



Ministry of European Integration
REPUBLIC OF SERBIA

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EU
PRO+

QUARTERLY STATUS REPORT

Jul - Sep 2023



Implementing partner
in 99 cities and municipalities in Serbia

Overall objective:	To contribute to socio-economic development, prosperity and social cohesion of Serbian society
Purpose:	To decrease socio-economic disparities in two regions within Serbia
Budget:	40 million euros
Donor:	The European Union
Start date:	1 January 2021
End date:	30 June 2024
Programme area:	The Regions of Šumadija and Western Serbia and the Southern and Eastern Serbia
Implementing partner:	United Nations Office for Project Services (UNOPS)
Report date:	25 October 2023
Period covered:	1 July– 30 September 2023
Prepared by:	UNOPS

Acronyms

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



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1. SUMMARY

The **European Union for Local Development Programme - EU PRO Plus** made further progress towards socio-economic development of the two targeted regions during the third quarter of 2023. A significant portion of the Programme interventions has been completed or finalised, with activities concluded under 65 out of the 250 grants in total, out of which 11 completed during the quarter. The Programme also extended its activity with approval of the new beneficiaries which will be supported to implement the economic infrastructure projects, and implementation of the Call for supporting business start-ups. Additionally, in response to the urgent need for assistance in rehabilitation of bridges after the floods, the Programme liaised with the Government of Serbia (GoS) working group for rehabilitation from consequences from floods and will extend its support to some of the affected municipalities. At the end of the quarter, the Programme had spent 20.7 million euros (or 51.73%), following the implementation pace.

In support to **development of the Integrated and Sustainable Territorial Development approach**, Programme's capacity building activities were at its peak, with two study visits implemented, and three training modules conducted, providing benefits to representatives of the Ministry of European Integration (MEI), local self-governments (LSGs) and regional development agencies (RDAs).

Within the study visits, five MEI representatives benefited from the peer-exchange with the Greek counterparts, including their Ministry of Development and Investments, managing authorities and intermediate bodies in Attica and Central Macedonia regions, while 20 representatives of LSGs, RDAs and MEI benefited from the exchange with counterparts in Piemonte region of Italy focusing on tourism and protected areas relevant for the representatives of the two participating territories led by Pirot and Zaječar. Furthermore, 295 people, out of which 171 (or 57.96%) female, benefited from the workshops and training on priority areas of intervention and strategic projects, governance and monitoring and evaluation of territorial strategies.

Most importantly, 12 territorial strategies whose development is supported by the Programme are finalised and ready for public review and endorsement. These strategies, in which 31 LSGs participate, including seven cities engaged in the development of Sustainable Urban Development (SUD) strategies, and in total 24 cities and municipalities engaged with Integrated Territorial Investment (ITI) strategies, include defined integrated projects which shall contribute to boosting development and transformation of these areas. Implementation of some of these integrated initiatives will be supported by the Programme in the following period selected through the Call for implementation of integrated projects which was finalised during the quarter.

In **support of economic development**, the Programme made significant progress in implementing activities, with all 16 projects implemented by business support organisations (BSOs) completed, 89 of the 114 projects implemented by micro and small enterprises (MSEs) finalised, initiated implementation of the economic infrastructure projects, along with the call for business start-ups conducted during the quarter.

These interventions are yielding concrete results. Seventy-three new jobs are created during the quarter, bringing the total number of jobs created in beneficiary enterprises to 153, out of which 92 (or 60%) are occupied by women, while over 90 more jobs are expected to be created by the end of the year. Furthermore, as a result of the economic infrastructure projects, the Programme will have contributed to creation of 3,000 new jobs and facilitate investments worth 300 million euros in the supported areas. Finally, once the evaluation of the received applications under the Call for business start-ups concludes, Programme outreach will be extended to approximately 50 start-ups generating further economic growth.

Programme's contribution to **improved social infrastructure and social cohesion** is amplified, as the implementation of related activities progresses. Namely, eight local infrastructure projects completed during the quarter are already providing benefits to over 23,000 people who now have improved access

to social, health, educational, cultural and administrative services provided by beneficiary local governments. In Lebane, Šabac, Nova Varoš and Karan village of Užice, the conditions for daily stay and education for 4,215 preschool and school children are supported by their educators, professional associations and education institutions, among them 85 children with developmental disabilities. Reconstructed health centre in Žagubica has contributed to the improvement of health services provided to over 19,000 patients per year, while the reconstructed administrative building in Vrnjačka Banja, Public Library in Merošina and Community centre in Svilajnac will contribute to better living conditions for 16,595 users of administrative and cultural services.

Furthermore, the Programme is contributing to improvement of social services, with thus far 20 services introduced or improved in 22 local governments. During the quarter, an innovative social outreach service was introduced in Zaječar for the first time, through engagement of 17 outreach workers, targeting at least 100 beneficiaries from marginalised groups contributing to risk reduction and directly reducing the burden on the social protection system. In Kragujevac, respite care service for children with disabilities and their families is integrated with the foster care service, through training of ten foster families. In Niš, the work of the Day Centre for Children who live and/or work in the street and who live below the poverty line is launched, and at least 50 beneficiaries will be provided with regular meals, hygiene services, psycho-social support, support in education and other means of assistance. Furthermore, piloting of an innovative improvement of the home care service through introduction of communication equipment based on the panic button system was initiated in Trstenik, Brus and Prijepolje for 32 elderly beneficiaries.

The Programme proactively **managed risks and addressed issues**, the key being the unofficial announcement of early local elections in December 2023, which pose a threat to timely implementation of ongoing projects, and even more jeopardise initiation of new projects, as several administrative steps, from endorsement of applications, through opening of designated bank accounts and allocation of co-funding, heavily depend on functioning of administrative processes. Additionally, as a portion of the construction works to be undertaken under the remaining local infrastructure and the newly initiated economic infrastructure projects require favourable weather conditions, there is a risk of delays in implementation for some of the projects, which is continuously monitored and addressed.

Looking ahead, the key challenge for the Programme remains controlling the implementation timeframe and securing successful implementation of the forthcoming grant scheme for implementation of territorial strategies.

Visibility of EU PRO Plus interventions remained high with four two-day field visits organised for the EU Delegation's Head of Cooperation during which 24 meetings, including talks with 19 mayors, Minister Novica Tončev, and three RDA directors were held and 33 project sites visited. Related media materials, including campaigns to promote results and calls for economic infrastructure and support for Women and Youth Start-ups garnered a remarkable 535 media reports, with 185 (34%) in national media outlets, and as many as 230 reports about the DEU visits to projects at local level.

Furthermore, the Programme's website saw increased traffic, and its social media presence remained strong with digital media promotion resulting in significant impressions and reach on Facebook, Instagram, and YouTube.

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

2. QUARTERLY STATUS REPORT

2.1 Review of project progress

2.1.1 Policy and Programme Context

The Ministry of European Integration conducted public consultations on the [Draft Law on the Establishment and Functioning of the Cohesion Policy Management System](#) which was open until 19 July 2023. The aim of the Law is to prepare a system for management and control of the implementation of the European Union's Cohesion policy, as well as to determine the procedure for the preparation of relevant documents in accordance with the goals of the cohesion policy and the obligations of the Republic of Serbia assumed in the process of accession to the European Union. The consultation process included discussions on the draft Law in Zaječar and Užice, with the support of the GIZ-implemented project "Support for public administration reforms in the process of accession to the European Union". In the context of EU PRO Plus, the adoption of the Law will open the room for setting the requirements for EU territorial development instruments through development of related bylaws.

