



Ministry of European Integration
REPUBLIC OF SERBIA

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EU
PRO+

QUARTERLY
STATUS
REPORT

Aug. - Sep. 2021



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:	30 million Euros
Donor:	The European Union
Start date:	1 January 2021
End date:	31 December 2023
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:	12 November 2021
Period covered:	1 August – 30 September 2021
Prepared by:	UNOPS

Acronyms

BSO	Business Support Organisation
CFP	Call for Proposals
CLLD	Community-led Local Development
CSO	Civil Society Organisation
DEU	Delegation of the European Union
DOA	Description of Action
EC	European Commission
EU	European Union
GAP	Gender Action Plan
ITI	Integrated Territorial Investment
ISTD	Integrated Sustainable Territorial Development
ISUD	Integrated Sustainable Urban Strategies
LAGs	Local Action Groups
LED	Local economic development
LSG	Local Self-Government
MPALSG	Ministry of Public Administration and Local Self Government
MEI	Ministry of European Integration
NGO	Non-governmental Organisation
PSC	Programme Steering Committee
RDA	Regional Development Agency
RFP	Request for Proposals
SME	Small and Medium Sized Enterprises
SUD	Sustainable Urban Development
SUDSRS	Sustainable Urban Development Strategy of Republic of Serbia until 2030
ToR	Terms of Reference



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1. SUMMARY

While providing support to the Government of Serbia to respond to the COVID-19 related emergency, the European Union for Local Development Programme - EU PRO Plus concluded the design of several activities which will support sustainable development of local self-governments (LSGs) and enhance competitiveness of small and medium-sized enterprises (SMEs).

The first Public Call of the Programme targeting Development of Territorial Strategies has been endorsed for publishing, while three additional Calls have been finalised for consideration of the Programme Steering Committee (PSC). Moreover, the Programme confirmed the approach for the remaining activities which are to be finalised in the following quarter. Extensive consultations continued, ensuring feedback on the planned approach and enabling finalisation of details for the interventions planned to be initiated in the first year of implementation.

Aiming at introduction of an integrated sustainable approach to development planning and building capacities to implement territorial initiatives through development of territorial strategies, the Programme will select territories to be supported in development of two key territorial mechanisms of the European Union (EU) - the Sustainable Urban Development (SUD) and the Integrated Territorial Investment (ITI) Strategies. The Call shall enable development of at least 15 strategies which are expected to cover at least 35 LSGs.

Within efforts to enhance competitiveness and resilience of SMEs and their ability to recover from COVID-19 crisis, the Programme finalised the Call for Business Support Organisations (BSOs). The BSOs supported through this Call will provide assistance to SMEs in digitalisation, greening of businesses and introduction of a circular economy, enhanced resilience, marketing and internationalisation, standardisation and enhanced access to finance should support at least 300 SMEs in the Programme territory. Direct assistance to enhance competitiveness of SMEs will be provided through a Call for Procurement of Equipment and Introduction of Related Services which will be finalised in the following quarter.

Additionally, the Programme confirmed the approach to support economic infrastructure development and enhancement of business related services, with enhanced support to development of technical documentation for economic infrastructure projects and support to digitalisation and availability of data contributing to enhancement of services provided by local self governments (LSGs) to businesses.

Programme progressed in development of activities contributing to enhanced quality of life, with two public calls finalised during the reporting period. The Call for Local Infrastructure Projects foresees support contributing to improvement of public services and strengthened LSG capacities to manage infrastructure projects through quality improvement of public infrastructure in the health, education, social protection, sport, communal services, culture and public administration.

Additionally, the Call for Strengthening Social Services shall contribute to improved quality and sustainability of social services during periods of intensified need. Through this activity, the Programme will support civil society organisations to independently, or in partnership with LSGs sustain and improve existing and introduce new innovative and integrated social services in order to address and prevent negative impact of the COVID-19, particularly towards the excluded groups; to address the gaps in provision of social protection services identified during the COVID-19 crisis and respond to the increased demands in social protection services created as a result of the crises through expand of the services; and to enhance preparedness and resilience of the providers of social services, primarily public institutions, for possible future emergencies and major disruptions.

The Programme assistance to priority COVID-19 prevention and health crisis mitigation measures continued. In line with the identified priority needs, the Programme facilitated support for engagement of 194 medical and non-medical workers in 23 public health institutions during three-months period. Furthermore, the 26 specialized vehicles for transportation of vaccines and medical teams for vaccination were delivered to 24 institutes for public health throughout Serbia in September enabling vaccine transportation to remote health stations and increasing outreach in vaccination. Additionally, the remaining disinfection devices and liquid have been delivered to 330 schools in Serbia at the beginning of the school year.

The Programme also continued to identify, register and address related risks, the key being jeopardised implementation timeline. Namely, the Programme made significant progress in development and finalisation of activities which need to be considered and vetted by the institutions included in the Programme Steering Committee (PSC). The induction meeting of the PSC where these activities are to be presented remains the key step for ensuring effective and timely implementation of the Programme interventions.

