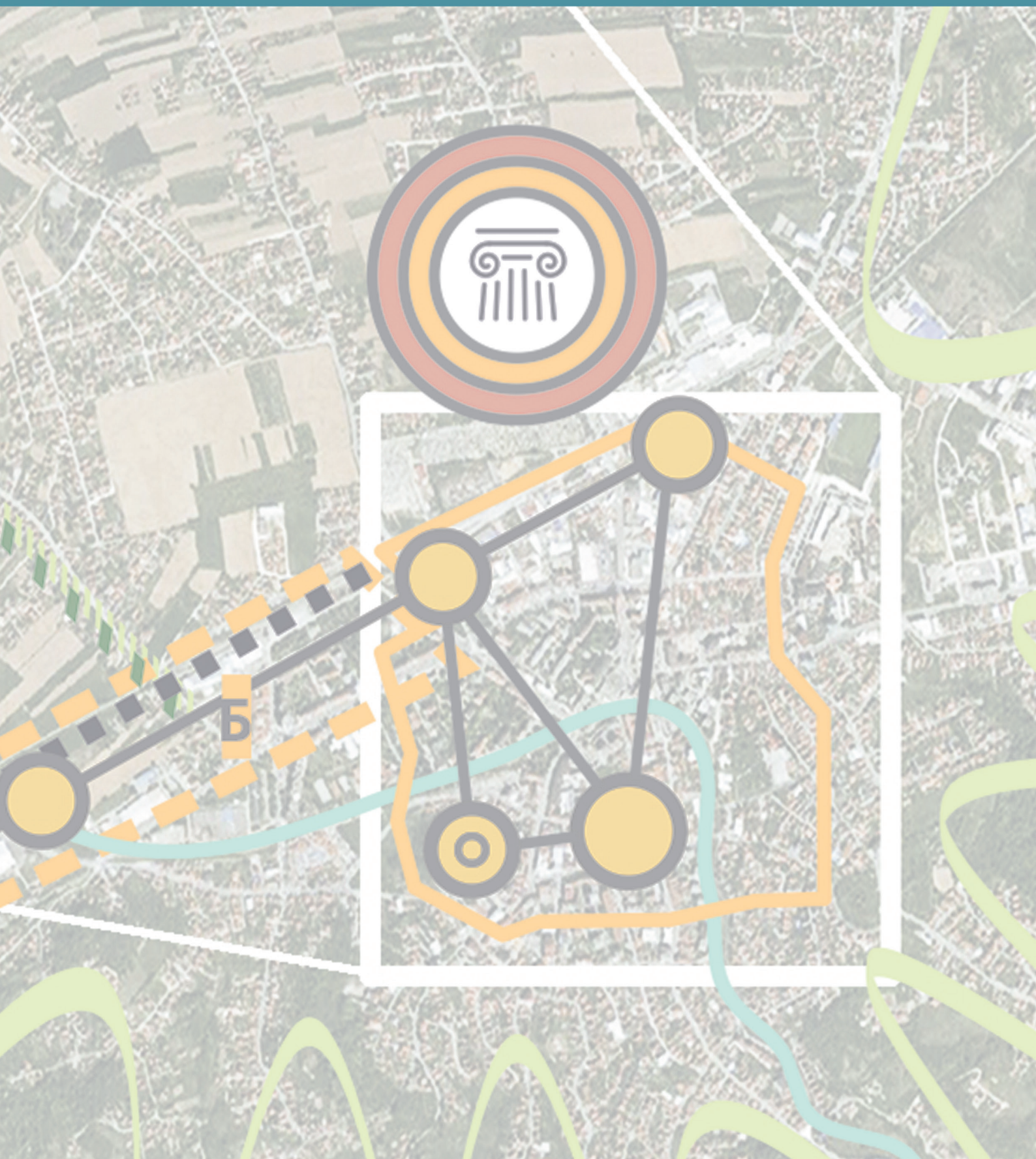


# TERRITORIAL STRATEGY OF THE CITY OF LOZNICA URBAN AREA



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Ministry of European Integration  
REPUBLIC OF SERBIA

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ЗА ТЕБЕ**

 **UNOPS**  
Implementing partner



**EU** THE EUROPEAN UNION FOR  
**PRO+** LOCAL DEVELOPMENT

## INTRODUCTORY WORD

Dear citizens,

In front of you is the Territorial strategy of the City of Loznica urban area, one of the key documents that defines the guidelines for the further development of the urban area of our city.

Driving force for creating this document is the desire that Loznica becomes characterised by modern urban development and infrastructure, economic development with the preservation of natural and cultural-historical heritage, a high level of social wellbeing, a preserved environment and natural potentials, an environment in which young people will recognise their own affirmation.

All of the above, along with a wide process of document drafting, with representatives of institutions from the Republic and City level, representatives of the civil sector and citizens were involved, and support through technical assistance by the European Union through the EUPRO PLUS Programme, shaped this document that defines the vision of the future urban area of the City. The realisation of this vision will contribute to Loznica strengthening the status of a community of tolerant and hardworking citizens, with efficient local administration, a developed economic sector, a City with a strong identity located in an extremely valuable natural environment, with a preserved cultural and historical heritage - a City whose sign is the word Prosperity.

We all aim to lead our City of Loznica through modernisation, development, with respect for its own identity, also respecting diversity, and we have woven our vision into this Strategy, which we will proudly leave to future generations, in the hope and faith that we will implement or start most of the proposed activities.



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Vidoje Petrović



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## CONTENT

|          |  |           |
|----------|--|-----------|
| <b>1</b> | <b>INTRODUCTION</b>  | <b>1</b>  |
| <b>2</b> | <b>APPROACH AND STEPS IN STRATEGY DEVELOPMENT</b>  | <b>3</b>  |
| 2.1      | DESCRIPTION OF THE INTEGRATED APPROACH   | 4         |
| 2.2      | DESCRIPTION OF INVOLVEMENT OF PARTNERS   | 5         |
| 2.3      | APPROACH TO STRATEGY DEVELOPMENT   | 8         |
| 2.4      | STEPS IN STRATEGY DEVELOPMENT  | 9         |
| <b>3</b> | <b>DESCRIPTION OF THE TERRITORY</b>  | <b>14</b> |
| <b>4</b> | <b>TERRITORIAL CONTEXT</b>   | <b>16</b> |
| <b>5</b> | <b>CONTEXTUAL ANALYSIS</b>   | <b>19</b> |
| 5.1      | SOCIETY  | 19        |
| 5.1.1    | Demographics   | 19        |
| 5.1.2    | Social inclusion and social protection   | 20        |
| 5.1.3    | Housing  | 21        |
| 5.1.4    | Objects of social standard   | 23        |
| 5.2      | ECONOMY  | 26        |
| 5.2.1    | General economic trends and the labor market   | 26        |
| 5.2.2    | Economy and business environment   | 28        |
| 5.2.3    | Tourism and culture  | 29        |
| 5.3      | URBAN ENVIRONMENT  | 32        |
| 5.3.1    | Historical overview of the spatial and urban development of the city                       | 32        |
| 5.3.2    | Urban area   | 34        |
| 5.3.3    | Natural environment  | 36        |
| 5.3.4    | Quality of environmental factors, exposure to environmental risks and climate change risks | 38        |
| 5.3.5    | Primary utility infrastructure   | 43        |
| 5.3.6    | Primary transport infrastructure and traffic   | 46        |
| 5.4      | URBAN AND TERRITORIAL DEVELOPMENT GOVERNANCE   | 49        |
| 5.4.1    | Access to governance   | 49        |
| 5.4.2    | Sources of financing   | 51        |
| 5.4.3    | Transparency and information   | 53        |
| <b>6</b> | <b>SWOT ANALYSIS AND NEEDS</b>   | <b>54</b> |
| 6.1      | IDENTITY OF THE URBAN AREA   | 54        |
| 6.2      | GREEN AND ENERGY TRANSITION AND MOBILITY   | 56        |
| 6.3      | INNOVATIVE AND SMART ECONOMY   | 58        |
| 6.4      | SOCIAL WELLBEING   | 60        |
| 6.5      | URBAN AND TERRITORIAL DEVELOPMENT GOVERNANCE   | 62        |



|           |  |            |
|-----------|--|------------|
| <b>7</b>  | <b>VISION, OBJECTIVES, SPECIFIC OBJECTIVES AND MEASURES</b>                                  | <b>64</b>  |
| 7.1       | VISION   | 64         |
| 7.2       | THEMATIC OBJECTIVES, SPECIFIC OBJECTIVES AND MEASURES  | 64         |
| <b>8</b>  | <b>PRIORITY AREAS OF INTERVENTION</b>  | <b>73</b>  |
| 8.1       | STRATEGIC APPROACH AND SPATIAL DIMENSION   | 73         |
| 8.2       | PRIORITY AREAS OF INTERVENTION - FIGURE  | 75         |
| 8.3       | LIST OF STRATEGIC PROJECTS   | 78         |
| 8.3.1     | Identity of the urban area   | 78         |
| 8.3.2     | Green and energy transition and urban mobility   | 78         |
| 8.3.3     | Innovative and smart economy   | 78         |
| 8.3.4     | Social wellbeing   | 78         |
| 8.3.5     | Urban and territorial development governance   | 79         |
| 8.4       | STRATEGIC PROJECTS - FIGURE  | 79         |
| <b>9</b>  | <b>SOURCES OF FUNDING</b>  | <b>82</b>  |
| <b>10</b> | <b>MONITORING AND EVALUATION</b>   | <b>88</b>  |
| <b>11</b> | <b>IMPLEMENTATION</b>  | <b>96</b>  |
| <b>12</b> | <b>SOURCES</b>   | <b>99</b>  |
| <b>13</b> | <b>ANNEXES</b>   | <b>103</b> |
|           | ANNEX 1 – DECISION ON ACCESS TO THE DEVELOPMENT<br>OF THE URBAN AREA DEVELOPMENT STRATEGY    | 103        |
|           | ANNEX 2 – LIST OF PROJECT IDEAS  | 106        |
|           | ANNEX 3 – PARTICIPANTS IN DEVELOPING THE STRATEGY  | 110        |
|           | ANNEX 4 – NATIONAL AND INTERNATIONAL SOURCES OF FUNDING<br>URBAN AND TERRITORIAL DEVELOPMENT | 111        |
|           | ANNEX 5 – DECISION ON ADOPTION OF THE TERRITORIAL<br>STRATEGY OF LOZNICA URBAN AREA          | 180        |

## 1 INTRODUCTION

The European Union programme for local development - EU PRO Plus contributes to a more balanced socio-economic development by supporting the management of urban and territorial development, economic growth and social cohesion in 99 local governments in two regions: Šumadija and Western Serbia and Southern and Eastern Serbia. The European Union (EU) has allocated 40 million euros through the Instrument for Pre-Accession Assistance (IPA) 2020 to finance this programme, which is led by the Ministry of European Integration of the Republic of Serbia and implemented by the United Nations Office for Project Services (UNOPS).

Relying on the results of three previous development programmes, the programme in all its activities focuses special attention on good governance, digitalization and innovation, environmental and climate change aspects, as well as gender equality. In addition, as part of its activities, where relevant and possible, EU PRO Plus will contribute to eliminating some of the negative consequences of the COVID-19 pandemic.

The direct beneficiaries of the EU PRO Plus programme are the Ministry of European Integration, 99 local self-government units (LSGs), local government structures, regional development agencies (RDAs), other business support organisations, micro, small and medium-sized enterprises (SMEs) and civil society organisations (CSOs), while the final beneficiaries of the programme are residents of 99 cities and municipalities. All programme activities are undertaken in partnership with the Government of the Republic of Serbia, while respecting national policies and priorities, in order to ensure national “ownership” of them and contribute to the development of national capacities. The EU PRO Plus programme is based on the National Priorities for International Assistance of the Republic of Serbia until 2025, which is of key importance for economic and social development and the process of European integration, where it will especially contribute to the preparations for fulfilling the requirements from Chapter 22 of the accession negotiations EU - Regional policy and coordination of structural instruments.

Direct technical assistance was provided with the aim of improving the capacities of LSGs to introduce and implement an integrated approach to territorial development, in accordance with EU territorial development policies. In order to implement an integrated and sustainable approach to development planning, the programme provided support to local governments through the development of territorial strategies. A total of 12 territories - urban areas that include 31 LGSs were selected through the Public Call for submission of applications for the development of territorial strategies.<sup>1</sup> The activities of the programme included the following: a) support to interdisciplinary working groups formed for the development of strategies, in the form of advisory assistance and the organisation of training and workshops for the development of strategies, b) organisation and facilitation of stakeholder involvement (thematic round tables and workshops with experts and the general public) and citizen participation (surveys, public forums and public hearings), c) provision of technical support for consolidation of materials and formulation of strategies, g) preparation for the press and printing of strategies, and support for

<sup>1</sup> Urban areas of Bor, Kruševac, Leskovac, Loznica, Novi Pazar, Smederevo, Šabac; The urban area of the city of Kragujevac and the municipalities of Arandjelovac, Batočina, Knić, Lapovo, Rača and Topola; The urban area of the city of Zaječar and the municipalities of Boljevac, Knjaževac and Sokobanja, the urban area of the city of Niš and the municipalities of Gadžin Han, Merošina and Svrlijig; The urban area of the city of Pirot and the municipalities of Babušnica, Bela Palanka and Dimitrovgrad and the urban area of the city of Užice and the municipalities of Bajina Bašta, Čajetina, Požega and Priboj.

strengthening transparency through the development of a strategy website with a presentation of the strategy development process.

The time horizon foreseen for the realisation of territorial strategies is the year 2034, that is, the period that includes two programme periods of the EU Cohesion Policy.



## 2 APPROACH AND STEPS IN STRATEGY DEVELOPMENT

The goal of the Strategy is to contribute to the sustainable development of the urban area based on encouraging:

- application of an integrated and participatory approach to the development of society and economy, development of the landscape, cultural and architectural heritage, natural heritage, sustainable tourism and strengthening of urban-rural linkages;
- transition to clean and fair energy, green and blue investments, climate change mitigation and adaptation, risk prevention and management, sustainable and multimodal urban mobility;
- innovative, smart, low-carbon and circular economies, with better use of the potential of digital technologies for innovative purposes;
- strengthening the social component by implementing the European pillar of social rights in the field of employment, education, socioeconomic inclusion and integration, housing, social and health care, culture, sports and recreation, creating a stimulating environment for youth initiatives and activities, and social innovation.

The strategy sets priorities for sustainable and integrated territorial development, contributes to a more efficient pooling of funding sources and more effective use of financial resources and development of connections within and outside the environment.

The reasons for creating the strategy are:

- encouraging sustainable and integrated development of the urban area;
- identifying the key needs of the development of the urban area;
- encouraging the effective use and improvement of urban/territorial capital management;
- the application of EU development management instruments, which enables the establishment of a framework for sustainable and integrated urban and territorial development of the urban area by connecting the traditional system of spatial and urban planning, the planning system of public policies, the improvement of urban development financing and the management of local public finances;
- improving the conditions for urban development in accordance with the New EU Cohesion Policy, the Paris Agreement, the EU Urban Agenda, the New Leipzig Charter on Sustainable European Cities, the Green Deal for the Western Balkans and other EU documents;
- implementation of the Sustainable Urban Development Strategy of the Republic of Serbia until 2030: Measure 5.2.3 Application of EU Cohesion Policy instruments - integrated territorial investments (*ITI – Integrated Territorial Investment*), within the Package of measures 5.2 - Improvement of public finance management for sustainable and integrated urban development, and measure 5.3.3 Local strategies of integrated urban development within the Package of measures 5.3 - integrated planning of sustainable urban development) within the Urban Development Governance Strategic axis;
- encouraging multi-level development governance and application of various governance instruments (collaborative, command, hybrid); encouraging a multi-stakeholder approach (economy, education, science, public and civil sector); improvement of inter-municipal

- cooperation; encouraging a participatory approach and involvement of local actors; encouraging mixing (*blending*) funding urban development from different types of (domestic and international); strengthening the transparency of decision-making at the level of the urban area;
- improvement of institutional and personnel capacities and governance mechanisms for the implementation of the Strategy.

## 2.1 DESCRIPTION OF THE INTEGRATED APPROACH

Integration is one of the four key elements of the integrated and sustainable territorial development (ISTD) planning approach tested within the EU PRO Plus programme. Integration has two main dimensions: territorial and thematic integration. The territorial dimension of integration, although it is important for all types of urban areas, is especially relevant for those who prepared strategies of integrated territorial investments (ITI), that is, urban areas that cover more than one LSG.

The thematic aspect of the integrated approach is a key characteristic of territorial strategies, which implies an integrated approach among different sectoral policies. Strategies can cover a wide range of policies, from different types of infrastructure, to business support, social measures or environmental investments. The instruments tested in the EU PRO Plus programme apply a multisectoral approach that goes beyond traditional sectoral policies, while supporting place-based and integrated solutions, thus enabling interconnected and cross-sectoral responses to urban challenges.

Within the EU Cohesion Policy 2021-27, the integrated approach is one of the four mandatory elements of territorial strategies, with regulations requiring “*description of an integrated approach to solving the recognized development needs and potential of the area*”<sup>2</sup>. The aforementioned approach and prescribed content of territorial strategies, defined by the new legislation of the European Commission from 2021, determined the legal basis for the adoption of this strategy, namely Articles 49 and 50 of the Law on the Planning System<sup>3</sup>. Namely, integration is a key dimension of Cohesion Policy in a broader sense, which implies not only integration between different management levels (vertical) and different spatial levels and areas (territorial), but, most importantly, coordination between different policy areas (horizontal).

The intersectoral approach aims to overcome “*silo structures*”, i.e. the traditional division of functions according to sectors or policy areas, which is typically present in public administration. There are both horizontal and vertical dimensions of the intersectoral approach: horizontal refers to the relationship between departments in the same administration (e.g. in LSGs), and vertical refers to the relationship between departments in different administrations, state administration departments or other service providers. According to the Handbook of Sustainable Urban Development Strategies of the Joint Research centre of the European Commission, cross-sectoral integration can be achieved by: 1) ensuring the consistency of policy-making principles

<sup>2</sup> See Article 29 of the Common Provisions Regulation: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R1060&from=EN>

<sup>3</sup> Law on the Planning System of the RS (Official Gazette of the Republic of Serbia No. 30/2018) <https://www.paragraf.rs/propisi/zakon-o-planskom-sistemu-republike-srbije.html>

and goals among different policy sectors in public administration, harmonising priorities and time frames; and 2) cooperation between different departments at all levels, in order to jointly create policies<sup>4</sup>.

Just as in EU Cohesion policy, the strategies developed in the context of EU PRO Plus are multi-sectoral, organised under five objectives representing different thematic areas, and therefore require cross-sectoral integration. In practice, this can be supported by strong coordination structures involving stakeholders and other organisations at all stages, thus providing support for the implementation of a cross-sectoral strategy. Supported projects should contribute to the objectives of the strategy and be cross-sectoral. This requires adequate procedures, such as project eligibility and selection criteria, as these will have a major impact on how integrated the projects will be and how they will be linked to the strategy.<sup>5</sup>

## 2.2 DESCRIPTION OF INVOLVEMENT OF PARTNERS

In the dynamic environment of sustainable and integrated urban and territorial development, the creation and implementation of effective strategies is of key importance for ensuring the prosperity and sustainability of cities and wider urban areas. The territorial strategy traces the path for development, including various sectors such as: infrastructure, economy, environment, social protection services, etc. However, the complexity of contemporary challenges requires a collaborative approach that goes beyond LSGs. The involvement of partners - different levels of government, non-profit organisations, private companies, social groups, universities, institutes, development and research organisations, plays a key role in shaping and implementing a successful territorial strategy.

Partners in territorial strategy:

The development and implementation of a territorial strategy has enormous benefits as it involves different perspectives, expertise and resources brought by different partners. The comprehensive territorial strategy includes the following types of partners:

- **Administration:** Local (municipal, city) and national administration bodies are decisive partners because of their regulatory powers, funding resources and policy-making competences. Their participation ensures alignment with broader development goals and effective coordination of efforts.
- **Non-profit organisations:** Civil society organisations often work closely with communities, addressing social and environmental challenges. Their knowledge of the environment can help identify the specific needs, concerns and priorities of the local population.
- **Private companies:** Private sector participation is vital for infrastructure development, innovation and economic growth. Partnerships with businesses can lead to investment in real estate, transportation, energy and technology, driving progress in urban areas.
- **Academic and research institutions:** Universities and research organisations contribute intellectual capital by conducting studies, analysing data and proposing evidence-based

4 Fioretti C, Pertoldi M, Busti M and Van Heerden S (2020) Handbook of Sustainable Urban Development Strategies, <https://publications.jrc.ec.europa.eu/repository/handle/JRC118841>

5 Pertoldi M, Fioretti C, Guzzo F, Testori G, De Bruijn M, Ferry M, Kah S, Servillo L A and Windisch S (2022) Handbook of Territorial and Local Development Strategies. <https://publications.jrc.ec.europa.eu/repository/handle/JRC130788>



solutions. Their research can lead to the formulation of a strategy based on sound principles.

- **Community groups and citizens:** Local people and community organisations ensure that the real needs of citizens are taken into account, thus creating the basis for strategies to be developed on local knowledge. The participation of local residents fosters a sense of ownership, ensures inclusiveness and increases the likelihood of successful implementation of strategies.
- **International organisations:** Cooperation with international organisations and cities enables learning from examples from the world's best practices, access to finance and exchange of experiences. These partnerships can facilitate knowledge sharing and cross-border cooperation.

The involvement of partners in territorial strategies has several advantages, it will improve the quality of strategy development and support its effective implementation. Therefore, partnership and participation are important prerequisites for developing a territorial strategy within the EU's cohesion policy. Also, the New European Bauhaus initiative emphasises the added value of combining local knowledge with an interdisciplinary approach in achieving creative solutions to social problems - solutions that are inclusive, sustainable and beautiful.

Involving partners in the strategy development phase will help in:

- **Identification of the problem:** Partners contribute their expertise to comprehensively assess development challenges and opportunities. This joint effort provides a more "nuanced" understanding of the urban area.
- **Data collection and analysis:** Academic and research institutions, along with non-governmental organisations, can help collect and analyse data to identify trends, gaps and potential solutions.
- **Stakeholder involvement:** Community groups, CSOs, government and public organisations work together to involve citizens - in meetings, workshops and research. This participatory approach ensures that the strategy is aligned with the needs of those it serves.
- **Establishing a strategic vision:** Collaborative workshops involving different actors enable the creation of a common vision of the development of the urban area. This process ensures that the strategy reflects diverse views.
- **Formulating a solution:** Drawing knowledge from different sectors, private companies, non-governmental organisations and academic institutions contribute to proposing innovative solutions with their ideas.

Equally important is the involvement of partners in the phase of implementing the territorial strategy. This often presents a challenge because it is easier to give an opinion or provide data than to engage in concrete activities. A common pitfall in the development of a territorial strategy is to expect activities from partners who were not involved in the development of the strategy and who do not feel engaged. Or vice versa, partners who engaged resources and knowledge in the strategy development phase were not later involved in the implementation of activities, which leads to disappointment. The territorial strategies of the EU PRO Plus program pay special attention to this.

The roles that partners can play in implementing the strategy are as follows:

- **Support through resources:** Partners play a key role in providing financial resources necessary for the successful implementation of various aspects of the strategy of sustainable and integrated urban and territorial development. National and local governments, their agencies and companies, private companies and international organisations allocate funds that enable the implementation of infrastructure projects, community programs and sustainable initiatives. These resources are of vital importance for the improvement of the traffic system, the improvement of water and sewage systems, the promotion of the use of renewable energy sources and economic growth within the wider urban area.
- **Technology and innovation:** Partners, including academic institutions and private companies, bring their expertise in technology and innovation to the fore. To face the urgent challenges of urban development, they propose innovative solutions. The application of “smart city” technology enables the optimization of city services, and solutions that include renewable energy reduce carbon emissions. Digital management platforms and data analysis systems, for example GIS, improve operational efficiency. This infusion of innovation helps create a sustainable and thriving urban area.
- **Community participation:** Partners actively engage with local communities to ensure that the strategy of sustainable and integrated urban and territorial development is adapted to the specific needs and aspirations of the residents. This participation process not only encourages a sense of ownership (over the process and decisions) and inclusiveness, but also helps in the realisation of targeted social and environmental projects and improves, for example, environmental awareness, waste reduction or the introduction of new green areas. Civil society organisations and advocacy groups can collaborate with the public sector to advocate for policy changes that are consistent with the strategy of sustainable and integrated urban and territorial development, thereby ensuring that the principles of the strategy are incorporated into the legal framework.
- **Data-driven decision making:** Academic institutions and research groups contribute to the implementation of the strategy by collecting, analysing and using data. This data-driven approach guides the decision-making process and allows all stakeholders to monitor progress, identify areas for improvement, and make informed decisions. Data analysis provides insight into the effectiveness of various initiatives, helping urban planners and policy makers to adapt and improve strategies in real time. This analytical approach ensures that the territorial strategy remains relevant and responds to the needs of a changing and evolving urban area.
- **Capacity building and cooperation:** Partners collaborate to develop capacity among stakeholders involved in strategy implementation. This takes place through training programs, workshops and knowledge exchange initiatives aimed at improving the competencies of public administration employees, local community leaders and other key participants. This capacity building effort ensures that those responsible for implementing the strategy have the understanding, knowledge and skills to apply the various instruments necessary for successful implementation. Furthermore, cross-sectoral collaboration among partners fosters a culture of collaborative problem-solving,

drawing on the strengths of different actors to address complex urban challenges and promote inclusive development.

The wider urban area is a complex milieu that requires a collaborative approach to create lasting positive change. The involvement of partners in the preparation and implementation of the territorial strategy enriches that process with different views, resources and expertise. By encouraging the establishment of partnerships between the administration, non-profit organisations, private companies, academia and research institutions and various community groups, urban areas in the EU PRO Plus program have the opportunity to develop and implement high-quality territorial strategies that will lead to a sustainable and inclusive transformation of urban areas.

### 2.3 APPROACH TO STRATEGY DEVELOPMENT

In the development of the Strategy, a participatory and integrated approach was applied, taking into account the spatial dimension of urban and territorial development and the organisation of the process, which ensures coordination and cooperation.

The strategy starts from the topics contained in international and national policies of integrated and sustainable urban and territorial development, which are adapted to the local context of urban and territorial development in the Republic of Serbia. This was achieved by applying a participatory approach through public dialogue and inter and transdisciplinary cooperation of a wide range of actors from different sectors, professional fields and levels of administration. The applied participatory procedure is characterised by diversity (represented institutions/participants, levels of administration, policies, disciplines, etc.), interaction using methods of consultation and active participation, and the existence of mechanisms for selection (prioritisation). The purpose is to:

- identify the key needs of urban and territorial development and improve the use of urban/territorial capital;
- defines a strategic framework (for the time horizon until 2034, ie two program periods of the European Union's cohesion policy), which is based on management instruments and oriented towards efficient and effective implementation;
- enable an open and flexible approach to urban and territorial development governance topics in the local context, taking into account the administrative, legal, institutional framework, capacities, etc.;
- enable inter- and transdisciplinary discussion on cross-sectional (eng. *cross-cutting*) urban development topics in order to overcome the limitations of the sectoral approach;
- ensure the participation of interested actors in solving key problems and challenges, identifying areas of intervention and prioritising urban development projects, as well as to enable the optimal combination of resources.

The development of the Strategy was carried out in accordance with the Law on Gender Equality ("Official Gazette of RS", No. 52/2021) through the application of the principle of gender perspective in planning and adoption of public policies in the areas of planning, traffic and infrastructure (Article 40). The integration of the gender perspective in the process of creating



the Strategy is supported by a participatory approach and communication as instruments for the representation of various interests within the local community concerning daily work, economic habits, social and cultural practices, as well as the need to access public purposes.

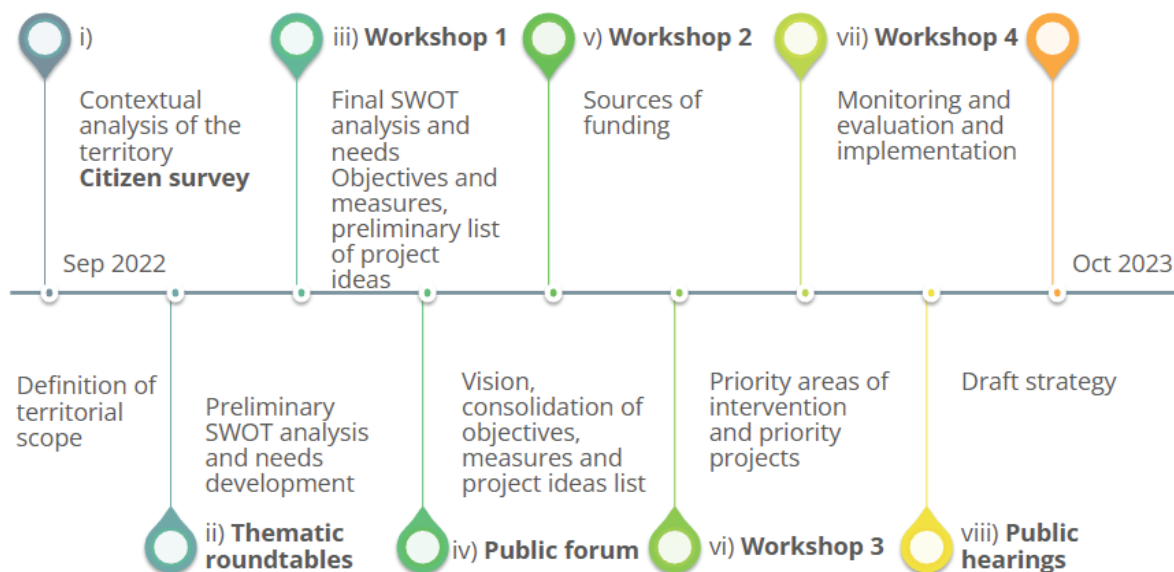
The organisation of the Strategy development process implies the coordination of cooperation between different sectors and levels of administration, facilitated communication with the participants of the planning process, the establishment of networks of administration and actors in the covered urban area and with the environment, as well as the involvement of the local economy, representatives of public institutions, education and science, and other relevant actors in the planning and implementation of urban development programs and projects.

## **2.4 STEPS IN STRATEGY DEVELOPMENT**

The process of developing the Strategy was initiated in 2022 with the establishment of an institutional framework, the adoption of the Decision on joining the development of the Strategy, the Decision on the formation of the Council for the Development of the Urban Area and the Decision on the formation of the Working Group for the development of the strategy. The task was to assess needs, formulate vision, goals and measures, and to map areas of intervention and strategic projects within an intersectoral, transparent and participatory environment with actors from different sectors.

The steps in the process of creating the Strategy were as follows (Figure 1):

- 1) Contextual analysis by thematic areas;
- 2) SWOT analysis through identification of key problems of urban and territorial development and assessment of needs;
- 3) Vision, objectives and measures;
- 4) Sources of funding;
- 5) Priority areas of intervention and strategic projects;
- 6) Monitoring, evaluation, implementation of strategies and governance mechanisms.