The Government of the Republic of Serbia (GoS) adopted the [Decree on the Procedure for the Preparation of the Draft Development Plan of the Republic of Serbia](#) which entered into force on 8 July. The decree prescribes the procedure for the preparation and reporting on the implementation of the Development Plan, as the umbrella and strategically most important document of development planning, with a 10 years duration. The decree prescribes the obligation to conduct the consultative process in a widely participatory and transparent manner and that special attention should be paid to balanced regional development, as well as development planning in accordance with the 2030 Agenda.

The Public Hearing process for [the Proposal of the Programme of adaptation to changed climatic conditions with an Action Plan](#) was advertised on 14 September and will last until 3 October 2023. The Programme represents operationalisation of the Law on Climate Changes adopted in 2021. The programme was created in accordance with the principles of the European Union Climate Change Adaptation Strategy (adopted in 2021), which mandates the need to implement adaptation as "smart", "systematic" and "fast", with an emphasis on the importance of preserving water resources, which they consider climate change to be particularly dangerous. In the context of EU PRO Plus, the Programme foresees development of local plans for adaptation to changed climatic conditions, which will be incorporated as a measure in all 12 draft territorial strategies supported by the EU PRO Plus after public consultations.

The GoS adopted the [Sludge Management Programme in the Republic of Serbia for the period from 2023 to 2032 on 28 September 2023](#). The goal of this important planning document, which is being adopted for the first time in Serbia, is to establish a safe, sustainable and cost-effective sludge management system from municipal wastewater treatment plants, as stated on the website of the Ministry of Environmental Protection. According to the Programme, solving the issue of sludge management will be in accordance with the principles of the circular economy, as well as with EU regulations, with the goal to ensure the use of sludge, the amount of which is increasing as a resource for a long period of time. The issue of the sludge management system is recognised in draft territorial strategies supported by EU PRO Plus, and such Programme will be of importance in implementation of territorial strategies.

The changes to the [Law on Planning and Construction](#) adopted in July 2023 envisage the improvement of the electronic system for issuing building permits (CEOP) by introducing new functionalities, especially the e-space, which makes the procedure for creating and amending planning documentation more efficient and faster. It also stipulates that buildings larger than 10,000 square metres will have to have a green certificate, and the buildings will also need to have an energy passport thus contributing to the green agenda. Additionally, the Law on conversion is repealed and the obligation to have an insurance policy for damage to third parties is introduced.

In July 2023, the GoS [passed the Action Plan 2023 to 2025 for the implementation of the Youth Strategy](#) of the Republic of Serbia for the period from 2023 to 2030, with the planned budget of over ten million dinars needed for its implementation, while over three millions dinars have been earmarked for the implementation of activities from the Action Plan for this year. The strategic documents and dedicated funds should contribute to improved position of youth through several objectives, such as standardisation of youth-work in the non-formal education system, improvement of the LSGs' capacities for implementation of youth policies, equal opportunities and incentives for youths that facilitate their socio-economic independence and creation of conditions for social welfare of young people.

In August 2023, the GoS [adopted the Decree on establishing the Programme for encouraging the development of entrepreneurship through financial support for female entrepreneurship in 2023](#). The 600 million dinars grant is intended to encourage female entrepreneurship, while the programme is a combination of grants from the budget and favourable loans from the Development Fund.

During the quarter, the Ministry of Economy in Serbia announced [four Public Calls for proposals](#) with a total budget of 3.2 billion dinars (approximately 27.2 million euros) aimed at supporting various sectors of entrepreneurship. These initiatives are set to benefit start-ups, micro, small, and medium-sized businesses, women and youth entrepreneurship and cooperatives. The application deadline for all four calls is December 31, 2023. In July, a Call for Youth Entrepreneurship and Start-ups was launched, offering grants of 300 million dinars to eligible applicants, providing financial support for equipment purchase and business or production space adaptation. Another call, the Entrepreneurship Development Programme through Development Projects, also started in July with a budget of 900 million Serbian dinars. In August, the Ministry introduced a call in partnership with the Development Agency of Serbia, offering approximately 1.4 billion dinars to co-finance the purchase of new equipment and business premises adaptation or construction. Finally, in August, the Ministry published the Support of Women's Entrepreneurship call, with a total budget of 600 million dinars available for this Call. These programs aim to stimulate economic development by providing financial support to businesses for various investment purposes, and the grants cover a significant portion of the investment cost while the remaining funding can be secured through Development Fund loans.

Also during the quarter business start-ups had the opportunity to secure support from the Science and Technology Park (STP) Belgrade which in partnership with STP Niš and STP Čačak has published a Call for support to innovative startups [Raising Starts](#) providing pre-seed support of 15,000 CHF for innovative software development and up to 20,000 CHF for development of innovative products. Likewise, Center for Development of the Jablanica and Pcinja Districts published a [Call for support to The Youth and Women Entrepreneurship](#) under the project co-funded by the Ministry for Balanced Regional Development with an objective to enhance business development and entrepreneurial spirit in these areas through knowledge sharing and grants for young and female entrepreneurs. It will provide financial aid with ten grants, each worth 250,000 dinars, in each partner city or municipality, and non-financial support through business development training.

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 twelve drafted territorial strategies create a base for boosting development and transformation of these territories which include 31 LSGs by using different sources of funding for the defined priorities of the territories and integrated strategic projects defined through the strategic development process in particular.

The Programme also directly contributed to creation of 73 new jobs in the supported micro and small enterprises (MSEs) during the quarter bringing the total number of jobs created thus far to 153 out of which 92 (or 60%) are occupied by women. Furthermore, over 4,200 people benefit from the corporate social responsibility (CSR) activities implemented by the supported enterprises. These activities included

monetary contributions and donations of various goods and services to schools, hospitals, sports teams and organisations supporting vulnerable groups, while some enterprises conducted the works like replacing windows in a Centre for Social Work, or reconstructed classrooms etc. Additionally, the Programme is set to contribute to creation of over 3,200 new jobs through the sixteen projects contributing to development of economic infrastructure which were awarded during the quarter.

The Programme contributed to enhanced competitiveness of 519 small and medium-sized enterprises (SMEs) through sixteen projects implemented by Business Support Organisations (BSOs). Tailored to address the particular needs of targeted SMEs, these initiatives have supported 316 SMEs in digitization, equipping them with the digital tools and strategies necessary to compete in today's tech-driven business landscape; 114 SMEs have been guided in adopting eco-friendly practices and embracing circular economy principles, ensuring they remain environmentally responsible and appealing to conscious consumers; additionally, 384 SMEs have enhanced their resilience, enabling them to effectively navigate economic challenges and disruptions, while 204 SMEs have been empowered to broaden their market reach through marketing and internationalisation support. Furthermore, 78 SMEs have benefited from assistance in standardisation, which improves product quality and market and regulatory compliance. Simultaneously, 163 SMEs have received training in financial planning and gained insights in critical access to financial instruments, supporting their growth and innovation.