Additionally, the prolonged duration of COVID-19 pandemic influences implementation modality and may delay materialisation of Programme results. In response, the Programme plans to use hybrid approaches to outreach activities, with both in-person and virtual training and info sessions, and has established additional functionalities through the website for communication with target beneficiaries.

The Programme communications and visibility activities already generated publicity. The event marking the support to COVID-19 recovery efforts generated 100 media reports with significant share of national media coverage. Additionally, the activities developed during the reporting period are complemented with developed outreach activities and promotional materials which should ensure sustained visibility in the following period.

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

On 16 September 2021 the World Bank discontinued its annual [Doing Business Report](#). Discontinuation of the report came as a result of a nine-month external investigation, commissioned by the Bank, into irregularities in the reports of 2018 and 2020 related to ranking of China (2018), Saudi Arabia (2020), United Arab Emirates (2020) and Azerbaijan (2020). Based on the report these changes resulted in improved ranking of China and Saudi Arabia, did not affect the ranking of UAE and decreased the ranking of Azerbaijan. Data for other countries, including Serbia was not subject to the investigation. Having that the Programme Overall Objective is planned to be verified with the Doing Business Report, the source of verification will need to be amended or limited to the Global Competitiveness Index Rank.

The Ministry of European Integrations (MEI) has published the latest August 2021 results of the [public opinion poll on the European Orientation of Serbian citizens](#), according to which EU membership is supported by 57%, which is an increase in comparison to the previous wave in December 2019 (54%). The percentage of those opposing EU membership amounts to 30%. As much as 50% of the respondents are aware of some of the EU funded projects, mostly those related to the environment (21%), agriculture and health (11 %), etc. 41% of the respondents see the EU as the largest donor in the period from 2000, followed by 34% who think it is China, and 11% consider Russia as the biggest supporter etc. Half of the respondents, 48%, say that the EU membership will have a positive impact and associate the EU with the employment opportunities (one fifth), travelling without visa (16%), and beer future for the youth (14%). However when asked about the future of the EU, 41% of respondents say the EU will face a number of problems in the future and is more likely to be completely disintegrated than enlarged and strengthened. 28% think that the EU will probably overcome current issues but will be more closed and not ready for the new members.

The survey within the initiative [“Pratim JA”](#) was conducted by the European Policy Centre (CEP) among over 1,200 citizens on their experience with and opinion about the local administrations. The survey was conducted through street actions in 17 local self-governments during June and July 2021 (13 from the Programme AoR). The first cycle of analysis shows that 55% of Serbian citizens have a negative experience with local administration, and 45% mostly positive; every second citizen is satisfied with the provision of local services, but only one in five believes that local administration is open and accessible to citizens.

[Social Innovation Forum Report](#) September 2021 is an annual conference dedicated to presenting innovative solutions to social challenges, whose focus is on topics such as the development of social enterprises and the sustainability of civil society. The event was organised by Smart Kolektiv and Pulse (SOS Group) as a part of the Framework for Giving project, funded by the USAID, and implemented by the Coalition for Giving and in collaboration with the RISE – Regional Incubator for Social Entrepreneurs. The key messages of the Forum include:

- The development of the social economy and social enterprises is one of the most important steps towards building a more resilient, sustainable and inclusive economic model and society in the Western Balkans region.
- Social enterprises have been showing their importance for the European economy and society for a long time, especially during crises such as the pandemic. There are over 2.8 million social enterprises in the EU, employing about 6.3% of all EU employees, but the impact of social enterprises far exceeds those figures
- Although social enterprises have a significant positive social impact and provide innovative and

sustainable solutions to a number of social challenges, they still face a lack of a supportive environment that enables their development. That is why all sectors need to work together to develop support mechanisms and innovative financial instruments.

The changes of the Law on Nature Protection and the Law on Water proposed in July were withdrawn in August 2021.

2.1.2 Progress towards achieving objectives

Public Calls finalised during the reporting period are setting the ground for ensuring contribution to the Programme specific objective to reduce socio-economic disparities between the two regions.

2.1.3 Results and Activities

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

The Programme continued its work towards initiating the activities which shall secure achievement of the planned results related to introduction of territorial development concept. The [Call for Applications for Development of Territorial Strategies](#) shall contribute to introduction of the EU territorial development instruments and development of local and regional level capacities to manage territorial initiatives. Additionally, the training activities developed for the Ministry of European Integration (MEI) shall enhance the knowledge of EU territorial instruments which is necessary to facilitate building of the national system.

Activity 1.1 Enhancing national capacity to introduce integrated territorial development

The first training module for the Ministry of European Integration (MEI) has been developed. The five-day training programme divided into two sections is to be organised in the final quarter of the year. It includes an introduction to territorial development policy of the European Union, key features and types of territorial instruments with key features and practical examples, governance aspects of territorial development and related practical experience, selection of territories, tools for empowerment of local authorities, strategy development process, and monitoring and evaluation of territorial development strategies.

In support of the capacity building activities targeting especially the national level, as planned, the Programme shall engage a pool of international experts with specific technical expertise ensuring high quality of intervention.

