



Ministry of European Integration  
REPUBLIC OF SERBIA

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**EU  
PRO+**

# QUARTERLY STATUS REPORT

Jan - Mar 2025



**UNOPS**

Implementing partner  
in 99 cities and municipalities in Serbia

<b>Overall objective:</b>	To contribute to socio-economic development, prosperity and social cohesion of Serbian society
<b>Purpose:</b>	To decrease socio-economic disparities in two regions within Serbia
<b>Budget:</b>	40 million Euros
<b>Donor:</b>	The European Union
<b>Start date:</b>	1 January 2021
<b>End date:</b>	31 December 2025
<b>Programme area:</b>	The Regions of Šumadija and Western Serbia and the Southern and Eastern Serbia
<b>Implementing partner:</b>	United Nations Office for Project Services (UNOPS)
<b>Report date:</b>	14 April 2025
<b>Period covered:</b>	1 January – 31 March 2025
<b>Prepared by:</b>	UNOPS

## Acronyms

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

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## 1. SUMMARY

During the first quarter of 2025, the **European Union for Local Development - EU PRO Plus Programme** continued with an intensive implementation pace, finalising activities related to economic growth and boosting implementation of the 18 integrated projects. The nine projects completed during the quarter contribute to a total of 278 completed projects (or 90%) of the 308 supported projects projects, with 25 projects (or 8.2%) under implementation and the remaining five projects (or 1.8%) cancelled.

Within **efforts to activate the potentials and resources of supported territories and help solve common problems and promote the joint work of larger cities and smaller municipalities**, the implementation of 18 integrated projects in total value of over 12 million euros, initiated at the end of the second quarter of 2024 is progressing. For the nine integrated projects implemented in wider territories, the grantees - local self-governments (LSGs) and regional development agencies (RDAs), are working jointly, continuously addressing regular implementation challenges but also challenges related to partnerships between LSGs, implementation of public procurement processes done by the lead partner for other partners, financial management of projects with contributions from all partners, and coordination of activities among partners. Likewise, the implementation of the remaining nine projects focused on territories of single cities, has progressed during the quarter, with involvement of project partners, be it the RDAs, public companies, educational institutions or civil society organisations.

During the quarter a significant progress has been made in implementation dynamics, but also in the strengthened capacities of the grant management teams within these territories to address the challenges related to implementation of integrated projects. A significant workload has been completed, with 121 published procurement processes, resulting in 106 awarded contracts and works underway on 20 construction sites.

Furthermore, the Programme continued with targeted capacity building interventions, organising a **peer exchange in lieu of building national capacities for management of territorial development** with the Ministry of Regional Development of the Czech Republic for the representatives of the Ministry of European Integration (MEI). This exchange built up on the previously shared experiences from Poland and Portugal, and provided insight into wider options for development of a system for territorial development in Serbia which are presented in the Draft Study on the National Model for Integrated Sustainable Territorial Development (ISTD) shared with MEI for feedback.

In contribution to **creating conditions for new investments in production, services and tourism, and jobs creation**, with completion of six economic infrastructure projects during the quarter, the Programme continued to register results. Thus far, as a result of the economic infrastructure interventions implemented through the supported projects, investments of 1.5 million euros in new facilities have been registered, with over 1,500 new jobs created, of which 492 new jobs were generated in this quarter in the supported economic zone in Šabac.

The beneficiary LSGs also continued to build up on the **infrastructure interventions related to tourism infrastructure**, with new investments of over 75,000 euros in medical and training equipment following the completion of supported construction of the rehabilitation centre in Knjaževac. Likewise, three new employments were registered in Mali Zvornik following the construction of facilities for the Tourist Organisation, and the tourism offer is expanded with 25 newly categorised accommodation service providers.

The Programme's support to **improved social infrastructure and social cohesion** was finalised in the previous reporting period, pending technical commissioning of works for bridge over Krčmara River in Rača. The Programme may extend support to two more local infrastructure projects aiming at improved services provided by LSGs to citizens, conditional to donor's approval of the requested Addendum.

The Programme proactively **managed several key risks and issues** during the quarter. The current political and social context, including student protests and a government operating in technical mandate, has impacted project implementation and visibility. Delays in activities involving the education sector and shifting priorities among decision-makers have been observed. To mitigate these risks, the Programme is closely monitoring developments, maintaining contact with stakeholders, and adjusting plans as needed.

Additionally, the complexity of integrated projects, involving numerous procurement processes and diverse technical expertise, presents challenges for beneficiaries. Poor quality of technical documentation has also led to delays, particularly in projects in Užice, Kragujevac, and Niš. New financial management procedures with the introduction of the SPIRI system have further caused delays due to the need to amend grant agreements. Finally, the sustainability of project results is at risk due to a lack of follow-on activities in some cases, such as the transfer station in Bujanovac and the day care center in Lebane, requiring ongoing monitoring and support.

While many **economic and social infrastructure projects have demonstrated sustainability**, the Programme is actively working to ensure the long-term success of ongoing projects. This includes reviewing and approving tender documentation for integrated projects and, to further support economic sustainability, a mentoring program has been developed for women and youth startups, providing guidance in marketing, financial management, and product design.

The EU PRO Plus Programme **actively integrates cross-cutting themes like good governance, gender equality, social inclusion, environment and climate change, and digitalization**. Specifically, the Programme ensures significant participation of women in capacity-building activities, as seen in training sessions where women comprised 66.7% and 87.5% of attendees. Women's active involvement is also integral to the 18 integrated projects, with gender-related data being collected. Citizens' forums and workshops within the projects also demonstrated high female participation. The Programme promotes social inclusion by supporting activities for vulnerable groups, such as adapted physical exercise training for students with disabilities in Šabac. Additionally, EU PRO Plus supports projects that consider environmental protection and social wellbeing, exemplified by the Zaječar integrated project for youth camp governance, which includes these aspects.

The Programme **maintained high visibility through various communication activities** during the quarter. Visits and events attended by MEI and the DEU Head of Cooperation were supported. Further, the International Women's Day and the International Day of Social Justice were marked with dedicated Newsletters, along with issued press releases for project announcements. These activities resulted in 280 positive media reports, with 104 in national media. The Programme's website and YouTube channel were updated with new content, including success stories featuring women entrepreneurs.