The combined impact of BSO support across these diverse projects is expected to yield multiple benefits for the supported SMEs. As these businesses advance in digitization, innovation, marketing and internationalisation, they are likely to experience revenue growth and create new job opportunities, ultimately contributing to economic prosperity and decreasing socio-economic disparities between two regions covered by the Programme and the rest of the country. Furthermore, the focus on sustainability and resilience-building ensures that these SMEs are well-prepared to face evolving challenges. These projects have shown the indispensable role of BSOs in supporting SME competitiveness, driving economic growth, and ensuring the sustainability of small businesses in a challenging business landscape.

Contributing to reduction of social disparities of the two regions, the activities of the Programme resulted in creation of thus far 20 new social services in 22 LSGs providing direct benefits to over 4,700 people majority of which coming from marginalised and vulnerable groups. The newly established services include improved access to education, health and social care services including eleven licensed social protection services, six innovative social services and two integrated services.

Additionally, with completion of construction works on eight local infrastructure projects in Lebane, Šabac, Žagubica, Vrnjačka Banja, Merošina, Užice, Nova Varoš and Svilajnac, the Programme's cumulative contribution of the 24 thus far completed projects contributes to improved livelihoods of over 33,810 citizens.

Based on the data from the [Labour Force Survey for the Second Quarter of 2023](#) published by the Statistical Office of the Republic of Serbia in August 2023 the number of employed people increased by 40.700 people increasing the employment rate from 49.6 to 50.4%. At the same time, the unemployment rate fell from 10.1 to 9.6 %. However, the data of the Labour Force Survey indicate that in the second

quarter 2023, relative to the second quarter 2022, there was an increase both in the employment rate, by 0.5 %. and unemployment rate by 0.7%. The largest unemployment growth (4.1 %) was followed at the same time by the largest fall of employment of 2.5 % recorded in Region Južne i Istočne Srbije. In the Region Šumadije i Zapadne Srbije an increase of 0.4 % Increase of employment was recorded in Q2 of 2023 compared to Q2 2022.

2.1.3 Results and Activities

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

The Programme is finalising activities related to development of territorial strategies and is on the way to have twelve strategies covering 31 LSG adopted, as all strategies are drafted, submitted to LSGs and are entering public consultation process, after which will be sent to the adoption procedure.

The Programme also extended its outreach with 38 individuals in total at the national level and 1,416 individuals in total at the local and regional levels benefiting from the capacity building activities to date.

Activity 1.1 Enhancing national capacity to introduce integrated territorial development

The Programme conducted a study visit to Greece¹ for five MEI representatives in July 2023. The visit included meetings with the Greek Ministry of Development and Investments, in charge for ITI, two managing authorities (MAs) for Attica (Athens) and Central Macedonia (Thessaloniki), presentation of intermediate bodies (IBs) for several Central Macedonia municipalities and site visits of Piraeus and Veria.

The study visit to Italy², conducted in September 2023, was focused on ITI strategies led by smaller or medium-sized cities with territories being mostly in rural areas, including protected areas and tourist destinations. The LSG participants included representatives of Working Groups for the development of the ITI Strategy led by Zaječar with Knjaževac, Boljevac and Sokobanja municipalities, the ITI led by Pirot with Babušnica, Bela Palanka and Dimitrovgrad as partners, and the ITI led by Užice in partnership with Čajetina, Požega, Priboj and Bajina Bašta. The 20 representatives in total took part in the visit including representatives of LSGs, the Ministry of European Integration (MEI) Regional Development Agencies (RDA) JUG, RDA Zlatibor and RDA RARIS and the EU Delegation.

During this quarter, nine representatives of the Ministry of European Integration benefited from capacity building activities in addition to the previous six.

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

The provision of technical support to development of territorial strategies has been completed with the finalisation of the key capacity building activities relating to Module III (strategy implementation).

In addition to capacity building activities, the EU Joint Research Centre (JRC) the translation of the [Handbook for Sustainable development Strategies](#) is finalised and will be printed during October 2023.

During the reporting period, the Programme organised two workshops-trainings that encompass planned capacity building activities within Module III (strategy implementation). The Priority areas of intervention and strategic projects workshop³ including training on integrated projects were conducted in twelve territories during July 2023, with an aim to define key areas of the interventions and the list of strategic projects. The workshops organised in twelve cities were attended by 248 participants (56.85% female and 43.15% male participants), out of which 105 were LSG representatives from 27 LSGs included in the territorial strategy development process and 15 RDA representatives from five RDAs. The online training on Governance implementation and monitoring and evaluation of territorial strategies⁴ was held in July 2023 with a total of 47 participants (out of which 30, or 63.83% female participants).

By the end of September 2023, a total of 1,416 individuals at local and regional level benefited from capacity building activities out of which 735 (51.91%) were female.

In order to provide comprehensive information on available sources of funding for urban and territorial development, the Programme prepared a document on Potential sources of funding for urban and territorial development⁵, which within the Programme efforts in supporting project implementation, was

¹ The report from the study visit is available in Annex I, Attn 1

² The report from the study visit is available in Annex I, Attn 2

³ The report from the Priority areas of intervention and strategic projects workshop is available in Annex I, Attn 3

⁴ The report from the training on Governance implementation and monitoring and evaluation of territorial strategies is available in Annex I, Attn 4

⁵ The document is available in Annex I, Attn 5

sent to all programme LSGs.

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

The criteria for the pilot grant scheme for projects deriving from territorial strategies was developed and presented to MEI and EU Delegation in September 2023. Upon the provided inputs, the revised criteria was sent to MEI and EU Delegation for approval, and then will be submitted to the Programme Steering Committee for endorsement. Programme prepared related annexes as well.

Result 2: Enhanced economic growth in targeted municipalities

With the support to development of economic infrastructure initiated during the quarter, the Programme should contribute to creation of 3,000 new jobs. Additionally, these activities should contribute to facilitation of 300 million euros of new investments fostering economic growth in these areas.

Through project activities implemented by Business Support Organisations (BSOs), a total of 519 SMEs improved their competitiveness. Additionally through direct support to MSEs for procurement of new equipment 153 new jobs have been opened so far out of which 92 (or 60%) are held by women. Within the Public Call for Women and Youth Entrepreneurship, currently being evaluated, 50 startups are expected to receive Programme support.

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

Pursuant to endorsement of the Results of the Call for Economic Infrastructure Projects by the Steering Committee, the Programme issued 16 Grant Support Agreements during the quarter. The two remaining projects proposed by Mali Zvornik and Valjevo, and endorsed by the Steering Committee for funding, are to be confirmed and contracted in the following quarter.

The LSGs were instructed on how to proceed further with project implementation. During August and September 2023, fourteen dedicated project sub-accounts were established for the purpose of implementation of economic infrastructure projects with eleven requests for the transfer of the first tranche of Programme contribution processed. Only in late September 2023 has Loznica established the subaccount and the preparation of relevant documentation for the request is ongoing. However, Preševo is lagging behind with the opening of the account due to the official absence of the Mayor while the municipality of Lajkovac has to wait for the revision of its municipal budget prior to the opening of the dedicated project sub-account.