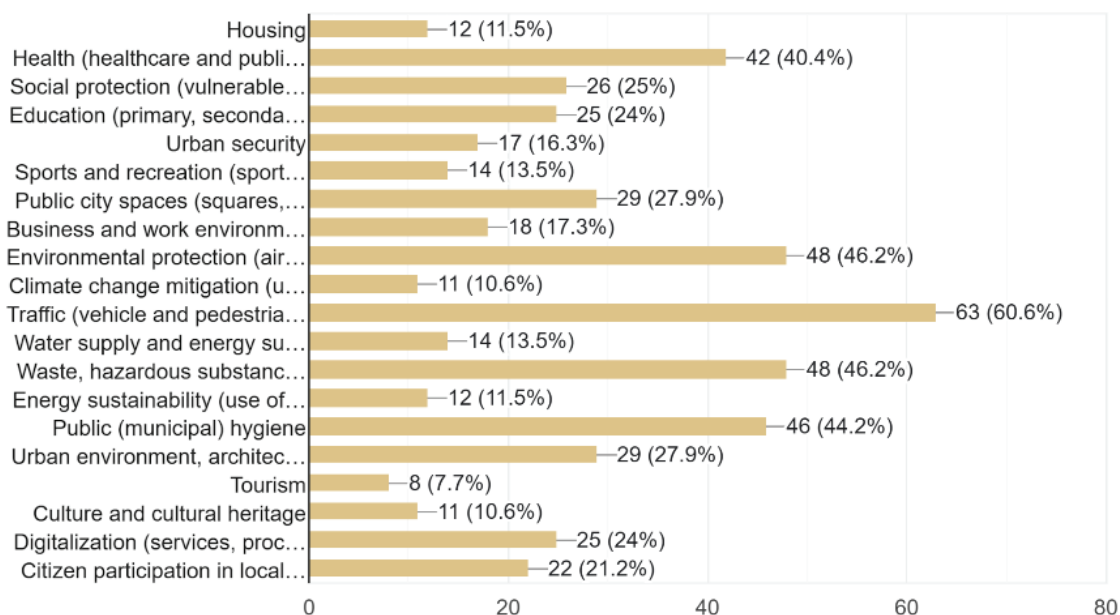
**Figure 1: Steps in the strategy making process**

In the first step, a contextual analysis was made by thematic areas: a) Society (demography, social inclusion and social assistance services, social and health infrastructure, education); b) Economy (general economic trends, labor market, business environment, tourism and culture); c) Urban environment (quality of urban structures and public spaces, quality of urban environment, exposure to environmental risks and climate risks, primary infrastructure, infrastructure for mobility and internet connectivity, urban transport, urban development governance). The analysis of the situation was followed by an online survey of citizens during December 2022, the results of which were separately presented at thematic round tables.

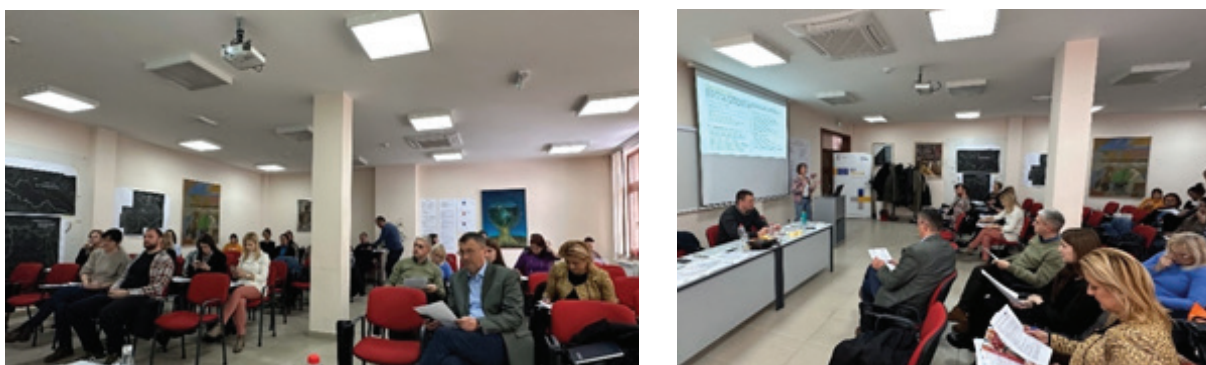
#### **Appendix 1: Citizen survey results (source of data: City of Loznica)**

##### **6. In which of the following areas should local government take action? (list five)**

104 responses



After this step, a preliminary SWOT analysis was prepared, which was presented, discussed and supplemented at the thematic round tables. Thematic round tables were held on the following topics: 1) Economic development (innovative, smart, low-carbon and circular economy); 2) Energy (clean and fair), green and blue investments; mitigating and adapting to climate change, preventing and managing risks; 3) Sustainable and multimodal urban mobility; 4) Social wellbeing - employment, education, housing, social and health care, culture, socio-economic inclusion and integration, social innovation; 5) Urban renewal and regeneration (urban structures, public spaces, etc.), development of landscape, cultural and architectural heritage, natural heritage, sustainable tourism and strengthening of urban-rural ties; and 6) Urban and territorial development governance. At the same time, the first ideas for projects and priority areas of intervention began to be recorded at the thematic round tables, for which the mapping technique was used.



**Pictures 1:** *Thematic round tables - presentation of contextual analysis, SWOT, project proposals, Scientific and Educational Cultural Center “Vuk Karadžić”, March 1 and 2, 2023*

In the next step, after inputting all the participants' comments and consolidating the material, a final SWOT analysis was prepared with a needs assessment, as well as a proposal of objectives and measures, which was discussed and verified at the first workshop with members of the Development Council and Working Group.



**Pictures 2:** *Objectives and measures workshop, “Vuk Karadžić” Gymnasium and Youth Center Loznica, April 5, 2023,*

The summarised results were presented at the Citizens' Forum, which followed. On that occasion, the participants of the forum gave proposals for the formulation of the vision of the development of the urban area, the addition and reformulation of measures and objectives. At the forum, the proposal of the area of intervention was discussed and additional proposals of ideas for projects were given. The meeting opened with an exhibition of children's drawings by

elementary school students on the topic “My city/territory in the future”, and the participants evaluated the children’s works. At the end of the forum, the best children’s works were awarded with awards and appropriate books.

At the next workshop on sources of funding for urban and territorial development, national and international sources of funding for urban and territorial development in Serbia were presented in detail. The participants of the workshop pointed to some other national funding sources, and expressed their satisfaction with the latest review of the possibilities for using various funds, donations, loans, etc. The prepared material in a broader version was delivered to all local and regional partners of the EU PRO Plus program in all 99 LSGs.

At the third workshop in a row, mapped priority areas of intervention and consolidated strategic projects were presented. Here, too, after discussion with local partners, the materials were corrected and supplemented.



**Pictures 3:** *Forum of citizens - vision, objectives and measures, exhibition of children’s drawings; Workshop priority areas of intervention and strategic projects, “Vuk Karadžić” Gymnasium, Loznica, July 26, 2023*

The last in a series of workshops was held on the topic of monitoring, evaluation, strategy implementation and governance mechanisms. It took place with a lively discussion on the necessary development of institutional capacities and considering the possibility of establishing a project coordination unit.

The prepared material of the Draft Strategy was presented at a public hearing, which took place in the form of a presentation and discussion, and submission of suggestions and objections by the public. After correcting the draft strategy in relation to the submitted suggestions and remarks, the material was sent to the assembly for adoption.



**Picture 4:** *Public hearing - presentation and discussion, “Vuk Karadžić” Gymnasium, Loznica, October 25, 2023*

After its adoption, the important task of implementing the Strategy awaits the City and professional institutions in the field of urban and territorial development. Similar to international experiences, this strategy of urban development aims to establish more effective and efficient financing of urban and territorial development.



### 3 DESCRIPTION OF THE TERRITORY

Urban areas in the Republic of Serbia are defined through the system of urban centres in the Draft Spatial Plan of the Republic of Serbia from 2021 to 2035 and the report on the strategic assessment of the impact of the Spatial Plan of the Republic of Serbia from 2021 to 2035 on the environment. Cities - centres of urban areas that can establish urban areas for the purposes of testing the application of the mechanism of integrated territorial investments (ITI) are defined by the Guidelines for applicants within the Public Call for submitting applications for the development of territorial strategies within the EU PRO Plus programme through two sets of criteria:

#### Basic criteria

- a) That the local self-government units (LSGs) are classified as an urban area - an integration centre of more than 100,000 inhabitants, or an urban area - an integration centre of more than 40,000 inhabitants as defined in the system of urban centres in the Draft Spatial Plan of the Republic of Serbia from 2021 to 2035 and the report on the strategic assessment of the impact of the spatial plan of the Republic of Serbia from 2021 to 2035 on the environment and in the case of the wider territory,  
Additionally in the case of a wider territory:
- b) They fulfil the condition of spatial continuity of the territory,
- c) Ensure partnership with at least three LSGs, which is confirmed by signing a declaration of partnership for application and a partnership agreement between LSGs, and
- d) Ensure partnership with the Regional Development Agency (RDA) covering the territory in question.

#### Additional criteria

- a) Capacities of the applicant to apply instruments of territorial development,
  - 1) Existence of internal institutional capacities, i.e. capacities for urban planning within the department, institute or public enterprise LSG; local offices for economic development or other similar capacities; departments/institutions for social and environmental issues, etc.
  - 2) Experience in similar actions - in implementing participatory processes, applying new methods and innovative approaches in urban development and related projects funded by the EU
- b) Socio-economic and spatial characteristics
  - 1) in the case of a narrower territory: industrial/business and commercial zones and brownfield locations: illegally built and undeveloped peripheral city zones (areas of uncontrolled expansion of urban settlements) and degradation of rural areas; endangered urban structures and central city zones; parts of urban settlements with a concentration of social problems - social inclusion and poverty reduction; settlements or parts of settlements exposed to problems of environmental protection and climate change; spatial entities with cultural and architectural heritage, important features of the cultural and historical development of an urban settlement/group of urban settlements and



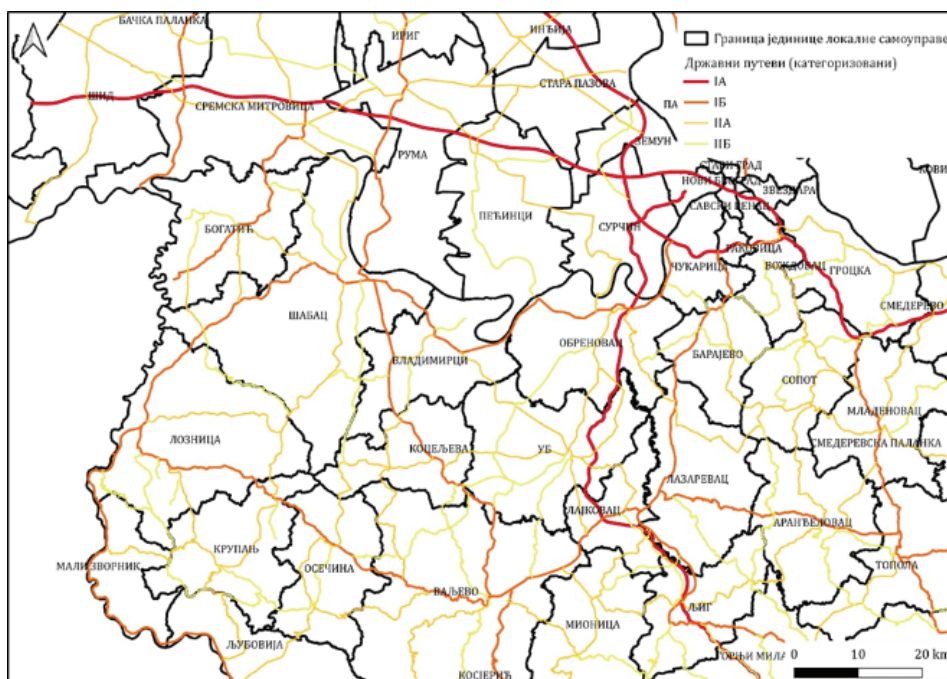
2) in the case of a wider territory: common characteristics – important infrastructure corridors, geography, morphology, industrial capacities; endogenous potential; common needs, problems and challenges and joint development plans and initiatives.

c) Experience in partnerships (in the case of a wider territory)

1) Relevant partnerships established for the implementation of similar or related initiatives in the previous period, which can represent the foundations for the establishment of management mechanisms that will ensure the implementation of the territorial strategy.

## 4 TERRITORIAL CONTEXT

The City of Loznica (LSG) is located in western Serbia and is included in the Mačva administrative district. According to the nomenclature of statistical territorial units, it belongs to the statistical region (NSTJ2) of Šumadija and Western Serbia. The LSG area is located between LSG Šabac in the northeast, Krupanj in the southeast, Mali Zvornik in the southwest, Bijeljina and Zvornik (Republika Srpska, Bosnia and Herzegovina) in the west (Figure 2).



**Figure 2:** Location and traffic connections of LSG Loznica (source of spatial data: Map of state roads, PC "Roads of Serbia", 2022; Register of spatial units)

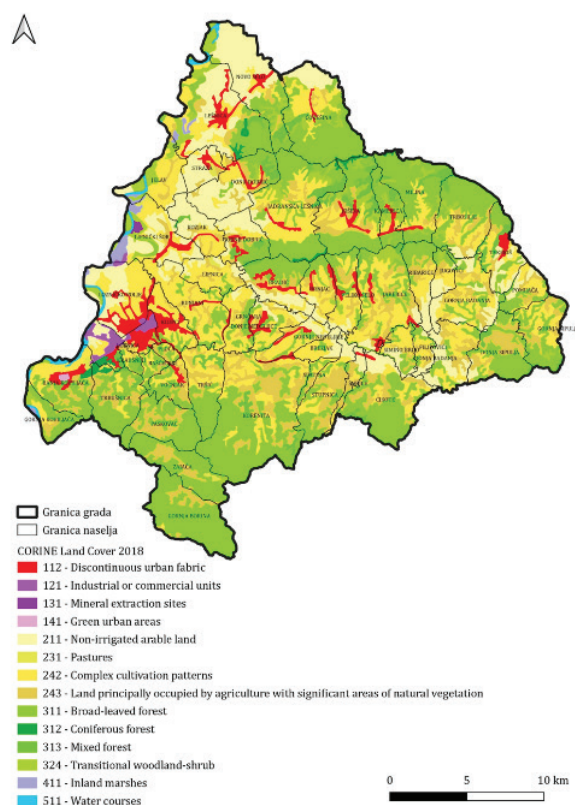
According to the Spatial Plan of the Republic of Serbia from 2010 to 2020<sup>6</sup> Loznica is classified as an urban center of state importance, on the secondary development belt. According to the Draft Spatial Plan of the Republic of Serbia until 2035<sup>7</sup>, the urban area of Loznica is classified as an area with an influential zone with more than 40,000 inhabitants, which as a priority must improve its functional capacity, especially in the domain of economy, public services and institutions. The urban area of Loznica is located on the secondary Drina - Šumadija - Homolje development belt, which enables the improvement of interregional and cross-border cooperation.

With important urban centers in the surroundings, Belgrade, Šabac, Valjevo and others, Loznica has traffic connections: state road IB order no. 26 - Belgrade - Obrenovac - Šabac - Loznica - state border with Bosnia and Herzegovina (Mali Zvornik border crossing); and state road IB order no. 27 - state border with Bosnia and Herzegovina (Trbušnica border crossing) - Loznica - Osečina - Valjevo - Lajkovac - Lazarevac - Arandjelovac - Topola - Rača - Svilajnac. Loznica is connected with smaller centers and other settlements in the surroundings by a network of national roads of the IIA and IIB order (Figure 2). In addition to road traffic, railway traffic is represented on the territory of the LSG (regional non-electrified railway line Ruma - Šabac - Loznica - Mali Zvornik).

<sup>6</sup> Spatial plan of the Republic of Serbia from 2010 to 2020, "Official Gazette of the RS", number 88/2010

<sup>7</sup> Draft Spatial Plan of the Republic of Serbia until 2035, Ministry of Construction, Transport and Infrastructure, 2023.

LSG Loznica covers a territory of 612 km<sup>2</sup>. In the physical-geographical sense, the LSG is differentiated into: the Jadar valley in the middle, with the alluvial plain of the Drina towards the west and the surrounding mountains - Cer with Iverka in the north, Vlašić in the east and Gučevo in the south. Used agricultural land occupies 42.5% of the total area of the LSG, while overgrown forest areas occupy 32.7% (Figure 3). Arable land and gardens make up 84% (21,831 ha) of agricultural land, meadows and pastures make up 8.5% (2,218 ha), while orchards make up 6.7% (1,744 ha).



**Figure 3:** Land use on the territory of LSG Loznica (source of spatial data: Copernicus Land Monitoring Service, 2022; Republic Geodetski Authority, 2020)

According to the 2011 Census, there were 79,456 inhabitants in Loznica LSG (1.1% of the population of the Republic, i.e. 26.5% of the population of the Mačva district), while according to the first results of the 2022 Census, 72,062 inhabitants live in the same area, about 7 thousand fewer inhabitants compared to the previous Census and about 14 thousand fewer inhabitants compared to the beginning of the 21st century, i.e. Population census in 2002 (when 86,413 inhabitants lived in the LSG)<sup>8</sup>. In the period from 2012 to 2021, both components of LSG population movements were negative. The average population density in the territory of the LSG (in 2022) is 119 persons/km<sup>2</sup>, which is significantly above the average of the Republic (76 cent./km<sup>2</sup>), the region of Šumadija and Western Serbia (69 cent./km<sup>2</sup>) and Mačva district (82 cent./km<sup>2</sup>). LSG Loznica includes 54 settlements, of which two settlements have urban status, the urban settlements of Loznica and Banja Koviljača. According to the 2011 Census, 19,212 inhabitants lived in Loznica, i.e. 24.2% of the total population of the LSG. According to the population census from 2022, 23,988 inhabitants lived in the territory of the settlements of Loznica and

<sup>8</sup> Statistical Office of the Republic of Serbia, 2014; Statistical Office of the Republic of Serbia, 2022b

Banja Koviljača (urban settlements), which accounted for 33.2% of the total population. In the category of settlements with 5,000 to 10,000 inhabitants, there are 3 suburban settlements - the urban settlement of Banja Koviljača and the settlements of Lozničko Polje and Klupci, where the process of morphological merging with Loznica is noticeable, and in which, together with Loznica, in 2011, half of the total population lived of the population of LSGs.

On the territory of the city of Loznica, 27 immovable cultural assets (IMC) have been recorded, of which: 21 cultural monuments, 4 famous places and 2 spatial cultural-historical units. In the IMC category of exceptional importance, there are two famous places: the Memorial House of Vuk Stefanović Karadžić in Tršić and the Memorial Ossuary on Cer (Tekeriš settlement). The monasteries of Tronoša (Korenita settlement) and Čokešina (Čokešina settlement) are cultural monuments classified in the IMC category of great importance. The Tršić-Tronoša Area of Exceptional Characteristics is protected on the territory of the LSG, and the Cer Mountains Area of Exceptional Characteristics is in the process of protection, which is also a planned IBA area, while the Podrinjska Mountains are also planned for protection.

## 5 CONTEXTUAL ANALYSIS

### 5.1 SOCIETY

#### 5.1.1 Demographics

According to the 2011 Census, there were 79,456 inhabitants in Loznica LSG (1.1% of the population of the Republic, i.e. 26.5% of the population of the Mačva district), while according to the first results of the 2022 Census, 72,062 inhabitants live in the same area, about 7 thousand fewer inhabitants compared to the previous Census and about 14 thousand fewer inhabitants compared to the beginning of the 21st century, i.e. Population census in 2002 (when 86,413 inhabitants lived in the LSG)<sup>9</sup>. In the period from 2012 to 2021, both components of the City's population movement were negative. In the mentioned period, 6,973 people were born and 11,215 people died (total natural change -4,242). The migration balance, viewed from the aspect of internal migration (without migration abroad), in the same period amounted to -2,199 inhabitants (15,037 inhabitants immigrated, while 17,236 emigrated).

The ratio between urban and rural population is about 30:70%. The distribution of the population by gender does not stand out. The birth rate is in constant decline and in 2021 it was 9.1, which is higher than the average of the Mačva district (8.6) and at the level of the average of Serbia (9.1). Evidently, the number of births is smaller every year. In the period from 2011 to 2021, the number of deaths was constantly higher than the number of live births, which indicates a negative natural increase.

The average age of the population in 2021 is 43.6 years - 42.4 men, 44.8 women (at the level of the Serbian average of 43.5), life expectancy is 71.72 for men and 77.23 years for women (at the level of Serbia 69.96/75.64), while the aging index is 145 (below the average of the Mačva district of 150.9, i.e. at the level of the Serbian average of 144.5). The average age of a citizen of Loznica in 2022 was 44.0 years, while the aging index is 153.2. The demographic process of population aging is more pronounced every year. The share of young people in the total population continues to decline, while the share of older categories of the population continues to grow. Population groups aged 50-54 and 55-59 stand out slightly. The total dependency ratio in 2021 was 55.6 (in 2011 it was 44.7), of which 22.7 were younger and 32.9 were older (in 2011 it was 21.6 younger and 23.0 older).

According to the estimate from 2017, there were 14,490 total daily migrations (work and education), of which 85% within the Loznica LSG territory, 4.1% within the Mačva district, 8.5% in another district and 2.4% in another state.

According to the 2011 census, the average population density of Loznica Local Government is 119 people/km<sup>2</sup>, more than the average of the Mačva district, which is 91.5 st/km<sup>2</sup>. The population density is in constant slight decline and in 2020 it was 121 st/km<sup>2</sup> (Mačva district 84 st/km<sup>2</sup>). According to the last population census from 2011, the largest number of inhabitants lived in settlements that are closer to the urban settlement of Loznica. Negative demographic trends are most pronounced in rural settlements that are far from urban settlements. According

<sup>9</sup> Statistical Office of the Republic of Serbia, 2014; Statistical Office of the Republic of Serbia, 2022b

to the 2011 census, 19,212 people lived on the territory of the urban settlement of Loznica, which accounted for 24.2% of the total population. According to data from the RZS from 2017, 24,363 inhabitants live in Loznica and Banja Koviljača, i.e. 30.7% of the population. According to the population census from 2022, 23,988 inhabitants lived in the territory of the settlements of Loznica and Banja Koviljača (urban settlements), which accounted for 33.2% of the total population. After Loznica, the largest settlements are the urban settlement of Banja Koviljača and the settlements of Lozničko Polje, Klupci, Lešnica, Lipnički Šor and Runjani.

Among the inhabitants of Loznica, according to nationality, national minorities declared as Roma (761), Muslims (540) and Bosniaks (120) can be singled out in greater numbers.

On the territory of Loznica LSG, there are no parts of the area or settlements with a significant cultural and social division compared to other ethnic groups, but in the urban settlement of Loznica there are several substandard settlements where members of the Roma population and refugees are grouped, and which are characterized by social aspects such as poverty, social exclusion, unemployment, etc.

The LSG is making efforts to, with the help of foreign donations, solve these problems through several projects, some of which have been implemented in the past few years or are at the moment of implementation (the construction of 4 multi-family residential buildings for refugees has been completed, a multi-family building with 14 residential units for housing citizens is under construction of the Roma population as part of the EU support project for improving the living conditions of Roma, etc.). Through various types of permanent care for refugees and internally displaced persons, in cooperation with KIRS, and other donors, as of March 21, 2022, a total of 400 housing solutions were implemented and provided, which economically empowered 169 families. There are 175 refugees and 10 internally displaced families in the territory of Loznica LSG in need of permanent care.

### **5.1.2 Social inclusion and social protection**

#### ***Average salary of inhabitants***

The average net salary per employee in the territory of Loznica LSG for 2022 was RSD 59,762 or 79.5% of the national average<sup>10</sup>, and for 2021, RSD 52,252 or 79.9% of the national average<sup>11</sup>. Along with the increase in the number of business entities and employees, in the period from 2017 to 2021, there is a trend of net earnings growth in the territory of Loznica LSG. Net wages on the territory of Loznica LSG in the given period were below the average of the Republic of Serbia, and on the level of net wages in the Mačva region with smaller deviations.

#### ***Social assistance services***

The number of families-beneficiaries of social assistance who exercise the right to monthly incomes decreased in the period from 2016 to 2022 (from 1807 to 635). It is important to note that a significant share in the number of social assistance beneficiaries was made up of members of national minorities, but that their employment significantly reduced their share in the number of beneficiaries<sup>12</sup>. In 2021, 4,452 services of the Center for Social Work were provided.

<sup>10</sup> Source: Statistical Office of the Republic of Serbia

<sup>11</sup> Source: Republic Secretariat for Public Policies

<sup>12</sup> Source: Center for Social Work of the City of Loznica



The lack of supply in terms of social services is mainly related to the lack of housing units for social housing and the impossibility of providing geronto services in remote local communities (villages) on the territory of Loznica LSG. In all other aspects of providing services in the field of social protection, the offer is adequate in relation to the needs of the population. On the territory of the City of Loznica, there are 175 refugees and 10 internally displaced families in need of permanent care.

### ***Endangered zones***

On the territory of Loznica LSG, in part of the local communities of Banja Koviljača, Jadranska Lešnica, Čokešina and Joševa, there are zones inhabited mainly by members of the Roma national minority, where there are more pronounced social problems in the form of poverty and social exclusion compared to members of the same national minority in the urban settlement of Loznica and in local community Klupci. The problems are not related to ethnicity, gender and age, but mainly stem from the insufficient interest of the members of the Roma national minority themselves in work engagement in accordance with the law.

### ***Security***

On the territory of the LSG, there are zones occasionally inhabited by migrants who find accommodation in neglected buildings, such as the collapsed buildings of the former chemical plant (CP) "Viskoza" factory, the railway station in Banja Koviljača, etc. Despite the fact that the security services and the border police control the zone temporarily inhabited by migrants, security is threatened because there is no clear record of foreign citizens who are in transition and spend a certain period in the territory of the LSG.

## **5.1.3 Housing**

### ***Housing offer***

According to an estimate from 2017, there were 35,180 apartments in Loznica LSG, of which a total of 26,270 inhabited apartments, with an average area of 69.3 m<sup>2</sup> and with an average of 2.1 people in the apartment<sup>13</sup>. The average area of living space per inhabitant is 33.34 m<sup>2</sup>.<sup>14</sup>

In 2021, 545 new apartments were built (186 apartments in 2011), i.e. 7.4 apartments per 1,000 inhabitants, which is above the average of the Mačva district of 2.5 apartments per 1,000 inhabitants<sup>15</sup>. It is interesting that, since 2013, the number of new apartments built in the Loznica local authority on an annual basis is more than 50% of the apartments built in the entire Mačva district (in 2005, it was about 25%)<sup>16</sup>. In 2021, building permits were issued for the construction of 905 residential units and 86,582 m<sup>2</sup> residential space. Annually, around 25 construction sites of larger residential and residential-business buildings are active in the urban settlement of Loznica. The fact that the number of apartments built is increasing from year to year indicates that there is a demand for residential space (the residential space was sold before the construction of the building began). LSG Loznica needs to define the space for the expansion and construction of large residential areas (outside the central zone of the urban settlement),

<sup>13</sup> Source: RZS

<sup>14</sup> Source: RZS

<sup>15</sup> Source: RZS

<sup>16</sup> Department for Planning and Construction, GU Loznica LSG (according to issued use permits until 13.12.2021)

given that the Lagator settlement, which has somewhat absorbed the needs of the population, is already almost completely built. One of the potential locations for the expansion of the urban settlement is the area of the former CP Viskoza. New investors in the Šepak industrial zone also state the need to provide housing for workers near the industrial zone.

Substandard settlements can be identified as individual Roma settlements and Gradilište - the first workers' settlement created after the founding of CP Viskoza. On the construction site there are a number of workers' barracks where social categories of the population (refugees and displaced persons, etc.) live.

In terms of new construction, the construction of larger residential and residential-business buildings in the private sector is dominant. Leading the way is the construction of multi-family residential buildings in densely populated areas of urban settlements, within which the narrower central zones are undergoing a kind of transformation, i.e. urban renewal. Of the residential complexes (under new construction), there is only the "Pejak-Handel" residential complex in Banja Koviljača, which is nearing completion. Two more large complexes are being built in the Lagator settlement (plot owned by the Chinese company Minth - about 650 apartments) and the area next to "Vuk Karadžić" elementary school (area owned by PD Gučevo - about 700 apartments). All the rest are individual residential and residential-business buildings.

### ***The price of housing***

The average price of new-build apartments sold in the first half of 2021 is RSD 87,186<sup>17</sup>, which is about 50% less than the average in Serbia (177,500 RSD). The average area of an apartment in a new building is 52 m<sup>2</sup>. Compared to the first half of 2022 (98,860 RSD), there is a noticeable increase in prices by about 11.8%. However, in contrast to the average values, in certain zones in the area of the urban settlements of Loznica and Banja Koviljača, the price of a square meter of living space in new buildings ranges up to 1200-1300 EUR (especially in the central zone), while apartments of older construction are around 800 EUR/m<sup>2</sup>. The price of renting a studio/one-room apartment is EUR 150, a two-room apartment up to EUR 250 per month. Bearing in mind the average wages, these prices for square meters of apartments in new construction are not affordable for the majority of the population who opt for some other means of financing (housing loans, etc.) or opt for the purchase of cheaper apartments of an older construction year.

The Center for Social Work "Loznica" does not have data on the exact number of people without a resolved housing issue, but the number of requests submitted so far to resolve the housing issue exceeds the number of housing units entrusted to the management of the center, which are intended for housing such persons. The Loznica LSG has 141 housing units (social apartments) that are leased to users on favorable terms. The share of social housing in the total housing fund is negligible.

### ***Illegal construction***

The problem of illegal construction goes back a long way. During that period, there were several legalization procedures for illegally built buildings. The last cross-section of the number of illegal buildings was carried out in 2017, and on that occasion, 37,228 illegal buildings were registered in Loznica. The problem of illegal construction remained current even in the years after the section in question.

<sup>17</sup> Source: Statistical Office of the Republic of Serbia

#### 5.1.4 Objects of social standard

##### *Social infrastructure*

In Loznica, the following institutions deal with social protection activities: the Center for Social Work (within this institution the Home Help Service, Day Care for Children and Youth with Disabilities “Sunce”), the Home for Children Without Parental Care “Vera Blagojević” - Banja Koviljača, and the Center for Fostering and family accommodation.

The biggest deficit is in institutions for the protection of elderly, immobile persons, as well as in institutions for housing children with special needs, and the needs can only be solved by building new capacities. Part of the need for accommodation of the elderly is met by the private sector (Home for the care of the elderly in Tsarski Konak in Tršić). The private sector can only meet the needs of care for the elderly in a small percentage, primarily due to the high prices that are unaffordable for the majority of the population.

##### *Health infrastructure*

Health care services on the territory of the Loznica LSG are provided by: Loznica Health Center, which includes the Loznica General Hospital and the “Dr. Milenko Marin” Health Center, the Loznica Pharmacy Institution (for the Loznica, Krupanj, Mali Zvornik and Ljubovija LSGs) and the Banja Koviljača Special Rehabilitation Hospital (for neurological diseases, rheumatic diseases, injuries and diseases of the locomotor system and rehabilitation of children). As part of Loznica Health Center, primary health care is provided in two health centers in Banja Koviljača and Lešnica, and 14 clinics in rural settlements: Brezjak, Bradić, Veliko Selo, Zajača, Donji Dobrić, Donja Badanja, Draginac, Jadranska Lešnica, Joševa, Kozjak, Korenita, Novo Selo, Tekeriš and Čokešina). It was also an idea for Klupci and Lozničko polje to have their own health clinic, and that’s what they were working on. As part of the Health Center in Loznica, there is Occupational Medicine at the Construction Site in the area of the former Viskoza complex. Part of the needs are met by the private sector.

The network of health clinics is good, but there are no health workers, doctors to cover the work in the clinics. According to the Rulebook on the organization of work in health institutions, it is necessary to organize the daily work of doctors and medical technicians in health clinics, but due to the lack of staff, this work is organized in Banja Koviljača, Lešnica and Draginac, while in the other outpatient clinics the doctor comes once or twice a week, with a nurse who works every day and at the same time does the follow-up, because the follow-up service also does not have enough employees (only 5 follow-up nurses, according to the norm, 1 follow-up nurse is needed per 5,000 inhabitants, and 1 visiting nurse per 15,000 persons was achieved).