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 Serbian National Assembly formally confirmed the resignation of Prime Minister Miloš Vučević on 19 March 2025, thus triggering a 30-day deadline for the formation of a new government or the calling of a snap election.<sup>1</sup> Vučević, the head of the Serbian Progressive Party, submitted his irrevocable resignation on 28 January, after an attack on protesting students in Novi Sad, amid the nationwide protests of students over the collapse of a railway station canopy causing the death of 16 people.<sup>2</sup>

The Ministry of Environmental Protection and the European Union launched in January 2025 a [new support package](#) in the areas of climate change policies, circular economy and businesses, and bio-waste management. The package, worth about 16.3 million Euros, will help to further enhance the environment and quality of life for Serbian citizens through improving legal and policy framework, building capacities of both public and business sectors and investment in waste separation and collection. The 1.5 million Euros Climate Change component will address climate change policy and legal framework, strengthening capacities for climate change management and assisting in developing mechanisms for support of industry related to decarbonisation. The 709,000 Euros Circular Economy component is aimed at developing circular economy roadmaps for local self-governments, circular economy business action plans, and raising awareness. The 14.1 million Euros bio-waste component, planned to be implemented in 24 months, supports new services such as bio-waste collection from individual households, small businesses and collection of green waste from public places in 25 municipalities across five waste management regions, including the territories supported through the programme, i.e. Užice, and Pirot). Over 90% of the project budget will be invested into equipment that local and regional utility companies will use on a daily basis.<sup>3</sup>

EIT Climate-KIC advertised a [Sustainable Cities Mobility Challenge](#) call for European cities to identify bold and impactful projects which seek to decarbonise transport, improve local air quality and accelerate the take-up of active, shared and collective mobility. The call aims to support the transition to cleaner, greener, and more inclusive transport, in line with the objectives of the European Green Deal, Urban Mobility Framework, New European Bauhaus and the EU Cities Mission. In this year, the projects that will be supported are those that create street space that enables healthy, active mobility and that also incorporate greening (e.g. planters, trees, parklets, shrubs, pocket gardens), as these can simultaneously deliver benefits for the climate, quality of life, biodiversity and sustainable transport. The call was open by 12 March 2025. Cities and towns (with a population of at least 25,000) in the EU Member States and Horizon Europe Associated Countries Each city project selected will be granted up to 90,000 EUR.

#### 2.1.2 Progress towards achieving objectives

While no new data was published during the quarter related to the GDP, the available data related to employment indicate improvements in the two targeted regions.

The number of unemployed in the Western Serbia Region in the Q4 2024 was 80.800 which is a decrease of 2.3% compared to 82.700 in the Q4 2023. Furthermore, the Workforce Survey showed a decrease in total unemployment rate by 1.3% to 8.5% in 2024. compared to 2023. Likewise, the number of unemployed in the South-East Serbia Region in the Q4 2024 was 73.600 which is an

<sup>1</sup>Srbija.gov.rs [Parliament confirms resignation of Prime Minister Miloš Vučević](#) (19 March 2025)

<sup>2</sup>Europeanwesternbalkans.com [Serbian PM Miloš Vučević resigns following the violent attack on protesting students](#) (28 January 2025)

<sup>3</sup>Europa.rs [Bio-waste five region project - factsheet](#) t  
[www.euproplus.org.rs](http://www.euproplus.org.rs)

increase of 7.3% compared to 68.600 in the Q4 2023 while the Workforce Survey showed a decrease in total unemployment rate by 0.7% to 12.1% in 2024. compared to 2023.

Programme's contribution to employment continued to increase, with thus far a total of 338 new jobs created in directly supported businesses, of which 178 (or 53%) are occupied by women. Furthermore, with thirteen of the twenty supported economic infrastructure projects completed, six new investments valued over 180 million Euros were realised in supported zones/tourist destinations.

### 2.1.3 Results and Activities

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

While awaiting feedback from the Ministry of European Integration (MEI) on the Draft Study on the National model for Integrated Sustainable Territorial Development (ISTD), the Programme continued to contribute to introduction of integrated territorial investment (ITI) concept through targeted capacity building interventions, which include sharing experience of the EU member states related to ISTD. The peer exchange between the MEI and their counterparts from the Czech Republic which took place during the quarter, built up on the previously shared experiences from Poland and Portugal, and provided insight into wider options for development of a system for territorial development in Serbia. Based on the positive feedback received from the participants, the series of events will continue with other relevant cases, such as Romania, France, Hungary, Slovenia, etc. The same concept will be used for the supported territories as well, with cases suitable for particular territorial context in Serbia.

The three supported territories - Niš, Kragujevac and Smederevo were awarded within [URBACT pioneers accelerator](#) call. The Programme supported the territories to apply for intervention related to territorial strategies. The bespoke learning programme dedicated to cities from the Western Balkans is designed to support cities from the region to tackle specific urban challenges with sustainable solutions in line with the EU integrated sustainable urban development policy framework, values and practices. The inspiring good practices from EU cities will be explored and expert support for structured action learning around integrated and participatory approaches in project design and delivery will be provided.

The programme encouraged supported territories to apply to the [Sustainable Cities Mobility Challenge](#) for European cities to identify bold and impactful projects which seek to decarbonise transport, improve local air quality and accelerate the take-up of active, shared and collective mobility. As a result of these efforts, the territories of Novi Pazar and Užice applied under this call, with innovative actions that support territorial strategy implementation.

#### **Activity 1.1 Enhancing national capacity to introduce integrated territorial development**

The training on "National governance of territorial instruments in a multi-level and multi-stakeholder environment: the case of Czechia"<sup>4</sup> was conducted on 19 March 2025. Its goal was to enable exchange between the Serbian Ministry of European Integration (MEI) and the Czech Ministry of Regional Development in charge of territorial development. A total of 33 participants attended the training, out of which 66,7% (22 participants) were women and included representatives of MEI, the Standing Conference of Towns and Municipalities (SCTM) and the EU Delegation.

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<sup>4</sup> The report on the training is available in Annex I, Attn 1  
[www.euproplus.org.rs](http://www.euproplus.org.rs)

Czechia experience is relevant for Serbia as it represents a good practice in implementation of an ambitious ISTD model in a largely centralised country, using both Integrated Territorial Investments (ITIs) and Community-led Local Development (CLLD). For both types of territorial instruments, the country has allocated substantial EU Cohesion Policy funding. The Czech place-based approach is guided by the country's Regional Development Strategy. This strategy defines five types of territories with tailored policies: metropolitan areas, agglomerations, regional centres, structurally affected regions, and economically and socially vulnerable areas. Different funding mechanisms are applied to these areas, including national budgetary incentives and Cohesion Policy funds. One of the key challenges that Czechia is facing is lack of quality integrated projects due to its complexity, which is similar to Serbian context. One of the key aspects relevant for MEI was the approach to selection of territories and degree to which the content of strategies are controlled by the national level and how project selection is carried out. Another aspect was to learn how the Czech Ministry provides technical assistance and capacity building measures.

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

In lieu of supporting the implementation of the twelve territorial strategies, the activities on the establishment of Project Coordination Units (PCUs) continued. While eight territories established PCUs in the previous reporting periods, during the first quarter of 2025 progress was made in the remaining four territories. The Decision on establishment of the PCU in Kragujevac is finalised, pending signing, while during this quarter, additional meetings were held in Niš and Šabac in order to finalise development of the Decisions for formation of the PCUs. Kruševac territory is lagging behind, with only a preliminary list of members drafted.

Development of two trainings for PCUs has been finalised during the quarter: (1) Development of integrated strategic projects, which focuses on integral and participatory approach, multi-level management and selection and development of integrated project proposals, and (2) Training on Integrated investment plans which includes linking development priorities and strategic objectives to an investment plan, creating and prioritizing a project pipeline and developing a funding and financial plans, including the blended financing. The delivery of the two trainings which are a part of the Training Module IV of the Capacity Building Plan will be carried out in the second quarter of 2025.