The infrastructure team met with the grant implementation teams in ten LSGs⁶ to discuss the grant implementation modality and more importantly, the implementation dynamic especially, given the short deadline for completion of project activities. Surdulica is the most advanced within the implementation of the granted economic infrastructure projects as the project design task has been finalised and the tender documentation prepared.

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

The programme continued ongoing project monitoring and support to ensure the successful execution of the remaining 114 grants. In this regard, a total of 112 Micro and Small Enterprises (MSEs) have successfully completed procurement processes, with 89 MSEs already receiving the new equipment and services. Furthermore, 43 MSEs have implemented their corporate social responsibility (CSR) activities, encompassing financial contributions, donations of products and services to support children, vulnerable groups, individuals with disabilities, and refugees, in addition to contributions made to healthcare

⁶ Čuprija, Novi Pazar, Mionica, Bosilegrad, Knjaževac, Aleksinac, Kraljevo, Surdulica, Zaječar and Kosjerić
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facilities, and sports clubs. These initiatives collectively benefited more than 4,000 recipients.

Centre for Innovative Youth Entrepreneurship - Startup Center finalised their BSO project "Resilient and Stable Startups as Catalysts for Regional Development". Activities in this quartet included implementation of a comprehensive 20-module Innovation School programme that engaged 100 participants representing 36 companies/teams, along with active collaboration from 17 business support organisations and local self-government representatives. Additionally, the project provided mentoring support to 30 entrepreneurial teams, facilitating a total of 180 mentoring sessions geared towards nurturing and advancing their business concepts.

The Public Call for Proposals aimed at supporting Women and Youth Startups through Procurement of Equipment and Introduction of Services, encompassing 43 municipalities categorised as significantly underdevelopment within the program's Area of Responsibility (AoR), was officially published on 27 July 2023. In an effort to enhance awareness of the opportunity and outreach regarding the Public Call for Women and Youth Startups, targeting a broader audience of unemployed young individuals, women, entrepreneurs, and micro and small enterprises, the EU PRO Plus organised an extensive promotional campaign. This campaign included media engagement, the distribution of promotional materials to all covered LSGs, National Employment Service Offices, Regional Development Agencies, as well as both online and in-person informational sessions. From 8 to 22 August 2023 a total of nine informative sessions were conducted, two of them held online and seven in-person, at various locations including Blace, Bujanovac, Knjaževac, Ljubovija, Golubac, Sjenica, and Vlasotince, gathering 160 potential applicants. The Public call concluded on 12 September 2023, received a response with 108 applications originating from 34 LSGs. The cumulative requested funds from the Programme amounted to USD 957,530. Administrative check was completed by the end of September, and the technical evaluation of the received applications has been initiated.

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

The completion of eight local infrastructure projects in the reporting period has contributed to improving life of around 23,000 beneficiaries, by enhancing the social services and provision of health services, creating conditions for development of culture, as well as improving the municipal services of one local administration while three projects directly created better educational and conditions for the stay of children in kindergartens.

Namely, the completion of construction works in Lebane laid the grounds for the fulfilment of conditions for the local Social centre to obtain licence for provision of day-care services to 85 children and youth with developmental disabilities. Likewise, in Žagubica, the reconstructed roof, electrical installations as well as the reconstructed yard with parking space, fence, walking path and internal road along with the provision of medical equipment and furniture has significantly impacted on the quality and efficiency in the provision of health services in the health centre branch in Krepoljin for around 19,000 patients per year. Further to this, the installation of thermal insulation to the facade of the municipal building as well as the replacement of the old exterior windows and doors has improved energy efficiency of the building leading to substantial upgrade of the working conditions of one hundred and thirty three employees of the administration building in Vrnjačka Banja which provides services to at least 10,000 users per year.

In Šabac, the reconstructed facility equipped with the necessary furniture to house the Science Centre provided 1,000 children of preschool and school age per year, 60 educators and at least 25 employees in education institutions, three civil society organisations, 20 representatives of professional associations with conditions for conducting programmes for gifted children. In Merošina, a minimum of 1,278 cultural content users such as library members, local and visiting artists from Serbia and abroad, folklore ensemble singing club and around 3,000 citizens and visitors of different cultural events obtained adequate conditions for participating in the cultural activities. In addition to this, the reduced energy consumption costs would lead to more investments in culture and richer cultural offer in this municipality. Similarly, reconstructed Cultural Centre in Svilajnac will improve social life of 1,226 inhabitants of Bobovo and 973

inhabitants of three neighbouring villages and prevent depopulation of the deprived areas, while improving energy efficiency of the building and conditions for works for ten employees of Cultural Centre Svilajnac, 50 members of Cultural artistic organisation "Sveta Trojica" Bobovo, 30 members of pensioners club and 37 pupils of primary school. Finally, the reconstructed kindergarten facilities in Nova Varoš and Užice directly impacted the working and conditions for the stay of 3,130 direct users of these two buildings, having in mind extended use of the HACCP certified food supply services from Paša and Nataša kindergarten provided to other preschool organisations in Nova Varoš urban and rural areas.

Under the activity for strengthening social services, one project in Loznica was completed and eight more are entering the final phase. During the quarter, innovative outreach service in the community was introduced in Zaječar for the first time, through engagement of 17 outreach workers, targeting at least 100 beneficiaries from marginalised groups. This is a preventive triage social service, designed to reach vulnerable categories in the community and assist them to address their problems or reduce different risks thus directly reducing the burden on the social protection system. In Kragujevac, respite care service for children with disabilities and their families is integrated with the foster care service, through training of ten foster families. The service foresees short-term and occasional placement of children in a host family, allowing respite for the biological family. Currently, eight beneficiaries and 33 members of their families are covered by the service.

In Niš, the work of the Day Centre for Children who live and/or work in the street and who live below the poverty line is launched. At least 50 beneficiaries will be provided with regular meals, hygiene services, psycho-social support, support in education and other means of assistance. Furthermore, piloting of an innovative improvement of the home care service through introduction of communication equipment based on the panic button system was initiated in Trstenik, Brus and Prijepolje for 32 elderly beneficiaries.

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

In the reporting period, construction works were completed in eight LSGs, that is, in Lebane, Šabac, Žagubica, Vrnjačka Banja, Merošina, Užice, Novac Varoš and Svilajnac from the newly signed grants, resulting in a total of twenty four projects with completed construction works.⁷ Twelve construction sites are still active (Sjenica, Paraćin, Bosilegrad, Mionica, Bela Palanka, Niš, Golubac, Užice ATD and Ćuprija) in addition to Ražanj, Boljevac and Leskovac from the newly signed grant agreements. As opposed to this, Bujanovac finalised the tender documentation for works on electrical installations and advertised the tender with the opening date 1 September 2023. The received bids were evaluated and the decision on the most favourable bidder brought. The complaint period expires on 2 October 2023, following which, in case of no complaints, the administration would be able to sign the contract for electrical installations. As far as the hydro installations are concerned, the preparation of tender documentation is in the final phase with the aim to be advertised in the first week of October. Additionally, the municipalities Bosilegrad and Bela Palanka are still struggling with the provision of co-funding, where more success is evident in Bosilegrad which managed to obtain the funds as a result of the signed contract with the Ministry of labour, employment, veteran and social affairs to cover the co-funding in the amount of 31,768,000 dinars expected to be on the municipal sub-account at the beginning of October. The municipality of Bela Palanka, on the other hand, following several official requests and reminders was given a deadline until 30 September to transfer the remaining co-funding amount, which they finally committed to secure through the bank loan. The municipal administration shared with the Programme the Ministry of Finance approval that the LSG can seek the loan, Bela Palanka Council's decision to endorse credit depth, and Request for the loan to the Bank for funding the EU PRO Plus project. Resolving the Bela Palanka case is expected during October, to ensure finalisation of the remaining grant activities.

