



Ministry of European Integration  
REPUBLIC OF SERBIA

**#EY  
ЗА ТЕБЕ**



**EU  
PRO+**

# QUARTERLY STATUS REPORT

Jan - Mar 2024



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>	12 April 2024
<b>Period covered:</b>	1 January – 31 March 2024
<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

The **European Union for Local Development Programme - EU PRO Plus** continued with an intensive pace of implementation during the first quarter of 2024. The 14 projects completed during the quarter contributed to completion of 208 or over two-thirds of the Programme activities. Additionally, with 39 grants awarded to women and youth start-ups during the quarter, construction of two bridges contracted, implementation of 72 projects is currently supported by the Programme, while the evaluation of the Call for integrated projects finalised during the quarter will set grounds for support to at least 15 new projects in the value of 10 million euros.

With closure of the Call for Implementation of Integrated Projects in January 2024, the Programme initiated the next phase of support to **integrated and sustainable territorial development (ISTD) approach** which should enable testing of the implementation of territorial mechanisms in Serbia. During the quarter, focus was on the evaluation of the 22 submitted project proposals in total value of 12,6 million USD which was done together with the Ministry of European Integration, and observed by the representatives of the EU Delegation to Serbia and the Standing Conference of Towns and Municipalities, enabling knowledge sharing and preparation of transition to the next phase of the Programme.

Additionally, preparations for a study visit planned for territories developing Sustainable Urban Development (SUD) are completed as envisaged by the Programme Capacity Building Plan. The timeframe for the visit will be confirmed during the second quarter of the year.

The EU PRO Plus contribution to **enhanced economic growth** during the quarter was focused on support to development of 20 Economic Infrastructure Projects awarded in 2023. The implementation of these projects was expedited with the opening of six construction sites and development of technical documentation for an additional three projects initiated.

With the finalisation of the last two grants implemented by **Micro and Small Enterprises (MSEs)**, the activity for direct support to MSEs has been completed. This activity has resulted in a total of 274 new jobs created within 113 projects carried out by MSEs, along with the installation of 403 pieces of new equipment and the introduction of more than 20 new services. As a long term impact, additional 370 new jobs are expected to be created by the supported MSEs in the three-year period. Based on available financial reports, supported enterprises recorded an average increase of 28% in revenue and an increase in export of 0.5 million euros or 14.5% in 2023 compared to 2022. The three-year projection is that these enterprises will increase revenue by at least 10 million euros and generate exports in value of 3 million euros.

The Programme also extended its support to **development of entrepreneurship and enterprises** with the award of 39 grants to women and youth-owned start-ups. These projects should contribute to the creation of 40 new jobs, registration of 22 new business entities and improved competitiveness of the supported start-ups located in the most underdeveloped areas of the country through procurement of over 168 pieces of equipment and tailored mentoring support provided by the EU PRO Plus SME development experts.

A significant progress has been made with implementation of projects contributing to **strengthening of social services** with an additional eight projects completed during the quarter which concluded Programme support to 16 out of the 20 awarded projects. These activities have reached over 8,000 direct beneficiaries out of which 61% are women and over 7,500 coming from vulnerable groups. During the quarter, one more social service was facilitated contributing to a total of 21 services in 22 local governments. The institutional and financial sustainability of the social services facilitated through these projects are predominantly secured, enabling long-term social support in the targeted municipalities.

Furthermore, five local infrastructure projects were completed during the quarter, enabling **improved services provided by local governments** in the areas of health and social services, culture and sports

providing direct benefits to over 115,000 people. As a result, citizens of Zlatibor District have access to improved services in the reconstructed anti tuberculosis treatment clinic in Užice; Provision of social services in Bosilegrad was improved through the constructed facility for temporary social housing, Rehabilitated cultural facility in Ćuprija enables the improvement of cultural events and content for residents of Supska settlement; Youth, women and people with disabilities have access to improved sports facilities while in Ražanj, the newly constructed basketball and volleyball courts provide direct benefits to 300 members of basketball and volleyball clubs.

The Programme also initiated support in **rehabilitation of flood-affected communities**, with construction of two bridges in Vrnjačka Banja and Rača initiated in January 2024. These interventions should significantly contribute to reduction and mitigation of risks in case of future floods which may affect these areas. This activity is closely coordinated with the Ministry of Public Investment and the beneficiary local governments who are providing significant co-funding for its successful implementation.

The Programme proactively **managed risks and addressed issues** throughout the quarter. With the implementation and finalisation of projects at its peak the key risks encountered were related to capacities of the beneficiaries and suppliers to conduct the grant activities in line with the plan. Some beneficiaries faced challenges in conducting public procurement processes under the newly awarded projects, while others faced challenges with the providers of works and services contracted through the granted projects. This influenced delays in implementation or finalisation of the limited number of projects which are monitored and additional resources for provision of technical assistance are allocated to mitigate escalation of related risks.

Additionally, some of the Programme beneficiaries faced administrative challenges in implementing granted projects in line with the UNOPS grant management procedures while ensuring alignment with their understanding of local and national policies. Currently there are four beneficiary local self-governments with such challenges and these cases are individually addressed to enable successful implementation of the Grant Support Agreements.

Looking ahead, the key challenge for the Programme remains controlling the implementation timeframe and securing successful implementation of the projects to be selected through the Call for Integrated Projects whose evaluation is underway. .

**Visibility of EU PRO Plus interventions** was secured through promotion of newly supported interventions and completion of projects awarded in previous years. The key visibility event during the quarter was the promotion of the newly awarded grants in support to development of economic infrastructure in Kraljevo which gathered high level representatives of 20 local governments, including 14 mayors, the Minister of European Integrations and the EU Ambassador to Serbia.

Several visits to EU PRO Plus and its predecessors' projects were organised, garnering media attention and promoting achieved results. In the last quarter, these efforts yielded 388 positive media reports, with 36% featured in national media outlets. Since the Program's inception in 2021, a total of 4,597 media reports have been published, with 33.4% in national media. Compared to the initial Programme iteration - the EU PROGRES implemented in the 2010 - 2014 period, a significant rise in media interest is recorded with a 40% increase in the number of positive media reports, as well as the increase of the national media interest by 60% which is in part attributed to expanded geographical coverage of the EU PRO Plus Programme.