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

The implementation of 18 integrated projects is gradually entering into the execution phase, with 36% overall project progress recorded. The complexity of the projects, related to the coordination of all stakeholders involved, and the number of activities and procurement processes require continuous Programme support, including review of tender packages related to the works, services, communications and marketing activities. Within this quarter 32 status meetings were held to support implementation of activities and public procurement processes, while 99 contracts out of 123 published public procurements, were signed under 18 projects that cover territory of 30 local self-governments.

In February 2025, **Šabac** within the **project "Fair Play for Inclusion"**, after all safety mechanisms for safe execution of works put in place, granted access to site to the Contractor for the construction of the gym that will be used by the pupils from two primary schools "Vuk Karadžić" and "Sveti Sava," and the pre-school institution "Naše dete". The work is scheduled for completion by 1 September 2025, while the Programme monitors the Contractor mobilisation, advising on manpower, scheduling, quality control and material submittal sheets.

The **Lagator revival project** in **Loznica**, also progressed, as the City of Loznica, upon a favourable ruling of the Republic Committee for the Protection of the Bidders Rights, signed the contract for rehabilitation works and the contract for technical supervision services. The implementation of infrastructure works, scheduled for six months from the date of access to site to be granted to the Contractor in early April, will include renovation of the former bowling alley in the "Lagator" sports centre in order to provide a new

multifunctional space that will serve for both recreation and education. The premises will house the Youth Club and the Center for Civil Protection. Loznica completed all planned public procurements, opting to engage the Company for providing marketing campaign services on the whole territory of Loznica, for a project marketing campaign. The training sessions conducted by certified instructors for the first group of 80 first aid trainers are ongoing, supported by. The final goal of the activity, implemented with manuals and first aid equipment procured through the project, is to increase crisis response preparedness by training 3,000 young people.

The **“Magic of Eastern Serbia”** tourism project implemented on the territory of four partnering municipalities with the aim to improve and activate the tourism potential has also recorded the progress as the City of **Zaječar** in March 2025 signed the contract for works and technical supervision services, including the HSSE services, for completing the Kraljevica youth camp. With work expected to begin in early April, this is the third contract for works, alongside Knjaževac (the work on expansion and development of the Banjica complex is ongoing) and Sokobanja (construction works on the Bovansko Lake and), awarded within this integrated project. To date the Municipality of Boljevac is lagging behind with the contract for tourist signalling signed on 19 March 2025 and still ongoing public procurement for the pump track, which has been republished and extended three times due to the bidder's questions. Good governance and soft measures include the development of a management model of the Youth Camp, development of Zaječarski district tourist card and road map to raise competitiveness and visibility of tourism in the area and development of a Territorial Marketing strategy. The Programme provided feedback for the improvement of all tender packages, of which, two tenders for Youth Camp Governance Plan and for Territorial Marketing Strategy and Visual Identity, were published in March, aiming to contribute to the sustainability of the project. However, the tender for Youth Camp Governance Plan failed as none of the bidders expressed interest.

The infrastructure activities within the **CREST Cultural Revival for an Enriched Šumadija Tourism: Creating an Integrated and Innovative Regional Tourism Offer project**, implemented by the Regional Economic Development Agency for Šumadija and Pomoravlje (REDASP), also recorded progress, as the revitalisation of the memorial complex Petrovi dvori in Viševac, in Rača municipality, was completed and works handed over in March 2025. The works on the rehabilitation of the Culture Centre in Borač, Knić municipality, as well as the construction of the Arandjelovac visitor-educational centre, were also contracted in March. REDASP awarded a work contract for the rehabilitation of Kings Winery in Topola and decided to re-tender stone works under the separate lot as only one bid was received, exceeding the budgeted value. The work is expected to begin in April, pending the finalisation of tenders for technical supervision and HSSE services for all three locations.

The implementation status of the project **Šumadija CONNECT Fostering territorial development through innovation and cultural heritage valorisation** experienced delays in procurement of construction works for reconstruction and adaptation of the High School “Knez Aleksandar Karađorđević” building, as the Committee for Protection of Bidder Rights ruled in favor of the bidder that filed the claim and returned the process of procurement back to the bid evaluation. The soft measure activities, including external expertise for the study analysis of cultural goods and cultural-historic heritage valorization, alongside the activity of defining the Rulebook for cultural heritage management are progressing in line with the signed service contracts. An interactive touch-panel in Lapovo was installed, with promotional and media materials developed.

The project **“Ecosystem for innovation and smart economy” in Bor** recorded significant delays in implementation. The tender for works on the start-up center is still pending publishing as the revised tender showed increased prices compared to the budget. Therefore, the City of Bor had to alter the procurement plan and increase the co-funding amount in the local budget to cover all costs in order to ensure the full functionality of the centre. To date, the City of Bor signed five contracts for the provision of services and managed to submit the remaining 12 tender packages for procurement of works and services within the project in the last week of March, which are expected to be published in early April. Once all costs are confirmed through tenders, the budget revision will be initiated by Bor.

The implementation of the **"Tabula Peutingeriana" project in Niš** is experiencing significant delays, although the contract for works on the "Casemates" buildings in Niš Fortress was signed in January 2025 and the works are underway. The second location for the infrastructure works, i.e. the reconstruction of ateliers is lagging behind schedule, due to the fact that the review of the execution design completed at the end of March 2025 indicated a substantial increase in estimated cost for construction works. The City of Niš expressed willingness to secure an additional 41 million RSD of co-funding for the reconstruction of Ateliers and committed to prepare a full tender for publishing in early April 2025. In order to keep this activity feasible to implement within the project duration, the Programme and grantees jointly set the final contract award date for the end of June. The overall progress of the project has been significantly delayed, leading the Programme to raise concerns that Niš may not complete all planned project activities within the allocated timeframe.

At the end of this reporting period the installation of 22 underground containers started within the implementation of the **Leskovac project related to the improvement of waste management in the urban area**, with the plan to be completed in two-week time given favourable weather conditions. The exact installation locations were agreed between the representatives of the grant implementation team and the PWW, a company responsible for waste disposal in the city. The majority of project public procurements were finalised while the remaining two, planned at the beginning of April 2025, relate to the procurement of equipment for forming of green spaces around waste collection sites and equipment for primary waste selection. The activities related to a recycling awareness campaign and activating citizens included development of the project boards containing information on waste separation aligned with visibility guidelines. The City also contracted the development of a zero waste application, an interactive android game aiming to raise awareness on waste separation. Within the game, users will receive indirect illustrations of the eight locations where underground containers are placed in the urban area of the city, representing eight levels in the game. The application is primarily designed for the children of 8-15 years of age but could be used by wider public interested in the topic.

