities related to local infrastructure projects in Niš and Golubac, the Programme finalised 35 infrastructure projects, contributing to the improved livelihood of more than 220,000 citizens.

Also, economic infrastructure projects have begun to yield the first results. Namely, the company Mint has already constructed three factories and employed 690 people in the part of the Šabac North West

Zone, infrastructurally equipped through the Programme.

2.1.3 Results and Activities

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

Assemblies of the 31 cities and municipalities participating in the development of the twelve territorial strategies have formally adopted their respective strategies, marking the completion of this activity. The adopted strategies set the formal grounds for dealing with more complex territorial challenges and processes that should enable sound transformation effects in targeted urban areas.

With endorsement of the results of the [Call for Proposals for Integrated Projects derived from the twelve territorial strategies supported by the Programme](#), the Programme has set the grounds to provide direct benefits to around 350,000 people and indirectly more than 1.5 million inhabitants of the territories to improve the quality of urban areas, conditions for education and environmental protection through improved energy efficiency of public buildings and better waste management. Also, local self-governments (LSGs) and regional development agencies (RDAs) in cooperation with other local partners will work to activate and develop the tourist potential of these 11 territories while preserving the cultural and historical heritage, and through their initiatives will introduce digitization and innovations, taking into account social inclusion and vulnerable groups.

Activity 1.1 Enhancing national capacity to introduce integrated territorial development

The Scope and the Methodology of the Study on National Model for ISTD¹ was developed and shared with the Ministry for European Integration (MEI) for review and feedback. The final study will summarise the relevant activities and outputs of the EU PRO Plus Programme and make recommendations for the national Integrated Sustainable Territorial Development (ISTD) model in Serbia. It will make use of existing outputs, experiences made in ongoing activities and additional technical expertise, where required. Pending confirmation of MEI, the study will reflect on the international context of the ISTD in EU, local context in Serbia, experiences of the EU PRO Plus with development and implementation of territorial strategies and propose the national model for ISTD in Serbia.

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

During the quarter, the 22 remaining LSGs out of the participating 31 have adopted their respective territorial strategies, marking the formal completion of the process. Namely, three out of seven Sustainable Urban Development Strategies² and 19 out of 24 LSGs participating in Integrated Territorial Investment (ITI) strategies have adopted territorial strategies³. The adoption process in all 31 LSGs was conducted without remarks on the documents during the procedure, proving the legitimacy of the strategies gained through the intensive participatory process, as well as the quality of the developed strategies.

As envisaged by the Capacity Building (CB) plan, the Programme engaged with territories to identify the possibilities and requirements for establishing the Project Coordination Units (PCU) envisaged by the territorial strategies. Meetings with representatives of eleven territories with exception of the ITI Niš⁴ were held during May and June 2024, partially involving the international experts as well. As per the key findings the territories need further technical assistance in strategy implementation in the following aspects: 1) preparation of investment programmes for territories, which is a commonly used tool in the

¹ The Scope and Methodology of the Study is available in Annex I Attn 1

² Leskovac, Novi Pazar and Smederevo

³ ITI strategies were adopted by assemblies of the cities Kragujevac, Niš, and Pirot, and municipalities Arandjelovac, Batočina, Knić, Lapovo, Rača and Topola, Gadžin Han, Merošina and Svrlijig, Požega, Čajetina and Priboj, Bela Palanka, Babušnica and Dimitrovgrad, and Knjaževac.

⁴ The City of Niš will be visited after establishment of the new LSG administration

EU for supporting implementation of territorial strategies; 2) training on identification and development of large scale integrated projects and 3) support to establishment of PCUs. The programme will develop the concept of support based on the findings and start with the provision of technical support starting as of September 2024.

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

The evaluation for applications within the [Public Call for proposals for integrated projects derived from 12 territorial strategies supported through the programme](#) was completed and the Programme Steering Committee endorsed the results on 20 May 2024. The Programme awarded 18 projects in total value of 12.8 million Euros, out of which 9.6 is EU contribution. All grant support agreements were signed, and an orientation meeting was held with the grantees on 27 June 2024 attended by over 50 representatives of LSGs and RDAs.

Result 2: Enhanced economic growth in targeted municipalities

With the finalisation of seven economic infrastructure projects aimed at infrastructure-equipping industrial zones, over 40 companies will have adequate conditions to start or improve their businesses in the zones, of which 25% are foreign direct investments. By far, the largest impact would create the equipping of the Šabac North West Zone, where 15 new companies bought 64ha in the part of the industrial zone, subject to intervention, to start or expand businesses, investing 295 million Euros and providing jobs to 1,875 people. Major capital investment is from the Minth which signed contracts with GoS for establishing four factories in the Šabac free zone and has already constructed three of four planned facilities and employed 690 workers.

In addition to 274 new jobs (out of which 142 or 52% are occupied by women) within grant support for SMEs, 29 new jobs (out of which 17 are occupied by women) have been opened by the Women and Youth startups supported by the Programme, while 26 new business entities were established.

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

The implementation period for the 20 economic infrastructure projects has been extended to allow for their completion. Although there has been visible progress with works on nine⁵ out of 13 locations, with the most advanced project in Knjaževac, four grantees are still in the procurement phase as a result of tender failures as in the case of Mali Zvornik, or complaints of the bidders to the Republic Committee for the protection of the bidders right, as in case of Užice, Preševo and Kragujevac. Šabac also had to postpone the signing of the second contract for works on the rain sewage, despite being awarded based on the decision of the Republic Committee on the protection of the bidders' rights, since in May, another bidder filed a complaint. Although this postponed the award of the contract for the works on rain sewage for an additional three months, non-dependent works on the road construction on the 2 km roads within North West Zone Šabac, awarded during this quarter, were already finalised, except for the final portion of 300m that is dependent on the finalisation of the rain sewage. Besides Šabac, Mionica-progressed to 75% of the works completed on the water intake Orlovina and water pipeline beneficial to the existing industrial zone and facilitating setting up of the new zone while the first cycle of the German language training is nearing completion. Čuprija also finalised 90% of works completed on the trafo station in the industrial zone. In its efforts to revitalise Kobos factory, Bosilegrad completed the procurement procedure and signed a contract with the most favourable bidder who is preparing to initiate the contracted works.