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

## QUARTERLY STATUS REPORT

### 2.1 Review of project progress

#### 2.1.1 Policy and Programme Context

Though there were no significant developments of the national policy, at the level of the European Union several policy advancements were made during the quarter.

The [EU Nature Restoration Law](#) was adopted by the EU Parliament in February 2024. The new law sets a target for the EU to restore at least 20% of the EU's land and sea areas by 2030 and all ecosystems in need of restoration by 2050. The EU nature restoration law, agreed with member states, will restore degraded ecosystems in all member states, help achieve the EU's climate and biodiversity objectives and enhance food security. To reach the overall EU targets, member states must restore at least 30% of habitats covered by the new law (from forests, grasslands and wetlands to rivers, lakes and coral beds) from a poor to a good condition by 2030, increasing to 60% by 2040, and 90% by 2050. In line with Parliament's position, EU countries should give priority to [Natura 2000 areas](#) until 2030. Once in a good condition, EU countries shall ensure an area does not significantly deteriorate. Member states will also have to adopt national restoration plans detailing how they intend to achieve these targets. The Law will enable direction of EU funding towards restoration of degraded areas, that are also recognised in territorial strategies developed by EU PRO Plus.

[URBACT Call for Innovative Transfer Networks](#) was open from 10 January to 20 March 2024. This is a second network that was opened under the URBACT IV programme, where IPA countries are eligible to apply for the first time. URBACT supports cities to develop integrated practices through which Cities can learn a great deal from each other's experiences, Partners share ideas around bottom-up initiatives and co-design long-term strategies and urban policies - all at European and local levels. In the context of EU PRO Plus, URBACT is an opportunity for further operationalisation and implementation of territorial strategies developed by Programme, and additionally to build capacities of local and regional actors on territorial development and development of integrated projects.

[INTERREG Europe](#) opened a third call for project proposals. The Call, which is eligible for the first time for IPA countries, will be open from 20 March to 7 June 2024. Identically as URBACT, the call objectives are in line with EU Cohesion Policy 2021 - 2027 objectives, and the call is complementary to territorial strategies developed with EU PRO Plus.

At the regional level, in Pčinja District, significant progress has been made with regards to the regional waste management initiative supported by the Ministry of Construction, Transport and Infrastructure. With the City of Vranje leading the initiative an Agreement among six of the seven local governments in Pčinja district (excluding Vladičin Han as for existing public-private partnership with PWW from Leskovac on waste disposal) was prepared highlighting duties and responsibilities of all parties involved. Assemblies of the participating LSGs (as formed following the recent elections) would pass the Agreement and then be in the position to sign the final draft.

Vranje received funds for the construction of the Regional waste management centre worth 12.5 million euros of which 9.5 million euros are granted funds and the remaining amount are loans from the KfW bank. Thus far the idea design (planned area is over 70.76h which is almost the area of the Free Zone in Vranje (about 105 h) was completed and public interest proclaimed while land expropriation is ongoing. Further activities relate to the development of the detailed design, construction and equipping done of the Regional waste management centre which is planned to have been completed by 2027. Relocation of the transmission line which included the preparation of the design and execution of works also needs to [www.euproplus.org.rs](http://www.euproplus.org.rs)

be done for the Centre to be functional. Parallel to this, each of the six LSG, Bujanovac included, signed a trilateral agreement highlighting duties and responsibilities of the LSGs, Public utility company and Ministry of Finance/Ministry of construction, transport and infrastructure to finance investment measures for the improvement of the system of collection, selection and waste management in the amount of 160.000,00 EUR.

The Cabinet of balanced regional development advertised a [Public call for projects for the regional growth program in the Republic of Serbia](#) in February 2024 and in March 21 projects were approved for financing. Co-funding for the EIP project in Bosilegrad, Kobos factory is one of the approved projects.

## 2.1.2 Progress towards achieving objectives

With completion of 14 projects during the quarter, the EU PRO Plus has successfully implemented 208 projects in total. Seventy-two projects are currently under implementation, including the addition of 39 grants awarded to women and youth-start ups and initiation of construction works on two bridges during the quarter. Additionally, the evaluation of the Call for integrated projects finalised during the quarter will set grounds for support to at least 15 new projects in the value of 10 million euros.

The immediate impact of twelve drafted territorial strategies is already shown through applications for different sources of funding based on territorial strategies. The territories already applied for the national and international calls, within the [public call for projects for the regional growth program in the Republic of Serbia](#) of the the Cabinet of balanced regional development, the [Municipality of Topola](#) was awarded for the project which is a part the strategic project of ITI strategy, but also for the call of the Ministry of Tourism, as well through complementary EU programmes URBACT and INTERREG Europe.

The Programme further contributed to enhancement of social cohesion in targeted regions, reaching benefit for over 7,500 people from disadvantaged groups through provision of 28 social services that were established and improvement as a result of its intervention.

Furthermore, with the completion of infrastructure works on five locations, that is, in Mionica, Užice, Čuprija, Bosilegrad and Ražanj amounting to 33 thus far completed infrastructure endeavours, the Programme contributed to improved livelihoods of approximately 150,000 citizens.

## 2.1.3 Results and Activities

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

The Programme is finalising activities related to development of territorial strategies through formal adoption of strategies by LSGs assemblies. The supported strategies address territorial development priorities in five thematic areas: identity of urban areas; green and energy transition and urban mobility; innovative and smart economy; social well-being and urban/territorial governance. Their specific objectives and measures are tailored to match the 2021 - 2027 Cohesion Policy Objectives and relevant national policies, supported with measures specific for the local context. This approach should provide conditions for resolving of the more complex territorial challenges for which traditional strategies cannot provide, and the territories will have an instrument to blend different funding sources from the current and upcoming EU and other international funding instruments, but also from national funding sources that are in line with EU policies. In order to channel and to boost territorial initiatives, each strategy has a set of strategic integrated projects within each thematic area, as well the list of project ideas proposed by the various stakeholders through the strategic development process.

Thus, the Programme also closed the Call for integrated projects and the evaluation of received



applications is in the final stage.