It is necessary to develop palliative health care and home treatment services, because there are more and more old people and patients with malignant diseases. The existing home treatment service has only two technicians, without a doctor, who, according to the doctor’s order, provide therapy in home conditions, which is not enough in relation to the number of residents (at least 2 doctors and 10 technicians, a psychologist, etc. are needed)<sup>18</sup>.

The biggest investment in health care is certainly the reconstruction of the General Hospital in Loznica, in which the state invested 1.5 billion dinars in the period from 2020 to 2022. After

<sup>18</sup> Source: Health center Loznica

the complete reconstruction, the health center in Loznica will have 32,000 m<sup>2</sup>. Reconstruction and expansion of the existing Health Center in Loznica, which is located within the complex next to the General Hospital, is also needed, but there is an obvious lack of staff in the public medical sector.

On the territory of LSG Loznica, public city-suburban passenger transport is organized under the jurisdiction of the LSG, with a note that intercity passenger transportation under the jurisdiction of the Republic of Serbia, as well as rail passenger transportation (Mali Zvornik, Šabac) operates to neighboring cities/municipalities. There is no specialized transport for elderly and less mobile users of health care services.

### ***Educational infrastructure***

On the territory of the Loznica LSG, there is one preschool institution, “Bambi” Loznica, which includes 8 facilities (5 facilities in Loznica and one facility each in Banja Koviljača, Jadranska Lešnica and Lešnica), two playrooms and 33 groups of half-day stays, in which the mandatory preparatory preschool program for primary schools on the territory of LSGI in the facilities of the institution<sup>19</sup>. According to data from 2020, 1,940 children were included in the preschool education system on the territory of the LSG. There are currently 300 children on the waiting list for enrollment in kindergarten, and there is a constant shortage in this area. The construction of a new kindergarten in Loznicki polje, with a capacity for 270 children, is nearing completion, which will drastically reduce the waiting list of children, but again, the needs will not be fully met. It is to be expected that along with the employment trend, the need for the construction of new facilities in the function of pre-school education, i.e. for the expansion of existing capacities, will increase.

There are 14 primary schools (5 in Loznica) with 28 separate classes and a primary music school in Loznica on the territory of Loznica LSG. Secondary education is provided in 4 secondary schools (all in Loznica): Gymnasium, School of Economics, Technical School and Secondary Vocational School Sveti Sava. Within private education, there is only one secondary school in the territory of the LSG. With regard to the development of tourism, especially in Banja Koviljača, in Loznica, catering staff are being trained in secondary vocational schools, and this is a basis that should be used and improved to the maximum.

According to the analysis of reported needs for employment in 2022, the most expressed needs were for the following educational profiles<sup>20</sup>: mechanical technicians - operator of cnc machines (they are not on the record), for the field of work mechanical engineering and metal processing - auto industry; mechanical technicians for computer engineering for the area of work mechanical engineering - auto industry; welders for mechanical engineering and metal processing - auto industry; waiters - for the field of work catering and tourism; chefs - for the field of work catering and tourism; tailors - for the field of textile work (they are not in regular education).

<sup>19</sup> Source: Preschool institution Bambi Loznica

<sup>20</sup> Source: National Employment Service Loznica

### ***Cultural and scientific infrastructure***

As institutions in the field of culture, the Center for Culture “Vuk Karadžić” Loznica and the Library of Vuk’s Homeland carry out activities. The work of the “Battle on the Drina” Museum in Banja Koviljača and the Gallery of Mića Popović and Vera Božičković in Loznica is also significant. The Special Hospital for Rehabilitation Banja Koviljača and UG “Royal Carnival” in Banja Koviljača, companies Pejak Handel and Royal Spa are involved in the organization of cultural events (concerts of opera singers, classical music, rock groups, traditional music groups, folklore, etc.). The work of cultural and artistic societies that successfully bring together children and young people is significant. One of the oldest is KUD “Karadžić”.

The Center for Culture “Vuk Karadžić” Loznica has several organizational units in its composition: the famous place Tršić, Vuk’s home of culture, the Jadar Museum, the Mica Popović and Vera Božičković Popović picture gallery, and the “Cerska bitka” memorial complexes Tekeriš, Gučevo and Draginac.<sup>21</sup> The library of Vuk’s homeland is the oldest cultural institution in Loznica with a library collection of over 125,000 books.<sup>22</sup> The library of Vuk’s homeland is extremely active in organizing various cultural and educational events, which are held in the library’s premises, such as exhibitions, forums, literary evenings, lectures, concerts, and even chamber theater performances. There are two branches of the library in Banja Koviljača and Lešnica. Bearing in mind the above, it can be stated that there is no lack of cultural facilities. But there is a lack of event space (square, open public space of larger dimensions) for holding various cultural events.

On the territory of Tršić, there is the Scientific-Educational Cultural Center “Vuk Karadžić”, which was founded and managed by the RS, with the aim of becoming a scientific research station, primarily for the Serbian language, but also for all social sciences and humanities. An internet room is available to guests, and for the needs of meetings and workshops there are two rooms with a capacity of 40 and 80 seats.

### ***Sports infrastructure***

Sports and recreational areas on the territory of Loznica (covering the GUP Loznica) occupy a total of 68.94 ha: of this, independent and connecting sports and recreational areas were realized on 47.45 ha (areas intended for sports recreation 38.03 ha, green recreational areas 9.42 ha) and integral/integrated recreational areas 21.49 ha (at schools and children’s institutions - 8.78 ha, public green recreational areas of multi-family housing - 12.71 ha). The standard of representation of all sports and recreational areas on the territory of the city is relatively small and amounts to 20.08 m<sup>2</sup>/st. However, the real picture of useful space intended for recreation is even more unfavorable when it is taken into account that relatively large areas of SRC Lagator (24.86 ha - which makes up a third of the space intended for sports and recreation) were included in the calculation, which are only partially arranged. The actual usable areas intended for sports and recreation are far smaller and amount to about 10.4 ha or 3.01 m<sup>2</sup>/ Art.

The distribution of sports and recreational areas by local communities is extremely uneven. In some settlements, there are no such spaces (Lipnica, Lipnički Šor, Stepa Stepanović, Krajišnici) or they are insufficient in relation to the gravitating number of inhabitants (Runjani, Klupci,

<sup>21</sup> <http://www.ckvkaradzic.org.rs>

<sup>22</sup> <http://www.bibliotekaloznica.org.rs/>

Ploča). In contrast, an extremely high standard in relation to the number of inhabitants and the territory is achieved by MZ Filip Kljajić (192m<sup>2</sup>/st and 28% of the territory)<sup>23</sup>.

The construction of a new football stadium according to UEFA 4 standards is in progress on the site of the previous and athletic stadium, and the construction of an indoor swimming pool next to the existing outdoor swimming pool is also expected, which will fully bring the dedicated sports and recreational area on Lagator. The construction of a new sports-recreational complex at the entrance to Banja Koviljača on about 9ha is planned, with an aqua park, football fields and sports fields and facilities for other sports (a planning document has been adopted). LSG Loznica renovated the sports hall in Banja Koviljača next to the elementary school and built a new sports hall in Lešnica. Work has begun on the gym next to the Gymnasium in Loznica and the primary school in Jadranska Lešnica. In the private sector, there are a certain number of built sports facilities (open swimming pools, sports fields for various types of sports, balloon halls, gyms, etc.) that complete the overall offer of sports and recreational facilities in Loznica.

There are 88 sports clubs in Loznica LSG, including football (21 in different neighborhoods), basketball (2), handball (2), volleyball (2), boxing (4), karate (3), archery, chess (3), paragliding, mountaineering, cycling, bowling, karting, etc. The most important sports events are the Cer marathon (in the calendar of the European Athletics Association), the trail race "On the tracks of Vuk Karadžić", the Hard Enduro "Gučevo Challenger", the International Regatta "The Drina is only one", Start the wheel of health.<sup>24</sup>

## 5.2 ECONOMY

### 5.2.1 General economic trends and the labor market

#### *Employment*

In 2020, 19,005 people were employed in Loznica LSG, and in 2022, 22,440 people were employed. In the structure of the economically active population of LSGs according to their activities, the following dominate: manufacturing industry (29.9%); trade (14.9%), health and social care (9.5%) and construction (9.1%). In addition to the above, the following activities in the domain of public services - education (6.7%) and administration and social insurance (4.4%) take part in the total employment to a greater extent; primary sector activities (4.8%); traffic and storage (4.5%). In comparison with the economic structure at the level of the Republic, the representation of industry (29.9% compared to 21.7%), health and social protection (9.5% compared to 7%) and construction (9.1% compared to 5.3%) is expressed in the territory of LSGs, while most of the activities of the quaternary sector<sup>25</sup> comparatively less developed. The average net salary in the territory of the City for the year 2021 was 52,252 dinars, which is 79% of the average salary at the level of the Republic of Serbia for the same year (65,864 dinars).<sup>26</sup>

<sup>23</sup> Source: General urban plan of Loznica (alignment of the General Plan of Loznica with the provisions of the Law on Planning and Construction), 2013

<sup>24</sup> <http://loznica.rs/zivot-u-loznici/sport/>

<sup>25</sup> Information and communications, state administration, financial, professional, scientific and administrative activities, art, entertainment and recreation, etc.

<sup>26</sup> Employees in the Republic of Serbia, 2020, Statistical Office of the Republic of Serbia, 2021.



In December 2022, the average salary in Loznica LSG was RSD 82,639, which is 96.9% of the average for the Mačva district, i.e. 80% of the average in the Republic.<sup>27</sup>

The total number of long-term unemployed in 2022 is 4,600. The consequence is, first of all, the age structure of persons (over 50 years old) who have formal education that the labor market does not demand (most of the unemployed with a secondary vocational education). In the period from 2017 to 2021, there is a decrease in the number of unemployed persons (from 10,078 to 8,430) in the territory of LSGs, at a rate of 4.4% per year, which can be attributed to increased economic activity. Direct foreign investments changed the economic environment and created conditions for the employment of a large number of people, so in the period of the first 9 months of 2022, 2,940 people were employed by domestic and foreign employers from the records of the Loznica branch. The largest number of people who got a job from the unemployment register are under the age of 50 (mostly young people under 30, and then 35-45). A total of 426 persons in 2022 established a working relationship with foreign investors through a work permit for a foreigner, mostly Chinese citizens.

Number of employed/unemployed, wages and gross domestic product of the City of Loznica

|                                 | 2019   | 2020   | 2021   | 2022   |
|---------------------------------|--------|--------|--------|--------|
| 01. Number of employees         | 19.897 | 21.036 | 21.782 | 22.440 |
| 02. Number of unemployed        | 8.489  | 8.455  | 8.430  | 4.600  |
| 03. Average net salary (in RSD) | 43.526 | 47.956 | 52.252 | 59.762 |

\* The latest update refers to the period 01.01 - 31.12.2022. year

According to the structure of employed persons, in the period from 2017 to 2021, there was a slight increase in self-employed workers (3,767 to 3,993, or 5.7%), but also a decrease in the number of farmers (1,149 to 870, or 24%). The above can be attributed to the general trend of deagrarianization that is present in the entire country. On the other hand, although there is a decrease in the number of people engaged in agriculture, there has been an increase in the area of cultivated land. No special requirements related to gender equality or ethnicity were observed, and these were not criteria for applications for the need for employment.

The National Employment Service of the Loznica branch continuously implements throughout the year programs for professional training of persons with higher or higher education (the total number of persons included in the program in 2022 is 73). The need is expressed for most educational profiles in both the public and private sectors. The analysis shows a positive trend of including an increasing number of people in professional training measures, especially those younger than 30 years old.<sup>28</sup>

<sup>27</sup> <https://publikacije.stat.gov.rs/G2023/Html/G20231046.html>

<sup>28</sup> Source: National employment service, Loznica branch

### ***Employee mobility***

On the territory of LSG Loznica, public city-suburban passenger transport is organized under the jurisdiction of LSG, which connects all populated places with the city area of Loznica. There is labor mobility from BiH and neighboring small municipalities to Loznica, as well as from Loznica to BiH and larger centers in the regional environment.

## **5.2.2 Economy and business environment**

### ***Business subjects***

In the period from 2017 to 2021, the number of active entrepreneurial businesses grew at a rate of 4.5% per year. At the beginning of the previous planning cycle in 2012, there were 2,900 active entrepreneurial businesses on the territory of Loznica LSG, while in 2021, that number was 3,464, and in 2022, 3,700. The number of active companies varied between 1,076 in 2019 and 1,015 in 2020.

Based on the data of the Serbian Business Registers Agency, the analysis of the financial indicators of entrepreneurial activities in the territory of Loznica LSG in 2021 determined that 389 entrepreneurial activities out of the analyzed 1,489 have the potential for rapid growth, that is, 26% of entrepreneurial activities have a stable basis for the further development of their business. Also, entrepreneurs with the potential for rapid growth participate with 25.7% in the total business income, 62.8% in the total net profit and with 40% in the total capital of all entrepreneurs in the territory of Loznica LSG in 2020.

In 2021, there were 4,331 active agricultural holdings on the territory of Loznica LSG. The area cultivated by these farms is 16,777 ha, while the average area of farms is 3.87 ha. The dominant branch of agriculture is fruit growing (plums and raspberries), which is practiced by the largest number of farmers. The state of animal husbandry reflects the state that is present in most of the territory of the Republic of Serbia. There is a decline in the number of all livestock categories. The largest number of livestock is owned by small farms.

According to data from 2014, small companies have a dominant participation (96.03%), large and medium-sized companies participate with 3.97%. The structure of registered companies is dominated by trading companies, which make up almost 40% of the total number, followed by industry, in which a quarter of companies in Loznica are registered. The largest number of private entrepreneurs, in almost half of the cases, are engaged in crafts. During the crisis years, the small business sector and private entrepreneurship proved to be the most vital part of the Loznica economy, providing employment and income to the population. Dominant activities (agriculture, trade and processing industry) represent 73.45% in the structure of the national income of the Loznica LSG. The most important domestic companies in the MSME sector are: Eling AD, EP Belt, Neli, Elektron SZR, Lorena prom DOO, Natura trade DOO, Hrast DOO, Milteks DOO, etc.

Among foreign companies, the following stand out in the structure of the city's economy: the Italian company Golden Lady, which employs around 1,000 workers; The Chinese company Minth automotive doo, which employs over 1,500 workers (with plans to employ up to 3,000 workers) and the Belgian-American company Adient, which employs about 1,000 workers.

According to the data of the Regional Chamber of Commerce of the Kolubara and Mačva Administrative Districts, Loznica LSG is classified in the III group according to the level of development. Based on the available data on the value of the construction works performed in 2020, Loznica LSG (4,089,968) is in third place. In foreign trade goods exchange at the regional level, LSG Loznica participates below 10.4%.

### ***Commercial zones***

There is a noticeable trend of locating new industrial plants along the ring road, i.e. along Ulica Republika Srpske (industrial zone Šepak) as well as scattered in the area of Loznički polje, towards the river Drina.

The Šepak industrial zone is located 2 km from the city, on the very border with Bosnia and Herzegovina, on an area of 80.66 ha. This industrial zone is fully occupied in 2021, and around 2,600 workers work in it. The companies located in this industrial zone are mainly involved in the production of components for the auto industry, production of cardboard and paper packaging, processing and canning of fruits and vegetables. Based on the income tax of employees in the industrial zone, the LSG earned close to 170 million dinars in 2020. Given that the Šepak industrial zone is full, the LSG Loznica strives to form another new industrial zone “North” in cooperation with the republican authorities. There are two smaller industrial zones in the area of the urban settlement, around Klanička Street and between Železnička Street and 1. Maja Street.

In 2021, 38,215 m<sup>2</sup> of business space was built (business, industrial buildings and warehouses), which is about 50% of built business space in the entire Mačva district (69,548).<sup>29</sup> In 2021, building permits were issued for the construction of 34,581 m<sup>2</sup> business and industrial facilities. Construction is one of the activities in which there is a noticeable trend of increasing productivity in recent years, and it is also related to the increasingly intensive exploitation of gravel from the Drina River. The most important construction facilities are located in the area between the Drina river and the bypass road.

## **5.2.3 Tourism and culture**

### ***Tourist infrastructure***

Tourism is one of the most important economic branches in Loznica, primarily due to the development of spa tourism in Banja Koviljača, which experienced expansion at the beginning of the 20th century, and the greatest boom in the period between the two world wars. The Karađorđević family gave the greatest importance to the development of this health resort and the construction of Banja Koviljača, because during their reign the most important buildings were built, and Banja Koviljača was connected by railway to Belgrade and other centers in Serbia. The development of tourism and catering continued even after the Second World War, but Banja Koviljača then had more the status of an excursion destination for the local population, until the offer of new facilities that have been developed in the last 20 years. The spa was largely destroyed during the war in the region in the 90s of the last century, because socially owned buildings were used for collective accommodation of refugees and displaced persons.

<sup>29</sup> Source: Department of Planning and Construction, GU of the city of Loznica (according to the usage permits issued this year until 13/12/2021)

Banja Koviljača is the carrier of tourism development. It is best known for its curative sulfur water and mud, which is used to treat post-traumatic conditions, rheumatic diseases, degenerative changes in the joints and spine, osteoporosis, diseases of the muscular system, gynecological diseases, etc. The largest number of tourists in Banja Koviljača are users of therapies and wellness centers in Banja Koviljača. A smaller number of tourists can be classified in the group related to business visits and sports and recreational tourism. Banja Koviljača has 80% of the total accommodation capacity on the territory of the local community. Reconstruction of the privatized facilities in Banja Koviljača is expected: Hotel “Gučevo”, restaurant “Tri česme” and “Mlečni restoran - Švajcarija”. The “Podrinje” hotel, which was privatized and is owned by Estate Glory doo Banja Koviljača, was completely reconstructed. In September 2023, the hotel was categorized with 4 stars by the competent Ministry of Tourism and Youth. With its reconstruction, Banja Koviljača received new accommodation units with 79 beds, as well as a new facility that is designed to develop business, health and spa tourism. Estate Glory d.o.o. Banja Koviljača also bought city construction land for the construction of a greenfield hotel in the center of Banja Koviljača, which is expected to be built by the end of 2026. Villas that were used for refugees in Banja Koviljača until 2004 have not been renovated and included in the tourist offer. The building of the spa hall “KUR-salon”, which has the status of a cultural asset and is a symbol of Banja Koviljača, has been reconstructed and opened for guests since 2018. In recent years, there has also been a trend of building apartments.

The accommodation capacity in Tršić was significantly increased with the construction of the Scientific and Educational Cultural Center “Vuk Karadžić”. Until then, a small number of households rented out accommodation in their own homes, and today in Tršić there are several private facilities with accommodation facilities. In addition to these two destinations, there are accommodation facilities in Donja Badanja and in locations along the Drina River (Lozničko Polje, Loznica, Jelva, Lipnički Šor, etc.), and in the urban settlement of Loznica there is an increased demand for apartments for rent, mainly for the needs of foreigners who work in Loznica. There is also interest in the construction of rural facilities on the slopes of Mount Gučevo. The former camps on Gučevo and Drina are abandoned and out of operation.

In the period from 1.1. until 31.12.2022. in 2021, an increase in tourist traffic was recorded compared to the mentioned period in 2021. The number of tourist arrivals increased by more than 30% (from 27,528 to 40,394), of which the participation of foreign tourists increased by 2.1% (from 20.8 to 22.8%). Also, the number of overnight stays by tourists increased by about 33% (from 161,316 to 242,348), of which the participation of foreign tourists increased by 2.8% (from 34.1 to 36.9%).<sup>30</sup> Until 22.09.2023. 229,739 overnight stays were recorded on the territory of the city of Loznica, of which 136,888 domestic and 92,851 foreign tourists, and visits by 40,394 tourists, of which 31,129 domestic and 9,265 foreign tourists.

Data on accommodation capacities as of 22 September 2022:<sup>31</sup>

30 Source: <https://www.eturista.gov.rs/>

31 Source: Department of Economy and Local Economic Development, Loznica City Administration

|                       | Number | Number of beds |
|-----------------------|--------|----------------|
| Categorised objects   | 374    | 1.373          |
| Uncategorised objects | 61     | 1.411          |
| In total              | 441    | 3.144          |

The largest number of tourists stay in private accommodation (homemade and uncategorized facilities), excluding hotels and accommodation facilities of the Special Hospital for Rehabilitation in Banja Koviljača.

According to the Spatial Plan of the Republic of Serbia from 2010 and the draft from 2023, Banja Koviljača is a primary spa center of national and prospective international importance, and Loznica a secondary city tourist center of national importance with mostly year-round offers and the role of a leader of a secondary tourist area with rich cultural and natural inheritance. Spa Badanja is classified as a spa of regional importance.

Loznica is the hometown of Vuk Stefanović Karadžić, Jovan Cvijić, Miodrag Mića Popović, Antonije Ante Bogićević, Momčilo Gavrić and director Aleksandar Saša Petrović. The preservation of old crafts (bazaars, souvenirs...) is supported by LSGs and Tourist Organizations of Loznica.

The most important annual events are:

- Cultural manifestations and festivals (Vukov Sabor, LilaLo Festival, Poetic Greeting to Spring, World of Women, Festival of Acting Achievements, Marking of Colors in Chokešina, Day of the Museum of Language and Letters, Night of the Museum, International Folklore Festival "Singing Spring", Vukov Sabor, International Folklore Festival "Under Iverko selo sto je", Mica's and Vera's Days, Folklore Veterans Show "Years Passed By", Folklore Show "Podrinje Through Dance and Song", Festival "At the Crossroads", International Art Colony, International Folklore Festival "Miodrag Miša Spernjak", WOLF-DJ Festival, Commemoration of the Battle of Cers, Documentary and Ethno Film Review "Aleksandar Saša Petrović", Commemoration of the Battle of Gucev, Days of Jovan Cvijić, Wukovi lastari)
- Traditional events (lighting of the Christmas tree, Swimming for the Holy Cross, St. Sava Ball, Farmer's Candles, Tuciada, Spasovdanska Litija, Days of the City)
- Economic manifestations (Ethno bazaars, Flower fair, Wine exhibition, Saborsko prelo, Vidovdan fair, Lady's fair, Pitijada, Regional honey fair, Mushroom exhibition)
- Fun events (Come with your heart, Graduation Parade, Children's Carnival, Royal Carnival, Motorcycle Rally Lešnica, Youth Days, Competition for the most beautiful pet, Children's Week, Tourist Patrol)
- Sports events (Stukyada, International dog show of all breeds, Hard Enduro, International regatta "The Drina is only one", Days of the Drina CUP, Start the wheel of health, Transversal "Vukove bogaze").

In the Tourism Development Program of the City of Loznica 2021-2025 nine tourism products have been defined, aligned with the Tourism Development Strategy of the Republic of Serbia 2016-2025, which need to be developed at the destination. These products are: spa&wellness/ health tourism, cultural heritage, events, special interests, rural tourism, mountain tourism,

thematic routes and business tourism. Activities from the action plan of the Tourism Development Program 2021-2025. are: branding Loznica as the birthplace of the great and the cradle of the alphabet (creating a visual identity, murals and facades); branding of green markets and positioning of “LilaLo” as one of the leading manifestations of Podrinje.

### ***Cultural heritage***

27 immovable cultural assets (IMC) have been registered on the territory of the Loznica LSG, namely: 21 cultural monuments, 4 famous places and 2 spatial cultural-historical units. In the IMC category, there are two famous places of exceptional importance: the Memorial House of Vuk Stefanović Karadžić in Tršić and the Memorial Ossuary on Cer (Tekeriš settlement). The monasteries of Tronoša (Korenita settlement) and Čokešina (Čokešina settlement) and the memorial ossuary to the victims shot in Draginac are classified as IMC of great importance. Banja Koviljača complex is protected as a spatial cultural-historical entity.

There are also 10 villas in Banja that are protected as individual cultural monuments and one famous place (Monument on Gučevo). In the center of Loznica there are 7 cultural monuments and one spatial cultural-historical unit (Jovan Cvijić Square). There is one cultural monument each in the settlements of Tekeriš and Trbosilje, and one famous place in the settlement of Čokešina (Place of colors on Čokešina). Archaeological sites are: Paulje, remains of fortifications - Vidojevica, Kosana town, Trojan town, Koviljka town (Gradac), Jerina town and others.

The architectural and industrial heritage has not been fully valorized (e.g. the railway depot and the railway station in Banja Koviljača). A study on the protection of the architectural heritage of Banja Koviljača is under construction.

In addition, numerous elements of intangible cultural heritage are present in the Loznica LSG. Three are spatially located in the Loznica and Podrinje: The custom of pouring and lighting peasant candles, Vukov Sabor and Crosses of Time.

## **5.3 URBAN ENVIRONMENT**

### **5.3.1 Historical overview of the spatial and urban development of the city**

The oldest traces of the settlement of prehistoric man in the territory of Jadar and Loznica can be safely linked to the period of the older Neolithic, i.e. the Starčevo culture (4500 - 3000 AD). It is assumed that on the site of today's Loznica there was a Roman fort “Ad Drinum” and the Roman city “Genesiz”, which belonged to the Roman province of Dalmatia within Podrinje. Loznica was mentioned for the first time in the charter of King Milutin, when Katarina, the wife of Milutin's brother Dragutin, built the nearby Tronoša monastery (year 1317). According to data from 1533, according to the population census, a predominantly Muslim population lived in Loznica, and at the beginning of the 17th century, Loznica and Jadar became part of the Zvornik Sandžak with its headquarters in Zvornik, as part of the Bosnian Pashaluk. Loznica and Jadar became part of the Principality of Serbia during the time of Miloš Obrenović, with the decree of Hatisherif Sultan Mahmud II in November 1833, the Turkish ownership of the land was abolished, and it was declared a free peasant property, which abolished feudal relations. The Jadar county became part of the Podrina district, and Loznica simultaneously became the



seat of the county and the district, and it remained so until the end of the 19th century, when Šabac took over that primacy. Loznica was formed as a town only in 1834, and in the 1930s it had 295 houses with 1,203 inhabitants. It is where the administrative and political power of the Podrinje is concentrated, education is developed, a hospital is opened (in 1882), industrial facilities begin to be built, crafts, trade, and even banking develop. At the beginning of the 20th century, the railway Šabac - Loznica - Banja Koviljača was built.

The wars of 1912 - 1913, and especially the first world war of 1914 - 1918, halted economic development for some time and significantly reduced the number of inhabitants of Loznica and its surroundings. After the end of the First World War, Loznica remained the center of the county with about 5,000 inhabitants. Several post-war years constituted a short-lived period of reconstruction and relative economic progress, which characterized most of the cities of the former Kingdom. The world economic crisis of 1929 - 1930 was also felt in Jadar and Loznica, mainly through the drop in prices of agricultural products. The takeover of the antimony mine in Loznica by German industrialists in the 1930s contributed to a certain strengthening of the economy. However, the growth of the economic development of Loznica and Jadar stopped after the outbreak of the Second World War. In the first post-war years, intensive changes were made in the economic and social composition of the population in Loznica. Radical changes in the structure of the economy of Loznica took place at the end of the 1950s, with the construction and start of the regular production of "Viskoza" - the industry of viscose products and cellulose. etc.). Along with the development of industry and the construction of commercial buildings, the urban settlement of Loznica, with suburban settlements, is developing. In the period from 1945 to 1975, about 3,500 apartments were built in individual ownership. 5 primary schools, 4 secondary schools, a music school and three kindergartens were built or reconstructed. Vuk's cultural center was reconstructed, the Sports Recreational Center "Lagator" and the Health Medical Center "Dr. Milenko Marin" were built. Loznica, which had only a few thousand inhabitants after the war, was planned for a modern city with more than 40,000 inhabitants in the general urban plan from 1964. The very long and difficult path of the transformation of the socialist system into a market one, which was additionally complicated by the civil war in the area, long and heavy international sanctions and bombings, resulted in the complete destruction of the domestic economy, i.e. the shutdown of important economic entities until then, among which HK Viskoza was the largest. By forming the Šepak industrial zone (which is fully occupied), the city laid the foundation for economic development and attracting investors. Intensive construction activity has been recorded in the last decade and a half, accompanied by the construction of large residential buildings and zones around the perimeter of the central zone of the city (Lagator settlement), along the main entrance routes to the urban settlement, and the central zone is gradually undergoing urban renewal and transformation of the physical structure.

Banja Koviljača, a famous spa resort is located on the right side of the Drina at the foot of Gučevo, at 125m above sea level, 6km southwest of Loznica. Medicinal water has been used since the time of the Romans and Turks. The spa was mentioned in 1528 under the name Koviljača in Bohorin's nahija, and in 1847 in Vuk Karadžić's work "Geographical and static description of Serbia", as the village of Koviljača and the old town of the same name above Smrdan spa, which got its name from the sulfurous smell. At the end of the 18th century, the wealthier Turks from Podrinje and Mačva came to Banja Koviljača. Over time, a natural health resort was formed under

the open sky. In 1836, the water was drained and the land around the spring was prepared for the construction of new spa facilities. The first accommodation facilities were built during the reign of Mihajlo Obrenović in the 1930s. The spa park with the surrounding forest (40 ha) and the fountain in the central part was of particular importance for the further development of tourism in 1910 the Šabac - Koviljača railway was put into service. The “Kur-salon” spa hall, also a symbol of the spa, was opened in 1932 under the patronage of King Aleksandar Karađorđević.

### 5.3.2 Urban area

#### *Network of settlements*

According to the Spatial Plan of the Republic of Serbia from 2010 to 2020<sup>32</sup> Loznica is classified as an urban center of state importance, and according to the Draft Spatial Plan of the Republic of Serbia until 2035<sup>33</sup>, the urban area of Loznica is classified as an area with an influence zone with more than 40,000 inhabitants on the secondary Drina - Šumadija - Homolj development belt.

LSG Loznica includes 54 inhabited places. Three suburban settlements - Banja Koviljača, Lozničko Polje and Klupci - are in the process of morphological merging with Loznica. Loznica also gravitates to other suburban settlements Baščeluci, Krajišnici, Voćnjak, Ploča, Trbušnica and Runjani. The function of a secondary center is Lešnica, to which the settlements Novo Selo, Čokešina, Straža, Jelav and Donji Dobrić gravitate. The function of village community centers is held by four settlements: Draginac (with the primary rural settlements of Jarebice, Veliko Selo, Brnjac, Donje and Gornje Nedeljice, Brezjak, Slatina, Stupnica, Šurice, Cikote, Simino Brdo and Filipovići), Jadranska Lešnica (with the primary settlements of Joševa, Kamenica, Milina and Gornji Dobrić), Tekeriš (with the primary rural settlements of Pomijača, Gornja Sipulja, Donja Sipulja, Gornja Badanja, Trbosilje and Jugović) and Zajača (with the primary rural settlements of Paskovac and Gornja Borina). Settlements with specific tourist functions are Banja Koviljača and Tršić.<sup>34</sup>

#### *Urban units*

Loznica has an underdeveloped polycentric urban structure. The existing local centers belong to the category of the first degree, that is, they represent the centers of residential communities in the function of meeting the daily needs of the population. Local centers currently have two forms of spatial organization: punctual and linear. The central zone is characterized by a low degree of concentration of central activities, which speaks of the insufficient development of its functions as the main urban center. The new central points on the periphery of the urban settlement are the result of a more intensive planned expansion of residential settlements towards the periphery, which envisaged a polycentric organization at the same time as limiting the construction and concentration of content in the old center, so the transition from a monocentric to a polycentric system of centers meant that the organizational and spatial resources in the center remained incomplete. used. The low degree of functional attractiveness of the central zone is a product of the limited program offer, and the inherited spatial structures in the center require large-scale interventions and investments in order to realize the process of their reconstruction and remodeling.