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

The [Call for Applications for Development of Territorial Strategies](#) has been finalised and presented to the Ministry of European Integration (MEI) and the donor, the EU Delegation to Serbia for consideration. With their endorsement the Call is to be published in early October aiming at enhanced ability of local self-governments (LSGs) to introduce and implement an integrated territorial development approach in accordance with the EU territorial development policies.

In accordance with the outreach plan, publishing of the Call will be followed with info sessions which will incorporate two training modules on Integrated Sustainable Territorial Development (ISTD) which shall be implemented in late October - November period. Training materials have been developed during the reporting period, and include a manual¹ with relevant information on EU policies on territorial development, good practice examples of integrated projects and useful links.

Additionally, the Programme drafted Terms of References for technical assistance in support of Integrated Territorial Investment strategies.

¹ The Reader on ISTD is available in Annex_Attn1_ISTDReader
www.euproplus.org.rs

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

The activity is planned for late 2022.

Result 2: Enhanced economic growth in targeted municipalities

The Call for Business Support Organisations shall enable assistance to at least 300 SMEs. It is designed to contribute to the enhancement of competitiveness and resilience of SMEs and their ability to recover from COVID-19 related challenges. The interventions are expected to enhance application of digital tools, reduce environmental impact and enhance access to markets. Additionally, through this Call, the BSOs will support SMEs to build capacities to implement emergency management and use business continuity management solutions, and their knowledge of financial instruments which will in turn facilitate their applications for credits and loans.

The Call Procurement of Equipment and Introduction of Services for micro and small enterprises (MSEs) has been developed based on the identified needs and it focuses on enhancement of market potentials, value chain contribution, technological, green and digital transformation, job creation and economic recovery recover from the negative impact of COVID-19 of the SMEs in the second investment cycle.

The Call for Improvement of Business Related Services, Including Introduction of GIS is designed to support LSGs and their public utility companies to enhance efficiency and effectiveness of services that affect businesses, which would in turn enhance competitiveness of the local economy.

Also contributing to economic growth, the Programme developed a concept for assistance to development of economic infrastructure and improvement of business related services which will enable investments.

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

Continued consultations with the Ministry of Economy confirm the findings of the Survey of local self-governments (LSGs)² conducted in the inception period. The Ministry confirmed the great need for investment in development of economic infrastructure, however highlighted the challenging quality of available technical documentation and general deficiency of technical documentation for economic infrastructure projects.

The Programme will therefore consider a separate grant scheme for development of technical documentation for economic infrastructure projects to be published soonest in order to boost the level of preparedness of LSGs to engage in economic infrastructure development. A concept for assistance is being developed together with the Call for Implementation of Economic Infrastructure Projects and will be ready for review by the Programme Steering Committee (PSC) in the final quarter of the year. The planned assistance also considers the [National Strategy for Sustainable Urban Development until 2030](#) which foresees strengthening of business-related and innovative infrastructure and commercial zones in urban areas.

Additionally, the Programme developed a concept for the Call for Improvement of Business Related Services, Including Introduction of GIS. The concept addresses the key challenges identified, including collection, digitalization, analysis and presentation of data that will enhance access to information relevant for businesses or promote potentials of territories. This might include enhancing Geographic Information Systems (GIS) relevant for greenfield and brownfield business investments and tourism, and improvement of services provided by public utility companies.

Activity 2.2 Enhancing competitiveness and sustainability of enterprises contributing

² According to the EU PRO Plus LSG Survey conducted in January 2021, only one third of LSGs confirmed availability of economic infrastructure projects ready for implementation (i.e. with valid building permits), while nearly 40% of LSGs stated the need for investment in economic infrastructure, however without appropriate technical documentation

to economic stability of local communities

The Call for Proposals for Business Support Organisations (BSOs) is finalised and ready for publishing pending approval of the Programme Steering Committee (PSC). Moreover, an Outreach Plan has been developed along with the promotional materials. The planned outreach includes a variety of tools, including direct communication to local self-governments (LSGs) and regional development agencies (RDAs), eligible BSOs registered in Programme extensive database, implementation of info sessions in person and online and communication through the designated webpage with Questions and Answers section. Additionally placement of information on traditional and social media is foreseen along with press releases, interviews and phased promotion on social media channels.

The planned direct assistance to Micro and Small Enterprises (MSEs) is developed with a Call for Proposals for Procurement of Equipment and Introduction of Services drafted during the reporting period, planned for publishing in the final quarter of the year. The Call takes into account the [EU Cohesion Policy 2021-2027](#), contributing to a more competitive and smarter Europe through supporting the green and digital transition of SMEs. Main national strategies that have been used as basis for developing this call are the [Strategy for supporting SMEs, Entrepreneurship and Competitiveness in Serbia](#) and the [Industrial Policy Strategy](#) and the Call will contribute to objectives of these strategies as expected investments in equipment and services will result in increased total volume of industrial investments, accompanied by the improved quality of investments and enhancement of technological structure of exports. In addition the draft Call also considered the [COVID-19 Socio-Economic Impact Assessment](#) relevant to needs of SMEs in Serbia to include companies that have not achieved profit in 2020 as 75% of SMEs reported having revenues lower than expected. The Call also included some of the service sectors that are more affected and to whom the programme is relevant in addition to supporting manufacturing businesses. The assessment also confirmed that smaller companies were impacted the most, so the Call is focusing only on Entrepreneurs, Micro and Small Companies. The Call is to be published at the end of the year, in coordination with the Ministry of Economy to avoid overlapping with their relevant activities and ensure complementarity and synergy of activities.