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

The Programme prepared the Study Visit to Germany Concept Note<sup>1</sup>. The visit is planned for MEI representatives and for seven cities supported by EU PRO Plus to develop Sustainable Urban Development (SUD) strategies (Loznica, Šabac, Leskovac, Bor, Kruševac, Novi Pazar and Smederevo) and, if proposed by the territories, the related Regional Development Agencies (RDA) in their territory, and potentially a representative of the EU Delegation to Serbia and the Standing Conference of Town and Municipalities. The visit will focus on territorial development in predominantly urban areas, with a focus on medium-sized (40,000-100,000 inhabitants) cases comparable to the Serbian pilot cities. The aim is to provide practical insights into the implementation of such projects, allowing for an exchange between the Serbian participants and their German peers. The interests of the participating Serbian territories should be reflected in the themes of the possibly visited projects, such as: Regeneration of urban areas and brownfields; Transformation of waterfronts or riverbanks; Improvements to residential areas, including the preservation of socialist architecture; Green spaces and Revalorisation of cultural heritage (incl. gastronomy and identity). The visit and exchanges should also consider procedural aspects, such as ways to ensure and improve territorial partnership, stakeholder involvement and participatory methods.

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

The adoptions of the twelve territorial strategies in all 31 LSGs are underway. During this quarter, nine LSGs out of the 31 in total adopted strategies. Namely four SUDs - Bor, Kruševac, Loznica and Šabac and five LSGs adopted ITI strategies - Boljevac, Bajina Bašta, Sokobanja, Užice and Zaječar. Before the adoption procedure, the Programme prepared and submitted guidelines for preparation of decisions and for the forewords in the documents to be prepared by the Mayors of the centres of the twelve territories/urban areas. In addition, the preparation of final design of strategies is completed, and will be finalised after adoption of strategies.

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

The [Public Call for proposals for integrated projects derived from 12 territorial strategies supported through the programme](#) was closed on 17 January 2024. A total of 22 applications were received, out of which 13 under LOT1 and 9 under LOT 2, with a total of 12,6 million USD requested. The administrative check of received applications was conducted, the evaluation committee was established, and the evaluation were completed through seven meetings followed by eight field verification visits held during this quarter.

## **Result 2: Enhanced economic growth in targeted municipalities**

The 20 economic infrastructure projects under implementation, should create conditions for at least six new investments and creation of 3,000 new jobs.

Four new jobs have been created by the remaining two MSE grantees in Q1 2024 and three new pieces of production equipment have been delivered and installed making a total of 274 new jobs opened within 113 projects carried out by micro and small enterprises (MSEs) and instalment of 403 pieces of new equipment and introduced more than 20 new services. As a long term impact, additional 370 new jobs are expected to be created by the supported MSEs in the three-year period. Based on available financial reports, supported enterprises recorded an average increase of 28% in revenue and an increase in export

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<sup>1</sup> The concept note is available in Annex I, Attn 1  
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of 0.5 million euros or 14.5% in 2023 compared to 2022. The three-year projection is that these enterprises will increase revenue by at least 10 million euros and generate exports in value of 3 million euros.

With the implementation of the 39 grants awarded under CFP for Women and Young Startups more than 40 new jobs will be created and 22 new business entities will be opened. As a result of over 40 procurement processes 168 pieces of the equipment will be installed. Along with the procurement of the new equipment Startups will have tailor made mentoring opportunities in following areas: Product development/services and pricing strategy, Promotional activities and distribution and Financial planning, management and control (including funding sources).

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

Appreciable progress has been evidenced within the implementation of economic infrastructure projects as only in this reporting period works were initiated on six locations<sup>2</sup> (Kraljevo, Čuprija, Novi Pazar, Mionica, Knjaževac and Aleksinac). Namely, works were initiated in two places at the beginning of the year as in Mionica, the selected contractor to perform the works on the reconstruction of water supply system and replacement of old asbestos pipes benefitting two industrial zones was introduced to site on 16 January 2024 followed by the local PUC Vodovod in Kraljevo which started the works on the reconstruction of the water supply system in Mataruška Banja. Further to this, works on the second phase of construction of the Smart city centre in Novi Pazar commenced in February 2024 while at the same time in Knjaževac the selected contractor for the equipping of the wellness and spa centre in Rgošte village completed installations and delivered all contracted equipment. During March, Čuprija gave access to the contractor for electrical installation to equip the industrial zone with power substation to facilitate the needs of three companies initiating business in the zone. Also in Knjaževac, the contractor for mechanical installations was introduced to the site coupled with Aleksinac, where reconstruction works on the centre for rest and recreation of children in Lipovac also began during this month.

Further to the above, six LSGs are still in the tendering process. Namely, with tenders published, the initial dates for submission of bids had to be postponed to later dates in Preševo, Kragujevac and Mali Zvornik while in Bosilegrad, as response to the open call for submission of bids for the reconstruction works on the old Kobos factory, two bids were received and the administration is now in the process of evaluating those. Additionally, Valjevo signed a contract for expert support in the preparation of TORs during project implementation while the tender for signalisation is still in the preparation process. Finally, Šabac will have to initiate a new procurement process for the implementation of works on road infrastructure as the initially recognised Framework agreement for the implementation of road infrastructure works expired while the tender related to atmospheric sewage is on hold as the second ranking bidder submitted a complaint to the Republic commission for the protection of bidder's rights.

As far as the grants issued to develop main designs in support of economic development, apart from the three local governments (Surdulica, Loznica and Paraćin) where the designers were selected and started performing the contracted services, additional contracts were signed during this quarter in Lajkovac, Bajina Bašta and Kosjerić. As opposed to this, Zaječar was late in advertising the tender for the main design for which the Programme served two official letters reminding the LSG of its obligations. Finally, the tender was advertised in mid March with 02 April as the deadline for submission of bids.

With Užice and Mali Zvornik completing their co-funding obligation during the reporting period, six LSGs (Šabac, Čuprija, Preševo, Bosilegrad, Kragujevac and Surdulica) had not yet managed to complete this grant obligation. As a response to this in March 2024, the programme served letters to these LSGs reminding them of this obligation and setting a new deadline for the transfer of the contracted co-funding amounts. Preševo and Bosilegrad are in the process of getting support from the Government level while Kragujevac has recently passed the 2024 budget with the establishment of the new local government

<sup>2</sup> Kraljevo, Čuprija, Novi Pazar, Mionica, Knjaževac and Aleksinac  
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following the elections and the transfer of co-funding is expected in early April. Other LSGs indicated the instructions of the Ministry of Finance obtained in November 2023 as main concern for transferring funds on dedicated project accounts, as MoF recognises only the municipal budget as eligible source for all transactions according to the Law on Budget.