32 Spatial plan of the Republic of Serbia from 2010 to 2020, “Official Gazette of the RS”, number 88/2010

33 Draft Spatial Plan of the Republic of Serbia until 2035, Ministry of Construction, Transport and Infrastructure, 2023.

34 Spatial plan of the city of Loznica, 2012.

Within the continuously built area of the city, there are significant spatial potentials (both in terms of surface and position) that are currently not being used. A special program potential in this sense is represented by the border location of Loznica. In this sense, the possibility of introducing specialized central activities of regional importance, such as duty-free zones, wholesale trade areas, multicultural centers, and considering the natural potentials and sports and recreational centers, etc., opens up.

In the overall functional structure of the urban settlement of Loznica (area of PGR), about 30% of the total area of the observed area is made up of residential zones. Although it had the character of an industrial city due to the extremely dominant industrial point "Viskoza", this did not lead to the formation of typical high-density residential zones (multi-family housing). On the contrary, due to the large areas suitable for different spatial distribution, mainly family residential zones were developed, which are, consequently, dominant in the existing housing structure. In the total balance of areas, about 28% belong to family housing, and only about 2.3% to multi-family housing. Also, the balance analysis speaks of the great potential for the development of new residential zones, considering the large undeveloped areas within the city's construction land, as well as the already started trends of expansion of these zones.

In general, in the territory of Loznica, there is considerable unevenness in the state of the physical structure, the layout of residential areas, as well as the equipment and functioning within them. The most densely populated is the central zone, where the most diverse types of housing are represented. There is a noticeable collision of three different matrices into sub-units - the western part, which is characterized by a complex of new residential buildings, the southern part, which represents a clear urban matrix of the pre-war period, and relatively spontaneously formed buildings in the eastern part. In the innermost center, which has a traditional urban matrix (city bazaar), low-rise family housing is mostly supplemented by commercial and service functions. Multi-family housing is in an open (along the river) and semi-open complex, and they are of good quality. Family housing without additional functions is present in the wider central zone and in peripheral parts of the urban settlement where it is predominantly combined with agriculture (MZ: Runjani, Stepa Stepanović, Podrinje (Lozničko polje), Trbušnica, Baščeluci, Voćnjak). These zones are characterized by relatively unsatisfactory communal and infrastructural equipment of the area. In the peripheral zones, the trend of family residential construction (Klupci) respects the rules of prescribed regulation (objects withdrawn from the regulation line) and, with the rounding of the existing and the construction of a new street network, enables the formation of a regular block structure. The average density of housing in these zones is about 100 inhabitants/ha. In other peripheral parts, residential zones developed relatively spontaneously, so the absence of a clear block matrix, unfinished street network, as well as weak communal equipment of the area is noticeable. Directly next to the "Viskoza" industrial plant, a smaller zone of multi-family housing was formed - a working-class settlement characterized by extremely low quality of both housing structures (quality of buildings), as well as communal and infrastructural equipment of the settlement. In the parts where the terrain was started (the southern part of the urban settlement), an "elite" settlement was formed - a zone of family housing with an extremely high standard and good communal equipment.

Production (work-production) activities in the area of the urban settlement of Loznica are recognized as activities of the primary sector (forestry and agricultural production), secondary

(industrial production, construction, manufacturing) and tertiary sector (business and service facilities). Observed through the spatial-physical dimension, the most represented are primary activities, that is, agricultural and forest areas, dispersed throughout the entire urban area, except for the central zone. However, their participation in the total production balance does not correspond to such spatial dominance, due to poor utilization and low productivity. On the other hand, secondary activities are concentrated in several zones (one next to Viskoza-Ulica Klanička, and the other in the very center), and they play an important, driving role in the process of economic development and employment of the population. In recent years, a new production point has been developed - an industrial zone next to the customs crossing, on the bypass road and along Republika Srpska Street, where industrial production facilities are located (Sepak industrial zone). Also, along the ring road, traffic routes such as Loznica - Šabac and Loznica - Valjevo, as well as along the road to Banja Koviljača, there is a noticeable trend of locating warehouses and distribution points that take advantage of direct access to the main traffic and communication flows.

### ***Brownfield sites***

The largest brownfield site in Loznica is located on the site of the former HK "Viscoza" (in bankruptcy) with an area of approximately 57ha 22 are. Research has shown that the soil is polluted and that it is necessary to approach the remediation and rehabilitation of the soil, bearing in mind that the chemical industry was located in this area. Viskoza extends over a large number of parcels of different property status (in the social ownership of different parts of Viskoza). It is located along the road that connects Loznica and Banja Koviljača. The land is equipped with infrastructure, but bearing in mind that Viskoza has not worked for decades, it is necessary to reconstruct the infrastructure and maybe even build a completely new one, depending on the planned purpose. Plots on which there are parts of the former ind. Viscose zones were fragmented and some parts were privatized (EP Belt, "PRIVER PROPERTY INVESTMENT GROUR" doo, TOMNIX doo). LSG is interested in converting this area into a residential and business zone that will connect the Banja and Loznica with accompanying facilities in the function of sports, recreation, social standards, facilities in the function of culture, science, etc.

In Loznica, there are special purpose complexes "Cer" and "Klupci" ("Podnarednik Momčilo Gavrić" barracks). "Podnarednik Momčilo Gavrić" barracks is located along state road no. 27 (Loznica-Valjevo), owned by RS, Ministry of Defense is the beneficiary. The complex is in the phase of reconstruction of existing and construction of new facilities and is being completely equipped with infrastructure.

## **5.3.3 Natural environment**

### ***Natural goods***

In the territory of Loznica, there are protected natural assets:

- Area of Outstanding Features "Tršić-Tronoša Cultural Area" - declared a protected area of exceptional importance, i.e. category I as an area of exceptional characteristics. The area of the Area of exceptional features "Tršić-Tronoša Cultural Area" is 1802.57 ha, of which 4.1% is covered by the II degree and 95.9% by the III degree of the total surface area;

- Area of Outstanding Features Mount Cer - a natural asset of exceptional importance classified in the I category of protection. The area of the PIO is 6,260 ha, of which about 25% is covered by the II degree and 75% by the III degree of the total area of the area.
- Memorial Natural Monument "Tekeriš";
- Memorial natural monument "Draginac" - the area where there is a monument and a memorial ossuary for civilian victims shot in the Second World War (during the German retaliation in October 1941) and the execution ground (shooting site) (territory of the City of Loznica, K.O. Simino Brdo, Jarebice and Draginac). The protection covers an area of about 2.9 ha;
- Monument of Nature "Lužnjak oak tree Thick bush - Runjani" - an old and representative lužnjak oak tree, of imposing dimensions (territory of the City of Loznica, Runjani). In addition to the tree, the protection covers the area in the projection of the crown with an area of 0.06 ha.

In the Area of Outstanding Features of Tršić-Tronoša, the town of Tršić is threatened by illegal construction.

The natural assets for which the protection procedure has been initiated are: Monument of Nature Banja Koviljača, Protected Habitat Vrištinekaluna near Zajača, and the area in the valorization process - Pejine Ada.

Natural values are also represented by the elements of the ecological network: parts of ecologically significant areas (EEA) of Donje Podrinje and Cer, the habitat of strictly protected and protected wild species; a part of the ecological corridor of international importance that includes the Drina with its coastline in a natural and close to natural state; and landscape elements within the cultural landscape (small watercourses and canals, green belts, groups of trees, individual trees, moats, borders, hedges, etc.).<sup>35</sup>

### ***Green infrastructure***

Forests make up 32.7% of the territory of Loznica LSG. Forest coverage is above the national average of 29.1%. One part of the territory is characterised by degraded forest areas. A local phenomenon is represented by the illegal cutting of forests and their fragmentation, which significantly reduces their ecological value. The existence of highly valuable forest associations, where the areas of Boranje and Gučevo (as one of the most important forest regions of Serbia) and the territory of Cer are particularly valuable. Larger green areas (forests) are strategically well positioned in relation to natural conditions (terrain morphology and dominant winds), but they are insufficiently connected and utilized.

The existing green system of the urban settlement of Loznica is characterised by fragmentation, disconnection and uneven distribution of green areas. The existing landscaped squares and parks represent the most attractive spaces, but their area is insufficient for the number of visitors who gravitate to them. In the urban settlement of Loznica, a significant share of the green areas is made up of free areas of open blocks (from the planning legacy of the 60s and 70s) in the central zone. Connecting greenery (tree rows) are positioned only on some road routes and in the central zone and to some extent ensure the connection of independent urban green areas

<sup>35</sup> Ibid.

with each other and with the natural landscape outside the city. The penetration of greenery was only partially realised (at the location of the river Štira). The construction of facilities threatens the possibility of connecting the urban and non-urban green system and thus threatens the possibility of forming a complete and continuous green system. Today, the construction of buildings in a row and free-standing buildings on individual plots dominates, which means that larger compact areas of greenery are absent. An exception is the planned linear park on Lagator, which is in the construction phase. Also, during the construction of large residential buildings (and buildings of other purposes in private ownership), the minimum percentage of greenery on the plot (20%) is not respected, and there is an obvious lack of green areas within the plots and complexes in new construction - all vacant areas are mostly completely covered (parking lots, pedestrian areas, etc.), i.e. without any greenery.

There is a total of 21.25 ha of independent city green areas, which is 6.19 m<sup>2</sup>/st. By including integrated green areas (sports and recreation centers and grass fields, public green areas of collective housing, schools, children's institutions for other purposes) in the amount of 56.86 ha, the total green fund increases to 22.75 m<sup>2</sup>/st. Significant areas under forests (632 ha within the GUP) combined with urban and integrated green areas add up to 710.11 ha, which in total gives a relatively high standard of 206.79 m<sup>2</sup>/inhabitant.

When it comes to Banja Koviljača, forests, park-forests and other types of greenery cover about 826.13 ha, which is 43.08% of the area of the Banja Koviljača Community. The park in Banja Koviljača represents one of the most beautiful landscape-architectural units in Serbia from the 19th century. Two zones can be clearly distinguished in the space itself: the central part of the park with important facilities and sources (Lower Park) and the forest park that connects to the lower park and forms a connection with Gučevo Mountain (Upper Park). According to the data of the Institute for Nature Protection of Serbia, out of 144 species of woody plants on the territory of the park, 35 are autochthonous, 54 are non-native and 25 are different cultivars. According to the life form, 81 species of trees and 33 species of bushes are represented in the territory of the park.

#### **5.3.4 Quality of environmental factors, exposure to environmental risks and climate change risks**

##### ***Air***

On the territory of LSG Loznica, there is an automatic air quality monitoring station within the state network of measuring points, under the jurisdiction of the Environmental Protection Agency, located in the yard of Elektro distribution, which is currently not in operation. The competent body of the local self-government maintains the Local Register of Pollution Sources on the territory of the city of Loznica, data is submitted by 11 companies: "Trivit" doo, "Valy" doo, "MN" doo, "Stobex" doo, "S-Biom Company" doo, "CHABROS doo", General Hospital Loznica, Special Hospital for Rehabilitation, "Mlekara" Loznica, PUC Heating plant-Loznica, "LUKOWA DOO". In the last couple of years, there was no exceeding of limit values at any emitter, nor was there any recorded pollution.

Air pollution in the urban settlement of Loznica is a consequence of heating (boiler rooms and individual fireplaces) and the development of traffic and smaller businesses. In addition to



commercial facilities and boiler houses, a significant source of air pollution is traffic, both on road approaches to the city and in the urban settlement itself.

### **Water**

The most important watercourses on the territory of Loznica are the Drina and Jadar rivers (Sava river basin). According to monitoring data conducted by the Environmental Protection Agency in the period 2017-2019 <sup>36</sup>, the statuses of the Drina and Jadar rivers on the territory of the local government are:

- The status of the Drina River at the measuring station near Badovinac (a settlement in the Municipality of Bogatić, about 20 kilometers downstream from Loznica) was assessed as excellent or good for all parameters of biological elements, physico-chemical and chemical quality elements, except for aquatic invertebrates where it was assessed as moderate. As the overall status of the water body is defined by the weakest status of individual indicators, the overall status of the water body of the Drina River near Badovina is rated as moderate.
- The status of the Jadar River on the Lešnica profile in terms of biological elements of quality is rated in the range from good to poor (depending on the type of parameters), and the status in terms of physico-chemical and chemical elements that support biological elements are rated as moderate (physico-chemical parameters) and weak (specific polluting substances). As the overall status of the water body is defined by the weakest status of certain indicators, the overall status of the water body of the Jadar River on the Lešnica profile is rated as weak.

Built reservoirs in the upstream of the Drina have a favorable effect on the water regime of the Drina because they reduce the peaks of high water and increase the amount of water in the period of low water. The river bed of the Drina and Jadar rivers is characterized by the exploitation of river gravel and sand. It is carried out permanently and due to natural renewal it represents a renewable resource, but data on the amount of gravel extracted is not available. The lack of cooperative management of gravel extraction in the Drina basin, which would integrate environmental and safety components, was expressed.

In Loznica LSG, surface water is not used for drinking, but only underground water is used for that purpose. Within the settlement, the primary water pollution is related to the production of wastewater from households (fecal and sanitary) and agricultural facilities. Groundwater pollution is primarily a consequence of the application of fertilizers, pesticides and herbicides in agriculture, followed by seepage from unregulated wild waste dumps as well as from permeable septic tanks in all rural settlements.

When it comes to the quality of drinking water, the water from the city's water supply is controlled by the Public Company "Vodovod i Kanalizacija" Loznica and the Institute for Public Health Šabac (external Laboratory). The quality of water in the entire water supply system during the previous year fully corresponds to the criteria of the regulations on hygiene and correctness of drinking water. Water from individual wells in rural settlements, which are not included in the water supply system, is not systematically controlled. Waste water from the

<sup>36</sup> "Status of surface waters of Serbia in the period 2017-2019", Environmental Protection Agency, Belgrade, 2021.

company is discharged into the Drina, Jadar, and Lepenica rivers, which was a big problem ten years ago.

### ***Land***

Soil pollution on the territory of the Loznica is a consequence of various anthropogenic activities, so that construction, agricultural and forest land is endangered. There is no complete data on the extent of its endangerment because there is no systematic monitoring and research. Soil pollution is mainly influenced by: inadequate disposal of solid waste; other unplanned activities (uncontrolled disposal of solid and liquid waste along roads, burning of plowed fields, etc.); and the impact of traffic (surface water from the roadway, deposition of exhaust gases, Pb and CaCl<sub>2</sub> in winter). In addition, a specific form of land endangerment is the unplanned construction of buildings. The threatened area is the urban settlement of Loznica and suburban settlements (Banja Koviljača, Lozničko polje, Klupci, Krajišnici, etc.). In agriculture, pollution is a consequence of inadequate use of mineral fertilizers (by quantity and type), pesticides and other agrochemicals. The problem of uncontrolled burning of arable land is a seasonal problem, very present in the territory of LSGs. It represents an important ecological problem, because it causes multiple negative consequences, starting from material ones to endangering the lives of people, flora and fauna. The burning of arable land leads to the permanent destruction of the entire living structure, both on the surface of the soil and at a depth of several centimeters.

In the area of the former “Viskoza” chemical industry complex, tests and soil sampling were carried out, and it was determined that soil remediation is necessary.

### ***Noise***

Detailed noise data do not exist because no noise level measurements are carried out in the Loznica LSG, both in the urban area and on the access roads where traffic takes place. Sources of noise that can contribute to its increase above the permitted level are related to the surroundings of commercial buildings and the busiest sections of state roads of the first and second order. The City of Loznica plans to adopt the Decision on noise protection, which will determine and prescribe noise protection measures in the environment and carry out acoustic zoning of the city's territory.

### ***Heat islands***

The most threatened zones in terms of the occurrence of heat islands are also those that are the most built, namely the central zone of the urban settlement of Loznica. The reason for this is, for example, lack of trees and greenery in densely built-up areas.

### ***Vulnerability from floods, landslides, earthquakes, erosion and climate risks***

#### ***Earthquakes***

One of the specifics of the Loznica LSG is that it is among the four cities in the Republic of Serbia that are threatened by earthquakes of magnitude 7° to 8° MKS, but on the other hand, the probability of an earthquake of this magnitude is very small. This fact, combined with the quality of construction and the density of residential buildings, indicate that the urban settlement of Loznica is largely threatened by seismological hazards. On the territory of LSG Loznica, there

are no special forces and means (except fire-rescue units) for responding in case of earthquakes and other natural disasters.

### *Floods*

Pursuant to the Decision on Establishing the List of First Class Waters ("Official Gazette of RS", No. 83/10), the Drina, Jadar and Štira watercourses are first class waters. All other watercourses on the territory of the city are waters of the II order. Flood protection on first-class waters is the responsibility of the Republic, while on other waters (second-class waters) the LSG is responsible.

It can be said that all the watercourses in the territory of the city of Loznica have the characteristics of torrents and on them alternate short-term intervals of extremely high water, followed by longer periods of very low water. Within the framework of natural disasters, floods are the most common form of threat to the territory of Loznica LSG, accompanied by landslides and landslides, so the risks and damages are great. In the last 20 years, the territory of Loznica LSG was repeatedly affected by torrential floods - mud and mud and stones, which caused the need to take a series of measures to protect people and property and eliminate the consequences, and there was a very close risk of catastrophic damage. Estimated damages from floods in 2001 amounted to 192 million dinars, in 2005 and 2006 250 million dinars, in 2010 178 million dinars, and in 2014 1,527,350,007.00 dinars, while indirect damages are significantly higher.<sup>37</sup>

Floods in the territory of the Loznica LSG occur due to heavy rainfall that leads to uncontrolled spilling of large amounts of water or sudden melting of snow, often combined, so that a large amount of water flows into torrential streams and rivers. Since the riverbeds are mostly unorganized, winding, overgrown with vegetation, a large number of natural and artificial obstacles within the riverbed, uneven falls of the riverbed, insufficient openings of bridges and culverts, flooding and damage to property and other protected values are very frequent. Based on the relief geological, pedological, hydrological, erosive and climatic characteristics of the Loznica LSG, as well as data on the consequences caused by the harmful effects of water in previous floods, it is estimated that the occurrence of large water waves of the Jadar and Drina rivers can threaten the property of the people of Loznica.

The Decree of the Government of the RS ("Official Gazette of the RS" number: 18/2019) established the General Plan for flood defense for the period from 2019 to 2025. This plan defines the territorial organisation for flood defense, organization, preventive measures, activities, coordination, management of flood defense, etc. On waters of the II order, the LSG declares regular or emergency flood defense on the sections where there are built protective water facilities, upon fulfillment of the established criteria for declaring regular or emergency flood defense from the local operational plan. On waters of the II order, on which there are no built protective water facilities, the state of readiness is declared upon fulfillment of the established criteria for declaring the state of readiness from the local operational plan.

### *Landslides and erosion*

The high frequency of occurrence of landslides in the entire territory of Loznica LSG has a negative cumulative effect resulting in great damage to arable land as well as residential buildings, road

<sup>37</sup> Official Gazette of the City of Loznica: "Operational flood defense plan of the II order of the City of Loznica for 2019"

and communal infrastructure. Large amounts of precipitation are very common on the territory of Loznica LSG, which most often leads to the activation of existing or new landslides. In addition to the Loznica-Mali Zvornik-Ljubovi direction, which is threatened due to a landslide, road number 331: Banja Koviljača-Gučevo-Zajača, Number 330: Loznica-Zajača-Srena bekva-Mačkov kamen - connection with state road 137 and Valjevski road can be mentioned as critical sections. In addition to these significant road routes, a large number of uncategorized rural roads, forest roads, and approaches to households in rural areas are threatened by landslides.

Erosion can occur in the valleys of the Drina, Jadar and Lešnica rivers as well as on the slopes of the surrounding mountains. Weekend settlements located near the Drina river, settlements: Gornja Koviljača, Banja Koviljača, Jelav, as well as settlements located on the slopes of the mountains: Trbušnica Gornji Dobrić, Bradić, Jadranska Lešnica, Ribarice, Milina, Kamenica, Tekeriš, Cikote, Stupnica, are threatened by erosive processes on the territory of Loznica Local Government.

#### *Climate and climate change*

The meteorological station in Loznica has been collecting meteorological data since 1901. A moderate-continental climate prevails in Loznica LSG: the average measured temperature is 11.0°C, and the average annual precipitation is 820 millimeters. The maximum ever recorded temperature was 42.3°C on July 24, 2007, and the lowest was -25.4°C on January 24, 1963. The maximum amount of precipitation was registered on June 20, 1956 and was 100.7 mm. The highest thickness of the snow cover was 69 cm on February 13 and 14, 1984.

For the purposes of making estimates of eight-hour climate changes, data from the network of meteorological stations managed by the Republic Hydrometeorological Institute of Serbia, one of which is also located in Loznica, was used. In the period 1960-2012. in the territory of the Republic of Serbia, there was a significant increase in mean, maximum and minimum daily temperature, with an average trend of 0.3 °C per decade on an annual basis. The entire territory of Serbia is faced with a significant increase in temperatures since the middle of the previous century, especially in the summer and spring seasons, while the least pronounced trends were observed during autumn.

According to available data<sup>38</sup>, climate changes in Loznica that, at the current level of knowledge, can be expected in the long term in the future are:

- An increase in average temperature, where the magnitude of this increase will depend on future greenhouse gas emissions. Compared to other parts of Serbia, the territory of Loznica will have a moderate increase in temperature (a larger increase is expected in the southern parts of Serbia)
- An increase in average maximum and minimum temperatures, where the temperature increase during the colder part of the year will be slightly lower than the temperature increase during the warmer part of the year.
- No pronounced changes in mean annual total precipitation are expected, but a decrease in precipitation is expected during the June-August period (this trend has already been observed in the recent past).

<sup>38</sup> "Observed climate changes in Serbia and projections of the future climate based on different scenarios of future emissions", UNDP Serbia, 2018

- The number of frosty and icy days is progressively decreasing in the future due to rising temperatures.
- The number of summer and tropical days will continue to increase.
- Heat waves during future climate periods will become more intense and more frequent.

#### *Fires*

In the overall structure of residential buildings on the territory of LSGs, there is a small percentage of those that were built before 1945, which favorably affects the implementation of fire protection. The streets are also of sufficient width and there are very few streets where access for fire engines is difficult. The fire-rescue units have sufficient material and human capacities and as such they have so far responded effectively in all situations that required their engagement. A large part of the Loznica LSG is under forests, so the risk of forest fires is high, especially in the summer months.

#### ***Risks of accidental pollution***

According to the information received from the Ministry of Environmental Protection, there are no registered SEVESO plants, nor legal entities producing hazardous substances on the territory of the city of Loznica. According to the data obtained by the Department for Emergency Situations, a legal entity that uses and stores dangerous or corrosive substances in its work operates on the territory of Loznica LSG.

#### ***Waste management***

LSG Loznica entrusted the communal activity - municipal waste management to the Municipal Public Enterprise "Naš dom" from Loznica, which disposes the collected waste in an organized manner at the "City Landfill". The landfill is not sanitary and is located in a non-standard location, but through phased remediation, which has been taking place regularly since 2011, it has been given the status of an organized landfill. For now, 29 settlements or about 70% of the total number of households on the territory of Loznica LSG are included in organized waste collection. On the territory of the LSG, illegal landfills were recorded in 46 locations. Apart from individual locations, no zones and corridors have been identified that pose a high risk of waste pollution for the local and wider environment. It is planned that Loznica LSG together with 11 LSGs (Valjevo, Obrenovac, Lazarevac, Ub, Barajevo, Vladimirci, Lajkovac, Mionica, Koceljeva, Osečina and Ljig) will deposit waste at the Regional Municipal Waste Landfill "Kalenić" in the village of the same name near Ub.

### **5.3.5 Primary utility infrastructure**

#### ***Plumbing and sewerage***

The population of LSG Loznica is supplied with drinking water from the spring "Zelenica", which is located upstream from Banja Koviljača in the area between the Loznica-Zvornik railway line and the Drina river. Not far from this original spring, upstream of the Drina, also in the alluvial plain, a new spring was opened at the location "Gornje polje", in order to increase the capacity of the spring and thus meet the needs of the population. The total capacity of both springs is 400 l/s, and in summer it is 340 l/s. In the water permit, the permitted water intake capacity is 495.9 l/s, and it is necessary to have the permitted minimum capacity in all operating

conditions throughout the year at all water levels of the Drina River. Maintenance of dug wells and catchments for drinking water intake is at a satisfactory level (the central pumping station was reconstructed in 2013). The length of the water supply network on the territory of Loznica LSG is one of the largest in the Republic of Serbia and is 850 km. 92% of the population is connected to the public water supply system. The rest of the population is not connected due to the unfinished water supply network in the settlements: Gornji Jadar (Banja Badanja, Gornja Sipzlja, Donja Sipulja, Gornja Badanja, Pomijača, Ribarica, Trbosilje, Milina, Tekeriš, Krivajica, as well as parts of Korenita, Gučeva and Trbušnica.<sup>39</sup>

Total water consumption is 4,068,506 m<sup>3</sup> per year, of which household consumption is 3,585,128 m<sup>3</sup> and economy 483,378 m<sup>3</sup>. The average specific consumption of water per inhabitant is 129 l/apartment. per day. There are no major restrictions in the supply of drinking water, but in the period of maximum water consumption and minimum level of the Drina river, there are parts (Valjevski pravac) that remain without water.

Sanitary protection of sources of drinking water is according to legal regulations, wells are fenced, and sanitary protection zones are marked. There is a risk of pollution at the spring "Zelenica" in Banja Koviljača.

The quality of water in the water supply system is monitored daily by taking samples at control points and processing them in the laboratories of PC "Vodovod i Kanalizacija" and the Institute for Health Protection "Vera Blagojević" from Šabac. The quality of drinking water can be rated as excellent, and all parameters are within the prescribed values (without any treatment of raw water).

Currently, 43% of the population is covered by the service of removal of used wastewater. The total length of the sewage system is about 90 kilometers, and it is mainly developed in the urban settlements of Loznica and in the part of Banja Koviljača. Sewerage generally functions according to the combined (general) principle for sanitary and atmospheric wastewater, with a relatively low degree of infiltration. Part of the sewage system of the urban settlement of Loznica functions according to the separation system of waste water drainage. Rainwater drainage is not developed. There is no waste water treatment plant in Loznica LSG, but the collected waste is pumped into the Štira river, i.e. the Drina river, without prior treatment. The plan is to reconstruct the sewage network and build a WWTP with the help of foreign donations (project in progress). The project documentation for the reconstruction and construction of the sewage network was prepared.

### **Energy**

In the urban settlement of Loznica, hot water supply services are provided by PUK "Toplana". The total length of the hot water network is 11 kilometers. The number of power plants managed is 5 (boiler plant), and the number of primary substations is 71 (exchange and pumping). There is a district heating system, namely a hot water district heating system and a hot water district heating system. The total number of users is 3,400, of which 2,801 are residential units (82%) and 599 are business premises units (18%), the total heating area is 220,976.73 m<sup>2</sup>. The

<sup>39</sup> Source: PC "Vodovod i Kanalizacija" Loznica. The entered values refer to 2021. The number of inhabitants is from the 2011 census and calculated for the number of users (2.3 for the urban area, ie 2.2 for the rural area per connection).



reason for not connecting to the distribution network is partly the lack of interest of residential property investors in connection to the district heating system, and partly due to leaving the opportunity for apartment buyers to choose how they will heat their living space. Also, the reason for not connecting to the district heating system is that in certain parts of the urban settlement there are no technical possibilities for connection or there is not enough capacity in the existing substations.

The largest part of the population uses wood, pellets and coal via individual fireplaces as the primary alternative source of heat energy for heating, and then also electric heating. An increasing number of households install gas boilers (or combined boilers) and connect to the gas pipeline infrastructure in those parts of the settlement where this infrastructure is built. On the territory of Loznica LSG, gas supply services are provided by "Loznica-gas" D.O.O. The total length of the gas network is 204.54 km, of which approximately 160 km is in Loznica, 23 km in Lešnica, and 21 km in Banja Koviljača. In total, there are two GMR stations, one in Loznica (capacity 10,000 m<sup>3</sup>/hour) and one in Lešnica (capacity 2,000 m<sup>3</sup>/hour). The total number of connected users is 3,034 (individual households), of which 82% are in Loznica, and less than 10% each in Lešnica and Banja Koviljača. The number of affiliated legal entities is significantly lower (202). The main cause of disconnection is lack of capacity. The network can receive three times more capacity than it receives on GMRS.

For the consumption area of LSG Loznica, electricity from the power system of the Republic of Serbia is taken over by PC for distribution of electricity "ODS EPS Distribucija", Belgrade, Branch Elektro distribucija Loznica, at voltage level 110kV. The number of consumers is 65,000 in the territory covered by the Loznica Branch (there is no separate data for housing and the economy). There are sufficient capacities for the distribution of electricity for the entire territory of the LSG. All parts of the territory are supplied with electricity. Only those buildings that were built illegally and those households that did not ask for electricity connection were not connected. There is no data on the number of such facilities.

In Loznica, there is the possibility of using renewable energy sources: hydro potential, solar energy (using various types of passive solar systems for individual buildings, and active solar systems for energy accumulation by installing special equipment for larger consumers), geothermal energy, using energy from biomass and cellulose waste (use of wood scraps in wood processing). The percentage of use of these types of energy is negligible. The use of these types of energy is possible only with incentive measures from the state and the City. LSG Loznica participated in co-financing the improvement of energy efficiency for 32 residential communities in 2020 and 69 residential communities in 2021 (roofs, facades, installations). In 2022, about 100 residential communities applied for the new competition. Together with the Ministry of Mining and Energy, the LSG participated in co-financing the improvement of energy efficiency for 119 households (houses and apartments) in 2021 and 134 households in 2022 (facades, carpentry, boilers, installations). Around 640 energy passports have been issued since the Law on Energy Efficiency of Buildings was implemented. Only one building has B energy class, the rest are C (most part) and D energy class.

### 5.3.6 Primary transport infrastructure and traffic

#### *Traffic network*

State roads IB order no. 26 - Belgrade - Obrenovac - Šabac - Loznica - state border with Bosnia and Herzegovina (Mali Zvornik border crossing); and IB order no. 27 - state border with Bosnia and Herzegovina (Trbušnica border crossing) - Loznica - Osečina - Valjevo - Lajkovac - Lazarevac - Arandjelovac - Topola - Rača - Svilajnac. Loznica is also connected to smaller centers and other settlements in the area by a network of IIA state roads: no. 137 - Šabac - Volujac - Zavlaka - Krupanj - Gračanica; no. 138 - Lipnički Shore - Tekeriš; and no. 139 - Krst - Korenite - Krupanj - Radaljska spa - Radalj - connection with DP IB 26; and state roads of the IIB order: no. 323 - Prnjavor - Čokešina - Lipove Vode - Volujac - Sinošević - Nakučani - Matijevac - connection with DP IB 21; no. 330 - Loznica - Zajača - Colored beech - Mačkov kamen - connection with DP IIA 137; no. 331 - Banja Koviljača - Gučevo - Zajača; no. 332 - connection with DP IB 27 - Žeravija - Tršić; and no. 333 - Roots - Tronoša Monastery. The construction of traffic roads of state importance is planned: "High speed road", the construction of a new section of the state road I B row no. 26, new section of state road I B row no. 27 and the transit road that goes around the center of Loznica. The network of state roads is completed by the network of municipal roads. The municipal roads are routed so that parts of the routes of the existing roads are used to the greatest extent. According to data from 2020, the length of municipal roads on the territory of Loznica LSG is 355 km, of which 272.06 km is: with modern pavement.