Two economic infrastructure projects orientated towards tourist development have substantially progressed. Knjaževac finalised all works on the equipping of the spa centre while at the very end of the quartal, heating works were completed. With the handover of all of the contracted furniture for the

⁵ Čuprija, Novi Pazar, Mionica, Knjaževac, Aleksinac, Kraljevo, Valjevo, Bosilegrad and Šabac
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premises and other necessary equipment the grounds would be laid for the establishment of the spa tourism in this municipality. Another economic infrastructure project from LOT2, in support of tourism, is being finalised in Mataruška spa in Kraljevo, where all construction work on the water supply network were completed while the works on the construction of the playground for children and park mobilier had been procured and substantially progressed.

Regarding the technical documentation grants, the seven awarded designs are in different stages of development, with the most advanced Loznica obtaining a construction permit for the design that has passed the third-party technical review. Also, despite constantly lagging behind in project implementation, Zaječar, finally managed to contract the design and have an initial meeting with the designer that has already in the first month of contract realisation, submitted the idea design.

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

Six Grant Support Agreements have been issued for the applicants from the reserve list under the [Call for Proposal for Support to Women and Youth Start-ups](#). With the initially signed 39 grants this made a total of 45 issued grants. However, two grantees have cancelled their participation in grant implementation due to inability to obtain co financing, making a total of 43 active grants. Orientation meeting regarding grant implementation was held on 16 April 2024 and 43 grantees started project implementation⁶. Twenty nine grantees conducted procurement procedures and contracted suppliers out of which nine grantees already received equipment.

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

With finalisation of five projects during the reporting period, the activity for strengthening social services is completed, successfully reaching set targets as a result of 20 supported projects. Total of 28 social services were established and/or improved and over 7,700 people from vulnerable groups directly benefited. The intervention facilitated 26 partnerships between civic and public sectors in 22 LSGs.

As a result of the newly established Centre for Children in Niš, 40 children, predominantly Roma, who live/work on the street and/or below the poverty line are provided with access to regular meals, shelter, clothes, followed by social, health and educational services. Furthermore, two children are encouraged and supported to return to school, while all of them improved their writing, reading, arithmetic and computer skills. As a result of field work, four children were brought out of forced-begging. After the end of the project, the provision of the service is continued through crowdfunding campaigns and in-kind contributions secured from different sources.

In Bor, the intervention resulted in strengthening the capacities of the Day Care Centre for the children and youth with behavioural problems through organising various educational activities, support programmes and technical equipping, reaching 80 children and youth from the target groups and involving over 300 children with prosocial behaviour. Furthermore, the capacities of social protection, health care and educational institutions for working with children and youth with behavioural problems were enhanced by organising different training sessions and development of cross-sectoral cooperation, with participation of over 70 professionals. The work of Centre continued through municipal budget funding and with funds secured from donor programmes.

In Novi Pazar, the project implemented in partnership between public and civil sectors, recorded over 500 beneficiaries of the family counselling service, including victims of domestic violence, children and youth with behavioural problems, families in risk of children being separated from the family, etc. The project facilitated available permanent space for using the Family Counseling service in the Centre for Social Work through its equipping and adequate response to increased need for the services provision.

⁶ A Summary report on the orientation meeting for women and youth start-ups is available as Annex II_Attn 1 of this Report www.euproplus.org.rs

Additional progress towards improved social infrastructure and social cohesion was made, with the completion of another two local infrastructure projects during the quarter, providing benefits in the area of education and culture to over 265,000 inhabitants of Niš and Golubac and neighbouring municipalities. Namely, the now energy efficient Puppet theatre in Niš ensures improved cultural development of children aged five to thirteen as well as improved working conditions for Puppet theatre staff members. Finally, the reconstructed heating system in the premises ensured improved participation of various social groups including audience attendance during all seasons and especially, winter. Likewise, with the completion of reconstruction works on the facility which is now transformed into the city museum in Golubac, overall conditions for improvement of culture for all citizens of this municipality as well as tourist offer for all visitors to Golubac were improved.

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

During the quarter, reconstruction works were completed for two local infrastructure projects.

In Niš, reconstruction works in the Puppet theatre building were completed with installation of the heating and ventilation system in the building including the stage, dressing rooms and the audience hall on the ground floor. Parallel to the completion of works, a focus group meeting was organised resulting in inputs for the subsequent organisation of three workshops for thirty children ages 7-11 focussing on environment protection and energy efficiency. Further to this, the workshops resulted in the theme and the proposed forms of puppets which were used in the theatre play and in the exhibition of the prepared materials and forms. The theatre play premiered on 31 May 2024 with accompanying streaming using equipment which was purchased within the project and puppet theatre staff trained on how to operate it.

In Golubac, a historic house was repurposed into the City museum to meet the needs of the growing tourist influx (million a year) created by the reconstructed Golubac Fortress and Tumane Monastery. Namely, the works on the reparation of the facade, replacement of the roof and windows, replacement of water and sewage installations followed by interior floor, ceiling and painting works were completed in June 2024. Thus, preconditions were fulfilled for the establishment of a museum digital platform which is in preparation in this tourist oriented municipality.

Also, given the works on the construction of the basketball and volleyball court were completed in Ražanj during the previous quarter, the LSG organised two events in the reporting period to promote the project results but more importantly, the importance of sports practising and healthy lifestyles. Prior to the events, the Ražanj Sports Association developed the Programme on the use of the newly constructed sports courts and the Programme of development of healthy lifestyles.