The realisation of public procurement procedures has progressed in **Pirot** within the implementation of the **project for improving the educational eco system in the urban area of Pirot and the surrounding municipalities**. The procurement of works on the improvement of energy efficiency of the Grammar school in Pirot was finalised and the decision on the selection of the best bid was published on 14 March 2025. Additionally, the works in Bela Palanka including floor and lightning reconstruction in the secondary school and instalment of the fence at the primary school have been contracted. Special attention of the contractor and technical supervision is given to the dynamics of works related to the replacement of flooring, as the realisation of the majority of these works would need to be conducted following the completion of the schoolyear. Furthermore, the works on establishing open learning and recreational areas in Babušnica primary school were contracted on 10 March 2025. In Dimitrovgrad the procurement of the vehicles for the transportation of food and for the transportation of disabled children was successfully contracted with delivery pending on the resolution of administration issues. In addition the majority of already contracted IT equipment has been already delivered to the preschool facility. The activities related to the implementation of project soft measures were intensified with a series of technical meetings with the contractors for the co-creation workshops, school and kindergarten representatives to generate interest in the workshops which will follow. Finally, a comprehensive marketing and communication plan was finalised and the design of the project boards was developed.

The City of Novi Pazar under the project aimed at **improving the management of recyclable waste in Novi Pazar** started construction works to increase the capacities of the Recycling Centre. The City awarded the contract for purchase of a special vehicle for collection of textile recyclable waste. In parallel, the City is preparing a tender for necessary equipment to support the Recycling Center's operations, including automatic balling press, forklift etc.

Implementation of the **Green and Energy Transition project in the Užice ITI territory** experienced delays in finalising the technical documentation regarding National Theatre roof reconstruction. The risk has been raised and several meetings were held to agree on the adequate course of action to overcome this

delay and ensure safe and efficient implementation. It was agreed that RDA Zlatibor submit an updated action plan with the request for budget revision. The contract for installation of solar power plants on seven public buildings was signed in February 2025. The power plants are planned to be installed in the Regional Training Center for Dual Education in building of former Užice , Military Quarter in Krčagovo, Užice, Regional Agriculture School in Požega, Sports hall in Bajina Bašta, KJP Zlatibor building in Zlatibor and Swimming Pool Uzice. The evaluation of the offers submitted to tender for equipment for the agricultural school in Požaga is ongoing. The evaluation of the tender for green facade in Zlatibor and contracting is expected in April 2025.

The implementation of the projects awarded within the **LOT2** is going at a different pace. In case of urban identity study for ITI **Užice** the implementation is going as planned, where the first part of the study was completed and the first round of citizens assemblies were conducted. Regarding the Master Plan for the former Viskoza factory in **Loznica**, the decision of the Republic Public Procurement Commission was issued; procurement documentation was consolidated and the duration of procurement was extended. The procurement was closed on 7 March 2025, the service provider was selected and contract signing pending. The process of development of the traffic study and related strategic environmental impact assessment (SEIA) in **Novi Pazar** continued with collection of data required for the study and with an organised round table in March 2025. Within the project in **Kruševac**, the archaeological research for Lazarev Grad in **Kruševac** is ongoing, and the smaller procurements for soft measures and project web site and for organisation of round tables were completed. Upon finalisation of the tender for the study for revitalisation of the Mechanical workshop on 27 February 2025 **Kragujevac** is to sign the contract. **Pirot** re-advertised procurement for preparation of Terms of Reference (ToR) for pre-feasibility study, which was closed on 24 March 2025, and the procurement for **Leskovac** pre-feasibility study was adopted within the procurement plan and will be advertised in April 2025.

## Result 2: Enhanced economic growth in targeted municipalities

The finalised economic infrastructure projects continue to justify their sustainability with so far facilitated investments in new facilities worth over 1.5 million euros and over 1,500 employments, of which 492 new jobs were generated in this quarter in three Chinese factories constructed in the economic zone Šabac. Also, the increase in the number of workers is evident in Mali Zvornik following the completion of the economic infrastructure project related to the improvement of tourism infrastructure with three new jobs created in the municipal Tourist Organisation, and tourist visits have increased. As particularly significant for further tourism development, in the period 2022-2024, 25 new accommodation facilities were categorized, while at the end of 2024, the first enterprise dealing with catering was opened in Mali Zvornik providing jobs to three local people. Finally, in 2023, the number of foreigners using hotel accommodation in Mali Zvornik with 584 tourists in 2023 with an average of 1,35 days of stay, has risen to 1,050 tourists with an average of 2,35 days of stay in 2024.

Having completed all granted activities, Knjaževac has invested additional efforts and funds in upgrading the content of the finalised rehabilitation centre in Rgošte spa. The municipality financed from the municipal budget procurement of medical equipment for the facility in the amount of eight million RSD and is currently procuring one million RSD worth gym equipment. Currently, the municipality is considering dividing management responsibilities between two entities, medical and recreational one, so as to ensure the compliance with the rulebook and the decision on the use of the facility developed within the project activities which is also the basis for 21 new employment in 2028.

In addition to 63 jobs already created by Women and Youth startups one additional job was created during the Q1 2025 making a total 64 new jobs out of which 36 or 56% are occupied by women.

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

From 20 EIP projects, 13 have been completed in 2024 and seven are still in the implementation phase among them four with physical sites while the remaining three include development of technical documentation. The ongoing grants faced administrative challenges due to the transition to the SPIRI financial management system at the end of 2024 as they had to close the dedicated project sub-accounts as per the instructions of the Ministry of Finance.

This required LSGs to incorporate project funds into their 2025 budgets, while a different understanding of processes among LSGs was evident. Following the adoption of the new budget for 2025, which the majority of LSGs formalised by the end of January, LSGs allocated project funds to facilitate spending as planned by projects. This shift affected the grant support agreement contractual clauses, which the Programme addressed by amending active grants after assessing all risks related to the security of donors' funds. In February, the Programme amended five of seven active EIP grants expiring at the end of February, granting justified extensions to Preševo, Bosilegrad, Surdulica, Paraćin and Zaječar.

The project in **Bosilegrad, including the reconstruction and equipping of the former textile plant "Kobos"**, faced delay due to suspension of works until the bearing capacity of the roof structure is verified, for which Bosilegrad needed to acquire proper testing equipment with a two-month delivery time. The Faculty of Civil Engineering, responsible for the testing, conducted the assessment in the last week of March, and following their results, the Contractor will be able to finalise a small portion of the work on the roof cover during April, followed by the technical commissioning.

**Preševo** managed to finalise almost all infrastructure works within the project of infrastructure equipment of the Čukarka Preševo Industrial Zone, except from the final asphalt layer of the internal roads that will be completed pending favourable weather conditions. However, the municipality had to cancel the repeated tender for the soft measures, as the decision of the Republic Committee for the Protection of Bidders Rights and to re-tender after the adoption of the Procurement Plan for 2025. The soft measures encompass the legal framework for operation and management of the future zone, conditions and subsidies for future tenants in the zone as well as promotion and marketing programmes for attracting potential investors. The Programme reviewed the ToR for governing mechanism, for marketing, branding and promotion of the zone and measures for increasing the visibility and recommended improvements, which Preševo accepted and published the tender for the third time on 19 March 2025.

The **Surdulica** development of the technical documentation project was delayed due to the over a three-month period needed for the revision of documentation for a construction permit for the establishment of a sports complex, "Vodeničište" on Vlasina Rid, which is to be issued by the Ministry of Construction, Transport and Infrastructure. The designer addressed the objections of a formal nature to the documentation in March, and the renewed request is being reviewed by the subject Ministry. Once the construction permit is issued, the designer would be able to finalise the execution design, which is the only outstanding project activity.