Regional railway line no. 211 Ruma-Šabac-Loznica-State border (Zvornik). The railway was reconstructed, which increased the speed of trains to 80 km/h and re-established passenger traffic from Šabac to Zvornik. Railway traffic on the territory of Loznica LSG is not used for suburban passenger transport. Danger zones are crossings of roads over railways that are not provided with ramps or semi-ramps. There are no multimodal hubs in LSGs. The nearest Nikola Tesla airport is located about 135 km from Loznica.

The need for reconstruction is primarily reflected in the provision of a modern asphalt curtain, above all on all municipal roads and streets in the settlements. The shortcomings of the street network of the urban settlement of Loznica are reflected in the impossibility of handling transit (primarily freight) traffic towards Zajača, which takes place through the central zone. It is also necessary to improve the functioning of freight/transit traffic on the outer corridors around Loznica (streets Marka Radulovića, Železnička, Slobodana Penezića, Italian Volunteers, Vojvoda Stepa, etc.), towards the populated areas of Banja Koviljača, Krajišnica, Baščeluca, Voćnjak, etc. Also, adequate traffic connection of the new settlement on Lagator with Miloš Pocerc, Knez Miloš, Filip Kljajić streets is needed, and in order to solve the problem of heavy traffic on Vojvoda Putnika street and Vuk Karadžić Square. A better traffic connection of the Industrial Zone with the surrounding roads/streets is also necessary, in order to relieve the load on Republika Srpska Street.

According to official data from the Census, the number of registered passenger cars in the territory of Loznica Local Government is 21,230, the level of motorization is 0.78 passenger cars per household, that is, 267 per 1,000 inhabitants. The total number of traffic accidents in 2021 was 235, and in the period from 2017-2020 between 220 and 225. In the traffic study, roads and junctions were identified, where the number of traffic accidents is more frequent.<sup>40</sup>

40 Source: Traffic study of the city of Loznica (first phase), 2019.

In addition, attention should also be directed to zones with attractive contents (markets, sports facilities, industrial zones, tourist facilities, parks, children's playgrounds, etc.), zones in which there are vulnerable categories of participants (school zones, pedestrian zones, etc.) and other zones that can attract more significant traffic participants' communication.

### ***Public city and suburban transport***

On the territory of LSG Loznica, public city-suburban passenger transport is organized under the jurisdiction of LSG, which connects all inhabited places with the urban settlement of Loznica. Urban-suburban transportation of passengers on the territory of LSGs is carried out: for "Package A" and "Package B" lines by a consortium of carriers consisting of "Raketa Aćimović Bjeličić" DOO from Bajina Bašta and "Banbus" DOO from Obrenovac, for "Package C" line by the carrier "Banbus" DOO from Obrenovac. The most important problem is the continuous decrease in the number of passengers, and in accordance with that, the limited number of departures, which primarily ensures adequate transportation of employees and students of primary and secondary schools. What partially solves this problem is the activity of LSGs to provide free passenger transportation for people over 65 years old, as well as financing the transportation of elementary school students. In the JGP system, not all vehicles are adapted for access by all categories of passengers (parents with small children in strollers, groups that do not have disabilities but require universal accessibility to vehicles and stops), as well as all bus stops, especially bus stops in populated areas outside Loznica.

There is no traffic coordination with neighboring LSGs. Loznica deals with the organization of traffic within its administrative border.

### ***Pedestrian zones***

There is a pedestrian zone in the center of Loznica. The center does not have a larger square for holding events, but there are Trg Vuk Karadžića (roundabout) and the so-called school square - Jovan Cvijić Square, which is adjacent to secondary schools. There is also a well-maintained pedestrian path along the Štira, from the kindergarten in the Ploče neighborhood to Dositej Obradović Boulevard, about 1.5 km long. The Youth Park in Loznica and the park in Banja Koviljača stand out as organized green/pedestrian zones. The open residential blocks that form an integral part of the central area of Loznica abound with pedestrian paths and quieter spaces for the elderly to rest and children to play.

Future activities should be focused on the development and provision of continuity of pedestrian communications (city area, suburban areas, school areas, along important municipal and state roads, etc.) - construction, arrangement and reconstruction of pedestrian infrastructure.

### ***Bicycle traffic***

Bicycle paths exist along Ulica Republika Srpska, in the part of Ulica Drinska divizije (Valjevski put), and in the area of the new settlement on Lagator. There is no spatial connection between these paths and not all of them are made with an adequate surface. The development of bicycle infrastructure should be aimed at the development and provision of continuity of bicycle communications (urban settlement, suburban areas, tourist centers - Banja Koviljača, Tršić, Drina river, etc.). It should be noted that the Working Group formed as part of the city administration

made a Proposal in the function of developing alternative forms of communication - bicycle traffic on the territory of the LSG.

### ***Parking***

The urban settlement of Loznica has a very pronounced parking problem. The existing number of parking lots is not satisfactory, nor is their arrangement. There is a lack of parking spaces in the central area. There are no built-up garages, and street parking by zone has no time limits, so the street parking capacity is largely constantly filled. There is also the problem of illegal parking, parking on sidewalks and on green areas, which also pose a problem for pedestrian safety. The biggest lack of parking spaces is in modernist neighborhoods built in the 70s and 80s with a large number of residential units that do not meet today's parking standards. Also, in new settlements, and when urban norms are respected, the constructed parking spaces are not used for parking the vehicles of the residents of those buildings. LSG plans to build public garages at several planned locations.

In the area of stationary traffic, attention should be focused on two tracks - towards appropriate organizational activities defined through the Traffic Study (introduction of time limits, abolition of daily tickets, restrictive policy when issuing monthly tickets for individuals, but also when reserving parking spaces, solving the problem of illegal parking - more efficient work of competent institutions, etc.), as well as towards the construction/arrangement of infrastructure (apartment blocks, zones with attractive contents, business zones, etc.), and above all, the provision of parking spaces during the construction of new residential buildings.

### ***Commuting***

In the urban settlement of Loznica, residents make 85,743 transfers by all means and for all purposes, which generates 2.3 transfers per day. Out of 85,743 movements per day, 63% or 54,133 transfers per day are non-motorized, and 37% ie. 31,610 transfers per day are made by motorized means. Of the total number of transfers, about 65% (55,756 transfers) are made with primary purposes (returning home, going to school and work transfers). The remaining transfers, i.e. about 35% (29,987 transfers) are carried out for the purpose of trade, leisure, recreation, official visit and others. The time distribution of total transfers in Loznica shows that the most intense loads during the day are between 7 and 8 in the morning and 1 and 2 in the afternoon, with the morning peak hour being pronounced, while in the afternoon there is a peak period from 1 to 5 p.m. (first pedestrian traffic, and from 16-17 hours and passenger cars). There is no pronounced evening peak hour, because the load decreases from 19:00 to 24:00, and it is specific that the 19:00 hour has a higher load than the previous 18:00 hour.

### ***Internet and digitalization***

Tourists and residents can use free internet at the totem on the promenade in front of TO Loznica and in front of the Tourist Information Center in Banja Koviljača. A system of paying for parking via mobile phone (by sending a message) has been introduced.

## 5.4 URBAN AND TERRITORIAL DEVELOPMENT GOVERNANCE

### 5.4.1 Access to governance

#### *A multi-level governance approach*

In the past practice, apart from Loznica LSG as the operator of the activity, the following institutions were also responsible for the projects in which Loznica LSG was involved:

International level

- EU (MSP IPA 2007, Human Resources Management, EUPPF - EU support in preparation projects, Cross-Border Cooperation Program of Serbia and BiH, EU PRO, EU PRO Plus, UNOPS EUSHAI program, SDC - Swiss Development Agency)
- Government of the Czech Republic
- The Regional Rural Development Standing Working Group (SWG)
- USAID - American Agency for International Development
- National and regional institutions
- National Agency for Local Economic Development (NALED)
- Chamber of Commerce of Serbia (PKS)
- Standing Conference of Cities and Municipalities (SKGO)
- Development Agency of Serbia (RAS)
- RRA Podrinje, Podgorina and Rađevina
- RRA Srem, Ruma
- REDASP Kragujevac

#### *Partnerships and networks*

In previous practice, projects in which Loznica Local Government was involved were implemented in joint cooperation with the following institutions and actors:

Foreign partnerships:

- Government of the Czech Republic
- The Regional Rural Development Standing Working Group (SWG)
- OSCE mission

Domestic partnerships:

- LSG Krupanj
- LSG Mali Zvornik
- LSG Ljubovija
- LSG Valjevo
- LSG Bogatić
- LSG Osečina
- LSG Mionica
- LSG Ub
- Ministry of Finance - Sector for contracting and financing programs from the European Union
- Tourist organization of the city of Loznica

- PE “Roads of Serbia”
- “Vuk Karadžić” Culture Center
- Serbian Athletics Federation
- Agricultural expert advisory service, Loznica
- Loznica residential communities
- KPC “Naš dom” Loznica
- Networks:
- Twin cities: Plock (Poland), Cassamaggiore - Italy, MZ Klupci-MZ Zelenika Montenegro

### ***Participatory approach***

A number of projects were implemented with young people through the local Youth Office. Through local associations, projects aimed at the elderly population and pensioners were implemented. Various types of support for local entrepreneurship were provided in cooperation with local associations such as Kreativna vizija, which gathers female entrepreneurs and women who want to start their own business.

In the development of spatial and urban plans:

- organized inspection of the planning document in local communities
- informing about the inspection through the building manager, by posting advertisements at the entrances,
- organized trips to the field and conversations with the population in the field and in the city administration

In the preparation of public policy documents:

- workshops and public gatherings with representatives of the public, private and civil sectors
- public debates, participation in the writing and implementation of the project
- focus groups, surveys, public debates, community development office

### ***LSG capacities for urban development governance***

The key shortcomings of the LSG’s capacity to govern urban development are:

- human resources in the organization of the administration (for example, the lack of executors in LED office, as well as in all other departments of the administration);
- the funds available to the LSG should first of all be directed towards the infrastructural and traffic equipment of the center and the remaining parts of the urban settlement in order to encourage the process of development of various forms of production and employment of the population as well as the development of residential areas; LSG investments are minimal in this case;
- uncoordinated activity of various PEs;
- low level of project readiness to apply for various funds.

There is a wide range of public calls for the implementation of “capacity building” projects through SKGO. Some implemented by Loznica are MSP IPA 2007 - capacity building in the area of program budgeting and PKI preparation, then SDC - Improvement of the business environment through regulatory reform, Human resource management - EU, etc. NALED organized a large number of



training sessions for LED employees on the topics of attracting investments, cooperation with the economy, certification, etc. RRA PPR also deals with the organization of training for employees of LSGs. Training was organized on the following topics: investment attraction, strategic planning, project writing, cooperation with the economy - formation of value chains. Such trainings were part of the project with which the LSG supported RAS - Improving cooperation and strengthening the capacity of regional development entities in the Mačva and Kolubara regions in 2018. The list of trainings that the Loznica Regional Development Agency implemented for employees of the LSG in the period 2014-2022:

- Digital marketing as a tool for improving the promotion of LSGs
- Incentives for investors and working with investors at the local level
- Methodology for managing capital projects
- Models and mechanisms of inter-municipal cooperation
- Rural development
- Project cycle management
- Stakeholder analysis
- Preparation and implementation of projects
- Regional development and the importance of strategic planning
- Public procurement according to PRAG procedures
- Preparation of project proposals
- Training for infrastructure projects
- Education of the local tourism industry for promotional activities and joint performances
- Tourism as a perspective of rural development

Finally, the GIS project funded by EU PRO is a capacity building project - a lot of training for employees in the 4 LSGs of the Podrinje subregion, software procurement, etc.

When the funds used for membership in SKGO, NALED and RRA PPR are added up, it can be said that significant money is allocated at the LSG level for capacity building.

#### **5.4.2 Sources of financing**

In previous practice, the projects implemented by LSG Loznica were financed from the following sources:

National sources of funding

- National investment plan
- Ministry of Economy
- Ministry of Rural Care
- Commissariat for Refugees and Migration
- Ministry of Mining and Energy
- Ministry of Environmental Protection
- Ministry of Culture and Information
- Ministry of Construction, Transport and Infrastructure
- Office for Public Investments
- Ministry of Education, Science and Technological Development
- Office for Human and Minority Rights

- Solidarity Fund
- Ministry for European Integration
- Ministry of Innovation and Technological Development
- Ministry of Culture
- Ministry of Trade, Tourism and Telecommunications
- Ministry of Agriculture

#### EU funds

- IPA, I PRO
- IPA, EU PRO Plus
- IPA II, Cross-Border Cooperation Program of Serbia and BiH (cultural institutions of Western Serbia and the City of Sarajevo)
- EUPPF - EU support in the preparation of projects
- UNOPS EUSHAI program

#### International financial instruments

- it is not known

#### Bilateral and multilateral cooperation and donor programs

- USAID - in the period from 2000-2010. through the IRD, SLGRP and MEGA programs.
- SDC - Swiss development agency in the field of regulatory reform at the level of LSGs and regional development.
- Government of the Czech Republic
- The Regional Rural Development Standing Working Group (SWG)

The most significant state investments in the development of LSGs, which are realized through the relevant ministries and the Office for Public Investments: the construction of the Loznica - Šabac - Novi Sad expressway, the eastern bypass (new sections of state road No. 27 Valjevo-Loznica), the Valjevo-Loznica railway, as well as investments in the construction and reconstruction of the city hospital, investments in Banja Koviljača, energy infrastructure, construction of a kindergarten, football stadium of high FIFA standards. Most of the mentioned projects are of national importance.<sup>41</sup>

Funds for capital investments are allocated from the LSG budget. However, the realization is not complete because there are insufficient projects for capital investments (2019: 62.8%, 2020: 66.5%, 2021: 56.5%).

Funds are allocated from the LSG budget for the preparation of urban plans and for the preparation of technical (project documentation). The entire territory of the LSG is covered by planning documentation, which is now in the phase of harmonization with legal regulations (Law on Planning and Construction, Law on Legalization of Buildings, etc.), as well as with up-to-date documents (cadastre, aerial photographs). It is evident that the execution of the budget in this position is low compared to the planned funds, mostly due to the lack of new projects for capital investments (2019: 45%, 2020: 44%, 2021: 35%).

<sup>41</sup> Source: Department of Finance and Local Tax Administration, Loznica City Government

### 5.4.3 Transparency and information

The Local Government Transparency Index (LTI) in 2022 is 55 (rank 35), which represents an increase compared to previous years (2021: LTI 48, rank 65 (growth 14.6%); 2020: LTI 46, rank 68, 2019: LTI 38, rank 81).

Decisions made by the Assembly and the City Council are available on the city's website. Official gazettes of the city of Loznica are published on the city's website. Sessions of the City Assembly are announced directly through the television media.

Also, public discussions are held on budget planning of the city of Loznica, when meetings are held with local communities, associations, public companies and institutions, as well as with all interested citizens who can make suggestions for budget planning.

The city administration has a service center in the administration premises for all the needs of citizens. Citizens can ask the Mayor a question through the city's website.

When it comes to planning documentation, in accordance with the Law on Planning and Construction, early public inspection and public inspection is carried out by notification through the city's website, newspapers and media. On the home page of the city of Loznica <http://www.loznica.rs/index.php> there is a banner that leads to ads for early public previews and public previews and accompanying material.

In individual cases, the procedures prescribed by the Law on Planning and Construction were extended. As an example, the procedure for creating the Spatial Plan of the city of Loznica can be used, when the presidents of all Municipalities in the territory of LSGs were provided with material for public inspection and presented to organize Municipal Councils and inform citizens from their Municipalities about the public inspection. In a similar way, the procedure for the development of the Plan of detailed regulation of the so-called "high-speed roads" (by notifying all MZs on the route). During the development of a detailed regulation plan for the arrangement of one block in an urban settlement, for which there was huge interest, notices about the duration of public inspection (advertisement) were placed at all entrances to buildings and all building managers were informed. Therefore, according to the assessment and depending on the interest of the citizens, the city administration of Loznica is making efforts to additionally make the process of creating the planning document transparent.

On the city's website, there are contact details of the City Administration of Loznica (address, phone number, e-mail address), through which citizens can contact the city administration on any issue that falls under its jurisdiction.

No information about donor programs and projects is available on the Loznica LSG website.

The GIS project was implemented, in terms of the procurement of equipment and the training of persons based on the funds received for its implementation, but no new databases were entered after that.

## 6 SWOT ANALYSIS AND NEEDS

### 6.1 IDENTITY OF THE URBAN AREA

#### *advantages/strengths*

- Rich cultural heritage - immovable cultural assets of exceptional importance, the Memorial House of Vuk Stefanović Karadžić in Tršić and the Tekeriš Memorial Ossuary, of great importance the Tronoša Monastery and the memorial ossuary to the shooters in Draginac, 27 established cultural assets (Cokešina Monastery, Banja Koviljača complex, etc.), archaeological sites (remains fortifications - Vidojevica, Kosana town, Troyan town, Koviljka town, Jerina town, etc.), trenches from the first Serbian uprising, 3 intangible cultural heritages, the purity of the Serbian language as an intangible heritage, trenches from the first Serbian uprising, hometown of Vuk Karadžić, Jovan Cvijić, Miće Popovića, site kulturnipredeo.rs (dedicated to the Tršić-Tronoša cultural area)
- Rich natural heritage - internationally significant IBA areas of Donje Podrinje and Cer, protected natural assets cultural area Tršić - Tronoša, area of exceptional features of the Cer mountains, memorial natural monuments Draginac and Tekeriš, Banja Koviljača Park is in the process of protection
- A large offer of annual events - cultural, traditional, economic, entertainment, sports...
- Developed health, wellness, sports-recreational and congress tourism
- The trend of increasing number of tourists (average stay about 7 days), foreign tourists (approx 20% of arrivals and 40% of overnight stays)
- Existence of the Loznica City Tourism Development Plan 2021-2025
- Support of the management and the Tourist Organization of Loznica to old crafts (bazaars, souvenirs...)

#### *weaknesses/deficiencies*

- Lack of new centers in the network of settlements (polycentric network of settlements) with increasing development of the urban core
- Spontaneous development of the peripheral parts of the urban settlement (no block matrix, unfinished street network, weak communal equipment...)
- Insufficient population concentration in suburban settlements
- Substandard settlements, unsuitable for living, next to Viskoza, not equipped with traffic and infrastructure
- The disuse and slow transformation of the former industrial brownfield (Viscose: a devastated and degraded area of 57 ha, with negative- impacts on the environment and other activities - tourism and housing, with unresolved property-legal relations, the problem of organization and jurisdiction)
- Insufficient recognition of cultural heritage
- The famous town of Tršić is threatened by wild construction
- Lack of management structure for natural resources
- Banja Koviljača was largely destroyed during the war in the region in the 90s, the villas used for refugees were not renovated and included in the tourist offer

- The former camps on Gučevo and Drina are abandoned and out of operation
- Undeveloped offer of tourist content and tourist products
- Old towns, fortifications and moats are not included in the tourist offer (they cannot be in their current state).
- A large number of illegal buildings (especially along the Drina) and an ineffective legal system

### ***potentials/possibilities***

- Development of connections between Banja Koviljača, Lozničko Polje, Klupci, Lešnica, Lipnički Šor and Runjani settlements with the urban settlement
- Developing specific functions of the settlement
- Unused organizational and spatial resources (both in terms of area and position) in the urban core, urban renewal
- Turning HK Viscose into a multifunctional zone
- Railway home and railway station in Banja Koviljača as architectural heritage
- Viscose as a promotion of industrial heritage (chimneys, for example)
- Study of the protection of the architectural heritage of Banja Koviljača (under construction)
- Protection and presentation of natural heritage
- A different perception and interpretation of heritage (protection, urbanism, tourism)
- Expropriation as an instrument for the protection of public interest (cultural and natural assets)
- Development of rare and highly sought-after types of tourism on the Drina, spa/health tourism, rural, mountain and sports-recreational tourism, business tourism and thematic routes
- Development and construction of tourist infrastructure - accommodation facilities and categorized rural households in Banja Koviljača (two hotels) and Donja Badanja, Tršić, next to the Drina (Lozničko Polje, Jelva, Lipnički Šor...), on the slopes of Mount Gučevo...
- Positioning "LilaLo" as the leading event in Podrinje
- Mount Gučevo: thematic routes, viewpoints, visitor centers
- Branding of the city of Loznica as the birthplace of the great and the cradle of the alphabet, branding of green markets...
- Education of hospitality staff (for the needs of tourism development) in existing secondary vocational schools

### ***threats/risks***

- Population decline due to emigration to larger centers / abroad and negative natural increase
- The emptying of villages far from Loznica
- Low degree of functional attractiveness of the urban core, and the reconstruction requires large-scale investments
- Dominant market regulation in the area of housing construction (low social and environmental standards - overbuilt, lack of greenery, parking...)
- Excessive public investment in equipping (transportation, infrastructure, utilities) existing settlements and due to further uncontrolled and excessive expansion of settlements and related to this loss of urban identity

- Unresolved ownership and environmental burden of abandoned military and industrial complexes, republican competence in solving local needs and problems (eg Viscose)
- Further endangerment of natural and cultural assets by illegal and excessive construction and exploitation (Drina, Tršić...), illegal waste dumps and negative impacts of tourism
- Weakening of the planning system in relation to unplanned, wild construction

#### ***needs***

- Social and affordable housing
- Permanent prevention of unplanned construction and endangerment of natural and cultural heritage, identity, urbanity and loss of productive land
- Adequate transformation and reactivation of the HK Viskoza brownfield site
- Improving the protection of cultural heritage
- Development and connection of tourist products and routes, capacities and infrastructure

## **6.2 GREEN AND ENERGY TRANSITION AND MOBILITY**

#### ***advantages/strengths***

- Geothermal potentials for using RES
- The lighting was replaced by LED lighting with remote control
- Forest resource, the afforestation of Loznica is about 33%
- Only underground water is used for drinking, the water is of good quality, there are two sources - Zelenica and Gornje Polje
- Soil testing in the Viskoza area has been done (Rehabilitation and Reclamation Project)
- There are no registered SEVESO plants
- JGP under the jurisdiction of the City of Loznica, connects all populated places
- Improved infrastructural connection between urban and rural settlements and availability of tourist destinations (Banja Koviljača, Tršić, etc.)
- The existence of the Traffic Study of the city of Loznica (December 2019), as well as the Proposal for the development of alternative forms of communication - bicycle traffic
- A well-organized fire department
- A disaster risk assessment has been prepared and updated

#### ***weaknesses/deficiencies***

- Lack of resources for testing geothermal potential
- Losses on the water supply network are around 50% (4 altitude zones, the most developed network in the RS)
- Coverage by the sewage network is 43%, mostly combined system
- Large areas are concreted, poor water drainage, lack of rainwater drainage
- Drainage channels, small (torrent) streams are unmaintained and overgrown, only some campaigns have been organized
- Low percentage of irrigated areas
- Unregulated networks of rivers and smaller watercourses
- Degraded, insufficiently connected and used quality, larger forest/green areas



- Lack of afforestation programs
- Insufficiently developed urban green infrastructure (fragmentation, disconnection and uneven layout, insufficient area of existing squares and parks), lack of public city green areas (only one park), new urban structure does not meet green standards
- There is no cooperative management of gravel extraction in the Drina basin,
- There is no systematic monitoring of soil pollution, noise level measurements are not carried out, heat islands are not mapped
- The city landfill is not sanitary and is located in an unsuitable place, 20 wild landfills
- There is no governing body or capacity to deal with soil erosion and flash floods
- There are no capacities and means (except for fire and rescue units) to respond in the event of an earthquake
- Lack of personnel in communal services and inspection
- Insufficiently good connectivity and functioning of traffic in the urban area - especially pedestrian and bicycle traffic with non-purposeful use of pedestrian and bicycle paths, transit traffic going through the central urban zone, insufficient utilization of passenger rail traffic, no multimodal hubs...
- Insufficient security at certain traffic junctions, areas with attractive contents, schools, and railway crossings
- Limited number of departures on JGP lines, no traffic coordination with neighboring LSGs, poor accessibility of vehicles and stops to all categories of passengers
- Concentration of key contents in the central urban area, lack of public garages and street parking (especially in the central urban area and modernist blocks), excessive construction without adequate parking space, illegal parking on sidewalks and green areas
- Insufficiently developed free internet network

### ***potentials/possibilities***

- Built gas pipeline network, 3.5 times larger capacity than those that are distributed (gas pipeline Belgrade-Valjevo-Loznica)
- Use of geothermal energy (in Banja Koviljača, it is used in the Special Hospital for treatment) and other renewable forms of energy with incentive measures from the state and the city
- Construction of green infrastructure in all settlements, pedestrian zones and creation of a new identity of public urban spaces
- Drina and Štira as future green corridors
- Planning documentation was prepared and approval for WWTP was obtained
- The project documentation for the reconstruction and construction of the sewage network was prepared
- Development of passenger railway traffic from Šabac to Zvornik as urban-suburban passenger transport (the Regional Railway runs through the city)
- Formation of pedestrian and bicycle paths and connection of public areas in settlements; development of the pedestrian zone along Štira

***threats/risks***

- Degradation of the Drina coast due to uncontrolled and excessive exploitation of gravel and illegal construction, the danger of occasional flooding of buildings in the flood zone, affects the position of the state border
- Illegal felling of forests, their fragmentation in protected zones, reduction of ecological value, impossibility of forming a complete and continuous green system
- Vegetation in parks and green areas is old
- Air pollution as a result of heating (boiler rooms and individual fireplaces) in traffic
- The risk of pollution of the spring "Zelenica"
- Absence of wastewater treatment plant
- Groundwater pollution as a result of the application of pesticides in agriculture, seepage from illegal landfills and septic tanks in all settlements without sewerage networks
- Soil pollution due to inadequate disposal of solid and liquid waste (the landfill is not sanitary, wild landfills in 46 locations), burning of arable land, use of pesticides, spontaneous conversion of land into construction
- Danger of earthquakes of magnitude 7° to 8° MKS
- High frequency of occurrence of landslides in the entire territory of the LSG, frequent floods, threat of erosion for weekend settlements near the Drina and on the slopes of the mountains; the Loznica-Mali Zvornik-Ljubovija route is threatened by a landslide; risks are increased by climate change
- Danger of forest fires, especially in the summer months
- The trend of increasing the degree of motorization; continuous reduction in the number of public city transport passengers, improper use of parking spaces
- Absence of restrictive policy in the field of traffic

***needs***

- The main measurement and regulation station (GMRS) – in the area of Viskoza
- Increasing and connecting public green areas (new parks, connecting Banja Koviljača to the Drina) and areas intended for sports and recreation
- WWTP construction
- Rehabilitation of the city landfill and construction of transfer stations
- Strengthening traffic connectivity, improving multimodality and traffic and bicycle infrastructure

**6.3 INNOVATIVE AND SMART ECONOMY*****advantages/strengths***

- Favorable conditions for foreign direct investments
- Favorable business environment
- Champions of Entrepreneurship (NALED)
- Continuous support and co-financing of entrepreneurship development (National Employment Service), support for start-up companies and innovation programs, promotion of entrepreneurship in primary schools, training

- The innovation start-up center was built
- A local economic development program exists and planning documentation has been prepared
- More than 50% of new business and industrial facilities in the Mačvani administrative district are in Loznica
- Developed construction industry (especially Lagator settlement with all facilities)
- Favorable natural conditions for the development of fruit growing and animal husbandry
- Continuous support and subsidies in agriculture
- Beekeeping cooperatives
- Loznica is a border town

#### ***weaknesses/deficiencies***

- Within the Kolubara and Mačva administrative districts, the City of Loznica is in the third group in terms of level of development (after Valjevo, Lajkovac and Šabac, which belong to the first and second groups)
- There are no infrastructure-equipped locations for attracting new investments and expanding existing economic capacities
- The manufacturing industry is at a low level
- Poor utilization and low productivity of agricultural land
- Fragmentation of agricultural holdings and horticultural production (high risks of changes in the market)
- Lack of clusters and cooperatives

#### ***potentials/possibilities***

- The growth of active entrepreneurial activities (of which about 25% have a tendency of rapid growth) and active companies (of which about 20% have a tendency of rapid growth)
- Programs for financing entrepreneurship by the state
- The existence of socially responsible companies that cooperate with local self-government in order to improve the quality of life in the territory of LSGs
- Development of trade, industry (especially with the customs crossing - foreign trade goods exchange), crafts, construction
- Industrial zone "North" (planning documentation has been adopted)

#### ***threats/risks***

- Decline in the number of young, educated, qualified people
- Lack of qualified workforce for the needs of economic development (mostly technical professions)
- Long-term unemployment of over 55s (retraining is difficult)
- The decline in the number of farmers (especially small farmers) and deagrarianization,
- Price dictates agricultural production, specialization is lacking

***needs***

- The need for institutional and non-institutional support for start-up companies
- Targeted, additional scholarship for the missing profession and high educational profiles for work in the auto industry, textile and other industries
- Business zone for the development of the SME sector
- Formation of associations of businessmen and entrepreneurs, clusters, cooperatives
- The need for information and education in the domain of innovative, smart, low-carbon and circular economy

**6.4 SOCIAL WELLBEING*****advantages/strengths***

- Existence of awareness (traditionally) about the value and importance of the domain of social wellbeing; there are no cultural intolerances and social divisions
- Active work of the National Employment Service
- Housing resource - high standard of living space per inhabitant (33m<sup>2</sup>)
- Education, social and health care in the public sector and a built network of facilities (centers for social work, preschool institutions, schools, primary health care facilities...)
- Good coordination of the center for social work with the city administration and other institutions; social protection strategy exists with mapped needs; Red Cross Loznica
- Good coordination and good equipment of secondary schools; good cooperation of the city administration with education - from preschool to secondary school
- Network of cultural objects; The youth center as a driver of activity
- Institution for physical culture - organization and management in sports; continuous investment in sports facilities and fields (3 halls, athletics stadium...), the City co-funding 88 clubs

***weaknesses/deficiencies***

- Lack of housing units for social housing, negligible number of social housing owned by LSGs, the Center for Social Work does not have data on the number of people without a resolved housing issue
- Substandard Roma settlements
- Extremely low creditworthiness of buildings and communal facilities in the settlement "Viskoza"
- Difficult accessibility of certain services to the elderly in the countryside
- Impossibility of providing geronto services in remote villages, lack of institutions for the protection of the elderly, immobile persons, institutions for the accommodation of children with special needs
- Lack of professional staff in the field of social protection
- Klupci and Lozničko polje do not have an infirmary, there is no specialized transport for elderly and less mobile users of health care services
- In all settlements there is a lack of health workers, patronage, palliative health care and home treatment services

- Lack of staff in primary schools
- Lack of monitoring of the quality of private sector services in secondary education
- Lack of higher education institutions and scientific centers in Loznica and its surroundings
- Uneven distribution and lack of sports and recreational spaces in local communities

### ***potentials/possibilities***

- Wage growth due to economic development
- Growth in the number of employees due to foreign direct investments and independent activities
- Involvement in vocational training measures, especially for those under 30 years of age
- Development of social entrepreneurship
- Solving the problem of substandard settlements through foreign donations (EU projects, some of which have already been implemented)
- Social map of the population of Loznica
- Development of the private sector in the domain of public services - homes for the elderly, clinics and health centers, secondary schools...
- One-shift teaching in primary schools (coordinating with parents' working hours)
- Dual education - technical school in Loznica (the program started 3 years ago)
- Further development of the "Vuk Karadžić" Cultural Center as a scientific research station
- Large area of SRC Lagator (24.86 ha) - well-developed (stadium and indoor swimming pool under construction), linear park on Lagator (under construction), new sports and recreation complex at the entrance to Banja Koviljača (about 9ha)