⁷ Status of all 37 LIP project is available in Annex III_Attn 1_EU PRO Plus_Q32023_LIP Status
www.euproplus.org.rs

With the completion of construction works, the LSGs oriented their attention to the completion of activities pertaining to the soft measures, given the majority of the soft measures are to be organised in the reconstructed public spaces. Thus, in Krupanj, the Municipal Sports Development programme was prepared with the plan to conduct sports activities for women with disabilities in the September/October timeframe. In Babušnica Energy efficiency programme was prepared by the contracted consultancy company and would be passed at the following Municipal Assembly session at the end of September/beginning of October. Disaster Risk Assessment document was finalised in Bela Palanka while the Rulebook on the use of the new sports facilities was developed in Knjaževac with the contract on the use of the facilities by the local PUC was prepared to be signed in the coming period. Additionally, during the DEU visit in August, a tournament was organised with girls of primary school age to promote women's sports. Also, Nova Varoš completed all of its planned soft measures by completing HACCP certification and preparing and adopting the rulebook on safety measures and standard organisational work of the preschool institution "Paša and Nataša" based on good governance principles.

In September 2023, the newly reconstructed building in Šabac was technically commissioned and officially opened as part of the "Science Centre - Factory of Ideas for the 21st Century" project. The facility is already in use, with two workshops for parents and teachers held, and a four-day camp for children, gathering over 150 participants in total.

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

During the reporting period, almost half of the twenty supported projects for social services strengthening have reached the final phase of implementation, with one project completing its activities in September 2023.

In the last quarter, two comprehensive researches on the position of vulnerable groups were realised in Kragujevac and Zaječar. Over 200 people with disabilities (PWDs) and members of their families participated in the research in Kragujevac, whose conclusions were presented on a round table to 30 relevant local actors in social protection and published on [the web platform](#) for PWDs that was developed within this project. In Zaječar, 14 CSOs and institutions working in the social protection sector participated in the research which results will be used in the forthcoming development of local social protection strategies. Furthermore, 15 different workshops for the social-psychological empowerment of children and youth with disabilities and their parents and guardians were held through three projects with participation of 50 people in Čajetina, Kragujevac and Bojnik. Through various thematic workshops they were supported in developing different psycho-social skills contributing to their improved social inclusion and quality of life.

In Čuprija, provision of medical services to citizens living in rural areas was briefly interrupted after the resignation of a doctor, who was replaced by another. Additionally, the project had to be extended for three months due to the previously prolonged procurement process and challenges in finding adequate medical personnel.

After two unsuccessful tenders for selection of service providers for establishment of integrated health and social protection services, the Municipality of Babušnica, in cooperation with the Programme, decided to divide procurement into two separate processes in order to address the issue. The tender for healthcare professionals trainings was conducted successfully in a separate procedure from the tender for provision of home care service that is on-going.

Solving the issues in implementation of the Bela Palanka project is in sight, as after the exchange of notice letters, the LSG secured remaining co-funds, while the Programme is seeking redefining of the payment dynamics in order to secure its funds and minimise potential risks of the misuse which happened within the LIP project. The activities are on-going and six personal assistants are engaged in provision of the service to the children with disabilities.

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

The activity is completed in earlier reporting periods.

2.2 Management

2.2.1 Governance

During the quarter, the Programme, for time efficiency reasons, conducted e-voting procedure for endorsement of the Results of the Call for Economic Infrastructure Projects and publishing of the Public Call for Proposals for Supporting Women and Youth Start-ups through Procurement of Equipment and Introduction of Services. Both motions were supported as of 10 July 2023.

In addition, a draft Call for Proposals for Implementation of Integrated Projects Deriving from Territorial Strategies was shared with the representatives of the EU Delegation to Serbia (DEU) and the Ministry of European Integration (MEI) on 13 September and a follow-on consultation meeting was held on 27 September 2023. The draft Call will be shared with all Steering Committee members for consideration in October 2023.

Also, discussions on the options for the Programme support to some of the floods rehabilitation efforts have been initiated with the EU Delegation and the Ministry of European Integration. The Programme liaised with the GoS working group for rehabilitation from consequences from floods and will extend its support to some of the affected municipalities.

2.2.2 Coordination

The Programme participated in the Conference [Enhancing Local Economic Development Planning through Inter-Municipal Cooperation](#), organised by the Centre for Advanced Economic Studies (CEVES) in collaboration with the Regional Development Agency JUG. It was the first out of three events to be organised by the "SDGs for All" Platform with the aim to initiate the exchange of experiences and knowledge among municipalities and cities throughout Serbia about the localization of SDGs and their integration into local planning documents. The event assembled representatives from the local self-governments of Nišavski, Pirotski, Zaječarski, Toplički and Jablanički districts, as well as central-level institutions, development projects, civil society organisations, and agencies. Programme activities related to ISTD were presented on the panel focused on showcasing examples of good and/or alternative practices in sustainable development planning.

The EU PRO Plus capacity building sector participated at the public forum during Architecture week at [the Faculty of Architecture in Belgrade](#) on 27 September with the presentation "Testing of instruments of integrated territorial development in Serbia - strategies and projects".

During the four DEU high level visits the Programme collaborated with the Belgrade Open School (BOS), which is implementing the EU-funded project "EU Resource Center for Civil Society in Serbia", on organisation of the meetings with civil society organisations, as well as with UNOPS implemented European Union Support to Social Housing and Active Inclusion Programme. The regular cooperation and coordination with the EU Info Centre continued regarding the media promotion of the EU funded projects and the DEU field visits.

In order to ensure the provision of high-quality support for the preparation of project proposals in response to the Public Call for Women and Youth Startups and the effective coordination of activities in conjunction with other initiatives implemented by the Ministry of Economy, Development Agency, and Regional Development Agencies (RDAs), an orientation meeting was conducted on August 4, 2023. Nine RDAs actively participated in this event, with six attending in person and three via an online platform.

2.2.3 Human Resources

During the reporting period, the recruitment for the unfilled position of the Project Management Support - Programme Associate for the Capacity Building Sector was completed. The SMEs sector has engaged temporary replacements for the positions of Project Management Support - Officer and Project Management Support - Associate due to the temporary absence of respective colleagues.

Continued attention was given to performance evaluation where Programme personnel underwent mid-year discussions of earlier set objectives during July and August. Their engagement, contribution, results achieved and constraints encountered were addressed during the exercise and summary of discussion have been recorded in the comments section of the online performance appraisal tool.

In terms of learning and development, the Programme team has undergone WebEx trainings on different job-related topics.