In **Paraćin**, the solution for drainage of atmospheric waters for industrial zone Zmič is finally reached through the agreement with Public Water Management Company Serbia Waters. The readjusted concept solution was uploaded in the CEOP system on 10 February 2025, requesting a re-issuance of the location conditions. The LSG completed the payment of relevant taxes, and the request to the Geodetic Institute was submitted, taking into account the changes in the land plot marks. After location conditions were issued in March, the finalisation of the design for the construction permit was initiated, and after its issuance, the designer would be able to complete the execution design thus completing project activities.

**The City of Zaječar** advanced the most in the provision of technical design for the Emperor's Park, as it contracted the electrical supply with PUC in March and cleared the objections to issuing a construction permit, which became valid, allowing the service provider to complete the execution design by the end of April.

Other two EIP projects, Kragujevac and Užice, are thus far following the implementation dynamics. On 20

February 2025, **Kragujevac** gave access to the site to the selected Contractor for rehabilitation of the bridge in the FAS zone. The Contractor, a consortium of two construction companies, Grammar from Belgrade and Saba Belča from Preševo, committed to complete works in seven months from access to site date. The work on the rehabilitation of Užice Water Tower also resumed in the last week of February, with stone works progressing to 40%, expecting all works to be finalised by end August 2025.

Novi Pazar has completed most of the conditions needed for issuing usage permit for Smart City Centre, including solving all the issues raised by the supervisors, obtaining energy passport and resolving fire protection requests. The usage permit is expected to be issued during April 2025.

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

During this first quarter of 2025, the final two grants for women and youth startups have been successfully finalised making a total of 42 implemented grants. These grants have led to the creation of 64 new jobs of which 36 (56,3%) are held by women. The supported startup grantees have been surveyed about their needs for mentoring support, and the Programme has developed a mentoring based on the received feedback.

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

Over 280,000 inhabitants of 35 beneficiary cities and municipalities which implemented 37 local infrastructure projects and thus improved the services provided to citizens already benefit from the projects implemented in previous years. However, focused on enhancing the sustainability of results, the Programme closely monitors follow-on activities implemented by benefiting LSGs ensuring the sustainability of results.

Over 4,000 inhabitants of Vrnjačka Banja and Rača will benefit from the bridges constructed following the 2023 floods, which currently await technical commissioning (Rača) and issuance of usage permit (both).

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

The activity was completed in earlier reporting periods. As per the Programme amendment, which is to be signed by the DEU in April, the portion of the budget savings may be used for awarding two more project proposals from the reserve list of the local infrastructure projects.

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

All 37 supported local infrastructure projects were completed during the earlier reporting periods. However, the Programme monitors implementation of follow-on activities which should strengthen the sustainability of implemented projects.

### ***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***

Although the municipality of Rača managed to finalise the remaining portion of the works on the reverbed regulation within works on the construction of the bridge over Krčmara River in 2024, the Programme is still monitoring the administrative processes related to technical commissioning of the bridge, precondition for issuance of the use permit. Rača managed to contract the commissioning of the bridge only in February and submitted all documentation to the Committee, and currently, they are processing the geodetic merging of the cadastral parcels as part of addressing objections to the documentation.

The Programme granted a time extension to the contractor providing supervision services for the works [www.euproplus.org.rs](http://www.euproplus.org.rs)

on the bridge contracted by UNOPS and for riverbed regulation works contracted by Rača municipality, to ensure supervision presence during the commissioning process as well.

## 2.2 Management

### 2.2.1 Governance

During the quarter, the third Programme Amendment was submitted to the EU Delegation, requesting a three-month extension of the Programme implementation timeframe until 31 March 2026 which secures the time needed for implementation of the integrated projects. Additionally, the Programme documents were amended to include the activities related to use of the Programme budget savings. As per the agreement of the DEU to Serbia and the MEI, the portion of the savings is to be used for the equipment of the MEI premises, while one part will be used for funding to project proposals from the reserve list of the Public Call for Local Infrastructure Projects.

### 2.2.2 Coordination

During this quarter, the programme participated in the work of a UNCT working group formed to support national efforts to improve air quality and to map future fields of cooperation between agencies. The Programme presented the results of 37 local infrastructure projects, all aimed at decreasing the carbon footprint of targeted public facilities.

The initial introductory meeting was held in February with the new Sustainable cities project funded by the Embassy of Netherlands, as a successor of the Green Cities Serbia project, on possible synergies.

The introductory meeting with the [EU for Circular Economy in Serbia project](#) was held in March with an aim to explore potential synergies and complementarity between two projects.

### 2.2.3 Human Resources

In line with the UNOPS performance management process, during the first quarter of 2025, all EU PRO Plus personnel have undergone the annual performance evaluation, discussing the achievement towards the set goals for the year with the supervisors. Also, the personnel has set the individual performance objectives for the 2025 which includes indicators measuring the achievement of objectives as well as behavioral competencies, aligned with the UNOPS competency framework.

Several learning activities took place during the quarter. The Project Manager completed the UNOPS SDG Leadership Programme delivered by the United Nations System Staff College. Also, the Programme personnel benefited from a variety of learning opportunities through UNOPS learning platform. Four members of the team completed training related to hazard and risk management including the Hazard Identification and Risk Assessment Training, Induction training for Health, Safety, Security and Environment (HSSE) Country Coordinators and Risk Management for Infrastructure Projects. Furthermore, two team members benefited from the completion of the Innovation Implementation training, while three team members focused on improvement of management skills through completion of training related to Process Improvement, Performance Measurement and Project Management e-Learning courses. Finally, during the quarter three team members benefited from improvement of skills through completion of courses related to Business Plan Development, Presenting with Google Slides - 2025 and Writing Skills training.

## 2.2.4 Procurement and Grants

During the first quarter of 2025, 39 Grant Support Agreements (GSAs) were administratively closed, contributing to a total of 272. Currently there are 26 GSAs under implementation and an additional five GSAs are undergoing the administrative closure procedure. During the quarter, nine amendments to the GSAs were processed, predominantly relating to extended implementation period and transition of the beneficiary local self-governments to the new financial management system - SPIRI. The Programme's financial delivery through the grants mechanism was achieved with six payment requests processed.

Procurement processes conducted during the quarter supported implementation of the activities. The key ongoing procurement processes relate to equipping of the premises of the Ministry of European Integration (MEI), whose contracting is conditional to signing of the Programme Amendment, in addition to various smaller procurement processes relating to office supplies and vehicles.

## 2.2.5. Finance

The following are the main financial indicators<sup>5</sup>:

- The total delivery of the EU PRO Plus as of 31 March 2025 was 33,334,748.22 Euros or 83.34% of the Programme budget.
- The delivery in Q1 2025 was 442,875.70 Euros.
- The forecast delivery for the next reporting period is 2,698,305.62 Euros.

## 3. RISKS AND ISSUES

During the quarter, the Programme proactively managed risks and issues, the following being the key.