### ***threats/risks***

- Ghettoization of substandard settlements
- Emerging forms of violence, especially family violence
- Unemployment of people over 50 years old
- The largest number of unemployed with secondary vocational education, with formal education that the labor market does not demand
- Insufficient interest of members of the Roma minority in work and education
- Unaffordability of apartments for the local population, especially in the central area
- Unaffordability of social and health care prices in the private sector
- Disinterest of students in enrolling in secondary vocational school (e.g. textile)
- Departure of trained health workers abroad and the private sector
- More and more old people and patients with malignant diseases

### ***needs***

- Social housing facilities for the clandestine care of about 185 families
- Improvement of services and the network of social protection facilities
- Improvement of services and the network of education facilities
- Improvement of services and the network of health care facilities
- Improvement of services and the network of cultural and sports facilities

## 6.5 URBAN AND TERRITORIAL DEVELOPMENT GOVERNANCE

### *advantages/strengths*

- Multi-level management > achieved cooperation with national and regional institutions as carriers of various programs and projects
- Experience in forming partnerships and networking with domestic and international partners
- Well-developed networks (with SKGO, NALED, RRA, KOMDEL) for the exchange of experiences
- Experience in using different (international and domestic) sources of project financing, realizing bilateral and multilateral cooperation
- Traditional inter-municipal cooperation (Krupanj, Mali Zvornik, Ljubovija, Valjevo, Bogatić, Osečina, Mionica, Ub)
- A step forward from formal participation with citizens - both in the creation of spatial and urban plans - an example of urban plans for public spaces (JU in the Ministry of Health, notification through building managers, field trips, conversations with citizens), and in public policy documents (workshops, public meetings and debates with representatives of all sectors, focus groups, surveys...) and traditional public participation in the budget debate
- A system of electronic communication between the administration and citizens has been established
- Constant increase in transparency of local self-government in the last 4 years
- Regional Center for GIS
- New office for LED

### *weaknesses/deficiencies*

- Lack of projects managed by LSGs and in which the private, civil sector and scientific research institutions are involved
- Lack of personnel in LSGs for managing urban development and organization of administration (eg, lack of expert executors in the tasks of the unified procedure, construction inspection, LER, as well as all other departments of the administration); lack of systematic education, exchange of experiences and practice
- There is a lack of a medium-term development plan, as well as the harmonization of various public policies with the aim of their more effective implementation - the capital investment plan, this strategy, spatial and urban plans, and other public policies adopted by LSGs
- Uncoordinated activity of various PCs
- Insufficiently acquired projects for capital investments, so the implementation of the LSG budget in this position is small (compared to the planned funds).
- Low level of project readiness to apply for different funds
- Absence of systemic solutions in communication with citizens and participation (not only in individual cases); lack of capacity of the administration and the public sector to lead participation (surveys, moderation, focus groups, etc.)
- Weak use of GIS in urban development management (there is equipment, no data entry)



***potentials/possibilities***

- Support of RAS, RRA PPR Loznica, SKGO, NALED and other international, national, local institutions and organizations for strengthening the capacity of LSGs in urban development management
- Funds are allocated from the city budget for the preparation of urban and technical (project) documentation, which for the most part remain unused
- Development of essential participation mechanisms for the purposes of drafting planning documents and development projects
- Expanding networks and partnerships on international and regional projects
- Strengthening of cooperation and partnerships with LSGs in the surrounding area (for joint care of the environment, district competitiveness, partner implementation of joint projects, etc.), learning from good examples from the practice of other LSGs
- Public-private partnerships in various fields > infrastructure, place branding, sustainable mobility and JGP, development of sustainable tourism (e.g. rural)...
- The potential of international networking (cross-border cooperation); cooperation with Creative Europe
- Story-telling and branding places
- "Loznica to the best" program (to bring the best experts back to Loznica)

***threats/risks***

- Strategic decisions and capital investments for the development of the city that are in the domain of the state (high-speed road, eastern bypass, railway...) - impossibility to influence them
- Insufficient institutional capacities for managing urban development and solving key problems
- Slow reformation of administration for multi-level and multi-stakeholder management processes
- Citizens' lack of interest in essential participation in urban development processes
- High pressure from the central level of administration through the introduction of new formal obligations for LSGs and the implementation of projects of importance for the RS
- The outflow of quality staff from the management system and employment bans
- Lack of sense/awareness of public interest

***needs***

- Capacity building in the integrated governance of urban development; strengthening of institutional capacities for inter-municipal and cross-border cooperation (RRA; coalition of KLERs, etc.), institutionalization of cooperation with the private sector, educational and scientific institutions and strengthening of networking effects
- Applying to international projects - greater involvement of international partners
- Formation of an independent institution to manage the transformation of HK Viskoza and capital projects of local importance
- Essential participation of citizens and interested parties in the planning process - new forms, methods and mechanisms of participation (surveys, focus groups...)
- Use of GIS and ICT tools for planning urban development and participation of citizens and interested parties

## 7 VISION, OBJECTIVES, SPECIFIC OBJECTIVES AND MEASURES

### 7.1 VISION

LOZNICA END OF THE DRINA, LOZNICA ON THE DRINA, DRINA - THE RIVER THAT MEANING LIFE  
FORESTS FOR A HEALTHY LIFE - WE PRESERVE THE FLORA AND FAUNA  
AN OLD SPIRIT IN A NEW SPIRIT

Loznica is a city on the Drina, a city of clean rivers and healthy water, preserved forests and biological diversity. A city with a strong identity, founded in a glorious history, great personalities and the cradle of literacy, from which it draws strength for its future, for new splendor and new beauty. City of knowledge and new opportunities, leader of cultural and economic regional cooperation. Loznica is a city of young people, where cultural diversity, preservation of natural resources and people's health are nurtured.

### 7.2 THEMATIC OBJECTIVES, SPECIAL OBJECTIVES AND MEASURES

The starting framework for formulating the objectives, specific objectives and measures of the urban area development strategy (SRUP) is represented by the new legislation of the European Commission, which establishes common performance and result indicators for the European Fund for Regional Investments (Investments in Jobs and Growth and Interreg) and the European Cohesion Fund<sup>42</sup> (EC, 2021). The objectives of the new EU Cohesion Policy for the period 2021-2027 are: 1) A more competitive and smarter Europe by promoting innovative and smart economic transformation and ICT regional integration; 2) A greener, more resilient, low-carbon Europe, transitioning to a net-zero carbon economy by promoting the transition to clean and fair energy, green and blue investments, circular economy, climate change adaptation and mitigation, risk management and its prevention, and sustainable urban mobility; 3) A more connected Europe by strengthening mobility; 4) A more inclusive Europe with a prominent social component by implementing the EU pillar of social rights, and 5) Europe closer to citizens by encouraging sustainable and integrated development of all types of areas and local initiatives.

The national framework for SRUP consists of public policies, which are prepared and adopted in the process of Serbia's integration into the EU. They are listed chronologically starting from the most recent, namely: Draft Law on the Establishment and Functioning of the Cohesion Policy Management System, 2023<sup>43</sup>; Sludge management program in Serbia from 2023 to 2032<sup>44</sup> (Government of RS, 2023); Low-carbon development strategy of the Republic of Serbia for the period from 2023 to 2030 with projections until 2050<sup>45</sup>; Strategy for young people in the Republic of Serbia for the period from 2022 to 2030<sup>46</sup> ("Official Gazette of RS", No. 9/2023); Strategy of

42 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2021:231:FULL&from=EN>

43 <https://www.mei.gov.rs/srp/vesti/2811/detaljnije/w/0/nacrt-zakona-o-uspostavljanju-i-funkcionisanju-sistema-za-upravljanje-kohezijom-politikom-na-portalu-ekonsultacije/>

44 <https://www.ekologija.gov.rs/lat/saopstenja/vesti/prvi-put-usvojen-vazan-planski-dokument-%E2%80%93-program-upravljanja-muljem-u-republici-srbiji>

<https://www.srbija.gov.rs/vest/735156/usvojen-program-upravljanja-muljem-u-srbiji-od-2023-do-2032-godine.php>

45 <https://www.ekologija.gov.rs/saopstenja/vesti/vlada-republike-srbije-usvojila-strategiju-niskougljenicnog-razvoja-do-2030-godine>

46 <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2023/9/1/reg>

deinstitutionalization and development of social protection services in the community for the period 2022-2026. year<sup>47</sup> ("Official Gazette of the RS", no. 12/2022); Air protection program in the Republic of Serbia for the period from 2022 to 2030 with an action plan<sup>48</sup> ("Official Gazette of RS", no. 140/2022); Circular economy development program in the Republic of Serbia for the period 2022-2024. year<sup>49</sup> ("Official Gazette of RS", no. 137/2022); Waste management program in the Republic of Serbia for the period 2022-2031<sup>50</sup> ("Official Gazette of RS", No. 12/2022); Draft Program for Adaptation to Changed Climate Conditions with Action Plan<sup>51</sup>; Draft Spatial Plan of the Republic of Serbia from 2021 to 2035<sup>52</sup>; Strategic priorities for the development of the culture of the Republic of Serbia from 2021-2025<sup>53</sup> (Ministry of Culture and Information of the RS, 2021); Integrated national energy and climate plan of the Republic of Serbia for the period 2021 to 2030 with a vision until 2050<sup>54</sup>; Strategy for the development of information society and information security in the Republic of Serbia for the period from 2021 to 2026<sup>55</sup> ("Official Gazette of RS", No. 86/2021); Strategy of scientific and technological development of the Republic of Serbia for the period from 2021 to 2025 "Power of knowledge"<sup>56</sup> ("Official Gazette of RS", No. 10/2021); Strategy for the development of the startup ecosystem of the Republic of Serbia for the period from 2021 to 2025<sup>57</sup> ("Official Gazette of RS", number 125/2021); Industrial policy strategy of the Republic of Serbia from 2021 to 2030<sup>58</sup> ("Official Gazette of RS", No. 35/2020); Employment strategy in the Republic of Serbia for the period from 2021 to 2026<sup>59</sup> ("Official Gazette of RS", no. 18/2021, 36/2021); Strategy for the development of education and upbringing in Serbia until 2030<sup>60</sup> ("Official Gazette of RS", No. 107/2021); Strategy of smart specialization in the Republic of Serbia for the period 2020-2027. year<sup>61</sup> ("Official Gazette of RS", No. 21/2020); Strategy of sustainable urban development of the Republic of Serbia until 2030<sup>62</sup> ("Official Gazette of RS", No. 47/2019); Artificial intelligence development strategy in the Republic of Serbia for the period 2020-2025<sup>63</sup> ("Fig. Gazette of the RS", no. 96/2019); Public health strategy in the Republic of Serbia 2018-2026<sup>64</sup> ("Official Gazette of the RS", No. 61/2018); Tourism development strategy of the Republic of Serbia for the period from 2016 to 2025<sup>65</sup> ("Official Gazette of RS", No. 98/2016); Strategy of agriculture and rural development of the Republic of Serbia for the period 2014-2024<sup>66</sup> ("Official Gazette of RS", No. 85/2014); Strategy

47 <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2022/12/1>

48 <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/drugiakt/2022/140/1>

49 <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/drugiakt/2022/137/1>

50 [http://demo.paragraf.rs/demo/combined/Old/t/t2022\\_02/SG\\_012\\_2022\\_010.htm](http://demo.paragraf.rs/demo/combined/Old/t/t2022_02/SG_012_2022_010.htm)

51 <https://www.ekologija.gov.rs/informacije-od-javnog-znacaja/javne-rasprave/javni-poziv-za-ucese-javnosti-u-procesu-konsultacija-u-vezi-sa-izradom-programa-prilagodjavanja-na-izmenjene-klimatske-uslove-sa-akcionim-planom-0>

52 <https://www.mgsi.gov.rs/sites/default/files/PPRS%20Nacrt.pdf>

53 <https://www.kultura.gov.rs/extfile/sr/6132/Strate%C5%A1ki%20prioriteti%20razvoja%20kulture.pdf>

54 <https://www.mre.gov.rs/dokumenta/strateska-dokumenta/integrirani-nacionalni-energetski-i-klimatski-plan-republike-srbije-za-period-2021-do-2030-sa-vizijom-do-2050-godine>

55 <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2021/86/1/reg>

56 <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2021/10/1/reg>

57 [http://demo.paragraf.rs/demo/combined/Old/t/t2021\\_12/SG\\_125\\_2021\\_011.htm](http://demo.paragraf.rs/demo/combined/Old/t/t2021_12/SG_125_2021_011.htm)

58 <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2020/35/1/reg>

59 <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/ispravka/2021/36/1>

60 <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2021/63/1/reg>

61 <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2021/10/1/reg>

62 <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2019/47/1/reg>

63 <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2019/96/1/reg>

64 <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2018/61/1/reg>

65 <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2016/98/1>

66 <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2014/85/1>

for supporting the development of small and medium-sized enterprises, entrepreneurship and competitiveness for the period from 2015 to 2020<sup>67</sup> ("Official Gazette of the RS", no 35/15).

By harmonizing the objectives and measures from the EU and national policies, a framework for sustainable and integrated territorial development of urban areas was formulated, which consists of the following objectives:

- 1) Strengthening the urban identity and renewal of the urban area by encouraging sustainable and integrated development;
- 2) Promoting the transition to clean and fair energy, green and blue investments, climate change adaptation and mitigation, risk prevention and management, and sustainable urban mobility;
- 3) Promoting innovative and smart economic transformation, circular and low-carbon economy and ICT integration;
- 4) Improvement of social wellbeing, i
- 5) Improvement of urban development governance

The "localisation" of objectives, specific objectives and measures was checked for each territory and adapted to the local context. It took place through workshops with local actors - members of working groups and strategy councils, as well as in public forums with citizens. After the cycle of checks on individual strategies, the next iteration was carried out where the proposals were sublimated and the specificities of local territories, problems, needs, project proposals were considered, and where the final correction of specific objectives and measures was made. The following text presents the objectives, specific objectives and measures for the urban area.

**Table 1:** *Thematic objectives, specific objectives and measures*

Explanation of abbreviations used: **O** - objectives, **SO** – specific objective, **M** – measure

|   |
|---|
| <b>O 1. Strengthening the urban identity and renewal of the urban area by encouraging sustainable and integrated development</b>                                    |
| <b>SO 1.1 Improved and uniform quality of arrangement and accessibility of the urban area</b>   |
| <b>M 1.1.1</b> Development, renovation and regeneration of underutilized buildings, zones and units, including the revitalization of brownfield sites               |
| <b>M 1.1.2</b> Arrangement, preservation and connection of public spaces (surfaces and buildings) in accordance with the concept of accessibility                   |
| <b>M 1.1.3</b> Establishment of measures to improve conditions and quality in residential communities (multi-apartment buildings) in terms of accompanying contents |
| <b>M 1.1.4</b> Revitalization, preservation and repurposing of the existing built physical structure in an urban settlement   |
| <b>M 1.1.5</b> Improving security in urban settlements  |
| <b>SO 1.2 Encouraging the protection of cultural and architectural heritage</b>   |
| <b>M 1.2.1</b> Active protection of cultural heritage and recommendations for the character and intensity of acceptable activities in urban development planning    |

67 <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2015/35/1/reg>

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|---|
| <b>M 1.2.2</b> Restoration and protection of buildings and wholes of architectural and urban heritage that are not protected cultural assets (traditional types, vernacular architecture, industrial buildings, architecture and urban planning after World War II, etc.) |
| <b>M 1.2.3</b> Preservation of cultural diversity and landscape protection  |
| <b>SO 1.3 Encouraging the development of sustainable tourism</b>  |
| <b>M 1.3.1</b> Diversification of the tourist offer based on the identity of the urban area with the sustainable use of natural and cultural assets, their more effective and comprehensive protection, and mitigation of the negative impacts of tourism                 |
| <b>M 1.3.2</b> Protection of natural resources and natural healing factors in the function of tourism   |
| <b>SO 1.4 Encouraging an integrated and sustainable approach in remediation of illegal construction and its prevention</b>  |
| <b>M 1.4.1</b> Prevention of uncontrolled expansion of construction land at the expense of agricultural, forest and water land  |
| <b>M 1.4.2</b> Rehabilitation and renovation of existing substandard or unorganized residential areas and units through their infrastructural equipment, construction of public facilities and improvement of the quality of public spaces                                |
| <b>M 1.4.3</b> Removal of illegal structures in zones under protection regimes (sanitary protection of sources of drinking water, floodplains, wetlands, protected cultural and natural assets,...)   |

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| <b>O 2. Promoting the transition to clean and fair energy, green and blue investments, climate change adaptation and mitigation, risk prevention and management, and sustainable urban mobility</b>             |
| <b>SO 2.1 Improvement energy efficiency and use of renewable energy sources</b>   |
| <b>M 2.1.1</b> Increasing energy efficiency in public buildings   |
| <b>M 2.1.2</b> Gasification   |
| <b>M 2.1.3</b> Use of geothermal energy sources   |
| <b>SO 2.2 Development of smart energy systems, networks and storage</b>   |
| <b>M 2.2.1</b> Smart networks, advanced systems for energy storage and distribution, energy efficiency monitoring, development of smart cities, energy-efficient lighting, sustainable biomass production, etc. |
| <b>SO 2.3 Adaptation to climate change and disaster risk prevention, strengthening resilience to climate change, taking into account an ecosystem-based approach</b>  |
| <b>M 2.3.1</b> New or improved risk monitoring, preparedness, warning and response systems for natural disasters and natural hazards  |
| <b>M 2.3.2</b> Protection measures against natural disasters related to climate change (except floods and forest fires)   |
| <b>M 2.3.3</b> Full regulation of watercourses of the 2nd order and smaller watercourses  |
| <b>M 2.3.4</b> Newly built or strengthened protection against landslides and landslides   |
| <b>M 2.3.5</b> Built or improved green infrastructure to adapt to climate change  |
| <b>M 2.3.6</b> Full utilization of public areas for the purpose of increasing green areas   |
| <b>M 2.3.7</b> Establishment of monitoring of public green areas  |
| <b>M 2.3.8</b> Protection measures against forest fires   |

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| <b>SO 2.4 Ensuring equal access to sanitation and water supply and promoting sustainable water management</b>   |
| <b>M 2.4.1</b> New or improved systems to improve the quality of drinking water delivered to consumers in public water systems  |
| <b>M 2.4.2</b> New or improved public distribution water systems  |
| <b>M 2.4.3</b> New or improved public sewage collection systems   |
| <b>M 2.4.4</b> New or improved capacities for wastewater treatment and sewage sludge treatment  |
| <b>M 2.4.5</b> New or improved stormwater flood protection systems, including rainwater harvesting systems  |
| <b>SO 2.5. Strengthening the protection and preservation of nature, biodiversity and green infrastructure, and reducing all forms of pollution</b>  |
| <b>M 2.5.1</b> Green and blue infrastructure  |
| <b>M 2.5.2</b> Identification of areas in preparation for NATURA 2000 networks and protection measures  |
| <b>M 2.5.3</b> Reclaimed land (for green areas, housing support, economic or other purposes)  |
| <b>M 2.5.4</b> Areas covered by the installation of air quality monitoring systems  |
| <b>M 2.5.5</b> Areas covered by the protection against major chemical accidents and the limitation of the consequences of those accidents on human health and the environment through the control of the Seveso plant/complex   |
| <b>SO 2.6. Improvement of waste management</b>  |
| <b>M 2.6.1</b> Improvement of the municipal infrastructure system for waste management  |
| <b>M 2.6.2</b> Reducing and stopping further soil pollution   |
| <b>M 2.6.3</b> Raising the level of quality in the provision of communal waste removal and disposal services  |
| <b>SO 2.7 Encouraging sustainable multimodal urban mobility</b>   |
| <b>M 2.7.1</b> Environmentally acceptable vehicles for collective public transport  |
| <b>M 2.7.2</b> A new or modernized digitized urban transport system   |
| <b>M 2.7.3</b> Improvement of stationary traffic  |
| <b>M 2.7.4</b> Infrastructure for the supply of alternative fuels   |
| <b>M 2.7.5</b> Infrastructure intended for bicycle traffic  |
| <b>M 2.7.6</b> Improvement of pedestrian and bicycle traffic  |
| <b>SO 2.8 Development of a smart, safe, sustainable and multimodal transport network of international and national importance that is resistant to climate change</b>   |
| <b>M 2.8.1</b> Inclusion of population impact assessment in technical and planning documentation  |
| <b>M 2.8.2</b> Harmonization of spatial and urban planning documents at the level of LSGs and urban areas with the development of the traffic network of international and national significance  |
| <b>SO 2.9 Development and strengthening of a sustainable, smart and multimodal national, regional and local mobility that is resilient to climate change, including better access to the transport network of international and national importance and cross-border mobility</b> |
| <b>M 2.9.1</b> Improvement of the road network and road traffic   |
| <b>M 2.9.2</b> Reconstruction / construction of roads that enable adequate connection with the new expressway, the new route of the state road IB27, etc.   |



**M 2.9.2** Improvement of the road traffic management system

**M 2.9.3** Improvement of the railway network and railway traffic

**M 2.9.4** Displacement of the railway from the central zone of the urban settlement

**M 2.9.5** New and modernized multimodal connections

### **C 3. Promoting innovative and smart economic transformation, circular and low-carbon economy and ICT integration**

#### **SO 3.1 Development and strengthening of research and innovation capacities and application of advanced technologies**

**M3.1.1** Supporting companies and creating jobs, strengthening innovation capacities and applying advanced technologies in micro, small, medium and large companies

**M 3.1.2** Improvement of infrastructure in the North industrial zone

**M 3.1.3** Increasing the number and support of companies cooperating with scientific research organizations

**M 3.1.4** Encouraging interregional investment for innovation

#### **SO 3.2 Strengthening sustainable growth and competitiveness of SMEs and job creation**

**M 3.2.1** Improved operations and development of SMEs, improved business infrastructure, strengthening of innovation and stimulation of business association and creation of value chains

#### **SO 3.3. Development of competences for smart specialization 4S, industrial transition and entrepreneurship, within the quadruple spiral of innovation (economy, education, science, public and civil sector - institutional participants)**

**M 3.3.1** Developing the competences of SMEs and institutional participants oriented towards innovation and entrepreneurship

**M 3.3.2** Participation of SMEs and institutional participants in competitive calls

**M 3.3.3** Connecting to a platform for the promotion of services, technologies and products in the areas of digital, innovative and creative activities

#### **SO 3.4 Encouraging and promoting the transition to a circular and resource-efficient economy**

**M 3.4.1** Education of business entities and connection with other actors in the process of transition to a circular economy (new capacities for waste recycling, investments in facilities for separate waste collection, waste processed for reuse)

#### **SO 3.5 Encouraging and promoting the transition to a net zero carbon economy**

**M 3.5.1** Encouraging investments in low-carbon economy solutions as generators of growth, more efficient use of material resources and energy efficiency

**M 3.5.2** Education about the circular economy and reducing the carbon footprint

|   |
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| <b>O 4. Improvement of social wellbeing</b>   |
| <b>SO 4.1 Improving the effectiveness and inclusiveness of the labor market and access to quality employment and dignified work and encouragement of social entrepreneurship</b>  |
| <b>M 4.1.1</b> Development of new or modernization of existing employment services  |
| <b>M 4.1.2</b> Establishing and developing mechanisms for youth employment and self-employment  |
| <b>M 4.1.3</b> Encouraging social entrepreneurship, establishment of social enterprises and employment of persons from groups that are more difficult to employ   |
| <b>M 4.1.4</b> Developing a service/centre for employment of young people during schooling  |
| <b>M 4.1.5</b> Connecting entrepreneurs, creating employment partnerships   |
| <b>SO 4.2. Development of social infrastructure and services and encouragement of social inclusion and social innovation</b>  |
| <b>M 4.2.1</b> Improved access and expansion of the network of social services  |
| <b>M 4.2.2</b> Development of innovative social protection services   |
| <b>M 4.2.3</b> Integrated action for persons at risk of security  |
| <b>M 4.2.4</b> Improvement of services intended for the elderly   |
| <b>M 4.2.5</b> Networking of health, education and social protection systems in order to improve the efficiency and quality of services to users  |
| <b>M 4.2.6</b> Standardization of services and improvement of quality control mechanisms of social protection services  |
| <b>M 4.2.7</b> Development of family support services   |
| <b>M 4.2.8</b> Improving community information about social protection services   |
| <b>M 4.2.9</b> Continuous education of employees in social protection institutions  |
| <b>SO 4.3 Promoting socio-economic inclusion of marginalized communities, low-income households and disadvantaged social groups, including persons with special needs, through integrated action that includes housing and social services</b>  |
| <b>M 4.3.1</b> Increasing the volume, quality and variety of housing solutions for housing support users through the construction and other ways of acquiring new housing units in public ownership intended for lease, as well as through the development of alternative housing solutions |
| <b>SO 4.4 Improving equal access to inclusive and quality education services</b>  |
| <b>M 4.4.1</b> Development of new or modernization of existing child care services for preschool, primary and secondary education   |
| <b>M 4.4.2</b> Adaptation, reconstruction and equipping of educational institutions   |
| <b>M 4.4.3</b> Additional support measures for children and young people (assistive technologies, didactic materials, computerization, etc.)  |
| <b>M 4.4.4.</b> Synchronization of education and the labor market, new educational profiles, opening of higher education institutions in accordance with economic development   |
| <b>M 4.4.5</b> Popularization of professions in the field of social welfare and promotion of state educational institutions   |

|   |
|---|
| <b>M 4.4.6</b> Encouraging and improving dual education   |
| <b>M 4.4.7</b> Training and education throughout life   |
| <b>M 4.4.8</b> Development of informal forms of education - Centers for informal education  |
| <b>SO 4.5 Ensuring equal access to health care and fostering health system resilience</b>   |
| <b>M 4.5.1</b> Development of new or modernization of existing health and social care services  |
| <b>M 4.5.2</b> Development of innovative financing models for health and social care services   |
| <b>M 4.5.3</b> Promoting a positive image of the profession (health and social care)  |
| <b>M 4.5.4</b> Reconstruction and adaptation of health facilities   |
| <b>M 4.5.5</b> Improving personnel capacities and improving the quality of medical equipment and diagnostics  |
| <b>M 4.5.6</b> Ensuring the availability and quality of health care in the territory of the urban area  |
| <b>M 4.5.7</b> Improvement of preventive programs and services through public-private partnership   |
| <b>M 4.5.8</b> Exchange of knowledge, experiences and practice  |
| <b>M 4.5.9</b> Increasing the availability of health information using modern technical solutions   |
| <b>M 4.5.10</b> Providing a housing solution for doctors as a motivation to stay in Loznica   |
| <b>SO 4.6 Ensuring equal access to cultural, sports and recreational services, programs and facilities</b>  |
| <b>M 4.6.1</b> Construction of new and expansion of existing capacities and contents of cultural and sports institutions  |
| <b>M 4.6.2</b> Developing sports content for people with reduced mobility   |
| <b>M 4.6.3</b> Organizing free sports schools for children and young people   |
| <b>SO 4.7 Creating a stimulating environment for youth initiatives and activities</b>   |
| <b>M 4.7.1</b> Creation of conditions for the offer of programs and content for young people, including improvement of infrastructure for young people in rural areas - adaptation of school premises and other public facilities |
| <b>M 4.7.2</b> Development of the "Youth Club" model  |
| <b>M 4.7.3</b> Encouraging young people to volunteer in various fields  |

## **O 5.Improvement of urban development governance**

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| <b>SO 5.1 Encouraging development management at multiple levels - local, national, international, EU, etc.</b>  |
| <b>M 5.1.1</b> Establishing a body to monitor the implementation of the urban development strategy  |
| <b>M 5.1.2</b> Strengthening the capacity to manage territorial development   |
| <b>M 5.1.3</b> Strengthening public dialogue, more effective implementation of networks, partnerships, programs and projects of urban development management at multiple levels in order to improve the quality of work and introduce innovations |
| <b>M 5.1.4</b> Strengthening the role and cooperation with local communities  |
| <b>SO 5.2 Encouraging a multi-stakeholder approach - economy, education, science, public and civil sector</b>   |

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| <b>M 5.2.1</b> Application of the quadruple and quintuple helix model of innovation within the knowledge economy (Quadruple and quintuple Helix Model of innovation)  |
| <b>SO 5.3 Encouraging a participatory approach and community-led initiatives involving local actors</b>   |
| <b>M 5.3.1</b> Raising the awareness of citizens and stakeholders about their right to be included in the decision-making process on urban development through information, consultation and active participation   |
| <b>M 5.3.2</b> Directing participation towards strengthening social responsibility and balancing public and private interests in decision-making processes  |
| <b>M 5.3.3</b> Improvement of citizen participation procedures and stakeholder involvement in decision-making processes in accordance with the Decree on the Promulgation of the Law on Confirmation of the Additional Protocol to the European Charter on Local Self-Government on the Right to Participate in the Affairs of Local Authorities <sup>68</sup> and standards of open administration |
| <b>M 5.3.4</b> Timely information to the public in projects that concern their living environment   |
| <b>M 5.3.5</b> Promotion of youth participation in the creation of public policies  |
| <b>SO 5.4 Encouraging mixing (<i>blending</i>) urban development financing from different types of financing (domestic and international)</b>   |
| <b>M 5.4.1</b> Support for the use of various sources of funding for the priority areas of intervention of the urban area development strategy  |
| <b>M 5.4.2</b> Application of EU Cohesion Policy instruments and others. - integrated territorial investments ( <i>ITI – Integrated Territorial Investment</i> ), sustainable urban development ( <i>SUD – Sustainable Urban Development</i> ), local development managed by LSGs ( <i>CLLD – Community Led Local Development</i> )   |
| <b>SO 5.5 Strengthening the transparency of decision-making at the level of the urban area</b>  |
| <b>M 5.5.1</b> Development of information and communication systems for the needs of territorial development management (monitoring and evaluation of the implementation of the urban area development strategy)  |
| <b>M 5.5.2</b> Establishment of registers (registries/records of public property and public goods, brownfield sites, underutilized sites and facilities, mapping of illegal construction, traffic monitoring, water management infrastructure, risk management, etc.)   |

68 Official Gazette of the RS - International Agreements, No. 8/2018-1

## 8 PRIORITY AREAS OF INTERVENTION

### 8.1 STRATEGIC APPROACH AND SPATIAL DIMENSION

The central zones of cities and urban areas with different degrees of urbanisation, in the network of rural settlements and areas of extensive agricultural production and natural landscapes, require increased capacities for the implementation of development policies. The overarching context, which is the framework for this condition, can be broken down into several key aspects. First, the different local contexts and conditions make it extremely difficult to formulate a single approach for policy making in these urban areas. These areas have a unique territorial capital, so this requires different strategies for conceiving potential directions of sustainable and integrated urban and territorial development.

Second, these areas are predominantly under the influence of national and even supranational policies that are primarily organised by sector. And the understanding of their socio-economic and spatial dynamics and adapted policies are often limited to their main advantages or only sectoral issues: subsidies for industrial restructuring initiatives, investment promotion, preservation of natural resources and cultural heritage, etc. In the long term, this approach can foster the status quo and hinder flexibility in the implementation of innovative policies.

Finally, a movement advocating greater sensitivity to this diverse range of urban areas has emerged in the last few decades and has encouraged research focused on lagging regions and processes of spatial marginalisation. The result has been several attempts to formulate recommendations for alternative policies. This change has led to an increased emphasis on spatial complexity and the application of a tailored approach to directing national and international (e.g. EU) resources to the different characteristics of each place.