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

The activity that supported 20 projects finished implementation with the completion of the last project from Babušnica at the end of June. To date, fourteen grants are administratively closed, one project is set for closing after a reimbursement of unspent funds and four final reports are in the process of verification.

The Municipality of Babušnica, did not require a final tranche in the value of RSD 1,050,000.00 due to the funds savings, which was confirmed with verification of a milestone report in June. Their final report is set to be provided by the end of July.

During the reporting period, the Draft of Social Policy Strategy of the City of Zaječar was developed and it is in the procedure for approval. In the long run, the Strategy should contribute to the improvement of the social protection services at the local level and strengthen organisational capacities of the City of Zaječar for further development and improvement of social protection.

In Bela Palanka was organised training for proceeding in the case of emergencies, such as pandemic and www.euproplus.org.rs

other crisis situations. The event was attended by 22 participants and intended for parents of the children with disabilities and personal companions of children with disabilities.

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

The activity is completed in earlier reporting periods.

Activity 3.4 Support in rehabilitation of the flood-caused damages

Works on constructing the bridges in Rača and Vrnjačka Banja, contracted during Q1, faced suspensions due to the utilities found on the position of foundations in both locations. After the relocation of water pipes and electrical and telecommunication installations, the work on the Vrnjačka Banja bridge resumed in April. Although it progressed to 80%, due to the initial delays, the Programme granted a 43-day extension until 23 July 2024 to ensure their completion. The Contractor also managed to finalise all works on riverbed regulations contracted with Vrnjačka Banja municipality.

The construction of the bridge in Rača municipality resumed in June 2024 due to the more complex relocation of the gas pipeline. The programme issued a notice of suspension, allowing the Contractor to seek the respective 60 days of extension. According to the revised programme of works submitted by the Contractor, the work will be finalised by 15 September 2024.

Likewise, the Programme granted the time extension to the Company HPS, providing supervision services for both construction contracts with no impact on cost.

2.2 Management

2.2.1 Governance

The Programme Steering Committee (PSC) members actively supported and guided the implementation of the Programme during the quarter. The results of the Call for implementation of integrated projects deriving from the twelve territorial strategies supported by the EU PRO Plus were endorsed by the PSC using the electronic voting procedure on 20 May 2024.

Discussions with the EU Delegation (EUD) to Serbia, the Ministry of European Integration (MEI) and the Standing Conference of Towns and Municipalities (SCTM) about the successor Programme continued with two workshops held on 14 and 20 June 2024.

2.2.2 Coordination

As a result of efforts of the Programme in support to MEI in identification of partnerships for territories for the live URBACT and INTERREG Europe Calls, the City of Kragujevac has become one of two cities from Serbia awarded for the first time in any URBACT call. Namely, the City of Kragujevac got the formal approval for partnerships with the Municipality of Ravenna for the [project DARE](#) under [URBACT Innovation Transfer Networks](#). Concerning partnerships for [INTERREG Europe](#), within the restricted call for project proposals which was open by 7 June 2024, where already approved projects could add up-to two new partners to their partnership from the seven new countries, Kragujevac, Niš and Zaječar agreed five partnerships, while for the third call for proposals which was also open by 7 June 2024, ten partnerships were signed by the cities of Leskovac, Kragujevac, Užice, Zaječar, Niš and Pirot. In addition, the City of Leskovac applied for the [URBACT Good Practice city](#) with their SUD strategy under the call that was open by 30 June 2024.

With the support of the Programme, the City of Šabac applied for EU funded [Citizens, Equality, Rights and Values Programme \(CERV\)](#), thus, it was awarded for [partnership project](#) within the Interreg Danube Region Programme. The Regional Development Agency Šumadija and Pomoravlje in correlation with the

programme activities started with the project "[Regional Center of Circular Economy](#)" funded by Czech Government, which will be located in Military Technical Institute heritage site, and will create synergy with EU PRO Plus in activation of the Military Technical Institute.

During the quarter, the Programme continued effective collaboration with the EU Information Centre (EUIC) and colleagues from the Ministry of European Integration to facilitate organisation of high-level visits and events and enhance the visibility of the EU PRO plus projects. Additionally, the DEU visit to Leskovac was coordinated with the Joint Technical Secretariat for Cross-Border Cooperation Programme Serbia-North Macedonia from Leskovac, while the Programme panel "Joint presentation on the market as a factor in the competitiveness of small food producers," was organised in cooperation with the MEI and programme BSO projects.

Through Call for proposals for local and economical infrastructure projects, the Programme encouraged municipalities to combine and use multiple funding sources to ensure successful implementation, specifically among those LSGs belonging to the group of underdeveloped municipalities. As a result, several local self-governments applied and managed to obtain funds which were applied in coordination with the Programme funds for finalisation of granted LIP projects. Good practice continued in case of economic infrastructure, where ministry of Science, Technology, Development and Innovation, funded the first phase of the construction of Regional smart centre in Novi Pazar and the Programme is supporting finalisation of the second phase, where the facility will be fully functional with 1050m² fully equipped space ensuring 118 workplaces for IT companies and entrepreneurs. Also, Preševo managed to ensure co-funding for infrastructure equipping of the new industry zone through the Coordination Body, while Bosilegrad sought and obtained assistance to co-fund rehabilitation of Kobos textile factory from the Ministry of balance regional development. The Knjaževac project is also a result of combined funds from the Ministry of Tourism, Trade and Communication which funded the first phase of construction of Rehabilitation Centre and Spa with 25 million RSD while Knjaževac invested 52 million RSD from the municipal budget.