**The current political and social context affects implementation of activities implemented by the grantees as well as the overall Programme visibility.** Student protests and unrest in the education sector throughout the quarter have affected several integrated projects which involve the education sector. This includes delays in soft activities with students and teachers, ranging from collection of data for construction of a gym in Šabac to consultation processes for developing solid waste management solutions in Leskovac. In Kragujevac, planned cooperation with the Faculty for Philology and Art -expected to use part of the reconstructed Secondary Technical School was also delayed, potentially impacting the overall timeline and achievement of the project objectives. Likewise, the ongoing protests and the Government of Serbia operating in technical mandate as of 19 March 2025, contributed to shifting priorities among decision-makers, which may further delay project implementation. This also reflects on the Programme visibility limiting high-level participation in events and resulting in the postponement of field visits and public engagements. The broader political and social context has also constrained communication with local stakeholders.

To mitigate these risks, the Programme is closely monitoring developments and remains in regular contact with relevant stakeholders and beneficiaries, working to identify alternative solutions and adjust planned activities where necessary.

**The novelty and complexity of integrated projects, combined with the large number of planned activities, present significant challenges for beneficiary RDAs and LSGs to implement them efficiently and meet the set deadlines.** These projects are typically characterised by a broad scope — including strategy development, construction works, awareness-raising, and more — all requiring diverse technical expertise for effective design and implementation.

<sup>5</sup> While these figures provide quality insight into the Programme's spending, the final figures are only provided in the Programme's financial reports.

Most integrated projects involve numerous procurement processes — in many cases between 12 and 34 — all of which are carried out by the lead implementing partner on behalf of all project partners. Given the limited time available for implementation, many partners struggle to meet established deadlines.

During the reporting quarter, there were 123 active procurement processes related to integrated projects, of which 106 have been successfully contracted. While this reflects substantial progress, approximately 100 procurement processes remain unpublished, despite the fact that these projects have already been in implementation for nine months.

To help address these challenges, the Programme has increased technical support to beneficiaries, particularly in the development and implementation of procurement processes. All technical and procurement documentation is reviewed and commented on, and in many cases, Programme engineers are actively involved in reviewing technical specifications in close collaboration with beneficiaries. Nevertheless, administrative procedures often take longer than expected, in part because lead partners must conduct consultative processes with their project partners, which further extends timelines.

**Quality of technical documentation still poses a significant challenge in implementing the supported integrated projects.** The poor quality of technical documentation has resulted in delayed initiation or implementation of procurement processes on several projects. For example, one of the key activities for Green and energy transition in the Užice ITI territory was reconstruction of the roof of the National Theatre in Užice. The City presented technical documentation and construction permit with the project proposal, identifying the location as ready to build. However, upon thorough review the Programme engineers concluded that the additional testing of the existing structure is required before any new construction can be added. The situation has caused delays of several months required for commissioning and structural testing, postponing the launch of the procurement process and jeopardising the overall implementation timeframe of the project.

Likewise, poor quality of technical documentation for reconstruction works on High School in Kragujevac within Šumadija CONNECT Project has caused the delays in implementation of the public procurement process managed by the beneficiary RDA. Additional delays occurred following a motion for protection of bidders' rights which was upheld by the Republic Committee for Protection of Bidder Rights in favour of the claimant. As a result, the procurement process remains unfinished, ultimately affecting overall project milestones and funding disbursement schedules.

The City of Niš faces similar challenges in implementing the "Tabula Peutingeriana" project, with the key activity still not underway. Specifically, the procurement process for the reconstruction of ateliers in the Niš Fortress has not been initiated due to poor quality of technical documentation, and prolonged revision efforts, even though this challenge was identified at the beginning of the project implementation. By the end of the quarter, the City completed the review of the technical documentation and is expected to publish the procurement shortly, though now facing an extremely tight timeline for completion of the planned activities.

The Programme closely monitors implementation of all projects with weekly meetings and frequent site visits to address all arising challenges and identify mitigation strategies. In case the overall Programme timeframe is jeopardized, the Programme will consider re-scoping of activities allowing successful finalisation of the supported projects.

**New procedures related to financial management of LSG funds and introduction of the SPIRI system as of 1 January 2025 caused delays with implementation of several projects.** As per Ministry of Finance instructions, under the new system, all LSGs now use a single account for the inflow of dedicated funds, replacing the previously required sub-account. This novelty resulted in the need to amend all ongoing Grant Support Agreements with beneficiary LSGs to reflect the changes in the account used for implementation of the granted projects. As a consequence, some of the interim and final tranches for projects in implementation have been delayed due to this additional administration which needed to be done.

**Sustainability of Programme results may be jeopardized by lacking follow-on activities.** The Programme monitors implementation of follow-on activities for several projects. The local infrastructure project related to construction of a transfer station in Bujanovac which was completed in September 2024 was designed in lieu of the expected construction of the landfill "Meteris" in Vranje. While it is uncertain when the landfill will be operational, several fires were reported in Bujanovac at the beginning of the year. The fires were successfully extinguished but kept causing distress and protests among the local population. The full functionality of the subject infrastructure depends on the regional landfill Meteris in Vranje, the realisation of which is ongoing but would take significant time.

Likewise, following the completion of renovation of the Lebane's Day Care Centre for children with disabilities, the Municipality is in the process of licensing the day care facility for children with developmental disabilities, closed by the Ministry for Labour, Veteran and Social Affairs in 2019 due to shortage of adequate conditions.

Also, following the establishment of a system for collection of animal by-products in Sjenica, the Municipality needs to procure the special vehicle for collecting animal byproducts and transfer the governance to PCU "Vrela". While the plans were in place for this to be completed sooner, it is yet to be done. Finally, Čuprija is still working on establishing governance for the reconstructed Community Center to enhance socio-economic life for over 2,400 inhabitants of Supska and Vlaška settlements.

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

Sustainability elements were embedded into requirements of all Calls for Proposals for selection of projects, and were thus included in the supported projects and their implementation monitored during the implementation of projects. The Programme continuously monitors implementation of planned measures which would enhance and ensure long-term sustainability of the supported interventions.

During the quarter, the Programme reviewed and approved tender documentation for the economic infrastructure project in Preševo, where measures for governance, marketing, branding and promotion of the industrial zone whose infrastructure equipping was supported. This is of particular importance for ensuring the attractiveness of the zone for future investors thus contributing to the economic development of Preševo.

In parallel, the Programme supported strengthened sustainability for several integrated projects whose implementation is underway. The terms of references (ToR) for governing the model of the youth camp in Zaječar and for marketing and promotion of tourist potentials of the territory covering four municipalities within Zaječar integrated project were reviewed and enhanced.

Likewise, the ToR for the Tourism development programme within the CREST integrated project is similarly designed to increase tourist attractiveness of four targeted municipalities while living lab activity within Bor "Ecosystem for innovation and smart economy in Bor" project aims at strengthening development and research capacities within the start-up centre, designed to ensure environment and economic sustainability for its tenants through a solar power plant and heat pump that should decrease operational costs of the facility.