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

Two remaining grants for Micro and Small Enterprises (MSEs) under the Public Call for Proposals for Procurement of Equipment and Introduction of Services for Entrepreneurs, Micro and Small Enterprises have been successfully finalised with all equipment delivered. The 113 supported MSEs have cumulatively conducted 184 procurement processes securing procurement of 403 pieces of equipment and over 20 services. Since the planned results in terms of new employment generation and implementation of corporate social responsibility (CSR) activities have been achieved, the administrative closure of this intervention is underway.

Out of the 45 applicants recommended for financing under the Call for Proposal for Support to Women and Youth Start-ups for the procurement of equipment and introduction of services, 39 have confirmed their continued interest for implementing the investment projects they proposed (out of which 22 from LOT 1 and 17 from LOT 2). A preliminary preparation meeting with the 39 applicants was conducted on 22 January 2024, and the Grant Support Agreements were issued in March 2024.

The remaining six applicants recommended for support have cancelled their participation due to changed circumstances such as moving out of Serbia, inability to secure co-funding, securing employment elsewhere and change of marital status. Thus, the reserve list of endorsed applicants has been triggered. Out of the seven applicants on the reserve list, six have confirmed their continued interest. These grants will be issued in the next quarter.

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

The activity for strengthening social services is entering the final phase of implementation, with 15 out of 20 projects being completed and reaching over 8,000 direct beneficiaries (61% are women) out of which over 7,500 people are coming from vulnerable groups. During the reporting period, one more social service was facilitated. The SOS Helpline was established and promoted in Velika Plana through civic-public partnership, and it is available to all citizens who find themselves in an emergency situation. Under the same project that was completed in February, the neurofeedback therapy service for PWDs, which was established previously, will continue to work through self-financing activities of the CSO.

The projects that are completed have ensured institutional and financial sustainability of the services or they are in the process of their securing. Furthermore, forensic interview of a child service is expected to be expanded to additional municipalities, as the lead CSO signed a memorandum of understanding with the Centres from Social Work in Vranje, Aleksinac and Pirot. In February, the Association from Kraljevo obtained a licence for provision of Day Care Service for people with autism from the line ministry and further funding of the service is already secured from the city budget. In Ćuprija, medical infirmaries in seven villages are reactivated and capacitated through the project and they continue work through funding of the Health Care Centre. Social protection services that were established or expanded through civic-public partnership in Niš and Kragujevac are further integrated in the work of the local Centres for Social Work, while services that are not under the Centres' authority will be funded by the CSOs or from municipal fundings. In Bojnik and Žitorađa newly established social protection services are planned to be funded from the municipal budget. Continuation of the services provision in Bojnik is pending resolution with the blocking of the municipal budget unrelated to the project that will be followed by the public procurement process. In Žitorađa, continuation of the service provision is expected after the

decision of the Municipal Assembly and budget rebalance. For the ongoing project from Bela Palanka, expansion of the child companion service that was facilitated through the Programme will continue, as the Municipality already increased funding of this service in 2024 by 100% compared to the budget from 2023.

Finalisation of infrastructure works within the implementation of local infrastructure grants has, through the enhancement of provision of health care services and the introduction of new social service as well as improvement of opportunities for engaging in cultural and sports activities, contributed to the improvement of livelihoods of approximately 150,000 people. Namely, the completion of infrastructure works mainly on energy efficiency of the Anti-tuberculosis clinic in Užice improved and created more favourable working environment for medical staff to preserve their health and working abilities, better triage, better conditions for patients from the entire Zlatiborski district, shortening the waiting time for physical examinations, faster reaction to the patient problems, and proper accessibility to vulnerable and marginalised groups. In addition to this, the completion of works and equipping of the 700 m<sup>2</sup> social facility building in Bosilegrad laid the grounds for the fulfilment of conditions for the local Social centre to obtain licence for the introduction of the new service to the most vulnerable groups of population in this municipality. Furthermore, the reconstruction of the Public community centre in the Supska settlement created conditions for an enhanced cultural and socio-economic life for 12,023 residents in the settlement of Supska. Finally, in Mionica and Ražanj conditions were improved for engagement in sports activities for 23,300 citizens. Through promotion of positive living habits through sports and recreation, the completed projects significantly contribute to the improvement of life of the citizens and overall growth on the local level.

In response to the urgent needs of the Government of Serbia to restore **flood-affected infrastructure**, the Programme finalised procurement processes and initiate the works on the construction of bridges in Vrnjačka Banja and Rača that would provide safe transport for over 2,700 residents of the surrounding villages and support the local economy suffering losses from the road interruption.

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

In the reporting period construction works were completed in five LSGs, that is, Užice, Mionica, Ćuprija, Bosilegrad and Ražanj, while four construction sites in Sjenica, Niš, Golubac and Bujanovac are still active. In Sjenica and Niš, the works are in the final phases of implementation, while in Golubac, the LSG selected the contractor for facade works and signed the contract in early February 2024 but had not started with actual works yet. The Programme met the municipal representative so that options are being explored on mitigation measures for the described situation. In Bujanovac, both contractors for hydro and electric installations signed contracts for implementation of works and purchased the necessary materials but the works started only on the power supply. The works on the water supply network had still not been initiated firstly due to unfavourable weather conditions and lastly due to unmarked underground electricity and water supply cables. As this was resolved at the end of March 2024, the start of water supply works is expected in early April.