2.2.4 Procurement and Grants

The EU PRO Plus predominantly uses grant methodology which gives ownership over the projects to the grantees while the Programme maintains monitoring and advisory roles. During the third quarter of 2023, the Grant Administration Unit (GAU) conducted issuance and administrative support to the management of 17 Grant Support Agreements (GSA). In brief, administration of GSAs during the third quarter of 2023 included:

- Processing of 54 request for payments,
- Verification of 39 financial reports,
- Registration and update of 12 GSAs with the VAT Office,
- Processing of 18 budget revisions and/or time extensions.

In addition, the GAU conducted administrative closure and financial report verification of 4 GSA projects (issued in 2022) for enhanced competitiveness and resilience of SMEs and their ability to recover from the negative impact of COVID-19 through support provided by the beneficiary BSOs.

Following the project needs, UNOPS has conducted 14 different procurement processes for purchase of various goods and services. As for the Covid 19 related purchases, the maintenance of the previously delivered disinfection devices is still ongoing and we are approaching the third payment and 1,488 out of 2,000 disinfection devices. In relation to the value of the processes, its nature and complexity of the requirements, UNOPS has conducted the following solicitation processes:

- 1 Shopping processes, i.e. small value purchases up to USD 5,000.00 for procurement of Adobe licence - Creative Cloud All Apps for teams.
- 1 RFP for a Training programme for students and young journalists initiated in September.
- 12 Call of Order processes for provision of services regarding the organisation of different events (7 x Info session events, one study visit, Orientation Meeting for Regional Development Agencies, visibility project signboards, media buying service).

2.2.5 Finance

The following are the main financial indicators⁸:

- The total delivery of the EU PRO Plus as of 30 September 2023 was EUR 20,693,036.90 euros or 51.73 % of the Programme budget.

⁸ While these figures provide quality insight into the Programme's spending, the final figures are only provided in the Programme's financial reports.

- The delivery in Q3 2023 was 2,828,949.14 euros
- The forecast delivery for the next reporting period is 2,415,954.92 euros.

3. RISKS AND ISSUES

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

- **The announced local elections and related resignations of mayors may jeopardise the implementation timeframe for some of the Programme activities.** Though the majority of LSGs operate uninterrupted, there are indications that the functioning of local administration may be stalled or delayed, thus failing to provide critical support for initiation and implementation of Programme activities. Namely, some of the key steps in the application procedure for the upcoming Call for implementation of integrated projects include endorsement of local authorities, as well as functioning of Development Councils which are composed of mayors, among others. Furthermore, for the recently awarded economic infrastructure projects, securing co-funding in some LSGs needs to be supported by local assemblies, which are these days meeting less regularly or not meeting at all in some of the beneficiary LSGs. The Programme is closely monitoring the situation and addressing related issues as they arise.
- **Weather conditions, if unfavourable, may jeopardise the implementation timeline for some of the supported infrastructure projects.** With the recent award of the economic infrastructure projects and the finalisation of the remaining local infrastructure projects, some activities which are heavily reliant on the weather conditions, may need to be extended. The Programme will constantly monitor the implementation dynamics and propose adequate measures, such as time extension.
- **Implementation dynamics for some of the activities is at risk of being jeopardised.** Prolonged and repetitive tender procedures caused delays in contracting works in several LSGs which may result in the need for extension of implementation deadlines. Additionally, in certain cases failure of selected contractors to comply with the submitted construction work dynamics resulted in LSGs being late in comparison to the grant action plans. As a result, there is a risk that Sjenica, Niš, Čuprija, Bosilegrad, Mionica and Golubac might not be able to complete all granted activities within the set timeframe. In case realised, the Programme would issue amendments to the GSAs to include time extensions of the grants allowing sufficient time for completion of all project activities.

4. QUALITY

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

The conducted study visit to Italy and collected feedback from the participants which included representatives of the Ministry of European Integrations, local self-governments and Regional Development Agencies through an evaluation questionnaire. The results showed very positive feedback, with an overall average rating of 4.89 out of 5.

With regards to territorial strategies development process, the two conducted trainings showed also positive feedback, 4.58, in case of Priority areas of intervention and strategic projects and 4.25 in case of Governance implementation and monitoring and evaluation of territorial strategies.

During the quarter, the Programme supported 16 LSGs to open dedicated accounts for implementation of economic infrastructure projects and reviewed and approved documentation prepared for transfer of first milestone payment. The programme team in addition paid induction visits to ten LSGs to communicate www.euproplus.org.rs

the processes that would apply in the grant management methodology and establish the control mechanism. All awarded LSGs were instructed to prepare and submit action plans that would serve as a benchmark for following the progress of the activities and subsequently submit all procurement, contractual and financial documentation to the Programme for review and approval. The programme prepared a separate monitoring tool to follow the project implementation status and established a document management system for evidence storage of the ongoing and finalised activities and related changes.

In addition, the Programme is continuously investing effort in supporting the finalisation of the construction works within the awarded grants for local infrastructure projects. Two change requests for budget revision were reviewed and formalised during the quarter, capturing changes in Mionica and Krupanj projects and seven milestone reports approved confirming eligibility for the second milestone payment. The Programme paid 57 visits to active construction sites to ensure quality and safety requirements have been met, assisting LSGs in resolving technical, financial and contractual challenges. As a result, seventeen finalised infrastructure interventions during the quarter were handed over formally with positive technical commissioning reports issued, confirming their compliance with the Law on Planning and Construction and appropriate rulebooks, with no incidents reporting injuries recorded.

5. SUSTAINABILITY

The aspect of sustainability in territorial strategies is recognised through incorporated aspects of governance, implementation and monitoring and evaluation. The approach envisages establishment of the project coordination unit for implementation of territorial strategy and the mechanisms for monitoring and evaluation. The approach will be developed further through additional consultation with local and regional stakeholders.

In August 2023, the Programme organised a meeting and visits to the Drop in Shelter for children who live or work on the street in Belgrade and to the social enterprise “Kafe-bar 16”, both managed by the Centre for Integration of Youth (CIY) from Belgrade. The meeting was held for the purpose of knowledge sharing on establishment, managing and sustainability of the shelter service that was launched in Niš by the Centre for Girls under the project for strengthening social services.

All 37 ongoing local infrastructure projects are embedding all three elements of sustainability, contributing to social sustainability through improved conditions for work in public facilities and better life of the local population, to environmental sustainability through improved energy efficiency, greenery, waste water or water management measures and use of renewable energy sources that decrease negative impact on nature and subsequently to economic sustainability from generated savings in individual projects. The social impact could be also measured through the number of direct beneficiaries that would benefit from the Programmes activities upon project completion, while environmental and economic sustainability will be quantified in the years to come as a result of monitoring of the reduction of the CO2 and energy bills upon finalisation of the project and their comparison with values before the intervention.

Also, during the quarter the projects submitted to the Call for economic infrastructure projects were evaluated and a final list of 18 projects was proposed, that would result in reduction of unemployment and contribute to economic sustainability of the supported LSGs and surrounding territories, while improving the social and economical status of citizens.

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

The economic impact can not be measured yet as the 116 SME are still ongoing with 81 SME having received all equipment, while eight of them have received part of the equipment, with the delivery of the rest still pending. These Grants have created 153 new jobs, out of which 92 (60%) are women.