On 22 May 2024 EU PRO Plus programme facilitated a panel discussion at the International agricultural Fair in Novi Sad. The panel was organised by the Ministry for European Integration at the stand of EU Delegation in Serbia. The panel was titled "Joint Market Presence as a Factor of Competitiveness for Small Food Producers." The panel featured participants from the BSO organisation supported by the EU PRO Plus programme, including: LAG Čačak – Gornji Milanovac, represented by project manager Nedeljko Radulović, discussing the "Support for Local Small Businesses" project; Ivana Antonijević, director of the Regional Development Agency Braničevo – Podunavlje, who spoke about the projects "From Local Market to Local Dinner" and "The Best of BP - Support for Dairy Producing Enterprises in the Braničevo-Podunavlje Region." The panel was moderated by Milivoje Jovanović, director of the NGO ENECA, who discussed the "Good Food Factory" project. The panel attracted a large audience.

Meeting with the EBRD WB Regional Coordinator for Policy & Stakeholders Relations and Principal Manager for Advice for Small Businesses, Aleksandra Miladinovic, was held on June 3, 2024. The meeting aimed to coordinate activities related to small and medium-sized enterprises (SMEs) and to explore potential future collaborations in this sector. Both parties exchanged information on current support activities for SMEs that the European Bank for Reconstruction and Development (EBRD) provides, including advisory services, financial support, and training programs. They discussed the dissemination of information to better inform SMEs about the advisory support and other services offered by the EBRD. This meeting highlighted the importance of effective coordination and communication in ensuring that SMEs are aware of and can access the full range of support available to them. Both sides agreed to continue exploring opportunities for enhanced cooperation and to align their efforts to better serve the SME Sector.

2.2.3 Human Resources

Following the finalisation of a part of the Programme activities, the initial phase of the HR downsizing plan

was concluded on 30 June 2024, with closure of the field office in Vranje. Also in line with the plan, one position was converted to a retainer contract.

2.2.4 Procurement and Grants

During the second quarter of 2024, evaluation of the received applications in response to the Call for Proposal (CFP) for Integrated Projects was concluded, and 18 Grant Support Agreements (GSAs) awarded subsequently. Additionally, six more GSAs were issued under the CFP for supporting women and youth start-ups from the reserve list which were endorsed for funding in December 2023.

During the quarter, 28 GSAs were administratively closed while, with the newly awarded 24 projects, a total of 83 GSAs and two works contracts are under implementation.

2.2.5. Finance

The following are the main financial indicators⁷:

- The total delivery of the EU PRO Plus as of 30 June 2024 was 25,191,938.77 Euros or 63% of the Programme budget.
- The delivery in Q2 2024 was 926,158.94 Euros.
- The forecast delivery for the next reporting period is 3,883,605.50 Euros.

A request for the next tranche was submitted to the EU Delegation in June 2024.

2. 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:

- **The bidders' complaints to the Republic Committee for the protection of bidders' rights might prolong the tender process up to three months**, as in the case of Užice, Kragujevac and Preševo, where second-best bidders filed a complaint. In the case of Šabac, the complaints were raised twice and doubled the delays in awarding the contract, putting at risk the finalisation of the dependent works on the road structure. The Programme granted a time extension to all three LSGs, advising them to draft a letter to the Republic Committee requesting a shortening of the time for the resolution of a dispute, while advising Šabac to proceed with the independent works on the road structures.
- **The June 2024 local elections affected the operational capacities in LSGs which could result in poor dynamics of grant implementation.** Local elections were held on 2 June 2024 in 88 cities and municipalities in Serbia, out of which 22⁸ are included in the Programme. The election campaigns with all pertaining activities have turned the attention of the LSGs, both operational staff and high officials, from the implementation of grants and this is affecting the dynamics of implementation. Specifically in Bujanovac, where the election process is still ongoing with unknown outcomes, whereas finalisation of work depends on clearing the landfill for which the local administration is responsible. The Programme will monitor closely the implementation of all

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

⁸ Niš and its City Municipalities Medijana, Palilula, Crveni Krst, Pantelej and Niška Banja, Valjevo, Požarevac and its City Municipality Kostolac, Jagodina, Užice, Čačak, Svilajnac, Boljevac, Arilje, Nova Varoš, Sjenica, Čajetina, Gornji Milanovac, Ivanjica, Vrnjačka Banja, Raška, Tutin, Aleksinac, Svrlijig, Bosilegrad, Bujanovac and Surdulica

grant activities and in constant communication with the granted LSGs ensure the activities are implemented with the shortest possible delays.

- **The replacement of the Mayor of Prešovo by the Temporary body could impact on the dynamics of implementation of the EIP project.** As the Government made a decision on the appointment of the Temporary body in Prešovo, published in the Official Gazette no. 34/24, the mandate of Sciprim Arifi as Mayor of Prešovo seized. The established Temporary body is presided by Ragmi Mustafa which would govern the LSG until the local elections in June 2024. Although all Prešovo governments so far have shown dedication and support to the Industrial zone project, the change in the government could slow down the project implementation - the new temporary body could propose the change of grant manager and the Public procurement commission so that it would take time for the new grant implementation team to familiarise themselves with the grant methodology and the commission to complete the evaluation and make a decision on the most favourable bidder for works. The Programme would monitor closely the developments in the local government especially in relation to the potential changes and propose adequate measures.
- **Should Bosilegrad fail to rent the premises subject to EIP intervention, there is a risk that the project will not fulfil the set indicators.** Namely, the Bosilegrad project proposal was based on the letter of intent from company Leganca from Kruševac that would rent the Kobos textile factory and provide jobs to the Bosilegrad citizens, textile workers previously employed in Kobos textile factory, on condition that Bosilegrad meets infrastructure requirements and equip the factory with technological equipment in line with the company requirements. During project implementation, Leganca decided to suspend initiating business in Bosilegrad, and Bosilegrad found another company, Put Slobode from Požega, that expressed interest in renting, but still not fully committed. The Programme will communicate with Bosilegrad, and try to facilitate direct communication with potential tenants while further exploring the market demands with the Development Agency of Serbia (RAS).