Furthermore, a mentoring program has been developed and will be implemented to enhance the economic sustainability of women and youth startups. This program will provide expert guidance in key areas such as marketing, financial management, and product design. By receiving tailored mentorship, the supported startups will improve their business strategies, optimize financial practices, and refine their product offerings, leading to increased competitiveness and long-term viability. This support aims to empower the supported Women and Youth Startups with the necessary skills and knowledge to navigate challenges and achieve sustainable growth in the future.

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

The Programme continuously incorporates gender aspects in creating and implementing capacity building activities. The activities delivered in the reported quarter reflect the efforts and demonstrate significant women participation, namely, a hybrid-format training for the MEI, on 19 March, attended also by representatives of the Standing Conference of Towns and Municipalities (SCTM) and the DEU, was attended by 33 participants in total, out of which 66,7% (22 participants) were women. In addition, an online question-specific session between the MEI and Stefan Kah, Capacity Building Advisor, was attended by eight participants, out of which 87,5% (seven participants) were women.

The active participation of women is an integral part of all 18 integrated projects, also requiring collection of gender related data. Regarding the particular integrated project, within the grant implemented by RDA Zlatibor, Development of Study of unique identity of urban areas in the Užice ITI territory (ERA-URBAN-NET), several successful citizens' forums were held, and all attended by women as majority of attendees (in Čajetina, 58,6% women- 17 out of 29 people, in Bajina Bašta, 53,8% women- 7 out of 13 people, in Požega 56,3% women- 9 out of 16 and in Užice, 65,4% women- 17 out of 26 people). The project team also successfully organised two workshops in the reported quarter, the first one targeting architects and urbanists, where 69,2% participants were women (9 out of 13), and the second one targeting professional building managers, where 41,7% were women (5 out of 12).

The Programme continues to strongly contribute to the social inclusion and improvement of the position of the vulnerable. In Šabac, as part of the integrated project, the "Sveti Sava" Primary School collaborated with the Sports Association of Persons with Disabilities of the City of Šabac to provide adapted physical exercise training sessions for students of this school at the Hall of the Sokolski dom. From the beginning of February, twenty-six students from "Sveti Sava" Primary School, accompanied and supported by the school's special education teacher, participated in various sports activities at the Sokolski dom three times a week. These sports and recreational activities will continue in the new gym once it is completed.

The Programme also supported Zaječar ISTD grant in drafting the ToR for the provision of services for the governance of the youth camp, introducing the aspects of resource management, governance plan and programme, management and administration, sustainable development and environment protection, health and safety, educational programmes, social support and psychological wellbeing, financial management and marketing and promotion. Zaječar accepted all Programme suggestions and published the tender package in March 2025.

## 6. COMMUNICATIONS AND VISIBILITY

The Programme supported two visits and one event, including the opening of the fair venue in Pirot, attended by representatives of the MEI. Briefing and media materials were prepared for the visit of the DEU Head of Cooperation to Zrenjanin on 5 February 2025, targeting local self-governments from the Severnbanatski and Central Banat districts. A second visit to Sremska Mitrovica on 18 March gathered representatives from Sremski District. Both meetings served to promote EU PRO Plus results as examples of best ITI practice and to support the introduction of the new programme at the local level. Preparation of a similar event in Pančevo, planned for 6 March and targeting eight LSGs from Južnbanatski District and RDA Južni Banat, was postponed. Project overviews for Novi Pazar, Kragujevac and Sjenica were also prepared for DEU needs.

The Programme marked International Women's Day with a special newsletter titled *Women Mean Business!*, distributed to approximately 4,500 stakeholders. The International Day of Social Justice (20

February) was observed with a digital story about the newly established children's shelter service in Niš. Two press releases were issued to announce the start of the economic infrastructure project in Kragujevac and the ISTD project in Novi Pazar. A newsletter prepared to mark International Education Day was not disseminated due to the political context in the country.

The visits, press releases, and other communication activities generated 280 positive media reports, including 104 in national media. The Programme website recorded 20,493 visits from 14,565 unique visitors, with highest traffic on pages dedicated to public calls and results. Social media performance showed a slight decline in Facebook followers (18,982), while Instagram (3,281) and Twitter (1,168) maintained steady growth.

The Programme's YouTube channel and website were updated with twelve new media stories and three success stories featuring women entrepreneurs. These included a video from Knjaževac and written stories from Kruševac and Jagodina. MEI further promoted EU PRO Plus results through the [Evropska Srbija](#) series, highlighting a kindergarten project in Karan (Užice) and the Moravski Market BSO project in Čačak, produced by Jovan Memedović.

## 7. LESSONS LEARNED

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

Contract templates for agreements between SMEs and selected bidders were developed to ensure clarity and accountability. These templates include comprehensive sections on deliverables, timelines, quality, and performance standards, providing a structured framework to address supplier non-compliance. By setting clear expectations, they help prevent financial losses and ensure the successful implementation of grant-funded projects. Additionally, the contracts should incorporate specific penalty clauses for non-compliance of the contractor.

## 8. NEXT REPORTING PERIOD<sup>6</sup>

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 Implement a Module IV for MEI - one hybrid training with peers from EU member states
- Activity 1.1 Consolidate Study on national model for ISTD and organise final presentation for MEI
- Activity 1.2 Deliver of remaining training module IV for PCUs (training on integrated projects and training on investment plans)
- Activity 1.2 Develop one pilot investment plan for supported territory
- Activity 1.3 Commencement of works in ISTD CREST Project on sites Arandjelovac, Knić, Topola. Commencement of works in ISTD Ecosistem Bor project. Commencement of work in Loznica Lagator SUD. Commencement of work in Zaječar ISTD youth camp and Sokobanja.

### Result 2. Enhanced economic growth in targeted municipalities

- Activity 2.1 Finalisation of Bosilegrad, Surdulica, Paraćin and Zaječar grant
- Activity 2.1 Implementation of mentoring support to Women and Youth Startups

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

- Activity 3.1 Award LIP grants to two more municipalities from the reserve list
- Activity 3.4 Finalisation of technical commissioning of the bridge in Rača

<sup>6</sup> EU PRO Plus Work Plan for the period from 1 April to 30 June 2023 is available in Annex V, Attachment 5.1.  
[www.euproplus.org.rs](http://www.euproplus.org.rs)

### Programme Communications

- Newsletters World Health Day 7 April, Labour Day 1 May, Environment Day 5 June
- Promotion of the integrated projects
- Work on development of Final publication
- Work on development of Final movie
- Work on development of Legacy material

## 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
<b>Overall Objective:</b> To contribute to socio-economic development, prosperity and social cohesion of Serbian society	WB Doing Business Report score 74	WB replaced the Doing Business report with Business Ready (B-READY) report that evaluates the business and investment climate worldwide. However, B-READY 2024 does not cover Serbia. Data for Serbia are expected to be included from the B-READY 2025 report.
	Global Competitiveness Index Rank 69	The World Economic Forum has not continued comparative country rankings on the Global Competitiveness Index after the COVID-19 pandemic in 2020.
SO1. To decrease socio-economic disparities of two regions within Serbia	Šumadija and Western Serbia Region GDP and number of unemployed - 20% / 101,760	<p>The available data shows that the nominal GDP of Šumadija and Western Serbia Region in 2023 increased by 10.5%. However, the share of this Region in the national GDP decreased by 1.1% to 17% in 2023 compared to 2022.</p> <p>The number of unemployed in the Western Serbia Region in the Q4 2024 was 80.800 which is a decrease of 2.3% compared to 82.700 in the Q4 2023. However, the Workforce Survey showed a decrease in total unemployment rate by 1.3% to 8.5% in 2024. compared to 2023.</p>