Additionally, 46 SME have completed their CSR activities, having over 4,200 beneficiaries in total. Out of 16 BSO grants, nine are still ongoing, while the remaining seven have already signed the Donation Agreements.

As far as the Market presence is concerned, the Programme received 984 applications valuing over 61 million euros as a response to seven public calls completed so far, with one CfP still pending. The Programme currently has 12 active construction sites from the public call for Local infrastructure and all of them were accident free as Health and Safety measures are being taken and actively monitored upon by the Programme.

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

During the reporting period, the Programme ensured equal opportunities and women representation in the capacity development activities related to the development of territorial strategies. The conducted study visits and workshop/training shows continuity in adequate female representation, as the study visit to Greece, and study visits Italy had 60% and 65% female representation respectively.

The social inclusion and gender equality aspects represent the main focus of the activity for improvement of social services, where 20 projects until now created direct benefit for over 4,700 people, where 63% of them are women, over 4,300 are coming from disadvantaged groups, of which around 250 are children and adults with disabilities.

Out of 153 new jobs that have been opened by supported SMEs, 92 (or 60%) are held by women showing that incentives for gender equality in the evaluation criteria for selecting the grantees can be effective.

The program aims to further enhance gender equality through the Public Call for Proposals aimed at supporting Women and Youth Startups where out of 108 applicants 75 (69.4%) are women.

In Lebane, following the completion of all infrastructure works, the LSG is implementing all activities related to technical acceptance of the facility and issuance of the usage permit. Subsequently, the facility would be handed over to the local Centre for social work that would apply for obtaining a licence for the provision of the day care service to 85 children and youth with disabilities.

In Žagubica, a questionnaire was distributed among users of the Health Centre Krepoljin to test their satisfaction with the services prior to reconstruction works, while another such survey would be conducted in the next reporting period to measure the impact of the realised results. Parallel to the implementation of construction works, two important Rulebooks were drafted and adopted by the Steering committee of the health centre: one is related to treatment of COVID patients and the other to treatment of patients belonging to vulnerable groups of population.

7. COMMUNICATIONS AND VISIBILITY

The Communications team conducted four two-day field visits for the EU Delegation's Head of Cooperation, visiting 19 local self-governments, Lebane, Leskovac, Vladičin Han, and Velika Plana (on 26 and 27 July), Šabac, Ljubovija, Užice, Kraljevo (on 02 and 03 August), Čuprija, Aleksinac, Surdulica, Bosilegrad, Niš (on 09 and 10 August), Žagubica, Zaječar, Knjaževac, Sokobanja, Paraćin, and Svilajnac (on 16 and 17 August).

In total, the delegation attended 24 meetings including strategic discussions with 19 mayors, minister without portfolio Novica Tončev and three RDAs directors. Thirty-three project sites were visited, with 25 of them being implemented under the EU PRO, EU PRO Plus and European PROGRES initiatives. Related briefing documents, media materials, i.e. four media advisories, and eight press releases were prepared. Programme collaborated with other EU-funded projects and organisations to arrange the visit including UNOPS' EU SHAI, as well as BOŠ which prepared four meetings with CSOs. The dissemination of media material was efficiently carried out by the EU Info Centre.

Three additional press releases were issued to promote the results of the Call for Economic Infrastructure and announce the Call for Proposals supporting Women and Youth Start-ups and the related info-sessions, followed by the separate media announcement for each of seven sessions organised. Further, the Programme Manager statement about the Call was organised for the national broadcaster Radio Television of Serbia. The collective efforts, including the HoC visit and other programme activities, garnered a remarkable total of 535 media reports, with 185 (34%) in national media outlets, and as many as 230 reports about the DEU visits to projects at local level.

In addition, the digital media promotion of the Public Call for Women and Youth Startups lasting from 18 August to 1 September 2023 resulted in 363,176 impressions on Facebook and reached 214,918 people, while Instagram video ad had 324,461 impressions, while reaching 212,549 people. The YouTube campaign resulted in 22,667 views, 524 clicks and 39,601 impressions. The activity was also promoted through development, production and distribution of print material that included 3650 leaflets and 180 posters, while the communications team supported the production of three training sessions to help potential applicants in the process of submitting the application.

Throughout the reporting period, the Programme's website proved to be the primary source of information for all stakeholders, recording an increase of number of visits - 19,870 from 13,809 unique users primarily to the web pages dedicated to the public calls.

The Programme's social media presence stays at 19,188 followers on Facebook, 3,132 on Instagram, and 1,182 on Twitter. The Program website was updated with eleven web stories while 23 new videos related to the Programmes activities were added to the YouTube Channel and 20 on the website. Further the website was updated with the newly approved economic infrastructure projects, while the municipal profiles were updated with the latest statistical data.

The Tender for Proposal for Provision of Training programme for students and young journalists was published on 1 September, and one pre-bid info-session was organised on 19 September attracting three potential bidders.

In addition, besides the four briefing documents for DEU HoC field visits, three project overviews were prepared for DEU for Bujanovac, Preševo and Novi Pazar and inputs and coordination support was provided for the field visit of the Regional Management and Oversight Advisor, Regional Infrastructure and Project Management Advisor, Senior Regional Partnerships Advisor and Regional Portfolio Specialist to Šabac, which included two EU PRO and one EU PRO Plus projects.

8. LESSONS LEARNED

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

The standing project infrastructure boards should always be charged to project itself as a part of Visibility obligations and should remain in LSG custody for the upkeep for an agreed amount of time. This practice would relieve the Programme budget as well as ensure Visibility of the project past the Programme duration.

Organising ad hoc visits prior to awarding grants in cases where the process lasts longer than anticipated.

Should the process of awarding grants resulting from open Call for proposals last longer than anticipated, the Programme should consider ad hoc field visits to potential grantees so as to determine whether the described status in the application differs from the actual status in the field.

In extremely underdeveloped LSGs, fostering SME growth is essential for economic development. However, due to very low economic activity, minimising restrictions on participation in public calls for proposals is needed in order to ensure a sufficient number of potential applicants.

9. NEXT REPORTING PERIOD⁹

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 Assessment of possibility of replacement of Module I training for MEI with the new training module and the options for module IV
- Activity 1.1 Conducting recruitment process of national legal experts for analysis of Serbian legal framework for ISTD
- Activity 1.1 Confirm the needs related to development of IT tools with MEI and DEU and initiate their development
- Conduct public participation during the public consultation process for territorial strategies, finalising strategies upon remarks and adoption of documents.
- Activity 1.2 Conducting Module IV of capacity building plan
- Activity 1.3. Obtain approval for the criteria for the Call for Proposal for pilot projects derived from territorial strategies and advertise the call, and conduct info sessions

Result 2. Enhanced economic growth in targeted municipalities

- Activity 2.1 Monitoring of 16 signed EIP GSA
- Activity 2.1 Support initiation and monitor the public procurement activities.
- Activity 2.2 Complete 90% of MSE grants.
- Activity 2.2 Finalise administrative closure of all BSO grants.
- Activity 2.2 Finalise evaluation of the applications received under Call for Proposals for Supporting Women and Youth Start-ups and prepare grants for contracting

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

- Activity 3.1 Continue monitoring of implementation of 37 local infrastructure grants: monitor finalisation of public procurements and initiation of works in GSA in Bujanovac. Monitor implementation of infrastructure works in the remaining 12 LSGs and implementation of soft measures in 30 GSAs. Initiation of projects closure in at least 5 GSAs
- Activity 3.2 Completion and administrative closing of nine social services projects and regular monitoring of implementation of remaining eleven on-going projects, with facilitation of payments per contracts' milestones
- Activity 3.3 Activity completed

Programme Communications

- Conduct the 2024 Calendar Competition process
- Selection of Media and Youth Media Training implementation partner
- Plan and organise high level visits to the project sites
- Develop general and thematic Legacy Factsheets
- Publish the Programme Newsletter

⁹ EU PRO Plus Work Plan for the period from 1 April to 30 June 2023 is available in Annex V, Attachment 5.1.