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

The precondition for the award on 18 integrated projects to 12 grantees through the [Public Call for proposals for integrated projects derived from 12 territorial strategies supported through the programme](#), in line with UNOPS procedures, was completion of a Capacity Assessment. A part of the Capacity Assessment is jointly developed Capacity-Strengthening-Implementation Plan regarding Prevention of Sexual Exploitation and Abuse (PSEA). The purpose of both the Capacity Assessment (CA) and PSEA was to review the financial and operational capacity of an entity to absorb grant/funding and implement the necessary grant support project activities, and to ensure efficient and effective procedures regarding sexual exploitation and abuse are in place. These assessments also reviewed the strategic-level policies and operational-level processes of the grantees. The CA process included a Self-assessment Questionnaire completed by the grantees, a desk review of documents provided by the grantees and an online meeting/conference call. The observations were analysed, rated according to the predefined methodology and documented in a report, which contains recommended measures for improvement. With regards to CA, all grantees were assessed with, overall, as Low risk rating, with a commitment to comply with PSEA Capacity Strengthening Implementation Plan. However, each PSEA Capacity Strengthening Implementation Plan has few capacity-strengthening activities, with an appointed responsible person and target date for completion. The Programme will continue to closely monitor implementation of the recommendations and re-assess in due time.

Within the activity for strengthening social services, the civic sector proved to be more proactive, flexible and innovative than the LSGs and other public institutions involved, when it comes to ensuring the www.euproplus.org.rs

services sustainability. For example, a children's shelter service established in Niš by the local CSO will continue service through diversified sources of funding that include crowdfunding campaigns, in kind contributions of citizens and the business sector in clothes, hygienic and education materials that are essential for provision of the service. Under the LSGs-led projects, the service continuity and/or viability is often interrupted or jeopardised by the administrative and procedural obstacles, political instability, financial constraints or simply due to a slow response of the institutions in charge. In Novi Pazar, family council service provided by the Centre for Social Centre and developed by the CSO project partner is planned to be continued and financed from the earmarked transfers and municipal budget, but the public procurement for the services has not yet been published as the funds from earmarked transfers for social services have not yet been allocated.

All 37 local infrastructure projects demonstrate clear elements of sustainability, contributing to better life and working conditions for their users while embedding elements for improved energy efficiency or wastewater management that, in the coming years, will decrease the negative impact on nature and generate savings in the local budgets.

Two completed local infrastructure projects in this quarter will ensure clear social, economic, and environmental sustainability. With a 10% decrease in energy consumption, Niš Puppet Theatre will have improved heating and ventilation, increasing the number of shows from 807 to 900 annually and the number of children visiting the theatre annually from 24,000 to 30,000.

Also, the rehabilitation of the Golubac building and its repurposing as the city museum would introduce a new service that would generate income from the growing number of tourists annually visiting Golubac (1 million). Solar panels installed on the roof of the building and connected to the grid will reduce CO2 and decrease the building's maintenance costs.

Over 11,000 direct users would benefit from those two projects. Additionally, both projects have regional character and significance for neighbouring municipalities, thus impacting the wider territory. Golubac digital museum, formed within the project, will be included in the formation of the regional "Cultural-Historical Transversal " in digital form with municipalities Žužemberk in Slovenia and Moldava Nova in Rumunia.

Economic infrastructure projects are also generating first results, with the Šabac project leading. Employing 200 workers in the newly constructed factory Minth in Šabac North West Zone will contribute to a better life and economic stability of the Šabac citizens. At the same time, employment taxes and other taxes generated from increased market activity would positively impact the local economy.

This quarter was also an opportunity to summarise the key performance indicators against our Sustainability Management Plan and the topics of economic impact, Market presence, Health and Safety, and Energy. UNOPS has committed to a 45% emission reduction target by 2030, which was also set as a target for all offices around the world, including the Serbia office, which structured activities toward fostering an energy-efficient workplace environment. To capture baseline data, the Serbia office equipped all power metres in the building with smart power metres that register consumption and CO2 emissions and are connected to the application that allows central monitoring in real-time. Also, to address the poor air quality, each office was supplied with air purifiers and smart sensors to detect PM2.5, PM10 and CO2 emissions. Once the baseline for monitoring is set, the UNOPS Serbia office will initiate the drafting of the business case for installing the solar PVs to transfer the office demands for energy to renewable with zero emissions.

4. CROSS-CUTTING THEMES:

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

Implementation of the 18 projects as a [result of the Public Call for proposals for integrated projects](#)

[derived from 12 territorial strategies supported through the programme](#), starting in June 2024, will bring direct benefits to around 350,000 people, targeting 50% women as final beneficiaries. The projects have committed to carefully address the needs of vulnerable groups, contribute to gender equality, and ensure an even distribution of benefits. As one of the pre-conditions for successful evaluation, design of the activities incorporated gender-sensitive approaches to its activities and addressed social sustainability. In particular, a project awarded in Bor "Ecosystem for innovation and smart economy in Bor", dedicated a portion of the planned Start-Up Centre and Rural Start-Up Points' resources to women entrepreneurs, offering dedicated mentoring, training programmes, and networking opportunities. It also envisages female empowerment workshops (on topics like building confidence, overcoming gender stereotypes in business, and accessing finance). Also, project awarded in Niš "Active protection of the cultural heritage Tabula Peutingeriana" envisaged Refurbishment and activation of "ateliers" and "casemates" in the Niš Fortress, transforming them into vibrant spaces for creative industries, but also gender sensitive criteria for selection of tenants in renovated space. Project awarded to Regional economic development agency for Šumadija and Pomoravlje (REDSAP) "Šumadija CONNECT: Fostering territorial development through innovation and cultural heritage valorisation", where activities include infrastructure works for the reconstruction of the former second Technical School with establishment of a creative-educational centre equipped with specialised tools and materials for workshops and courses. The centre will facilitate Traditional crafts and handicrafts workshops which will employ the members of the women associations active in traditional handicrafts and old crafts. The women will demonstrate to students how the traditional skills and products of handicrafts as cultural heritage can be employed in creative industries and exchange ideas about possible application into graphic design and other forms of design. Other unemployed women and young people will also learn about the traditional way of making useful items, as well as making items from recycled materials. Monitoring of all projects includes data disaggregation, tracking and reporting on the participation and progress of women in all project activities to ensure their inclusion and address any gender disparities.