Additionally, the Programme initiated development of the Call for Proposals for Supporting Women and Youth Startups. The CFP will be reviewed and discussed with relevant stakeholders in the forthcoming period.

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

The Call for Social Services Strengthening shall contribute to increased quality and enhanced sustainability of social services provided to the citizens at the local level, particularly to the disadvantaged groups and for the periods of intensified need such as the pandemic or other state of emergencies. Additionally, the Call for Local Infrastructure Projects aims to improve public services through infrastructure projects, while strengthening capacities of local self-governments (LSGs) to manage infrastructure projects of bilateral donors. The Call will be open for the proposals targeting improvement of public services in health, social protection, education, Sport, Culture, Public Administration and Communal Services Sectors. At least 20 grants are expected to be awarded under this Call ensuring benefits for at least 1,000 beneficiaries.

Within the EU's wider support to the Government of the Republic of Serbia to respond to the COVID-19 related emergency, the Programme ensured engagement of 194 medical and non-medical workers in 23 public health centres through Serbia, thus providing direct assistance to the healthcare system in combating COVID-19. By the end of September, engagement of personnel was initiated in 13 out of the 23 public health centres while the remaining health institutions are expected to initiate engagement in early October.

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

Though the Call for Proposals (CFP) for Local Infrastructure Projects foresees support to health, social

protection, education, sport, communal services, culture and public administration sectors, the Programme re-confirmed the need to encourage local self-governments (LSGs) to improve public infrastructure related to health and social protection. These sectors are seldomly prioritised by LSGs due to extensive needs for investment in public infrastructure which is solely within the responsibility of local administrations whereas investments in health and social protection are predominantly expected from the central level. However, the effects of the ongoing pandemic caused reduced capacities at all levels within the two sectors. Thus, the Programme has, in agreement with the Ministry of Labour, Employment, Veteran and Social Affairs (MLEVSA) foreseen the possibility of two applications per LSG with the CFP, if one refers to improvement of health or social protection infrastructure.

The CFP for Local Infrastructure is pending review and approval of the Programme Steering Committee (PSC) which was not convened during the reporting period. The Programme also laid the groundwork for soft activities which would ensure sustainability of the local infrastructure projects by initiating processes for engagement of experts to support implementation of selected projects.

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

The Programme continued consultations with the national stakeholders and drafted the Call for Proposals (CFP) for Strengthening Social Services. The Unit for Social Inclusion and Poverty Reduction and the Center for Social Policy provided feedback and recommendation regarding conceptualisation of the activity, confirming the relevance of the planned intervention.

Considering the priorities recognised at national and local levels in relation to the COVID-19 crisis prevention and recovery facilitation, the Programme will support implementation of integrated and innovative initiatives contributing to the preparedness of the social services providers for the periods of crisis. Furthermore, increased quality and enhanced sustainability of services provided to the most disadvantaged citizens will be supported, by ensuring engagement of the civic sector and increased ability of the education, health and/or social protection systems to continue to be inclusive during the periods of emergency such is COVID-19 crisis. This activity encompasses provision of grants for the projects realised by the civil society organisations primarily, where participation of the Local Self-Governments (LSGs) as lead applicants will not be excluded but they will be obliged to establish a partnership with the civil sector representative in order to promote inter-sectoral approach. The Call is to be presented to the Programme Steering Committee for consideration aiming at publishing in the final quarter of the year.

Following the request from the Ministry of Health endorsed by the Ministry of European Integration and the EU Delegation to Serbia, the Programme reallocated a portion of funding to support priority COVID-19 prevention and health crisis mitigation measures. The Programme facilitated support for engagement of medical and non-medical workers to support COVID-19 prevention and recovery efforts in health centres throughout Serbia and issued grants to 23 public health institutions enabling three-months engagement of 194 medical and non-medical workers in September.

Furthermore, the Programme procured 26 specialized vehicles for transportation of vaccines and medical teams for vaccination which were delivered to 24 institutes for public health throughout Serbia in September. The vehicles are equipped with a mobile oxygen set and portable cooler enabling vaccine transportation to remote health stations and increasing outreach in vaccination. Twenty-five vehicles are designed for two medical teams, while one vehicle additionally equipped with a patient stretcher can accommodate four medical teams.

Finally, the EU PRO Plus has organised the delivery and handover of the remaining 500 disinfection devices and 60,000 liters of disinfection liquid to 330 schools in Serbia at the beginning of the school year.