Parallel to the implementation of infrastructure works, the LSGs proceeded with implementing soft measures to reinforce the impacts of the infrastructure endeavours. In Boljevac, the management of the Health Centre, the heating system of which was reconstructed with support from the Programme, appointed a team who organised 25 visits to Boljevac and surrounding villages performing post COVID syndrome testing to nearly 300 patients. Apart from the analysis done and patients directed to further treatment in cases when needed, the team would produce a Study containing the overall state of patients and recommendations for improvement of work of the Health Centre in terms of treatment and overall approach to post COVID patients. In Ćuprija, three specialised training programmes on the following topics: development of entrepreneurship in rural areas, economic empowerment of women and training on business plan development, were conducted to include the total of 35 participants all aiming at

economic empowerment of women in rural areas. In Mionica, sports school for children with autism was organised in two cycles, a duration of 6 months with three times a week training, specially designed to suit the needs of children with disabilities and to help them improve their motor and social skills. Eight children from the special department of the primary school "Milan Rakić" Mionica attended the sports school, and it had a large impact on their lives and the lives of their families. Besides the improvement of their social and motor skills and the joy and happiness that the activities brought to the lives of these kids, it also helped their parents to have a little more free time while their children were in a safe place and under the professional supervision of three dedicated professional trainers. In the final event, children demonstrated in front of their parents the exercises and received medals and diplomas for their hard work and commitment. The whole event was aimed at promoting the needs of the vulnerable, increasing their visibility in society. Mionica also held three workshops for parents on how to live with autism. In addition, another set of soft activities was implemented on promoting football for girls, where the first female football club was organised and a tournament for girls aged 10 and 11 attended by 50 participants. The tournament was a brilliant example that there should be no sport or activity at all, that should be reserved only for one gender, and that moving boundaries is refreshing and liberating for a society. Similar tournament for young basketball and volleyball players is to be organised on the newly constructed sports courts in Ražanj during April 2024.

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

During the quarter, five more projects were finished, thus counting a total of 15 projects being completed until now. Five grants are administratively closed and three more are set for closing, as the final reports are verified and unspent funds reimbursed. In addition, five final reports are under review.

Five projects remain in implementation, where the project from Tutin is extended until the end of April with budget revision. Taking into account uncertainty with the realisation of the activity for conducting mobile mammography examination, the funds intended for this activity are reallocated for extension of the "companion of a child" service, and the Municipality of Tutin will increase its contribution.

In Zaječar, the Working Group for development of the Social Policy Strategy was established in February, composed of 21 members coming from the relevant public institutions and civil organisations. One capacity building training was organised for them, and the document was developed with the support of an external consultant. The final draft of the document is prepared for public hearing.

Second milestone report submitted by the Municipality of Bela Palanka was verified, followed by the processing of the final tranche to the grantee.

### ***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***

With the finalisation of the Amendment with DEU, the conditions were met for the Programme to sign contracts for works on the construction of bridges in Vrnjačka Banja and Rača, with two selected bidders through two parallel direct procurement processes implemented by UNOPS from October 2023. Simultaneously, during this quarter, UNOPS also signed the Contract for Technical Supervision services, to ensure proper monitoring of quality and health and safety during the works. Both contractors were given access to the site and, according to contractual dynamic, both should finalise all works on the construction of the bridge and fitting the road to the bridge works by end June 2024. Both supported municipalities secured needed co-funding amounts for contracting the whole independent portion of works on the river bed regulation, expecting to be finalised by the same deadline as the Programme portion of works.

## 2.2 Management

### 2.2.1 Governance

During the quarter, the second Programme Amendment was signed with the EU Delegation, enabling 18-month extension of the Programme implementation timeframe until 31 December 2025 which secures the time needed for implementation of the integrated projects. Additionally, the Programme documents were amended to include the activity related to the flood rehabilitation efforts which was initiated through an exchange of letters in the previous period, and formalised with this Amendment.

The EU Delegation (EUD) to Serbia initiated discussions with the Ministry of European Integration (MEI) and the Standing Conference of Towns and Municipalities (SCTM) about the EU PRO Plus successor Programme which should ensure smooth transition and maximise efficiency during the overlapping period of the two Programmes.

The Programme Steering Committee (PSC) members actively supported and guided the implementation of the Programme during the quarter. The next PSC meeting is planned for April 2024 at which time the results of the Call for Integrated Projects derived from the twelve territorial strategies will be presented.

### 2.2.2 Coordination

Coordination with the key stakeholders was maintained throughout the quarter.

The Programme actively involved the MEI in the evaluation process for the applications received in response to the Call for Integrated Projects whose appointed representative participated in the work of the Grant Evaluation Committee in the capacity of the voting member. Furthermore, representatives of the SCTM and the EUD actively participated in the process in the capacity of observers, contributing to the quality of the process.

Furthermore, the Programme supported MEI in their outreach efforts related to the [URBACT Call for Innovation Transfer Networks](#) by reaching out to the beneficiary municipalities which have been supported with development of the territorial strategies. The EU PRO Plus also presented its capacity building activities at the URBAC info day organised by the Ministry. As a result, five local governments<sup>3</sup> territorial strategies showed initiative to identify partners, of which Leskovac and Kragujevac successfully signed the partnership agreements and submitted applications in response to the URBACT Call. Likewise, the EU PRO Plus provided support to MEI in identification of partnerships for the third Call for project proposals for [INTERREG Europe](#) which thus far resulted in RDA REDASP from Kragujevac establishing partnership, while other territories are in the process of identification with the Programme support.

During this quarter, the Programme maintained effective collaboration with the EU Information Centre (EUIC) to enhance the visibility of the EU PRO plus projects, particularly during visits by high-level officials. This partnership was instrumental in generating a considerable volume of media materials. The coordinated efforts resulted in numerous media reports and social media posts, which were effectively promoted across [EUIC's](#) and Programme's communication channels. This strategic dissemination of content played a key role in amplifying the reach and impact of the projects, thereby contributing positively to the overall success of the program.

### 2.2.3 Human Resources

Following the finalisation of a part of the Programme activities, during the first quarter of 2024, the Human Resource Downsizing Plan which foresees termination of a part of full-time positions and in some cases conversion to retainer positions was activated. The initial phase of the HR downsizing should

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<sup>3</sup> Kragujevac, Niš, Zaječar, Kruševac and Leskovac  
[www.euproplus.org.rs](http://www.euproplus.org.rs)

conclude on 30 June 2024, at which time the field office in Vranje will be closed.

Performance of the Programme personnel is continuously assessed throughout the quarter, and performance evaluation for the year 2023 is concluded.