Social inclusion and gender equality represent the main focus of the recently completed activity for improvement of social services, where 20 projects created direct benefit for over 8,400 people (62% are women), where over 90% of them are from marginalised and vulnerable groups, including people with disabilities (PWDs), children and youth with behavioural problems, children who live and/or work on the street, elderly from rural areas, youth, etc.

As a result of this intervention, over 360 children and adults with disabilities improved their access to education, social protection and health care services. With the establishment and improvement of social services, 70 new temporary or permanent jobs were generated, out of which 64 are held by women. Overall, the activity contributed to improved position and quality of life of disadvantaged groups enabling them directly better access to social services in the long term.

Ražanj local infrastructure project created six temporary employment opportunities for women performing the activities on coordinating the grant (4) and work contract (2). In addition, 152 people from the local community were included in the project activities, including 68 women. The principle of equality and non-discrimination, i.e. equal use of the sports field by all young people, was taken as the main principle during the construction of this field. Also, this principle was applied through the drafting of the Rulebook on how to use the sports field for basketball and volleyball and the Programme for the Development of Healthy Lifestyles so as to define the participation of all young people and especially ensure the inclusion of women and equal participation of young people in sports activities. Through the Programme for the Development of Healthy Lifestyles, children and young people have been educated about the importance of physical activity and a healthy lifestyle.

In Niš, the project implementation created nine temporary employment opportunities for women, six on the work contracts and three in the project team. Furthermore, the direct beneficiaries of the Puppet Theatre project are 45 employees, of whom 14 permanently employed performers, four performers engaged on a temporary basis, while the remaining employees are composed of administrative and technical staff. Over 50% of the employees are women. Also, the three workshops organised on www.euproplus.org.rs

environment preservation and energy efficiency included 30 children per workshop of primary schools in Niš to work on preparing the carbon-neutral theatre show.

In Boljevac, the Health Centre staff organised field visits to the local communities in the villages and the town of Boljevac. 344 patients, predominantly from the elderly population, were examined for post-COVID symptoms. The aim of the activity was to identify potential cardiovascular and neurological disorders as a consequence of COVID-19. The patients were directed to seek adequate treatment while the analysis laid the grounds on which symptoms and geographical location should the Health centre pay more attention to. The Boljevac local infrastructure project created eight temporary jobs for women performing the activities on coordinating grant (5) and work contract (3). In addition, 344 people from the local community were included in the project activities, including 214 women.

5. COMMUNICATIONS AND VISIBILITY

The Programme facilitated five high-level visits and two events. An event promoting 18 integrated projects was organised in Belgrade on 27 June 2024, attended by the EU Ambassador, the Minister of European Integration, and around 80 partners from local self-governments, including 11 mayors⁹ and directors of six regional development agencies.¹⁰ The Programme also organised the visit of the Deputy Head of Delegation (DHoD) to two SME projects in Vranje on 9 April, a full-day visit of the DEU Head of Operations II to projects in Bajina Bašta and Osečina on 10 April, and a joint visit of the DHoD and a MEI representative to Vrnjačka Banja on 16 April, which featured an event promoting Women and Youth startups.

Furthermore, on 24 April, the Programme assisted in organising the EU Ambassador's visit to Kragujevac, which included one enterprise and two BSO projects. It also facilitated a high-level visit of the Head of Cooperation to Leskovac on 24 May, coordinating with the Cross-Border Cooperation Serbia - North Macedonia programme, which included two CBC projects and the EU PRO Plus local infrastructure project. Additionally, at the MEI's request, the Programme organised a panel at the Agricultural Fair in Novi Sad on "Joint presentation on the market as a factor in the competitiveness of small food producers," featuring representatives of three BSO projects.

Eleven briefing documents and project overviews were prepared for all the above-mentioned visits, in addition to the DHoD visit to Novi Pazar, the Progress Monitoring report requested by the MEI, and a list of all local development projects implemented from 2014-2024 for the DEU. In addition an agenda for the two-day visit of the Deputy Heads of Missions to southwest Serbia, initially planned for June but then postponed for September 2024 was developed as well as agendas for three two-day visits for the DEU Head of Cooperation were drafted to be realised in July and August 2024.

Together, the visits and events, along with two press releases promoting the completion of the local infrastructure project in Ražanj and the start of the economic infrastructure project in Šabac, **generated 384 media reports, half of which (189) in the national media.**¹¹

The preparatory PSC meeting was organised on 26 April focused on approval of the ITI projects. Factsheets and the comprehensive presentation were developed for the meeting, followed by design of the ISTD CfP result info-sheet and update of the project table and the website with 18 new projects. Also a second IPA 2024 meeting was organised together with the SKGO, DEU and MEI partners on 20 June 2024.

The Programme **website received 23,839 visits from 19,104 unique visitors**, with the most visited pages dedicated to public calls. The Programme's social media presence includes 19,104 Facebook followers, 1,181 Twitter followers, and 3,193 Instagram followers, while the YouTube account and website were

⁹ Bor, Zaječar, Kragujevac, Novi Pazar, Šabac, Užice, Bela Palanka, Svrlijig, Merošina, Lapovo, Rača

¹⁰ Regional Development Agency South, Regional Development Agency Zlatibor, Regional Economic Development Agency for Šumadija and Pomoravlje Kragujevac, Regional Development Agency Eastern Serbia - RARIS, Sandžak Economic Development Agency- SEDA, Regional Development Agency for Rasinski District- Kruše 13,219

¹¹ Annex IV Attn.4.1._EU PRO Plus Overview of Communication Activities_Overview of Media Coverage- Q2 2024

updated with 14 video stories.