LFM – progress against indicators

Legend

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

Objectively verifiable indicators	Objectively Verifiable Indicators - Target	Progress during the reporting period
Overall Objective: To contribute to socio-economic development, prosperity and social cohesion of Serbian society	WB Doing Business Report score 74	Not available. The WB discontinued publishing of the Doing Business Report.
	Global Competitiveness Index Rank 69	The World Economic Forum paused comparative country rankings on the Global Competitiveness Index during the turbulent times of COVID-19 pandemic.
SO1. To decrease socio-economic disparities of two regions within Serbia	Šumadija and Western Serbia Region GDP and number of unemployed - 20% / 101,760	The share of Šumadija and Western Serbia Region in the national GDP decreased by 0.7% to 18.7% in 2021. Number of unemployed in the Western Serbia Region was 92,900 persons in 2022, which is a decrease by 12.3% 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 increased by 1,7 % to 15.3% in 2021. Number of unemployed in the Western Serbia Region was 73,100 persons in 2022, which is a decrease by 16.2% 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	The Programme provides technical support to 12 territories comprising 31 LSGs, selected through a public Call, to develop territorial strategies. The draft strategies are prepared and entering public consultations.
	OC 1.2 Implementation of at least 80 percent adopted SUD and ITI Strategies initiated with at least three different funding sources - at	The Call for implementation of integrated projects deriving from territorial strategies is drafted and planned for publishing in the

	least 12 (mid 2024)	following quarter.
Result 2 Enhanced economic growth in targeted municipalities	OC 2.1 Number of jobs created or facilitated - At least 300 (2023)	Total of 153 new jobs have been created by supported MSEs grantees, out of which 92 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. Additionally, implementation of 114 grants awarded to MSEs is underway. Further, the Call for Women and Youth startups has been conducted and the selection process is underway.
	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)	Following the selection through a public call for economic infrastructure projects, 16 grants are awarded during the quarter. These projects should facilitate 300 million of future investments.
Result 3: Improved social infrastructure and social cohesion in targeted municipalities	OC 3.1 Number of persons benefiting from improved public facilities/ services - at least 35,000 (2023)	Over 97,000 persons benefited from the improved conditions in cultural, educational, sports and health infrastructure in 24 completed projects, among them 8 in Q3 2023.
	OC 3.2 Number of introduced or improved social services provided by CSOs and/or LSGs - at least 15	Over 20 social services have been established or improved in 22 LSG until now facilitating better access to education, health and social care services for over 4,300 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 content and the structure of the Study on national model for ISTD is prepared. The preparation of the report with an overview of the EU member states' cases regarding capacities needed for management

		of territorial mechanisms initiated.
	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 ToR for ISTD networking platform is drafted.
Activity 1.2 Improving capacities of municipalities and regional development agencies to introduce concepts of integrated territorial planning	Number of LSGs and RDAs benefiting from interventions - at least 80 percent (middle 2023)	85,9 percent of the LSGs and RDAs benefiting from the capacity building process (85 LSGs and 11 RDAs participated in the training activities within Module I, Module II and Part of the Module III of Capacity Building Programme - 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)	The Call for implementation of integrated projects deriving from territorial strategies is drafted and planned for publishing in the following quarter.
RESULT 2 Enhanced economic growth in targeted municipalities		
Activity 2.1 Developing economic infrastructure and businesses related services at the local level	Number of supported economic infrastructure projects - 16 (2024)	16 GSA signed with awarded LSGs as a result of the Call for Economic Infrastructure Project, and two more were endorsed for funding.
	Number of LSGs supported in improvement of at least one business related service - 10 (2024)	Implementation of this activity is discontinued, and the related funds are to be reallocated.
Activity 2.2 Enhancing competitiveness and sustainability of enterprises contributing to economic stability of local communities	Number of supported start-ups, entrepreneurs and enterprises - 100 (2022)	114 MSEs grants ongoing for acquiring new equipment and introduction of services. Total of 112 MSEs completed procurement processes out of which 89 received equipment.
	Number of supported youth and women entrepreneurs - at least 50 (2022)	Call for Proposals for Women and Youth Startups has been closed. 108 applications were received.
	Number of people benefiting from skill-development training - 200 (2022)	Implementation of this activity is discontinued, and the related funds are to be reallocated.
	Number of supported BSO projects - 10 (2022)	Sixteen BSO projects were supported, and activities implemented by them finalised.
RESULT 3 Improved social infrastructure and social cohesion in targeted municipalities		

<p>Activity 3.1 Developing and improving infrastructure which contributes to enhanced quality of life</p>	<p>Number of social infrastructure projects implemented -at least 30 (2022)</p>	<p>Among 37 LIP projects under implementation, 24 completed construction works (8 in Q3), 12 with active construction sites, 1 with one finalised tender and other in process. GSA with Mionica and Krupanj amended to reflect changes in the budget</p>
<p>Activity 3.2 Supporting public institutions, including the social protection institutions, to enhance social services and preparedness for emergencies</p>	<p>Number of CSO projects related to social services supported - 20 (2023)</p>	<p>One project for strengthening social services was completed and 19 projects continued implementation. In addition to the previously initiated and improved services, four new social services have been started and/or enhanced in six LSGs.</p>
<p>Activity 3.3 Support to COVID-19 related prevention and response activities</p>	<p>Number of medical centres supported to enhance services related to COVID-19 prevention and recovery - at least 20 (2022)</p>	<p>The activity is successfully completed. Supported 23 medical centres to enhance services related to COVID-19 prevention and recovery.</p>

ANNEXES

Annex I Improved Development Planning

Annex I_Attn 1_Report on Study Visit Greece

Annex I_Attn 2_Report on Study Visit Italy

Annex I_Attn 3_Report on Training on Priority Areas and Strategic Projects

Annex I_Attn 4_Report on Training on Governance Implementation, Monitoring and Evaluation

Annex I_Attn 5_Potential Sources of Funding

Annex II Enhanced Economic Growth

N/A

Annex III Improved Social Infrastructure and Social Cohesion

Annex III_Attn 1_EU PRO Plus_Q32023_LIP Status

Annex IV Communications

Annex IV_Attn 1 EU PRO Plus Overview of Communication Activities

Annex V Programme Management

Annex V_Attn 1 EU PRO Plus Work Plan for Q4 of 2023