In response to criticism of the neglect of the spatial aspect within territorial policies, a new orientation emerged. Place-based approach supports the development of specific locations, adapting interventions and investments to unique spatial contexts with the intention of releasing their underutilised potential. This approach accelerated a significant transition towards a strategically oriented attitude, with additional emphasis on participatory processes and extensive engagement of various actors. The approach is based on a clear understanding of different contexts, their vulnerabilities or their unique complexities, and implies a more comprehensive strategic orientation in shaping development policies. In this sense, two dimensions are important: the importance of the geographical context and the key role of actors' knowledge in the creation of spatial initiatives.

First, planning urban areas requires a thorough understanding of local characteristics and adapting strategies to local resources and capacities. This implies looking at the appropriate territory, with appropriate spatial coverage, to create a critical mass and effectively mobilise resources in a coherent manner.

Second, the knowledge of actors is crucial in shaping the structure and implementation of territorial policies. Given that no level of management possesses all the necessary knowledge for effective action, the interaction between different administrative entities and actors becomes

the most important. Knowledge is exchanged in numerous dialogue spaces of local communities, and this knowledge, rooted in everyday activities, is an invaluable resource.

These dimensions find their way to effective expression through a strategic approach, which serves as an operational framework for better utilising the potential of urban areas by adopting a “challenge-oriented” mindset. This approach includes the formulation of transformative processes within public action, together with the definition of relevant socio-spatial goals that can be achieved within a limited time frame, all based on social agreement and activities that unite the efforts and resources of stakeholders.

This approach must be inherently pragmatic. A strategy cannot solve all development issues at once, and while it is crucial to strategically address selected problems, it should also aim to create an effective learning environment and testing ground for refining and evaluating vision and goals. Accepting the strategy implies monitoring the decision-making process and the operational process, in which tangible actions and projects arise from a common spatial vision of the urban area. This process is created through the interaction of different actors.

Based on the above approach, the following are graphical representations:

- priority areas of intervention (development generators, intervention areas, development routes and hubs, protection and development zones, development points and networks) and
- strategic projects (according to thematic goals), which were reached through the participatory process of creating a territorial strategy.

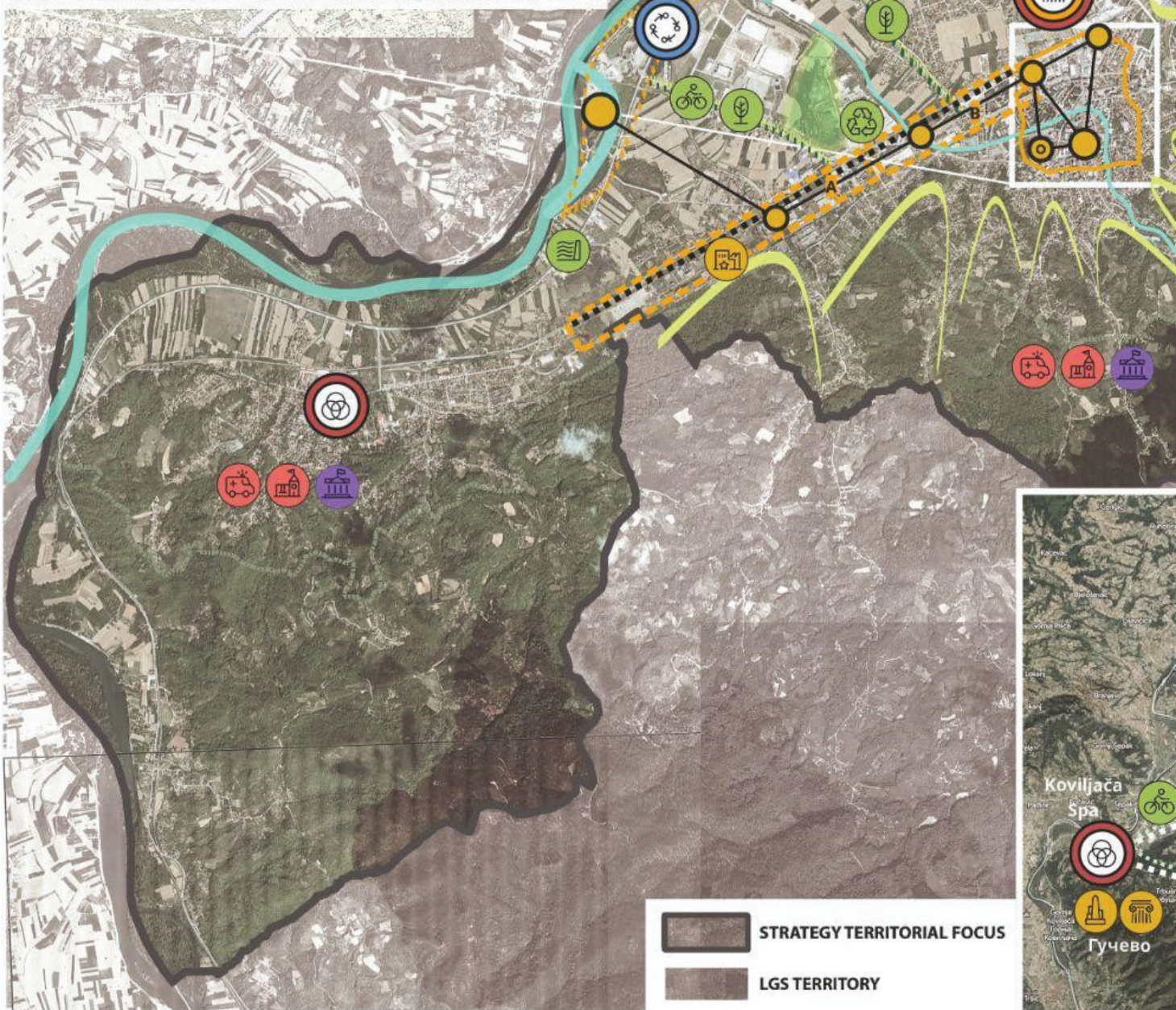
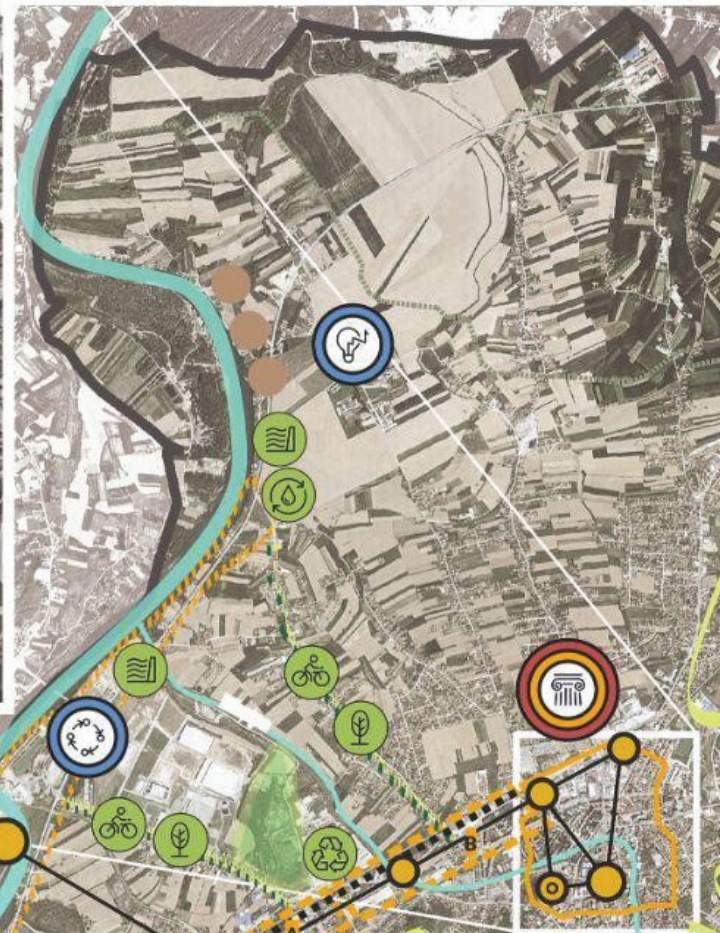
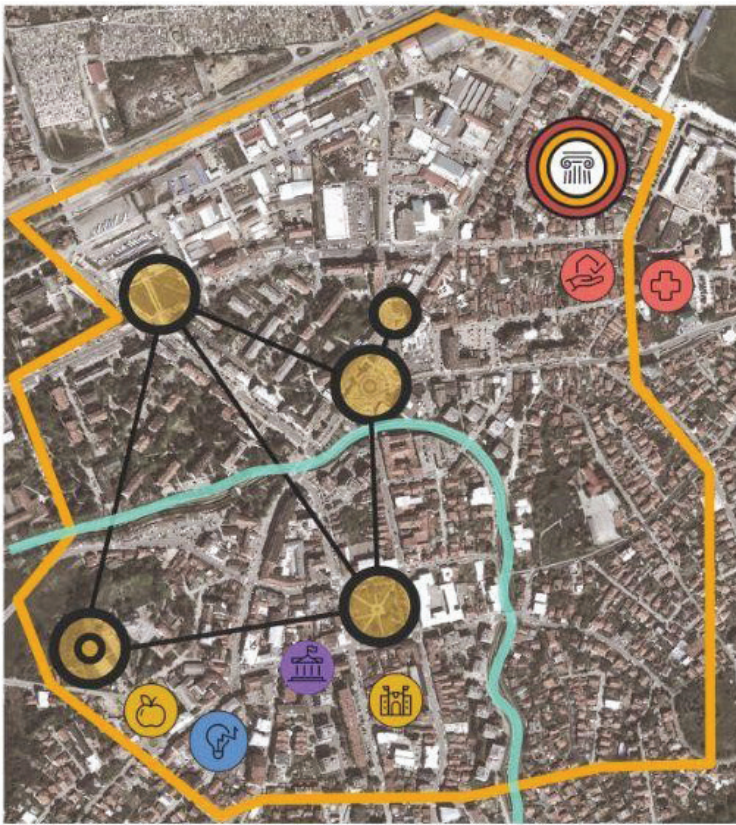


## **8.2 PRIORITY AREAS OF INTERVENTION - FIGURE**



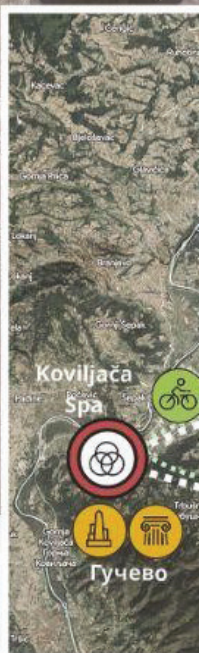
# TERRITORIAL STRATEGY OF THE CITY

## PRIORITY AREAS OF INTERVENTION



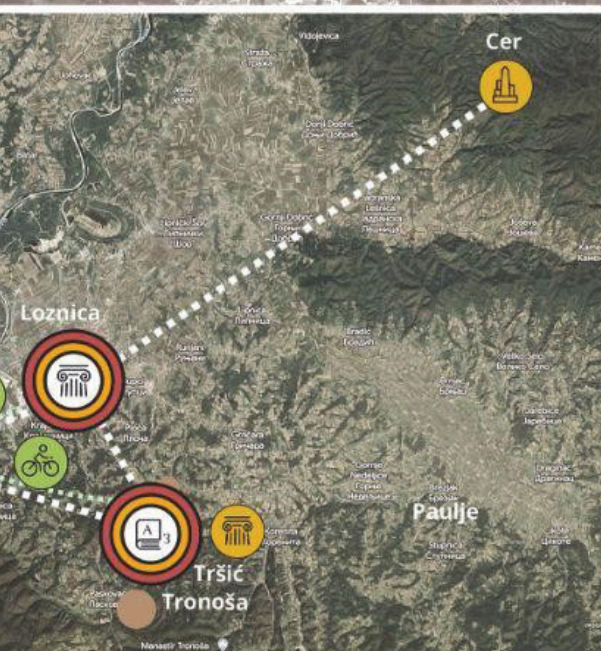
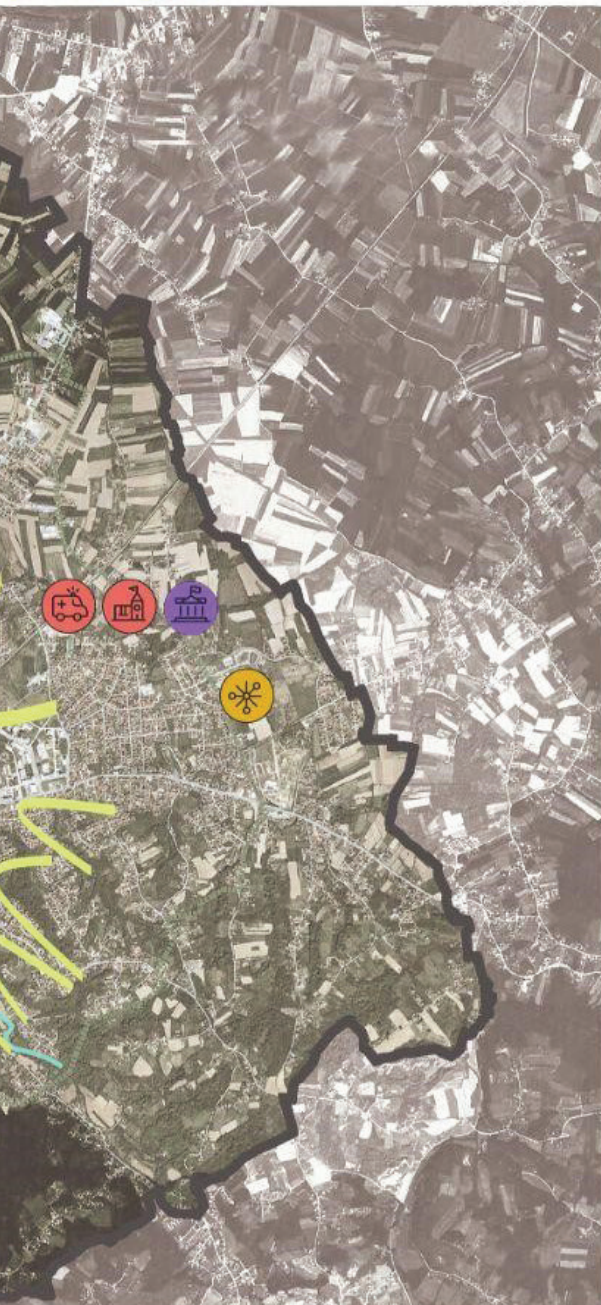
STRATEGY TERRITORIAL FOCUS

LGS TERRITORY





# STRATEGY OF LOZNICA URBAN AREA CONVENTION



## DEVELOPMENT GENERATORS

**URBAN IDENTITY DEVELOPMENT CENTRE** - cultural centre: city gallery and theatre, Lila Lo festival

**SMART SPECIALIZATION CENTRE** - innovative centre: industrial zone "North" - connecting the economy and research centres, construction, craftsmanship and manufacturing

**SMART SPECIALIZATION CENTRE** - duty-free zone and wholesale premises (Food for the future - ICT - smart packaging and Blockchain technologies)

**URBAN IDENTITY DEVELOPMENT CENTRE** - culture and literacy centre - Vuk Stefanović Karadžić Memorial House

**REHABILITATION AND HEALTH TOURISM CENTRE:** development of Koviljača Spa and reconstruction of cultural monuments

## ПРИОРИТЕТНА ПОДРУЧЈА

**Transformation zone-large-scale project:** revitalization of the Viskoza area, land remediation and rehabilitation, protection of industrial heritage, new contents: housing and business, culture, science, social services

**Improvement zone of the Gradilište site**

**Waterfront revitalization zone-Loznica on the Drina River:** integral develop. & protection of waterfront, city beaches, removal of illegal buildings

**Formation of the main public space / square in the city centre**

**Urban renewal zone:** regeneration of interior block spaces for public and private purposes, expansion of pedestrian zones with public & private funds

**Zone of designing central open public city spaces** and their connection into a network along the main routes

**Regeneration zone - relocating the railway:** development and connection of Viskoza area and the central urban zone

**Zone of unique tourist offer:** branding, connection and development of Loznica, Banja Koviljača, Gučevo, Tršić - Tronoša and Cer

## PROTECTION AND DEVELOPMENT ZONES

blue infrastructure

**Strategic green infrastructure:** connecting green corridors in the city with green areas in the Urban Area

**Zone of protective greenery** of the industrial zone and city landfill

Removal of illegal buildings along the Drina, water sources, Tršić

## DEVELOPMENT ROUTES AND HUBS

Connecting public city spaces with Drina River, creating bike paths and tree rows

Bicycle trail Tršić - Banja Koviljača - Loznica

## DEVELOPMENT NODES AND NETWORKS

**LANDMARKS & NATIONAL CULTURAL HERITAGE** Arrangement and presentation of buildings from the First World War: trenches on Gučevo, moats, arrangement and accessibility of the archaeological site of Koviljkin grad  
**VISITOR CENTRES** Gučevo and Cer

**BROWNFIELD SITE** - urban regeneration and land renewal: HTP "Viskoza"

**CITY GALLERY AND THEATRE**

**FOOD FOR THE FUTURE** - market/market square, rural-urban connections, value chains

**WHOLESALE MARKET** - regulation of street vendors

**PRIMARY AND SECONDARY SEWAGE NETWORK** and wastewater treatment plant

**CONNECTION TO THE REGIONAL LANDFILL OF ECO-TAMNAVA WASTE**

**WATER FACILITIES** to reduce the risk of flash floods and other natural disasters

**ESTABLISHMENT OF AN EDUCATIONAL CENTRE** for the development of the economy and business skills

**ESTABLISHMENT OF THE CENTRE** for mental health and addiction prevention

**RECONSTRUCTION** of the Red Cross facility

**HEALTH CARAVAN** - Development of innovative integrated social and health care services

**CULTURAL CENTRES AND SPORTS FIELDS** in rural areas

**YOUTH OFFICES** - improvement of youth infrastructure in the Urban Area



## 8.3 LIST OF STRATEGIC PROJECTS

### 8.3.1 Identity of the urban area

1. Urban regeneration of the brownfield site of CP “Viskoza” and land restoration
2. Promotion and branding of Loznica through cultural and natural heritage
3. Improvement and expansion of public spaces (square, connection to the Drina, park areas, etc.)
4. Integrated development of the banks of the Drina river (“Loznica on the Drina”, creation of a river protection program - illegal landfills, illegal exploitation of gravel, illegal construction, etc.)
5. Improvement of existing and creation of new tourist offer

### 8.3.2 Green and energy transition and urban mobility

1. Improvement of wastewater and storm water management (primary and secondary network and WWTP)
2. Improving the resistance of the City of Loznica to natural disasters (making a hydrological study, building facilities for the prevention and reduction of flash floods and other risks, etc.)
3. Establishing the concept of “Strategic Green Infrastructure” (creating a system of green areas, green corridors, green cadastre)
4. Establishing a waste management system
5. Improving sustainable urban mobility - creating a sustainable urban mobility plan

### 8.3.3 Innovative and smart economy

1. Diversification of the economy through the improvement of conditions for the development of small and medium-sized enterprises
2. Establishment of an Educational Center for the development of economy and business skills
3. Establishment of the Innovative Center
4. Formation of cross-border tourist clusters

### 8.3.4 Social wellbeing

1. Attracting and retaining young talent and the new population
2. Support program for disabled people for the development of social entrepreneurship
3. Development of innovative integrated social and health care services - “Health Caravan”
4. Establishing a Center for Mental Health
5. Support for the education system - preschool, primary and secondary education
6. Reconstruction of the Red Cross building

### **8.3.5 Urban and territorial development governance**

1. Improving the capacity for managing integrated territorial investments, including the formation of a project coordination unit
2. Development of practical tools for management, monitoring, evaluation and strategy implementation
3. Strengthening cross-border cooperation, especially in the fields of economy, environmental protection, tourism and culture
4. Transparency, upgrading of the existing Regional Center for GIS (for response in crisis situations, green cadastre, mapping of cultural and natural heritage, tourist offer, mapping of integrated social and health care services)

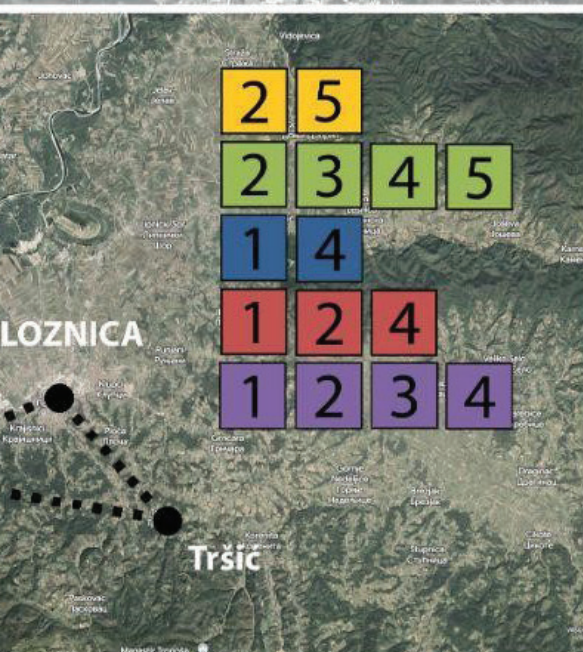


## TERRITORIAL STRATEGY OF THE CITY





# Y OF LOZNICA URBAN AREA



## URBAN AREA IDENTITY

- 1 Urban regeneration of the brownfield site of HTP "Viskoza" and land restoration
- 2 Promotion and branding City of Loznica through cultural and natural heritage
- 3 Improvement and expansion of public spaces (Main Square, connection to the Drina River, park areas, etc.)
- 4 Integral development of the banks of the Drina River ("Loznica on the Drina", creation of a river protection program - illegal landfills, illegal exploitation of gravel, illegal construction, etc)
- 5 Improvement of existing and creation of new tourist offer

## GREEN AND ENERGY TRANSITION AND URBAN MOBILITY

- 1 Improvement of wastewater and storm water management (primary and secondary network and Wastewater treatment plant-WWTP)
- 2 Improving the resistance of the City of Loznica to natural disasters (making a hydrological study, building facilities for the prevention and reduction of flash floods and other risks, etc.)
- 3 Establishing the concept of "Strategic Green Infrastructure" (creating a system of green areas, green corridors, cadastre of green areas)
- 4 Establishing a waste management system
- 5 Improvement of sustainable urban mobility - creation of a sustainable urban mobility plan

## INNOVATIVE AND SMART ECONOMY

- 1 Diversification of the economy through the improvement of conditions for the development of small and medium-sized enterprises
- 2 Establishment of an Educational Centre for the development of economy and business skills
- 3 Establishment of the Innovative Centre
- 4 Establishing of cross-border tourist clusters

## SOCIAL WELL-BEING

- 1 Creating attractive environment for young talents and other population
- 2 Development of innovative integrated social and health care services - "Health Caravan"
- 3 Establishment of the Center for Mental Health
- 4 Support for the education system - preschool, primary and secondary education
- 5 Reconstruction of the Red Cross building

## URBAN/TERRITORIAL DEVELOPMENT MANAGEMENT

- 1 Improving the capacity for managing integrated territorial investments, including the establishing of a project coordination unit
- 2 Development of practical tools for management, monitoring, evaluation and strategy implementation
- 3 Strengthening cross-border cooperation, especially in the field of economy
- 4 Transparency, upgrading of the existing Regional Center for GIS (for response in crisis situations, cadastre for green areas, mapping of cultural and natural heritage, tourist offer, mapping of integrated social and health care services)

## 9 SOURCES OF FUNDING

Urban and territorial development requires significant financial resources for project implementation. Currently available funding resources in LSGs in the Republic of Serbia (RS) are only sufficient to cover smaller projects. The situation regarding the possibility of developing long-term investment projects (Strategy of Sustainable Urban Development of the Republic of Serbia until 2030) is slowly changing, as evidenced by the data in the following text.

On the basis of concluded bilateral and multilateral international framework agreements on development cooperation and agreements on the implementation of various instruments and programs financed from international development aid funds, LSGs in the RS have at their disposal funds from various national and international funds that finance the implementation of strategic reforms in the process accession to the EU and their socio-economic development.

Domestic sources of funding are: funds, agencies, commercial banks, projects, programs of various ministries, budgets of LSGs, own funds of activity holders (companies), funds of interested domestic investors, and loans from investment and commercial banks in the territory of RS.

In particular, the possibility of using funds from the following sources is pointed out:

- Programs and incentive funds of the ministries of the RS (Ministry of Finance<sup>69</sup>; Ministry of Economy<sup>70</sup>; Ministry of Agriculture, Forestry and Water Management<sup>71</sup>, Ministry of Environmental Protection<sup>72</sup>; Ministry of Construction, Transport and Infrastructure<sup>73</sup>; Ministry of Mining and Energy<sup>74</sup>; Ministry of Internal and Foreign Trade<sup>75</sup>; Ministry of Justice<sup>76</sup>; Ministry of State Administration and Local Self-Government<sup>77</sup>; Ministry for Human and Minority Rights and Social Dialogue<sup>78</sup>; Ministry for European Integration<sup>79</sup>; Ministry of Education<sup>80</sup>; Ministry of Health<sup>81</sup>; Ministry of Labour, Employment, Veterans and Social Affairs<sup>82</sup>; Ministry of Family Care and Demography<sup>83</sup>; Ministry of Sports<sup>84</sup>; Ministry of Culture<sup>85</sup>; Ministry of Rural Care<sup>86</sup>; Ministry of Science, Technological Development and Innovation<sup>87</sup>; Ministry of Tourism and Youth<sup>88</sup>; Ministry of Information and Telecommunications<sup>89</sup>; Ministry of Public Investments<sup>90</sup>; The cabinet of the

69 <https://www.mfin.gov.rs/>

70 <https://privreda.gov.rs/>

71 <http://www.minpolj.gov.rs/>

72 <https://www.ekologija.gov.rs/>

73 <https://www.mgsi.gov.rs/cir/projekti>

74 <https://www.mre.gov.rs/>

75 <https://must.gov.rs/>

76 <https://www.mpravde.gov.rs/>

77 <https://mduls.gov.rs/category/projekti-i-programi/>

78 <https://www.minljpdd.gov.rs/>

79 <https://www.mei.gov.rs/>

80 <https://prosveta.gov.rs/>

81 <https://www.zdravlje.gov.rs/>

82 <https://www.minrzs.gov.rs/sr>

83 <https://minbpd.gov.rs/>

84 <https://www.mos.gov.rs/>

85 <https://www.kultura.gov.rs/>

86 <https://www.mbs.gov.rs/>

87 <https://nitra.gov.rs/>

88 <https://www.mto.gov.rs/>

89 <https://mit.gov.rs/>

90 <https://www.obnova.gov.rs/>



minister without portfolio in charge of improving the development of underdeveloped municipalities<sup>91</sup>; The cabinet of the minister without portfolio responsible for the coordination of activities and measures in the field of relations between the Republic of Serbia and the diaspora<sup>92</sup>; Cabinet of the minister without portfolio in charge of balanced regional development<sup>93</sup>), their bodies and agencies (Customs Administration; Free Zones Administration; Republic Water Directorate; Forestry Administration; Agricultural Payments Administration; Agricultural Land Administration; National Academy of Public Administration; Development Agency of Serbia<sup>94</sup>; Port Management Agency<sup>95</sup>) and funds (Development Fund of the Republic of Serbia<sup>96</sup>; Fund for innovation activity<sup>97</sup>; Science Fund of the Republic of Serbia<sup>98</sup>;

- The local budget, as well as loans from commercial banks (Erste Bank A.D.<sup>99</sup>; UniCredit bank<sup>100</sup>; Banca Intesa<sup>101</sup>; NLB Komercijalna banka<sup>102</sup>; Bank Poštanska štedionica<sup>103</sup>; ProCredit bank<sup>104</sup>) that operate on the territory of RS.

Foreign sources of funding are: EU funds and programs, credit lines (credit lines of foreign governments and credit lines of international financial institutions), development and other funds of non-EU countries, projects and funds of interested foreign investors. International development assistance of the RS includes support from bilateral and multilateral development partners, including financial support from international financial institutions, and is provided either in the form of grants or concessional loans, which are approved under significantly better conditions than market ones.

In the coming period, special attention should be paid to the possibilities of mobilizing funds from the following international funds and programs:

- IPA - Instrument for pre-accession assistance<sup>105</sup> (2021-2027; 2014-2020; 2007-2013), Programs of European territorial cooperation in the Republic of Serbia 2021-2027<sup>106</sup>, Investment framework for the Western Balkans<sup>107</sup> (Western Balkans Investment Framework - WBIF), IPARD III<sup>108</sup>, a multi-user IPA<sup>109</sup>;

91 <https://rnro.gov.rs/javni-konkursi/>

92 <https://www.mbpdiijaspora.gov.rs/>

93 <https://rrrz.gov.rs/extfile/sr/472/%D0%88avni%20poziv.pdf>

94 <https://ras.gov.rs/>

95 <https://www.aul.gov.rs/>

96 <https://fondzarazvoj.gov.rs/cir>

97 <http://www.inovacionifond.rs/cir/>

98 <https://fondzanauku.gov.rs/>

99 <https://www.erstebank.rs/sr/Pravna-lica>

100 <https://www.unicreditbank.rs/rs/pi.html>

101 <https://www.bancaintesa.rs/>

102 <https://www.nlbkb.rs/>

103 <https://www.posted.co.rs/>

104 <https://www.procreditbank.rs/>

105 <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ipa-instrument-za-pretpristupnu-pomoc/instrument-za-pretpristupnu-pomoc-2021-2027/>

106 [https://www.mei.gov.rs/upload/documents/publikacije/Brosure%20nove/22/Programi\\_evropske\\_teritorijalne\\_saradnje\\_u\\_RS\\_2021-2027.pdf](https://www.mei.gov.rs/upload/documents/publikacije/Brosure%20nove/22/Programi_evropske_teritorijalne_saradnje_u_RS_2021-2027.pdf)

107 <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ipa-instrument-za-pretpristupnu-pomoc/investicioni-okvir-za-zapadni-balkan-western-balkans-investment-framework-wbif/>

108 <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ipa-instrument-za-pretpristupnu-pomoc/ipard-iii/>

109 <https://www.mei.gov.rs/src/fondovi/fondovi-evropske-unije/ipa-instrument-za-pretpristupnu-pomoc/visekorisnicka-ipa/>

- EU programs<sup>110</sup> (Digital Europe<sup>111</sup>, HORIZON Europe, SME Competitiveness Program - COSME, Employment and Social Innovation Program, ERASMUS, Creative Europe, Europe for Citizens, European Health Program III, FISKALIS 2020, CUSTOMS 2020, EU Civil Protection Mechanism, Connecting Europe Facility, Rights, Equality and Citizenship, European Facility for Democracy and Human Rights);
- Cohesion policy and other EU funds<sup>112</sup> (New Cohesion Policy 2021-2027, MADAD, EU Solidarity Fund, Regional Housing Program) and the Green Agenda for the Western Balkans<sup>113</sup>;
- International financial instruments-banks<sup>114</sup> (Council of Europe Development Bank - CEB, European Investment Bank - EIB, European Bank for Reconstruction and Development - EBRD, World Bank - WB<sup>115</sup>, German Development Bank - *KfW*);
- Bilateral and multilateral cooperation, donor programs (United Nations Team in Serbia<sup>116</sup>, German Agency for Technical Cooperation - *GIZ*<sup>117</sup>, French Development Agency<sup>118</sup>, Japan, Denmark, Norway, Netherlands, Sweden, China, Austria, France, Greece, India, Korea, Poland, Singapore, Slovenia, Turkey, Germany, United States of America, Slovakia, United Kingdom, Switzerland, etc.).

Available data on funding sources were collected by searching multiple sources: RS budget, medium-term plans of authorities, data on websites of RS authorities, websites of programs and projects, and available data on banks' websites. Data on the amount of funding are not publicly available for all sources.

The following table shows the available sources of funding for urban development, a detailed overview of which is given in Annex 4.