As per the list of the MSE projects prepared by the Programme, the eupravozato.mondo.rs media portal in cooperation with the DEU and MEI published **19 successful entrepreneurship stories** (covering both EU PRO and EU PRO Plus SME projects). Two stories were featured on Radio Television of Serbia as part of the DEU campaign "Stories from Serbia." Further to this two Programme stories "Empowering Women and Youth Entrepreneurs in Serbia with EU Support" and "Reimagining Lipovac: A New Chapter for Children's Resort in Aleksinac" have been published in the March - April edition of [UN Serbia E-Newsletter](#).

Programme finalised the analyses of the fifth in the row, [2023 Opinion Survey in the EU PRO Plus Programme Area](#).¹² The results show 73% of Serbian respondents favour joining the EU, despite 65% expressing concerns about changing conditions and only 38% believing Serbia will join. Most do not see negative effects of integration (42%), with some concerns about Agriculture (21%) and positive expectations in Environmental issues (53%), Economy (47%), and SMEs (40%). A total of 68% are aware of at least one EU-funded project locally, viewed positively by 56% for improving living standards. EU PRO Plus and EU PRO projects are recognized by 63% and 56%, respectively. The comparative analysis focuses on Communication [relevant trends](#) over a five year span.

Update of the [stakeholder mapping](#) was concluded after local and parliamentary elections capturing changes in Programme relevant leadership on both levels.

6. LESSONS LEARNED

The Programme should invest additional efforts in supporting its beneficiaries to plan for allocation and dissemination of co-funding to ensure efficient expenditure of grant funds. This is the most challenging with the local self-governments (LSGs) as beneficiaries which, in some cases, have limitations related to their co-funding, especially when it is secured through transfer from national institutions which, in many cases, needs to be done immediately before the funds should be disseminated. One of the potential solutions is to instruct the LSGs to plan their co-funding for the payment of works which would allow them to reach the threshold sooner rather than later during the project implementation.

7. NEXT REPORTING PERIOD¹³

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 Agreed the scope and methodology for the Study on ISTD
- Activity 1.1 Coordinating the implementation of Integrated Territorial Instruments (ITIs): learning from practice for MEI
- Activity 1.1 Conducted study visit to Germany
- Activity 1.2 Prepared training module IV of CB Plan - establishment of PCU, training on integrated projects and investment programmes
- Activity 1.3. Monitoring implementation of 18 integrated projects

Result 2. Enhanced economic growth in targeted municipalities

- Activity 2.1 Monitoring implementation of the 20 economic infrastructure projects
- Activity 2.1 Support transfer of the second milestone payment for at least eight grantees.
- Activity 2.1. Close monitoring of the procurement process for four EIP grants
- Activity 2.2 Development of the Report on the Programme support to MSEs

¹² Results of the opinion survey of the EU integrations in Šumadija and Western Serbia and Southern and Eastern Serbia Regions available in Annex IV, Attachment 4.2

¹³ EU PRO Plus Work Plan for the period from 1 April to 30 June 2023 is available in Annex V, Attachment 5.1.

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

- Activity 3.1 Continue monitoring of implementation of 37 local infrastructure grants: monitor finalisation of works in GSA in Bujanovac. Monitor technical commissioning and connection of power supply solar plant on electrical grid in Sjenica
- Activity 3.1 Finalise closure of six local infrastructure projects.
- Activity 3.4 Contract management of two bridges in Vrnjačka Banja and Rača municipalities. Monitor of the finalisation of the works on Vrnjačka Banja bridge and monitor and support construction of the bridge in Rača municipality.

Programme Communications

- Organise and implement three high level DEU missions to the field
- Organise and implement the visit of the Deputy Heads of the Missions to the Western Serbia
- Develop success stories
- Promote programme results related to the local and economic infrastructure projects

LFM – progress against indicators

Legend

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

Objectively verifiable indicators	Objectively Verifiable Indicators - Target	Progress during the reporting period
Overall Objective: To contribute to socio-economic development, prosperity and social cohesion of Serbian society	WB Doing Business Report score 74	Not available. The WB discontinued publishing of the Doing Business Report.
	Global Competitiveness Index Rank 69	The World Economic Forum paused comparative country rankings on the Global Competitiveness Index during the turbulent times of COVID-19 pandemic.
SO1. To decrease socio-economic disparities of two regions within Serbia	Šumadija and Western Serbia Region GDP and number of unemployed - 20% / 101,760	The share of Šumadija and Western Serbia Region in the national GDP decreased by 0.3% to 18.4% in 2022 compared to 2021. Number of unemployed in the Western Serbia Region at the beginning of 2024 was 76,900 which is a decrease by 24,4% compared to the 2019 baseline.
	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 decreased by 0,1 % to 15.2% in 2022 compared to 2021. Number of unemployed in the