## 2.2.4 Procurement and Grants

During the first quarter of 2024, the Call for Proposal (CFP) for Integrated Projects was closed and the evaluation process initiated. Additionally, 39 Grant Support Agreements (GSA) were issued under the CFP for supporting women and youth start-ups which were endorsed for funding in December 2023. During the quarter, 83 GSAs were administratively closed while 45 GSAs were under implementation for which five amendments were issued. Programme's financial delivery through grants mechanism was achieved with 42 payment requests processed.

The major procurement processes during the first quarter of 2024 for EU PRO Plus included procurement of works for two bridges as a part of the flood rehabilitation efforts, along with procurement of services for conducting technical supervision. Additionally, several procurement processes related to Programme visibility were conducted, including rebranding of project boards for completed infrastructure projects, procurement of standing boards for new infrastructure projects, and procurement of Programme promotional materials.

## 2.2.5. Finance

The following are the main financial indicators<sup>4</sup>:

- The total delivery of the EU PRO Plus as of 31 March 2024 was 24,254,978.28 Euros or 60.64% of the Programme budget.
- The delivery in Q1 2024 was 565,612.65 Euros.
- The forecast delivery for the next reporting period is 7,686,285.57 Euros.

## 2. RISKS AND ISSUES

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

**The instruction on disbursement of project related funds issued by the Ministry of Finance affects the grant implementation modality.** Thus far, four LSGs - Šabac, Cuprija, Surdulica and Preševo had not proceeded with transfer of co-funding to the dedicated account presenting the subject instruction as the main reason for not complying with the signed Grant agreement conditions. Further to this, In case of EIP Preševo where the municipality sought and obtained funds for co-funding from the Coordination body, the Coordination body informed the Programme of inability to transfer funds to the dedicated sub account due to the MoF Instructions, which increases the number of LSGs that are reluctant to implement according to grant modality. As a mitigation measure, The Programme will analyse all cases individually and seek guidance from Grant Authority on potential mitigation measures, such as in case of Lajkovac, where the municipality insisted on returning funds to the Programme and pre-financing the activities, for which they requested an amendment to the Grant.

**Limited time for endorsement and implementation of the pilot ISTD grant scheme may cause difficulties in project implementation and timely closure of grants.** Despite the fact that the Programme got the duration extension until December 2025, there is no room for eventual delays that might be caused by formal approval of the stakeholders, and eventual difficulties and delays in grants implementation. The

<sup>4</sup> While these figures provide quality insight into the Programme's spending, the final figures are only provided in the Programme's financial reports.

Programme will strive and invest consistent and efficient efforts to ensure timely completion of grants on, through engagement and support needed from other stakeholders, especially ensuring quick decision making and through regular communication and support to the grantees.

**The pending Assembly decisions on adoption of territorial strategies caused by early local elections may cause difficulties in strategy implementation due to lack of formal adoption.** The early local elections partially conducted in December 2023 and upcoming local election for second group of LSG's in 2024 may cause delays in formal adoption of territorial strategies by the local assemblies due to new assemblies formation. The Programme will keep the regular contacts with LSGs and address the importance of timely adoption of decisions. awarded LSGs, highlighting the importance of the timely adoption of decisions. In case there is no likelihood that adoption is not envisaged in a short period, the Programme will initiate meetings with Mayors or President of municipalities to accelerate the process.

**Due to various challenges related to capacities and administrative processes, the implementation timeframe for some of the grant activities may be prolonged.** In Sabac, for implementation of the economic infrastructure project, the contracting of works is prolonged until the Republic Committee for the protection of the bidder's rights resolves the complaint of the second-best bidder to the tender results. In Kosjeric, development of technical documentation for the economic infrastructure project is delayed due to prolonged time for provision of Cadastre Topographic Plan and location conditions needed for the development of the main design for the execution of construction works on the remote heating system which was contracted on 21 January 2024. For the local infrastructure project in Golubac, the LSG needed to terminate the contract with the second contractor and initiate a new procurement process due to delays in implementation of works. In response, the technical assistance provided by the Programme for implementation of these grants is intensified.

**Due to lower demand and the decline of the economic activity in some industries, the grantees awarded under the Call for Women and Youth Startups face challenges in achieving the planned results** in terms of employment generation, or even face risk of needing to cancel implementation of the awarded project. So far seven out of 53 Startups approved for financing and reserve list have withdrawn from the process. In response, monitoring of these projects will be intensified, as well as technical and mentoring support which will be provided to the Startup grantees to enable the efficient implementation of the granted projects.

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

The aspect of sustainability in the Call for integrated projects was emphasised through call criteria and the required description, where each element was subject to particular evaluation criteria, considering the complexity of actions and integration of various aspects within territories.

All five completed local infrastructure projects demonstrate clear social impact, improving infrastructure and services for more than 50,000 direct users of culture, sports, health and social services. Institutional sustainability was also ensured in each project through good governance measures that included implementation of the measures for the improvement of services. Bosilegrad drafted a plan for the selection of vulnerable beneficiaries that would receive social welfare services and training for women victims of domestic violence in the Bosilegrad factory to ensure they could reintegrate into society. Also, the facility for victims of domestic violence was constructed with respect to energy efficiency measures to be certified in class "C". Similarly, the works on the facade and joinery on tuberculosis clinic in Užice positively impacted the environment, improving the energy efficiency class of the building from E to C, while the Plan for further improvement of measures for energy efficiency was adopted by the City of Užice. Likewise, Čuprija established management mechanisms for the Public community centre and developed the work programme that would ensure sustainability of the centre, serving the government



body of Supska, local health centre, centre for youth and centre for culture. Ražanj is also preparing the Rulebook for the use of sports courts and the healthy lifestyle programme with the sport association Ražanj. Mionica also institutionalised the first women's club and the school for the children with autism. Economic sustainability for all completed projects could be measured in the following years, after measurement of the impact of energy efficiency measures implemented throughout infrastructure works.

As part of the activity to strengthen social services, standards and criteria set for meeting sustainability requirements in relation to the social protection services are confirmed. The Association from Kraljevo obtained a licence by the Ministry of Labour, Employment, Veteran and Social Affairs for provision of the service Day Care for People with Autism, thus securing its institutional viability, while the financial part was secured previously through an agreement with the City of Kraljevo.