2.2 Management

2.2.1 Governance

During the quarter, the Programme met with the appointed members of the Programme Steering Committee (PSC) from the Ministry of Public Administration and Local Self-Government (MPALSG) to introduce the overall Programme activities focusing on those targeting LSGs. Coordination and support is ensured, and MPALSG shall support the Programme in development of activities and outreach to targeted local governments. A second meeting with the Ministry of Labour, Employment, Veteran and Social Affairs (MLEVSA) was held to discuss in greater detail the Programme assistance to local infrastructure projects and to social services strengthening.

Additionally, the Programme liaised with the Public Policy Secretariat together with the Ministry of European Integration (MEI) to ensure compliance of the Result 1 activities with the public policies.

Organisation of the first meeting of the Programme Steering Committee (PSC) is postponed and is to be organised in the following quarter.

The Programme initiated an addendum to the contract in August, to formalise the support to COVID-19 recovery efforts and incorporate recommendations from the inception period findings, including the revised Logical Framework Matrix (LFM) to ensure better tracking and reporting on indicators. A six-month extension of the implementation period is requested with the amendment.

2.2.2 Coordination

The Programme held several meetings with the internal and external stakeholders in order to ensure coordination of actions relating to strengthening of social services, share experience and explore potential synergies. The consultation process included coordination with the Unit for Social Inclusion and Poverty Reduction, the Center for Social Policy, the Ministry of Labour, Employment, Veteran and Social Affairs (MLEVSA) and the German Development Cooperation. Furthermore, the Programme exchanged lessons learned with other local development interventions implemented by UNOPS Serbia office - Swiss PRO and EU Social Housing projects. The key recommendations of the Programme's counterparts were incorporated in the Call for Proposals for Strengthening Social Services, including longer duration of the intervention, procurement of the equipment, focus on the integration of the social services, etc.

Additionally, the Programme extended consultations with other donor initiatives targeting development of the SME sector, including the USAID-funded Serbia Innovates Project and the EBRD during the reporting period. Coordination of activities targeting Business Support Organisations (BSOs) has been agreed with the USAID Serbia Innovates project to ensure synergies between interventions. Additionally, the Programme and the EBRD agreed to regular meetings and exchange of information which shall ensure synergies.

Ensuring compliance with the Law on the Planning System, the Programme also met with the Republic of Serbia Public Policy Secretariat and presented the approach to support the development of territorial strategies. An agreement was achieved regarding the relation of the territorial strategies in the framework of the Law as a document of the subnational public policies. The Programme will foster coordination with the Secretariat and provide updates and lessons learned from the process of planning and implementation of territorial strategies which may be considered for future policy-related developments.

During the reporting period, the Programme attended two relevant events. The "Invest in Eastern Serbia" event organized by the Development Agency of Serbia (DAS) and the Regional Development Agency RARIS presented the region's economic development and investment opportunities. Apart from the Eastern Serbia development potential which might be potentially covered under specific measures by the territorial strategies supported by the Programme, DAS indicated the four main sectors that are in the focus for the forthcoming period which might be supported with the economic development activities of the Programme: food and agriculture, tourism, automotive industry and real estate.

Furthermore, the Programme participated in the Social Innovation Forum dedicated to presenting innovative solutions to social challenges, with a focus on the development of social enterprises and the sustainability of civil society in September. The European Commission's Unit for Social and Inclusive Entrepreneurship, announced adoption of the European Action Plan (EAP) for the Development of the Social Economy (2021-2026) before the end of 2021. The EAP will represent a key tool for the systematic inclusion of the social economy in various socio-economic policies of the EU, as well as in activities aimed at achieving sustainable development goals. The EAP also foresees direct support to the social entrepreneurs in the candidate countries, including support to grass root organisations, as well as to the networks and incubators.

2.2.3 Human Resources

During the reporting period, two personnel recruited in the previous quarter were onboarded - Civil Engineer based in Vranje and Project Management Support - Associate for the Capacity Building Sector based in Niš.

A continued attention was given to performance evaluation and project personnel underwent mid-year review discussions of earlier set objectives. Summary of discussions has been recorded through the online performance appraisal tool.

Personnel have undergone the following trainings available through UNOPS corporate learning funds:

- Senior Associate Civil Engineer has completed two training activities related to Google tools, as well as Gender Mainstreaming in Infrastructure course.
- Project Management Support - Senior Assistant for Infrastructure has completed the Risk Management in Infrastructure course
- A new mandatory Ethics and Standards of Conduct training has been corporately launched in September and has been completed by five personnel.

2.2.4 Procurement and Grants

Continuing the activities on COVID-19 response, in accordance with the plan, the EU PRO Plus has organised the delivery and handover of the additional 500 disinfection devices (1,000 in total) to 330 schools in Serbia. Additionally, specialized vehicles for transportation of medical teams for vaccination were delivered in September 2021.

Project vehicles contracted earlier, are to be delivered in the final quarter of 2021. Tender for purchase of different IT and audio-visual equipment for media outlets is successfully completed and selected company contracted.

Some minor procurement processes were organised mostly related to small purchases under USD 5,000 for improvement of working conditions, increased visibility and/or administrative and logistics support of the project.