		South-East Serbia Region was 86,300 persons in 2022, which is an increase by 3% compared to the 2019 baseline.
RESULT 1		
Improved development planning in targeted municipalities and introduction of the ITI concept		
Result 1. Improved development planning in targeted municipalities and introduction of the Integrated and Sustainable Territorial Development (ISTD) concept	OC 1.1 The number of adopted Integrated Territorial Investment (ITI) and Sustainable Urban Development (SUD) strategies and the number of LSGs covered with these Strategies (Corresponds with IPA PF 2.11) - At least 15 strategies which include at least 35 LSGs	All 12 supported strategies adopted including 31 LSGs by all 31 local assemblies
	OC 1.2 Implementation of at least 80 percent adopted SUD and ITI Strategies initiated with at least three different funding sources - at least 12 (mid 2024)	18 projects under the call for integrated projects awarded including 11 territories.
Result 2 Enhanced economic growth in targeted municipalities	OC 2.1 Number of jobs created or facilitated - At least 300 (2023)	A total of 303 new jobs have been created out of which 159 (52.5%) are occupied by women. Total of 274 new jobs have been created by supported MSEs grantees, out of which 142 (52%) new jobs are occupied by women. Total of 29 new jobs have been created by supported Women and Youth Startups, out of which 17 (58%) new jobs are occupied by women.
	OC 2.2 Number of start-ups and MSEs that benefited - 500 (2023)	A total of 512 MSEs are supported through activities implemented by 16 BSOs. Total of 113 MSEs have been supported by direct grants. Further, 43 grants have been issued for Women and Youth startups in extremely underdeveloped municipalities.
	OC 2.3 Number and financial value of initiated investments in industry and services facilitated - At least six investments valued at least 25 million euros (mid of 2024)	All 20 awarded EIP grants are in implementation. Šabac project facilitated over 25 million Euros of investment on the territory of the zone, which is subject to infrastructure equipping through the project
Result 3: Improved social infrastructure and social cohesion in targeted municipalities	OC 3.1 Number of persons benefiting from improved public facilities/ services - at least 65,000 (2023)	Over 200,000 persons benefited from the improved conditions in cultural, educational, sports and health infrastructure in 35 completed projects, among them 2

		in Q2 2024.
	OC 3.2 Number of introduced or improved social services provided by CSOs and/or LSGs - at least 15	The activity is successfully completed. Total of 28 social services have been established or improved in 22 LSG facilitating better access to education, health and social care services for over 7,700 disadvantaged citizens.
	OC 3.3 Number of persons benefiting from enhanced health care services related to COVID-19 prevention and recovery - at least 300,000 (2022)	The activity is successfully completed. Supported 23 medical centres to enhance services related to COVID-19 prevention and recovery, facilitating provision of over 2,645,000 medical services related to COVID-19. Additionally, 5000 disinfection devices, 60,000 L disinfection liquid and 41 triage containers were delivered.
Activity 1.1 Enhancing national capacity to introduce integrated territorial development	Number of persons at the national level trained - 40 (middle 2023)	38 persons at the national level trained thus far.
	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 outline of the Study on national model for ISTD is prepared.
	Monitoring, reporting and evaluation approaches related to ISTD model - in place (2022)	The objectives framework indicator set for monitoring, reporting and evaluation of territorial strategies developed.
	Number of tools developed or enhanced - at least one (2022)	A revised Concept Note on the potential IT tool and ISTD networking platform testing beta version is developed
Activity 1.2 Improving capacities of municipalities and regional development agencies to introduce concepts of integrated territorial planning	Number of LSGs and RDAs benefiting from interventions - at least 80 percent (middle 2023)	85,9 percent of the LSGs and RDAs benefiting from the capacity building process (85 LSGs and 11 RDAs participated in the training activities within Module I, Module II and Module III of Capacity Building Programme - 1416 persons in total)
	Population covered by SUD and ITI Strategies - at least 2 million (end of 2022)	The territories supported for development of territorial strategies are inhabited by approximately 1,6 million people.
Activity 1.3 Implementing activities contributing to socio-economic growth deriving from integrated territorial planning strategies	Number of integrated projects deriving from the ISTD strategies, whose implementation is supported - at least 15 (mid 2024)	A total of 18 integrated projects deriving from the ISTD strategies are awarded
RESULT 2		
Enhanced economic growth in targeted municipalities		
Activity 2.1	Number of supported economic	20 GSA signed with awarded LSGs as

Developing economic infrastructure and businesses related services at the local level	infrastructure projects - 20 (2024)	a result of the Call for Economic Infrastructure Project
Activity 2.2 Enhancing competitiveness and sustainability of enterprises contributing to economic stability of local communities	Number of supported start-ups, entrepreneurs and enterprises - 100 (2022)	The activity is successfully completed. 113 MSEs were supported to procure new equipment and services.
	Number of supported youth and women entrepreneurs - at least 50 (2022)	Six more grants issued for Women and Youth Startups, a total of 43 under implementation
	Number of supported BSO projects - 10 (2022)	The activity is successfully completed. Sixteen BSO projects were supported, and activities implemented by them completed.
RESULT 3		
Improved social infrastructure and social cohesion in targeted municipalities		
Activity 3.1 Developing and improving infrastructure which contributes to enhanced quality of life	Number of social infrastructure projects implemented -at least 30 (2022)	Among 37 LIP projects under implementation, 35 completed all activities (2 in Q3), 1 with an active construction site, 1 with ongoing technical commissioning. 30 LIPs closed
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)	The activity is successfully completed. All 20 projects for strengthening social services successfully completed implementation, with 28 social services being established and/or improved in 22 LSGs.
Activity 3.3 Support to COVID-19 related prevention and response activities	Number of medical centres supported to enhance services related to COVID-19 prevention and recovery - at least 20 (2022)	The activity is successfully completed. Supported 23 medical centres to enhance services related to COVID-19 prevention and recovery.
Activity 3.4 Support in rehabilitation of flood-caused damage	Number of infrastructure projects related to rehabilitation of flood-caused damages implemented - up to 3 (2024)	Implementation of construction works on two bridges in Vrnjačka Banja and Rača ongoing. Both contracts were amended to reflect delays due to the installations found in the position of their foundations.

ANNEXES

Annex I Improved Development Planning

Annex I_Attn 1_Scope and Methodology ISTD Study

Annex II Enhanced Economic Growth

Annex II_Attn 1_EPP_WY_Orientation meeting summary report

Annex III Improved Social Infrastructure and Social Cohesion

Annex III_Attn 1_EU PRO Plus_Q22024_LIP Status

Annex IV Communications

Annex IV_ Attn 1 EU PRO Plus Overview of Communications Activities for Q2 of 2024

Annex IV_ Attn 2 EU PRO Opinion on the EU Integration

Annex IV_ Attn 3 EU Integration Survey

Annex V Programme Management

Annex V_ Attn 1 EU PRO Plus Work Plan for Q3 of 2024

Draft