In order to improve sustainability of Women and Youth Startups mentoring support has been prepared for all the grantees which will cover areas of marketing, financial management, planning and control etc. The support will include online and in person meetings with the beneficiaries, individual and group discussions.

#### **4. CROSS-CUTTING THEMES:**

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

The Programme is strongly contributing to the improvement of the position of the marginalised groups through the projects for strengthening social services., where 28 newly established and or improved social services facilitated better access to education, social protection and health care services for them. Over 7,500 (61% are women) disadvantaged people directly benefited until now from the intervention, including people with disabilities (PWDs), children and youth with behavioural problems, children who live and/or work on the street , elderly from rural areas, youth, etc.

Within local infrastructure projects five completed facilities will contribute to gender equality and social inclusion of the most vulnerable population. In Čuprija, three specialised training courses to cover the topics related to the development of entrepreneurship in rural areas, economic empowerment of women and business plan development were conducted for the total of 35 participants all aiming at economic empowerment of women in rural areas.

In Mionica, sports school for children with autism was organised in two cycles, a duration of 6 months with three times a week training, specially designed to suit the needs of children with disabilities and to help them improve their motor and social skills (Eight children from the special department of the primary school "Milan Rakić" Mionica attended the sports school, and it had a large impact on their lives and the lives of their families). The training was conducted by two female and one male trainer. In the final event, children demonstrated in front of their parents the exercises and received medals and diplomas for their hard work and commitment. The whole event was aimed at promoting the needs of the vulnerable, increasing their visibility in society. Mionica also held three workshops for parents on how to live with autism, where 4 women were professionally engaged.

In addition, another set of soft activities was implemented to promote football for girls. The first female football club was organised, and a tournament for girls aged 10 and 11 was attended by 50 participants. Four women were also engaged in organising football tournaments, besides the five women from LSGs actively involved in managing the project.

In Bosilegrad, 320 Roma population, women victims of domestic violence and people with disabilities will directly benefit from the introduction of the new social service which is enabled through the project.

53 medical support staff, among whom 80% women, will directly benefit from improved conditions for

work in the tuberculosis clinic in Užice.

In Ražanj, the sports association of Ražanj with 300 children and youth will directly benefit from the newly constructed sports courts.

Out of 45 Startups recommended for support, 28 (65%) are owned by women and 17 are owned by Youth.

## 5. COMMUNICATIONS AND VISIBILITY

The EU's support for local development continued to be highlighted through field visits and an event. On 1 March, Kraljevo hosted an event aimed at promoting the enhancement of economic infrastructure, attended by the EU Ambassador, the Minister of European Integration, and representatives from 20 local governments, including 14 mayors. Additionally, a two-day visit was arranged for the DEU Head of Cooperation on 14 and 15 March to Novi Pazar and Raška. Visit showcased six EU projects managed by UNOPS, two Serbia-Montenegro cross-border cooperation projects in Novi Pazar, and included two events by the European Movement in Serbia and the Creative Europe Programme, focusing on EU support for the civil and cultural sectors. At the DEU's request, the EU PRO Plus communications team coordinated the visit.

Furthermore, three press releases were issued to promote the commencement of work on economic infrastructure projects in Knjaževac, Novi Pazar, and Aleksinac. Together with the previously mentioned event, visit, and various project activities, these efforts resulted in a total of 388 positive media reports, with 141 (36%) appearing in national media outlets.

The Programme compiled briefing documents for several key activities: the Kraljevo event, the DEU Head of Cooperation (HoC) visit to Novi Pazar and Raška, an overview of support and developments in Bujanovac and Preševo, and insights on regional development for the DEU's participation in the Forum on Regional Development of the Autonomous Province of Vojvodina. Additionally, at the request of the Ministry of European Integration (MEI), a list of potential visits and projects for Serbian government representatives was created. In response to a DEU request, three field visit agendas were developed to support project visits, stakeholder meetings, and program implementation monitoring. The programme also arranged a visit for the Head of Delegation to Kragujevac, which has been rescheduled for April 2024.

The annual Communication Survey on citizens' opinions about the EU, disseminated in December 2023 and closed in March 2024, was prompted through a 15-day digital media that resulted in 1,837 clicks and 344,323 impressions. This campaign reached 71,653 people on Facebook and generated 398 clicks and 201,396 impressions on Instagram, reaching 94,323 people. The Survey results are to be presented in the next quarterly report.

Three success stories were filmed in Kragujevac, adding to five video success stories already prepared and promoted through different channels. To mark the International Women's Day the Programme published a success story on a woman entrepreneur from Kragujevac on the website and digital media accounts.

A Legacy factsheet on Entrepreneurship was developed to promote EU funded activities related to private sector strengthening in the past decade, while together with the Capacity Building Sector a new page on the EU PRO Plus website covering ITI topics is currently in development.

The tender for the New Year VIP promotional materials was successfully finalised, and the materials have been delivered. Currently, the procurement of additional visibility boards for infrastructure projects and startups is in progress, with an expected completion in early April 2024.

The Programme website was visited 15,009 times by 9,755 unique visitors, while the most visited web pages were those dedicated to the public calls and their results. The Facebook and Instagram pages stand at 19,131, and 3,167 followers respectively, while there are 1,180 followers at the Programme Twitter [www.euproplus.org.rs](http://www.euproplus.org.rs)

account. The Programme YouTube Channel as well as the website was updated with 16 video success stories.

## 6. LESSONS LEARNED

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

Improvement of capacity building plan in the area of identification and preparation of integrated projects derived from territorial strategies. During development of the territorial strategies and conducting and evaluating CfP for implementation of integrated projects deriving from territorial strategies, the low level of knowledges of local and regional stakeholders was identified in the area of identification and preparation of integrated projects, which are more complex and specific in terms of development of activities, in particular, inadequate use of the co-creation processes within the mandatory soft measures required by the propositions of the CfP. In addition, lack of understanding of the thematic integration within proposed territorial initiatives was identified in the proposals submitted from wider urban areas - ITIs. New Programme iterations should include a comprehensive capacity building module for selected local and regional professionals related to identification and preparation of integrated projects. The focus should be on project preparation specialists and urban planners at local level and regional development agencies.