2.2.5 Finance

The total delivery of the EU PRO Plus as of 30 September 2021 was 2,348,393 Euros or 7.83% of the Programme budget. The forecast delivery for the next reporting period is 718,389 Euros.

3. RISKS AND ISSUES

Several risks have been identified during the reporting period and mitigation measures have been defined. This section provides a summary of the key current risks and issues affecting the Programme.

- *Prolonged duration of COVID-19 pandemic influences implementation modality may delay materialisation of Programme results.* The number of infected is in constant increase as of July, reaching the country's maximum number thus far with over 7,500 infected per day at the end of September. At this stage, the pandemic is affecting modality of implementation, with restrictions

for organising in-person meetings, and this will become increasingly important in the following months, with the planned outreach campaigns and capacity building activities. Moreover, the final effects of the pandemic on Serbia's economy and social security is yet to be known. In response, the Programme plans to use hybrid approaches to outreach activities, with both in-person and virtual training and info sessions, and has established additional functionalities through the website for communication with target beneficiaries.

- *Opportunities for LSGs with lower capacities may be reduced.* The Call for Applications for Development of Territorial Strategies envisages that applications may be submitted by local-self governments (LSGs) with over 40,000 inhabitants with the capacities to engage in this process, independently for Sustainable Urban Development (SUD) strategies or in partnership with at least three more LSGs for development of Integrated Territorial Investment (ITI). This may leave some smaller LSGs with low capacity without the opportunity to engage in the strategy development process. In response, the capacity building activities are designed in an effort to equalize opportunities for all beneficiary LSGs. Furthermore, for other Programme activities which will be implemented independently, LSGs with lower development levels will be prioritised for support, setting the ground for the opportunity for all Programme LSGs to benefit from the Programme assistance.
- *Encountered delays in implementation may jeopardize the Programme's ability to register results within Programme implementation period.* The Programme has fallen behind its quarterly schedules due to extended time needed for confirmation of approach for a portion of activities, delays with acceptance of the Programme Inception Report and induction of the Programme Steering Committee. The Programme shall expedite launching of the Public Calls to accommodate the delays.

4. QUALITY

The quality of Programme outputs developed during the reporting period has been ensured. Namely, the drafted public calls have been vetted internally by the UNOPS Serbia internal project board, operational teams of the office and complementary projects implemented by UNOPS, and externally through extensive consultation process with the key stakeholders.

5. SUSTAINABILITY

Programme approach to sustainability is regulated with the Sustainability Management Plan³ developed during the quarter. It reflects on the economic, social and environmental aspects of the Programme and identifies the key actions and indicators for measuring sustainability of EU PRO Plus interventions, as well as the monitoring and reporting milestones.

Programme activities during the reporting period have duly reflected the sustainability aspects, and the proposed measures are integrated into EU PRO Plus activities. This includes incorporating Sustainability as a mandatory part of evaluation criteria for the three public calls developed during the quarter. The Call for Business Support Organisations (BSO) will assess financial sustainability of proposed interventions, their environmental sustainability and contribution to protection of environment and sustainability of achieved results. Likewise, the Call for Local Infrastructure Projects will assess sustainability of results through economic, social and environmental sustainability aspects such as ability of applicants to secure funding for operational and maintenance costs, project governance and impact of the intervention on the environment. Finally, evaluation criteria under the Call for Social Services Strengthening includes evaluation of financial and institutional sustainability, as well as possible impact of the activities on the relevant policies.

³ The Sustainability Management Plan is available with the Programme
www.euproplus.org.rs

Additionally, the Programme capacity building activities implemented at the national, regional and local levels shall enable long-term sustainability of the Programme contribution to creation of structure for management and implementation of territorial mechanisms.

6. CROSS-CUTTING THEMES:

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

During the reporting period, the Programme ensured that the cross-cutting themes are included as integral parts of the activities in development. Equal opportunities and women representation in the capacity development-related activities are supported by incorporating the gender equality elements (GE) into the Capacity Building Plan for enhancing capacities of national institutions to introduce ITD.

The cross-cutting themes are an integral part of the CFP for Social Services Strengthening and incorporated into the evaluation criteria, while one of the main objectives of the CFP is to contribute to the social inclusion of the excluded groups. The Development of Territorial Strategies intervention is promoting inclusive and gender-sensitive projects, while the establishment of the inter-sectoral working groups will encourage equal participation of men and women.

The SME initiatives are encouraged to include Corporate Social Responsibilities (CSR) activities that address the needs of local communities, support vulnerable groups, as well as activities that foster and promote gender equality.

Furthermore, promotion of awareness on GE and social inclusion is supported internally and externally, by embedding specific elements into the Communication Strategy. GE and inclusive aspects as integral part of the Communication Strategy and activities, applied in everyday communication and promoted through, for instance gender related projects promoted in media, etc.