	South-East Serbia Region GDP and number of unemployed - 14.2% / 83,712	<p>The available data shows that the nominal GDP of South and East Serbia Region in 2023 increased by 14.1%. The share of the same Region in the national GDP decreased by 0,5 % to 15.1% in 2023 compared to 2022.</p> <p>The number of unemployed in the South-East Serbia Region in the Q4 2024 was 73.600 which is an increase of 7.3% compared to 68.600 in the Q4 2023. However, the Workforce Survey showed a decrease in total unemployment rate by 0.7% to 12.1% in 2024. compared to 2023.</p>
<b>RESULT 1</b>		
<b>Improved development planning in targeted municipalities and introduction of the ITI concept</b>		
<b>Result 1. Improved development planning in targeted municipalities and introduction of the Integrated and Sustainable Territorial Development (ISTD) concept</b>	<b>OC 1.1</b> The number of adopted Integrated Territorial Investment (ITI) and Sustainable Urban Development (SUD) strategies and the number of LSGs covered with these Strategies (Corresponds with IPA PF 2.11) - At least 15 strategies which include at least 35 LSGs	All 12 supported strategies including 31 LSGs are adopted by all 31 local assemblies
	<b>OC 1.2</b> Implementation of at least 80 percent adopted SUD and ITI Strategies initiated with at least three different funding sources - at least 12 (mid 2024)	Implementation of 11 out of the 12 supported strategies thus far supported through the Programme.
<b>Result 2 Enhanced economic growth in targeted municipalities</b>	<b>OC 2.1</b> Number of jobs created or facilitated - At least 300 (2023)	<p>A total of 338 new jobs have been created out of which 178 (53%) are occupied by women.</p> <p>Total of 274 new jobs have been created by supported MSEs grantees, out of which 142 (52%) new jobs are occupied by women.</p> <p>Total of 64 new jobs have been created by supported Women and Youth Startups, out of which 36 (56%) new jobs are occupied by women.</p>

	<b>OC 2.2</b> 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, 42 grants have been implemented by Women and Youth startups in extremely underdeveloped municipalities.
	<b>OC 2.3</b> Number and financial value of initiated investments in industry and services facilitated - At least six investments valued at least 25 million euros (mid of 2024)	13 of 20 awarded EIP completed. Six new investments valued over 180 million Euros were realised in supported zones/tourist destinations, subject to equipping through the project
<b>Result 3: Improved social infrastructure and social cohesion in targeted municipalities</b>	<b>OC 3.1</b> Number of persons benefiting from improved public facilities/ services - at least 65,000 (2023)	<b>The activity was successfully completed in 2024.</b> Over 280,000 persons benefited from the improved conditions in cultural, educational, sports and health infrastructure in 37 completed projects.
	<b>OC 3.2</b> Number of introduced or improved social services provided by CSOs and/or LSGs - at least 15	<b>The activity is successfully completed.</b> 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.
	<b>OC 3.3</b> Number of persons benefiting from enhanced health care services related to COVID-19 prevention and recovery - at least 300,000 (2022)	<b>The activity is successfully completed.</b> 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.
<b>Activity 1.1</b> Enhancing national capacity to introduce integrated territorial development	Number of persons at the national level trained - 40 (middle 2023)	50 persons at the national level trained to date, out of which 24 from MEI
	Proposals for regulators and procedural framework to enable preparation of the EU model for territorial planning - in place (end of 2024)	The Comparative Study on EU member states prepared. The draft Study on the National Model for ISTD prepared
	Monitoring, reporting and evaluation approaches related to ISTD model - in place (2022)	The objectives framework indicator set for monitoring, reporting and evaluation of territorial strategies developed and agreed with the Public Policy Secretariat.

	Number of tools developed or enhanced - at least one (2022)	Initial ISTD networking platform is established. A revised Concept Note on the potential IT tool prepared.
<b>Activity 1.2</b> 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 - 1,416 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.
<b>Activity 1.3</b> Implementing activities contributing to socio-economic growth deriving from integrated territorial planning strategies	Number of integrated projects deriving from the ISTD strategies, whose implementation is supported - at least 15 (mid 2024)	A total of 18 integrated projects deriving from ISTD strategies are supported.
<b>RESULT 2</b> Enhanced economic growth in targeted municipalities		
<b>Activity 2.1</b> Developing economic infrastructure and businesses related services at the local level	Number of supported economic infrastructure projects - 20 (2024)	Of 20 awarded LSGs in support of economic development, 13 finalised activities, and 7 are still under implementation
<b>Activity 2.2</b> Enhancing competitiveness and sustainability of enterprises contributing to economic stability of local communities	Number of supported start-ups, entrepreneurs and enterprises - 100 (2022)	<b>The activity is successfully completed.</b> 113 MSEs were supported to procure new equipment and services.
	Number of supported youth and women entrepreneurs - at least 50 (2022)	A total of 42 startup grants completed and closed.
	Number of supported BSO projects - 10 (2022)	<b>The activity is successfully completed.</b> Sixteen BSO projects were supported, and activities implemented by them completed.
<b>RESULT 3</b> Improved social infrastructure and social cohesion in targeted municipalities		
<b>Activity 3.1</b> Developing and improving infrastructure which contributes to enhanced quality of life	Number of social infrastructure projects implemented - at least 30 (2022)	All 37 LIP projects were completed, and all 37 LIPs were closed
<b>Activity 3.2</b> 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)	<b>The activity is successfully completed.</b> All 20 projects for strengthening social services successfully completed implementation, with 28 social services being established and/or

		improved in 22 LSGs.
<b>Activity 3.3</b> 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)	<b>The activity is successfully completed.</b> Supported 23 medical centres to enhance services related to COVID-19 prevention and recovery.
<b>Activity 3.4</b> Support in rehabilitation of flood-caused damage	Number of infrastructure projects related to rehabilitation of flood-caused damages implemented - up to 3 (2024)	Works on both bridges (Vrnjačka Banja and Rača) are fully completed and handed over. Pending technical commissioning of the works under Rača's responsibility, this activity will be fully completed.

## ANNEXES

### Annex I Improved Development Planning

Annex I\_Attn 1\_Training Report on National Governance of ISTD in Czechia

### Annex II Enhanced Economic Growth in Targeted Municipalities

Annex II\_Attn 1\_EUPROPlus\_EIPL0T1\_Status on 31March2025

Annex II\_Attn 2\_EUPROPlus\_EIPL0T2\_Status on 31March2025

Annex II\_Attn 3\_EUPROPlus\_EIPL0T3\_Status on 31March2025

### Annex IV Communications

Annex IV\_Attn 1 Overview of Media Coverage for Q1 2025

### Annex V Programme Management

Annex V\_Attn 1 EU PRO Plus Work Plan for Q2 of 2025