It is important to establish regular joint meetings between program and operations teams, including the grants and finance unit, to discuss potential specific risks and mitigation measures prior to grant implementation. By proactively identifying and addressing potential risks, we can improve our ability to effectively address and manage challenges. These collaborative discussions serve as a proactive approach to ensure the success of our projects and minimise potential obstacles. Through this structured approach, we can strengthen our operational resilience and optimise our grant management processes

## 7. NEXT REPORTING PERIOD<sup>5</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 Conducting training - Coordinating the implementation of Integrated Territorial Instruments (ITIs): learning from practice for MEI
- Activity 1.2 Conducting Module IV of capacity building plan for local level - strategy implementation governance arrangements
- Activity 1.3. Preparation of final evaluation report and obtaining PSC approval for the Call for proposal for integrated projects

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

- Activity 2.1 Monitoring ongoing implementation of 13 EIPs and finalisation of procurement processes of 7 remaining to be finalised in Q2 2024
- Activity 2.2 Award GSAs to Women and Youth start-ups from the reserve list
- Activity 2.2 Organise orientation meeting for women and youth beneficiaries, and initiate implementation of GSAs

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

- Activity 3.1 Monitoring implementation of the remaining seven Local Infrastructure Projects, and finalisation of activities
- Activity 3.2 Continue monitoring and implementation of five ongoing social services projects and closing of completed projects

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<sup>5</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)

- Activity 3.4 Monitor implementation of works on the reconstruction of two bridges in Rača and Vrnjačka Banja

### Programme Communications

- Organise event to promote the results of the CfP for Women and Youth Startups
- Promote results of the ISTD CfP
- Promote start and completion of economic and local infrastructure projects
- Plan and organise high level visits to the project sites as requested by DEU and MEI
- Publish the Programme Newsletter
- Produce success video stories
- Publish results and analyses of the Annual Communication Survey

## 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	Not available. The WB discontinued publishing of the Doing Business Report.
	Global Competitiveness Index Rank 69	The World Economic Forum paused comparative country rankings on the Global Competitiveness Index during the turbulent times of COVID-19 pandemic.
SO1. To decrease socio-economic disparities of two regions within Serbia	Šumadija and Western Serbia Region GDP and number of unemployed - 20% / 101,760	The share of Šumadija and Western Serbia Region in the national GDP decreased by 0.3% to 18.4% in 2022 compared to 2021. Number of unemployed in the Western Serbia Region was 92,900 persons in 2022, which is a decrease by 12.3% compared to the 2019 baseline.
	South-East Serbia Region GDP and number of unemployed - 14.2% / 83,712	The share of the South-East Serbia Region in the national GDP decreased by 0,1 % to 15.2% in 2022 compared to 2021.  Number of unemployed in the Western Serbia Region was 73,100 persons in 2022, which is a decrease by 16.2% compared to the 2019 baseline.
<b>RESULT 1</b>		

Improved development planning in targeted municipalities and introduction of the ITI concept		
<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	4 SUD strategies out of 7 adopted and 5 LSGs out of 24 adopted ITI strategy (within 5 ITI strategies)
	<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)	The Call for implementation of integrated projects deriving from territorial strategies was conducted and evaluation process is in the final stage. The applications for other calls are underway.
<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)	Total of 274 new jobs have been created by supported MSEs grantees, out of which 142 (52%) new jobs are occupied by women.
	<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, 39 grants have been issued and six more are in process of contracting for 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)	Following the signing of GSAs with 20 LSGs for improvement of infrastructure that would contribute to economic and tourism development. All 20 under implementation should facilitate 300 million euros of future investments.
<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)	Over 200,000 persons benefited from the improved conditions in cultural, educational, sports and health infrastructure in 33 completed projects, among them 5 in Q1 2023.
	<b>OC 3.2</b> Number of introduced or improved social services provided by CSOs and/or LSGs - at least 15	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 7,500 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)	38 persons at the national level trained thus far.
	Proposals for regulators and procedural framework to enable preparation of the EU model for territorial planning - in place (end of 2024)	The Comparative Study on EU member states prepared. The content and the structure of the Study on national model for ISTD is prepared.
	Monitoring, reporting and evaluation approaches related to ISTD model - in place (2022)	The objectives framework indicator set for monitoring, reporting and evaluation of territorial strategies developed.
	Number of tools developed or enhanced - at least one (2022)	A revised Concept Note on the potential IT tool and ToR for ISTD networking platform is drafted and the platform is under development.
<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 - 1416 persons in total)
	Population covered by SUD and ITI Strategies - at least 2 million (end of 2022)	The territories supported for development of territorial strategies are inhabited by approximately 1,6 million people.
<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)	The Call for implementation of integrated projects deriving from territorial strategies was conducted and evaluation process is in the final stage.
<b>RESULT 2</b>		
<b>Enhanced economic growth in targeted municipalities</b>		
<b>Activity 2.1</b> Developing economic infrastructure and businesses related services at the local level	Number of supported economic infrastructure projects - 20 (2024)	20 economic infrastructure projects are being implemented, among them 11 with significant progress
<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)	113 MSEs grants completed for acquiring new equipment and introduction of services acquiring 403 pieces of new equipment and introducing more than 20 new services.
	Number of supported youth and women entrepreneurs - at least 50 (2022)	39 grants issued for Women and Youth Startups and six more in the process of contracting.

	Number of supported BSO projects - 10 (2022)	Sixteen BSO projects were supported, and activities implemented by them completed.
<b>RESULT 3</b>		
<b>Improved social infrastructure and social cohesion in targeted municipalities</b>		
<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)	Among 37 LIP projects under implementation, 33 completed construction works (5 in Q1), 4 with active construction sites. 25 Donation agreements signed
<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)	Fifteen out of 20 projects for strengthening social services 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 construction of two bridges have been initiated.

## ANNEXES

### Annex I Improved Development Planning

Annex I\_Attn 1\_Study Visit to Germany Concept Note

### Annex II Enhanced Economic Growth

N/A

### Annex III Improved Social Infrastructure and Social Cohesion

Annex III\_Attn 1\_EU PRO Plus\_Q12024\_LIP Status

### Annex IV Communications

Annex IV\_ Attn 1EU PRO Plus Overview of Communication Activities

### Annex V Programme Management

Annex V\_ Attn 1 EU PRO Plus Work Plan for Q2 of 2024