Digitalisation as a cross-cutting theme has been considered and embedded into the Call for Business Support Organisations (BSOs). It has also been confirmed that it is the key aspect for enhancing the quality of services provided by local self-governments (LSGs) to the business community, and is, as such, the key area of support foreseen with the concept of the Call for this activity which will include collection, digitalization, analysis and presentation of data that will enhance access to information relevant for businesses or promote potentials of territories.

7. COMMUNICATIONS AND VISIBILITY

On 14 September, in coordination with the EU Delegation (DEU), Ministry of European Integrations (MEI) and the Cabinet of the President of Serbia a high level event was organised to mark handover of 26 specialised vehicles for vaccine distribution and to promote additional support in engaging around 200 health workers. The event was attended by the President of Serbia, Aleksandar Vučić and Head of the Delegation of the EU to Serbia, Ambassador Emanuele Giaufret, Minister of the European Integration, Jadranka Joksimović and Minister of Health Zlatibor Lončar as well as the representatives of 24 public health institutes that received donation. In all the event generated 100 media reports (62 in national media) promoting the EU support to the fight against COVID-19.⁴

The draft EU PRO Plus Communications and Visibility Strategy⁵ has been shared with the MEI and DEU for consideration, while the 2021/2022 Calendar Competition Concept is being reviewed by the DEU

⁴ Annex IV_Attn 3_EU PRO Plus Overview of Communication Activities

⁵ Annex IV_Attn 1_EU PRO Plus Communication Strategy_Draft

communications team. In addition, the Communications and Visibility Guidelines⁶ were developed, the Programme contact database was updated and the Stakeholder mapping tool is being finalised.

The briefing documents for the handover of the vaccination vehicles for the President Cabinet and the DEU, the meeting of the Friends of South Serbia (FoSS) and the overview of projects in Bojnik and Jablanički District and Raški District and the municipality of Raška were prepared per the stakeholders' request.

Development of outreach campaign strategies and promotional materials for Integrated Sustainable Territorial development (ISTD) and Business Support Organisations (BSO) campaigns is ongoing with draft strategies, print and video material generated and pending updates according to the feedback of the Programme Steering Committee (PSC).

The tender for procurement of the Media Competition awards was successfully closed with two bidders selected for the audio and video and IT equipment respectively, while the equipment is expected to be delivered early in December 2021. The first set of Programme promotional material was delivered upon successful completion of the relevant Blanket Purchase Agreement.

The new Programme is indirectly receiving publicity as various DEU campaigns promote the predecessor programme activities that will also be offered in EU PRO Plus. Namely, local infrastructure project in Kraljevo⁷ was included in the DEU campaign supporting the Serbian Paralympic Team and persons with disabilities. The DEU campaign on the support to agriculture included success stories about Prokuplje enterprise engaged in processing fruit and vegetable⁸ and the social cohesion project from Babušnica.⁹

8. LESSONS LEARNED

The programme needs to be agile in response to the changes of the external circumstances and prepare a flexible work plan to bring forward preparation for all activities independent of external approvals.

9. NEXT REPORTING PERIOD¹⁰

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* Prepare first package - training for MEI on Territorial Development Instruments
- *Activity 1.1* Prepare draft of the general parts of the Comparative analysis of EU member states
- *Activity 1.2* Conduct Call for Applications for Development of Territorial Strategies, and evaluate applications
- *Activity 1.2* Conduct seven regional info sessions for promotion of the Call and training on Integrated Sustainable Territorial Development
- *Activity 1.2* Develop draft methodology for development of territorial strategies
- *Activity 1.2* Initiate procurement procedure for selection of consulting company for development of ITI strategies
- *Activity 1.2* Completion of remaining recruitments of experts
- *Activity 1.3* Exploring and assessing existing Local Action Groups (LAG) in Programme AoR for the purpose of devising grant scheme and capacity building activities for LAGs to be conducted in 2022

⁶ Annex IV_Atnn 2_EU PRO Plus Communications and Visibility Guidelines, aligned with European Commission Manual for [Communication and Visibility in EU-financed external actions](#) and [Visibility Guidelines for EU funded projects in Serbia](#)

⁷ Euzatebe.rs <https://www.euzatebe.rs/paraolimpijci> (26 August 2021)

⁸ Euzatebe.rs [Farming in harmony with nature](#) (14 September 2021)

⁹ Poljoprivreda.europa.rs [Organic food from greenhouses – healthy & tasty](#) (20 September 2021)

¹⁰ EU PRO Plus Work Plan for the period from 1 October -31 December 2021 is available in Annex V, Attachment 5.1.

Result 2. Enhanced economic growth in targeted municipalities

- *Activity 2.1 Prepare draft Call for Economic Infrastructure Projects*
- *Activity 2.2 Publish the Call for Business Support Organizations and conduct info sessions and outreach activities related to the Call.*
- *Activity 2.2 Prepare the Public Call for Proposals for Procurement of Equipment and Introduction of Services for Entrepreneurs, Micro and Small Enterprises for publishing*

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

- *Activity 3.1 Publish the Call for Proposals for Local Infrastructure Projects*
- *Activity 3.1 Organise info sessions to promote the Call for Local Infrastructure Projects*
- *Activity 3.2 Finalise the Call for Proposals for Strengthening Social Services and obtain approval from the PSC*
- *Activity 3.2 Monitoring and evaluation of 23 grants to medical health centres*

Programme Communications

- Finalisation of outreach campaign and promotional materials for ISTD CfP and development of campaigns for BSO CfP
- Develop TOR for 2021/22 Calendar Competition and promotional material
- Develop BPA for Media placement in support of Communication outreach activities

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 Global Competitiveness Index Rank 69 Šumadija and Western Serbia Region GDP and number of unemployed - 20 / 101,760	WB Doing Business Report 2020 ranks Serbia at 44 place with a score of 75.7 Serbia scored 60.85 points on the 2019 Global Competitiveness Rank published by the World Economic Forum
Project purpose: To decrease socio-economic disparities in two regions within Serbia	South-East Serbia Region GDP and number of unemployed - 14.2 / 83,712	
RESULT 1 Improved development planning in targeted municipalities and introduction of the ITI concept		
Activity 1.1 Enhancing national capacity to introduce integrated territorial development	Number of adopted strategies - 15 (2022) Proposals for regulators and procedural framework to enable preparation of the EU model for	The detailed training for MEI as a part of Module I of the Capacity Building Plan is developed.

<p>Activity 1.2 Improving capacities of municipalities and regional development agencies to introduce concepts of integrated territorial planning</p>	<p>territorial planning - in place (2023)</p> <p>Monitoring, reporting and evaluation approaches related to ISTD model - in place (2022)</p>	<p>The Call for Applications for Provision of Technical Assistance for Development of Territorial Strategies is finalised and ready for publishing.</p>
<p>Activity 1.3 Implementing activities contributing to socio-economic growth deriving from integrated territorial planning strategies</p>	<p>Number of persons at the national level trained - 40 (2022)</p> <p>Number of LSGs and RDAs benefiting from interventions - at least 80% (2022)</p> <p>Number of tools developed or enhanced - at least one (2022)</p> <p>Number of ISTD plans whose implementation is supported - at least ten (2023)</p>	<p>Activity planned for 2022</p>
<p>RESULT 2 Enhanced economic growth in targeted municipalities</p>		
<p>Activity 2.1 Developing economic infrastructure and businesses related services at the local level</p>	<p>Number of jobs created or facilitated - At least 300 (2023)</p> <p>Number of start-ups and MSEs that benefited - 500 (2023)</p> <p>Number of investments facilitated - 6 (2023)</p> <p>Number of supported economic infrastructure projects - 6 (2023)</p> <p>Number of supported business services related projects - 10 (2023)</p>	<p>Feedback on the approach for support to economic infrastructure projects from the Ministry of Economy obtained.</p> <p>Concept for enhancement of business related services developed.</p>
<p>Activity 2.2 Enhancing competitiveness and sustainability of enterprises contributing to economic stability of local communities</p>	<p>Number of supported start-ups, entrepreneurs and enterprises - 100 (2022)</p> <p>Number of supported youth and women entrepreneurs - at least 50 (2022)</p> <p>Number of people benefiting from skill-development training - 200 (2022)</p> <p>Number of supported BSO projects - 10 (2022)</p>	<p>Call for Proposals for Business Support Organizations is finalised and ready for publishing pending PSC approval.</p> <p>Call for Proposals for Procurement of Equipment and Introduction of Services for Entrepreneurs, Micro and Small Enterprises is drafted.</p> <p>Call for Proposals for Supporting Women and Youth Startups through procurement of equipment and introduction of services is drafted</p>
<p>RESULT 3 Improved social infrastructure and social cohesion in targeted municipalities</p>		
<p>Activity 3.1 Developing and improving infrastructure which contributes</p>	<p>Number of persons benefiting from improved public facilities/ services - at least 35,000 (2023)</p>	<p>Call for Proposal for Local Infrastructure Projects is finalised and ready for publishing pending</p>

to enhanced quality of life	Number of social infrastructure projects implemented - 30 (2022)	PSC approval.
Activity 3.2 Supporting public institutions, including the social protection institutions, to enhance social services and preparedness for emergencies	Number of CSO projects related to social services supported - 20 (2022)	Call for Proposals for Strengthening Social Services is finalised based on the analysis and consultations with the key stakeholders.
N/A Support to COVID-19 related prevention and response activities		Vaccination vehicles and disinfection liquid and devices procured in support to COVID-19 pandemic delivered to final beneficiaries in line with the plan

ANNEXES

Annex I Improved Development Planning

Annex I Attn.1 Manual for Integrated Sustainable Urban Development

Annex II Enhanced Economic Growth

N/A

Annex III Improved Social Infrastructure and Social Cohesion

N/A

Annex IV Communications

Annex IV Attn 1 EU PRO Plus CommunicationStrategy_Draft

Annex IV Attn 2 EU PRO Plus Communications and Visibility Guidelines

Annex IV Attn 3 EU PRO Plus Overview of Communication Activities

Annex V Programme Management

Annex V Attn 1 EU PRO Plus Work Plan for Q4 of 2021