110 <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/programi-unije/>

111 <https://digital-strategy.ec.europa.eu/en/activities/digital-programme>

112 <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/koheziona-politika/>

113 <https://balkangreenenergynews.com/rs/usvojeni-akcioni-plan-za-zelenu-agendu-za-zapadni-balkan-donosi-devet-milijardi-evra-grantova-rok-za-uskladjivanje-s-eu-ets-om-2024-godine/>

114 <https://www.mei.gov.rs/srp/fondovi/bilateralni-i-multilateralni-partneri/po-medjunarodnim-organizacijama/>

115 <https://www.worldbank.org/en/country/serbia/brief/green-livable-resilient-cities-in-serbia-program>

116 <https://serbia.un.org/sr/about/about-the-un>

117 <https://nemackasaradnja.rs/giz/>

118 <https://rs.ambafrance.org/AFD-4148>

**Table 2: Sources of funding (as of July 2023)**

|  |   |  |  |
|--|---|--|--|
| N<br>A<br>T<br>I<br>O<br>N<br>A<br>L<br>R<br>E<br>S<br>O<br>U<br>R<br>C<br>E<br>S                | <b>NATIONAL AND REGIONAL SOURCES</b>  |  |  |
|  | Ministry of Finance; Ministry of Economy; Ministry of Agriculture, Forestry and Water Management, Ministry of Environmental Protection; Ministry of Construction, Transport and Infrastructure; Ministry of Mining and Energy; Ministry of Internal and Foreign Trade; Ministry of Justice; Ministry of State Administration and Local Self-Government; Ministry for Human and Minority Rights and Social Dialogue; Ministry for European Integration; Ministry of Education; Ministry of Health; Ministry of Labour, Employment, Veterans and Social Affairs; Ministry of Family Care and Demography; Ministry of Sports; Ministry of Culture; Ministry of Rural Care; Ministry of Science, Technological Development and Innovation; Ministry of Tourism and Youth; Ministry of Information and Telecommunications; Ministry of Public Investments; The cabinet of the minister without portfolio in charge of improving the development of underdeveloped municipalities; The cabinet of the minister without portfolio responsible for the coordination of activities and measures in the field of relations between the Republic of Serbia and the diaspora; Cabinet of the minister without portfolio in charge of balanced regional development; Customs Administration; Administration for Free Zones; Republic Water Directorate; Forest Directorate; Administration for Agrarian Payments; Administration for Agricultural Land; National Academy for Public Administration; Development Agency of Serbia; Agency for Port Management) and funds (Fund for the Development of the Republic of Serbia; Innovation Fund; Science Fund of the Republic of Serbia |  |  |
|  | <b>BANKS</b>  |  |  |
|  | Erste Bank A.D.; UniCredit Bank; Banca Intesa; NLB Komercijalna banka; Bank Poštanska štedionica; ProCredit Bank  |  |  |
| I<br>N<br>T<br>E<br>R<br>N<br>A<br>T<br>I<br>O<br>N<br>A<br>L<br>S<br>O<br>U<br>R<br>C<br>E<br>S | <b>EUROPEAN UNION FUNDS</b>   |  |  |
|  | <b>IPA – Instrument for pre-accession assistance</b>  | <b>EU programmes</b>   | <b>Cohesion policy and other EU funds</b>  |
|  | IPA 2021-2027<br>IPA 2014-2020<br>IPA 2007-2013)<br>Programmes of European territorial cooperation in the Republic of Serbia 2021-2027<br>Investment framework for the Western Balkans<br>IPARD III<br>A multi-user IPA   | Digital Europe<br>HORIZON Europe<br>SME competitiveness programme – COSME<br>Programme for employment and social innovation<br>ERASMUS<br>Creative Europe<br>Europe for citizens<br>European Health Programme III<br>FISCALIS 2020<br>CUSTOMS 2020<br>EU Civil Protection Mechanism<br>An instrument for connecting Europe<br>Rights, equality and citizenship<br>European Instrument for Democracy and Human Rights | New cohesion policy 2021-2027<br>MADAD<br>EU Solidarity Fund<br>Regional housing programme<br>Green Agenda for the Western Balkans |
|  | <b>INTERNATIONAL FINANCIAL INSTRUMENTS-BANKS</b>  |  |  |
|  | Council of Europe Development Bank - CEB, European Investment Bank - EIB, European Bank for Reconstruction and Development - EBRD, World Bank - WB, German Development Bank - KfW   |  |  |
|  | <b>BILATERAL AND MULTILATERAL COOPERATION, DONOR PROGRAMMES</b>   |  |  |
|  | United Nations Team in Serbia, German Agency for Technical Cooperation - GIZ, French Development Agency, Japan, Denmark, Norway, Netherlands, Sweden, China, Austria, France, Greece, India, Korea, Poland, Singapore, Slovenia, Turkey, Germany, United States of America, Slovakia, United Kingdom, Switzerland   |  |  |

The areas of activity for the establishment and operation of high-potential mechanisms for funding urban development at the local self-government level are:

- increasing available funding - by supporting to collect funds for investment in urban development through bilateral cooperation, attracting EU and other donor funds (*raising*);
- management - creating conditions that enable private investment in sustainable urban development - by shaping the market, e.g. through tax mechanisms, other pricing mechanisms and/or supporting sustainable alternatives (*steering*);
- mixing/combining financial sources - attracting private financial capital using incentives and incentives from public finance to change the risk ratio - return on capital investment, PPP and so-called. “investment vehicle” can play an important role in establishing evidence or conditions for commercial return (*blending*).

For the area of increasing funds (*raising*) the local level of administration can support the implementation of the entire scale of high-potential financial instruments intended for urban development in several ways and use the following:

- *Real estate valuation* is a means of financing large development projects that raise the value of real estate. This increase in value can be used as a source of income;
- *Prices, regulation and standards* - they are of particular importance for sectors characterized by smaller amounts of required investment funds and where consumer choices are key investment drivers, such as distributed production from renewable energy sources, electromobility and green construction;
- *International investment vehicle* - international financial instruments also have significant potential for movements in the field of sustainable urban development (*raising*), and have the potential to mix different sources in case domestic sources have limited capacity;
- *Public-private partnership* - are particularly important because the effectiveness of PPPs largely depends on the appropriate identification of effects, structuring and maturity of projects, contractual arrangements and management capacities.

Examples from the past practice of combining funding sources are given in the following table.



**Table 3: Examples from practice of combining funding sources**

| Priority areas of intervention<br>(Strategy of sustainable urban<br>development of the RS until<br>2030)  | Funding sources used  |   |
|---|---|---|
|   | National<br>sources of financing  | International sources of funding  |
| <b>Commercial<br/>and commercial zones<br/>and brownfield sites</b>   | Ministry of Economy<br>IPA - competitiveness + RS<br>Government<br>PPP<br>Banks<br>Diaspora | European Investment Bank<br>European Bank for<br>Reconstruction and<br>Development<br>KfW Bank<br>UNSDGs<br>Switzerland, Japan<br>GIZ<br>EU PRO                 |
| <b>Uncontrolled elemental<br/>expansion of urban settlements<br/>and degradation of rural areas</b>   | MGSI<br>MDULSU<br>Ministry of Public Investments  | European Investment Bank<br>UNSDGs  |
| <b>Endangered urban structures,<br/>urban matrices and<br/>central urban areas</b>  | Ministry of Culture<br>MGSI<br>PPP  | Creative Europe<br>European Investment Bank<br>World Bank WB<br>GreenfundKfW<br>UNSDGs<br>GIZ/AMBERO<br>EU PRO  |
| <b>Parts of urban<br/>settlements with a problem<br/>improvement of social<br/>standard or<br/>solving social problems</b>  | RS Housing program for security<br>forces<br>Ministry of Public Investments                 | IPA<br>European Bank for<br>Reconstruction and<br>Development<br>Bank of the Council of Europe<br>CEB<br>Regional housing program<br>UN SDGs<br>SWISS PRO UNOPS |
| <b>Settlements and parts of<br/>settlements<br/>exposed to problems<br/>environmental protection<br/>and climate change</b>   | Ministry of Mining and Energy<br>Ministry of Public Investments                             | IPA<br>European Bank for<br>Reconstruction and<br>Development<br>GIZ + KfW<br>UNSDGs<br>bilateral cooperation   |
| <b>Settlements with IMC<br/>and architectural heritage,<br/>important rappers<br/>cultural and historical<br/>development of urban<br/>settlements, grouping of urban<br/>settlements</b> | Ministry of Culture<br>Ministry of Tourism  | World heritage foundation<br>Creative Europe<br>IPA cross-border cooperation<br>Transnational cooperation<br>INTERREG<br>ADRION<br>DANUBE<br>UN SDGs<br>EU PRO  |

## 10 MONITORING AND EVALUATION

The aim of this chapter is to provide a general framework of indicators for monitoring and evaluating the progress of the implementation of territorial strategies of the EU PRO Plus programme. Monitoring and evaluation are important elements in the process of implementing territorial strategies and fulfil a number of important functions:

- **Efficiency and effectiveness strategy:** monitoring generates data and knowledge to monitor progress and provides a basis for revisions, and helps to evaluate the results of the measures contained in the strategies.
- **Transparency and accountability:** monitoring shows that activities and results follow the agreed objectives and makes the data transparent to all actors, including local communities.
- **Visibility and capacity:** showing what has been achieved strengthens local mobilisation and ownership; engagement in monitoring by local actors affects capacity development and learning.

Successful monitoring depends on the quality and appropriateness of the indicators used. When choosing indicators, some basic principles should be kept in mind. Ideally, the indicators should be:

- **relevant** - closely related to the objectives of the strategy;
- **accepted** - by employees and relevant stakeholders;
- **reliable** - for those who are not experts, unambiguous and easy to interpret;
- **easy** - monitoring is possible with low costs and acceptable administrative burden; and
- **indestructible** – in relation to manipulation.

The list of indicators below is designed in accordance with the five thematic objectives defined in the EU PRO Plus territorial strategies (table 4). Its purpose is to act as a “menu” for strategy “owners” to select appropriate indicators depending on their choice of objectives. Although indicators cover a wide range of objectives, they cannot capture all locally specific contexts. Thus, each urban area can select additional strategy-specific indicators to be included in the local strategy.

The proposed indicators are based on a number of different international and domestic sources. As far as possible, indicators are drawn from existing national sources, such as the Sustainable Urban Development Strategy of the Republic of Serbia until 2030 (SOURRS), the Smart Specialization Strategy of the Republic of Serbia 2020 until 2027 (SPSRS) and the Low Carbon Development Strategy (SNUR). However, most of the indicators are taken from the list of so-called common performance indicators (eng. *RCO*) and results (eng. *RCR*) defined in the context of the EU Cohesion Policy 2021-27. They are complemented by the UN’s Sustainable Development Goals (SDGs).

**Table 4:** List of indicators for monitoring and evaluating the progress of implementing territorial strategies

| Objectives   | Indicators   | Unit of measure                | Sources                          |
|--|--|--------------------------------|----------------------------------|
| <b>Thematic objective 1</b>  |  |                                |                                  |
| SO1.1 Improved and uniform quality of arrangement and accessibility of the urban area  | - Strategies of integrated territorial development for which support has been received   | Number of strategies           | RCO 75<br>RCO 76<br>SOURRS       |
|  | - Integrated territorial development projects for which support has been received  | Number of contracted projects  | RCO 114<br>RCR 52<br>SOURRS      |
|  | - Newly created or renovated open public spaces in urban areas   | m <sup>2</sup>                 |                                  |
|  | - Reclaimed land used for green areas, social (affordable) housing, economic or other purposes   | m <sup>2</sup>                 |                                  |
| SO 1.2 Encouraging the protection of cultural and architectural heritage and promotion of sustainable construction   | - Total funds spent for the protection, preservation and conservation of cultural and architectural heritage and vernacular architecture | Euro                           | SPRKRS SDG 11<br>SRKRS<br>SOURRS |
| SO 1.3 Encouraging the development of sustainable tourism and a unified tourist offer  | - Visitors to cultural and tourist sites for which support has been received   | Number of visitors increase    | RCR 77<br>SRTSR<br>PPRS          |
| SO 1.4 Encouraging an integrated and sustainable approach in remediation of illegal construction and its prevention  | - Rehabilitated, renovated and reused substandard or informal settlements and units  | ha/m <sup>2</sup>              | SOURRS                           |
| SO 1.5 Strengthening and improving the management of urban-rural connections   | - Integrated territorial development projects for ecosystem services that rural areas provide to urban settlements                       | Number of projects             | RCO 76<br>SOURRS<br>SPRRRS       |
| <b>Thematic objective 2</b>  |  |                                |                                  |
| SO 2.1 Improvement of energy efficiency and reduction of greenhouse gas emissions  | - Annual consumption of primary energy (of which: residential buildings, public buildings, companies, other)                             | Reduction (MJ)                 | RCR 26<br>RCR 29<br>SNURRS       |
|  | - Estimated greenhouse gas emissions   | Reduction of t CO <sub>2</sub> |                                  |
| SO 2.2 Encouraging the use of renewable energy sources   | - Total renewable energy produced (of which: electricity, thermal energy)  | MWh                            | RCR 31<br>SNURRS                 |
| SO 2.3 Development of smart energy systems, networks and storage   | -Users connected to smart energy systems   | Number of users                | RCR 33<br>SNURRS                 |
| SO 2.4 Adaptation to climate change and disaster risk prevention and resilience, strengthening resilience to climate change, taking into account an ecosystem-based approach | - Green infrastructure built or improved to adapt to climate change  | ha/m <sup>2</sup>              | RCO 26<br>PIKUAP<br>SNURRS       |
|  | - Population benefiting from flood protection measures   | Number of people               |                                  |

|   |   |                                |  |
|---|---|--------------------------------|--|
| SO 2.5 Ensuring equal access to sanitation and water supply and promoting sustainable water management  | - Population connected to an improved public water supply network   | Number of households           | RCR 41<br>RCR 35<br>RCR 42<br>RCO 25<br>PPRS   |
|   | - Population connected at least to the secondary public network for wastewater treatment  | Number of households           |  |
|   | - Newly built or reinforced flood protection on the banks of rivers and lakes   | Length in km/m                 |  |
| SO 2.6 Improvement of waste management  | - Separately collected waste  | t                              | RCR 103<br>RCR 47<br>PUORS<br>SNURRS   |
|   | - Recycled waste  | t                              |  |
| SO 2.7. Strengthening the protection and preservation of nature, biodiversity and green infrastructure, and reducing all forms of pollution   | - Green infrastructure for which support was received in order to protect biodiversity and preserve natural habitats  | ha/m <sup>2</sup>              | RCO 36<br>RCO 37<br>RCO 38<br>RCO 39<br>RCR 50<br>RCR 95<br>PPIKUAP<br>PPRS<br>PZVRS |
|   | - The area of the Natura 2000 network covered by protection and restoration measures  | ha/m <sup>2</sup>              |  |
|   | - Area of restored land for which support was received  | ha/m <sup>2</sup>              |  |
|   | - Area covered by air pollution monitoring systems  | ha/m <sup>2</sup>              |  |
|   | - Population benefiting from air quality measures   | Number of people               |  |
|   | - A population that has access to new or improved green infrastructure  | Number of people               |  |
| SO 2.8 Encouraging sustainable multimodal urban mobility  | - Annual number of users of new or modernised public transport<br>- Annual number of users of new or modernised tram lines and (underground) railway lines<br>- Annual number of users of infrastructure intended for cycling | Increasing the number of users | RCR 62<br>RCR 63<br>RCR 64<br>PPRS   |
| SO 2.9 Development of a smart, safe, sustainable and intermodal transport network of international and national importance that is resistant to climate change  | - Annual number of users of newly built, renovated, improved or modernized roads  | Increasing the number of users | RCR 55<br>RCR 58<br>RCR 59<br>RCR 60<br>SNURRS<br>PPRS                               |
|   | - Annual number of users of newly built, improved, renovated or modernized railways   | Increasing the number of users |  |
| SO 2.10 Development and strengthening of sustainable, smart and intermodal national; regional and local mobility that is resilient to climate change, including better access to the transport network of international and national importance and cross-border mobility | - Freight rail transport  | t                              |  |
|   | - Freight transport by inland waterways   | t                              |  |

| Thematic objective 3  |  |  |   |
|---|--|--|---|
| SO 3.1 Development and strengthening of research and innovation capacities and application of advanced technologies   | - Companies that received support (of which: micro, small, medium, large)  | Company number   | RCO 01<br>RCR (3)01<br>RCR 102<br>SNTRRS<br>SRVIRS<br>SIPRS<br>SRSEERS      |
|   | - Jobs created in entities that received support   | Number of people   |   |
|   | - Jobs created in the field of research in the entities that received support  | Number of people   |   |
| SO 3.2 Using the advantages of digitization for citizens, businesses, research institutions and public administration bodies  | - Users of new and improved public digital services, products and processes  | Number of users  | RCR 11<br>RCR 12<br>RCR 13<br>SRIDIB<br>SNTRRS<br>SRVIRS                    |
|   | - Users of new and improved digital services, products and processes developed by businesses   | Number of users  |   |
|   | - Companies that have achieved high digital intensity  | Company number   |   |
| SO 3.3 Strengthening sustainable growth and competitiveness of SMEs and job creation  | - New businesses that survive on the market  | Number of companies that survive on the market 2 years after opening | RCR 17<br>RCR 18<br>RCR 19<br>RCR 25<br>SPRMSPPK<br>SIPRS                   |
|   | - SMEs that use the services of the incubator after the creation of the incubator  | Company number   |   |
|   | - Companies with higher turnover   | Company number   |   |
|   | - SMEs with higher added value per employee  | Company number   |   |
| SO 3.4. Development of competences for smart specialisation 4S, industrial transition and entrepreneurship, within the quadruple spiral of innovation (economy, education, science, public and civil sector - institutional participants) | - Internships made possible by grants in SMEs<br>- SME staff completing skills training for smart specialisation, industrial transition and entrepreneurship (by skill type: technical, managerial, entrepreneurial, green, other) | Number of people   | RCR 97<br>RCR 98<br>SPSRS<br>SOURRS<br>SNTRRS<br>SRVIRS<br>SIPRS<br>SRSEERS |
| SO 3.5 Strengthening digital connectivity   | - Residential buildings with a subscription to broadband access to a network of very high capacity   | Number of apartments   | RCR 53<br>RCR 54<br>SRIDIB<br>SNTRRS  |
|   | - Businesses with a subscription to broadband access to a very high capacity network   | Company number   |   |
| SO 3.6 Encouraging and promoting the transition to a circular and resource-efficient economy  | - Waste used as raw material   | Increase (t)   | RCR 48<br>SNURRS<br>PRCERS<br>SIPRS<br>PUMS                                 |

|   |   |                                |  |
|---|---|--------------------------------|--|
| SO 3.7 Encouraging and promoting the transition to a net zero carbon economy  | - Estimated greenhouse gas emissions  | Reduction of t CO <sub>2</sub> | RCR 29<br>RCR 105<br>RCO 59<br>SNURRS<br>SIPRS |
|   | - Estimated greenhouse gas emissions by boilers and heating systems converted from solid fossil fuels to gas  | Reduction of t CO <sub>2</sub> |  |
|   | - Infrastructure for alternative fuels (filling/refuelling points)  | Number of points               |  |
|   | - Afforestation   | ha/m <sup>2</sup>              |  |
| Thematic objective 4  |   |                                |  |
| SO 4.1 Improving the effectiveness and inclusiveness of the labour market and access to quality employment and dignified work and encouraging social entrepreneurship   | - Area of new or modernised facilities for employment services  | m <sup>2</sup>                 | RCO 61<br>RCR 65<br>SZRS                       |
|   | - Annual number of users of new or modernised facilities for employment services  | Number of users                |  |
| SO 4.2 Development of social infrastructure and services and encouragement of social inclusion and social innovation  | - Annual number of users of new or modernised social protection facilities<br>- The population covered by projects within the framework of integrated action for the socioeconomic inclusion of marginalised communities, low-income households and disadvantaged social groups | Number of users                | RCR 74<br>RCO 113<br>SDRUSZZ                   |
| SO 4.3 Promoting socio-economic inclusion of marginalised communities, low-income households and disadvantaged social groups, including persons with special needs, through integrated action that includes housing and social services | - Annual number of users of new or modernised social housing  | Number of households           | RCR 67<br>SOURRS<br>SDRUSZZ                    |
| SO 4.4 Improving equal access to inclusive and quality education services   | - Annual number of users of new or modernised childcare facilities<br>- Annual number of users of new or modernised educational facilities  | Number of users                | RCR 70<br>RCR 71<br>SROVRS                     |
| SO 4.5 Ensuring equal access to health care and fostering health system resilience  | - Annual number of users of new or modernised e-healthcare services<br>- Annual number of users of new or modernised health care facilities   | Number of users                | RCR 72<br>RCR 73<br>SIJZRS                     |
| SO 4.6 Ensuring equal access to cultural services, programmes and facilities  | - Annual number of users of new or modernised cultural facilities   | Number of users                | SRKRS  |
| SO 4.7 Ensuring equal access to sports and recreation services, contents and facilities   | - Annual number of users of new or modernised sports and recreation facilities  | Number of users                | SMRS<br>PPRS                                   |
| SO 4.8 Creating a stimulating environment for youth initiatives and activities  | - Annual number of beneficiaries of new or modernised youth initiatives and activities  | Number of users                | SMRS   |



| Thematic objective 5   |   |                                |                                    |
|--|---|--------------------------------|------------------------------------|
| SO 5.1 Encouraging development management at multiple levels - local, national, international, EU, etc.                                  | - A project unit was established for the implementation of the Strategy   | Yes/no                         | RCO 75<br>RCO 76<br>SOURRS         |
|  | - integrated projects of territorial development that include local, national, international and EU level, and include the application of various management instruments - collaborative, command, hybrid | Number of contracted projects  |                                    |
| SO 5.2 Encouraging a multi-stakeholder approach – economy, education, science, public and civil sector                                   | - Application of the quadruple and quintuple innovation spiral models   | Initiative number              | SPSRS<br>SOURRS<br>SNTRRS          |
| SO 5.3 Improvement of inter-municipal cooperation through institutional cooperation  | - The population covered by projects within the strategy of integrated territorial development  | Number of people               | RCO 74                             |
| SO 5.4 Encouraging a participatory approach and community-led initiatives involving local actors   | - Actors who participated in the preparation and implementation of integrated territorial development strategies  | Number of participants         | RCO 112<br>RCO 80<br>ZRR<br>SOURRS |
|  | - Community-led local development strategies for which support has been received  | Number of participants         |                                    |
|  | - Developed innovative solutions, such as an open innovation platform, a living laboratory, citizen science, etc.   | Number of innovative solutions |                                    |
|  | - Application of a gender-responsive approach in the preparation and implementation of strategies   | Number of participants         |                                    |
| SO 5.5 Encouraging mixing ( <i>blending</i> ) urban development financing from different types of financing (domestic and international) | - Application of different sources of funding of priority interventions in urban areas of territorial strategies  | Euro                           | RCO 75<br>RCO 80<br>SOURRS         |
|  | - Implementation of public-private partnership  | Number of PPP projects         |                                    |
|  | - Strategies of integrated territorial development for which support has been received<br>- Community-led local development strategies for which support has been received                                | Number of strategies           |                                    |
| SO 5.6 Strengthening the transparency of decision-making at the level of the urban area  | - Development of an information system for the needs of territorial development management  | Number of developed systems    | SOURRS<br>SRIDIB                   |

**Sources of indicators:**

|   |  |
|---|--|
| REGULATION (EU) 2021/1058 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund. Official Journal of the European Union L 231/60. Common output and result indicators for ERDF and the Cohesion Fund – Article 8(1)(1) | RCO – performance indicators;<br>RCR – result indicators |
| Sustainable Development Goals / SDGs (Sustainable Development Goals), UN  | SDG  |
| Law on Gender Equality, 2021  | ZRR  |
| Sludge management programme in Serbia from 2023 to 2032   | PUMS   |
| Low-carbon development strategy of the Republic of Serbia for the period from 2023 to 2030 with projections until 2050  | SSNRRS   |
| Strategy for young people in the Republic of Serbia for the period from 2022 to 2030  | SMRS   |
| Strategy of deinstitutionalization and development of social protection services in the community for the period 2022-2026. year  | SDRUSZZ  |
| Air protection programme in the Republic of Serbia for the period from 2022 to 2030 with an action plan   | PZVRS  |
| Circular economy development programme in the Republic of Serbia for the period 2022-2024. Years  | PRCERS   |
| Waste management programme in the Republic of Serbia for the period 2022-2031   | PUORS  |
| programme of adaptation to changed climatic conditions with Action Plan, Draft.   | PPIKUAP  |
| Spatial Plan of the Republic of Serbia from 2021 to 2035, Draft   | PPRS   |
| Strategic priorities for the development of the culture of the Republic of Serbia from 2021-2025  | SPRKRS   |
| Integrated national energy and climate plan of the Republic of Serbia for the period 2021 to 2030 with a vision until 2050.   | INEKPRS  |
| Strategy for the development of information society and information security in the Republic of Serbia for the period from 2021 to 2026.  | SRIDIB   |
| Strategy of scientific and technological development of the Republic of Serbia for the period from 2021 to 2025 “Power of knowledge”  | SNTRRS   |
| Strategy for the development of the startup ecosystem of the Republic of Serbia for the period from 2021 to 2025  | SRSERS   |
| Industrial policy strategy of the Republic of Serbia from 2021 to 2030  | SIPRS  |
| Employment strategy in the Republic of Serbia for the period from 2021 to 2026  | SZRS   |
| Strategy for the development of education and upbringing in Serbia until 2030   | SROVS  |
| Strategy of smart specialization in the Republic of Serbia for the period 2020-2027. year   | SPSRS  |
| Strategy of sustainable urban development of the Republic of Serbia until 2030  | SOURRS   |

|  |          |
|--|----------|
| Artificial intelligence development strategy in the Republic of Serbia for the period 2020-2025. year  | SERVIRS  |
| Public health strategy in the Republic of Serbia 2018-2026. year   | SJZRS    |
| Tourism development strategy of the Republic of Serbia for the period from 2016 to 2025  | SRTRS    |
| Strategy of agriculture and rural development of the Republic of Serbia for the period 2014-2024. year   | SPRRRS   |
| Strategy for supporting the development of small and medium-sized enterprises, entrepreneurship and competitiveness for the period from 2015 to 2020 | SPRMSPPK |

## 11 IMPLEMENTATION

The implementation period of this Strategy begins immediately after its final approval. Implementation has highly demanding governance requirements, mainly in order to:

- Prepare and prioritise projects
- Prepare and launch calls for proposals, and approve operations
- Procure projects for construction/delivery
- Implement and close projects
- Operate and manage/maintain projects

All these functions are bound to put the existing City of Loznica structures and institutions under pressure, even more so where coordination between multiple LSGs would be required. The City of Loznica does not have the required capacity, resources and know-how in place in order to perform these functions effectively. It is for this reason that a Project Coordination Unit (PCU) will be set up, to support the City of Loznica to implement this Strategy.

The current governance arrangements for the Strategy drafting process involve:

- a Working Group (WG) which is effectively a stakeholder & sectoral partnership board
- a Development Council (DC), which is effectively a political coordination board

The DC's remit already covers the political aspect of project selection and strategy implementation. Therefore, the operation of the infrastructures created should be added to its remit, in order to facilitate Strategy implementation. The WG is tasked with supporting the DC during the drafting of the Strategy and it will be dissolved once the Strategy is approved.

Therefore, the Project Coordination Unit will follow on the steps of the WG in order to:

- Support the Development Council in the operation (project) identification process taking place between the different parties concerned (Urban Authority, Managing Authority/ Intermediate Body, the EIB, the EBRD etc)
- Coordinate cross-sectorally all the studies needed to mature the project and the business planning process, with the involvement of other LSG departments if appropriate. Support the coordination between the ITI plan and the Municipal Capital Investment Programme. The PCU shall not be directly responsible for planning and programming at Municipal level but shall liaise closely with the competent department(s) and any other competent authority.
- In coordination with the City of Loznica procurement services, establish and approve contracts with contractors and consultants for each project, including studies/surveys that are required for applications, authorizations, permits (i.e. EIA, ESIA, Traffic survey, etc.).
- Contract administration is the duty of each department under which the project is carried out (i.e. the Dept. of Cleaning & Recycling for Waste management contracts etc.). The PCU shall be involved in the coordination of the administration of service agreements and contracts with the different departments (and consultants).
- Liaise with permit-granting authorities and with consultants during the process of drafting and submission for approval/permit, in order to satisfy the requirements of the permit/licensing authorities and get the necessary approvals/permits/licences.

- Support the Urban Authority and the MA/IB in managing the project fund to prepare the required financial and technical documents/studies/expertise for disbursement requests and disbursement monitoring, within the relevant municipal accounting system and finance systems. This function should be closely aligned to the Financial Management of the whole municipality.
- Project management, to ensure projects meet planned objectives. The following tasks should be carried out by the PCU, as a minimum: Ensuring that projects meet overall programme objectives (urban planning as well as business planning) and specific key performance indicators as determined by the ITI policy framework; Coordinating regular progress meetings at local level and regional levels as well as with funding bodies and consultants; Take care of associated (EU-funded) project management administrative functions, from project identification and evaluation through to final project completion reports.
- Ensure that project-related capacity building objectives are met. This capacity-building might be for the PCU staff in some specific fields dealing with the management and coordination duties of the Unit, and in broader context for other relevant key parties/stakeholders that are involved in the investment programme and where a need for capacity building has been identified.
- Ensure that the necessary PR, publicity and communications activities are carried out, in coordination with and in support of the City of Loznica communications and community engagement service. These activities should include appropriate communication and liaison with the community, with respect to project planning and implementation, to ensure buy-in and the long-term sustainability of the projects.
- Manage the monitoring database and prepare all necessary reports to the MA/IB. The PCU will be responsible for: Follow-up of the projects, during their implementation and after completion. Completion of the project shall be according to Serb and EU standards. Socio-economic impact assessments detailing how the investment programme has impacted on the communities and municipalities in terms of skills development, community involvement, municipal partnerships, local economic development and how the lives of the communities have improved. Carrying out such studies would be highly recommended. The facilitation and support of required studies and expertise (such as social and environmental impact assessments of projects when necessary, or risk assessment studies etc.).

To that end, the City of Loznica has one of the following three options in order to suit the PCU up:

- a) Set up the PCU as a special task force which will utilise existing members of staff, who will be transferred to the PCU. In this case, the PCU would 'borrow' human and other resources from existing LSG administrative units.
- b) Set up the PCU as a new administrative unit within the LSG structure. In this case new members of staff could be hired in order to resource the PCU, but existing members of staff and resources could be transferred to the new unit.
- c) Base the PCU on an existing administrative unit whose scope and remit could be suitably adjusted to also cover the PCU tasks and functions.

In any case, the PCU should have a clear mandate by the city Mayor and be directly accountable to the Mayor's Office. The following personnel are required within the municipality to resource the functions of the PCU as a minimum:

- Head of the PCU;
- Project Manager;
- Engineer/Project implementation expert;
- Procurement Officer;
- Financial Manager or Administrator;
- Data Capture IT specialist;
- Community officer & Communications liaison officer;
- Policy and Sectoral Coordination Officer;<sup>119</sup>

After project closing, the City of Loznica would have to Operate and Maintain the facilities created. In the case of 'soft' projects, the LSG should consider the implementation of the project's exit strategy. Usually this would mean that either an existing LSG service would take over or a special unit would be created, or civil society /CSO would be given responsibility. It is therefore imperative that Operation and Maintenance as well as exit strategies are given due consideration when feasibility studies are carried out for any project, and that the City of Loznica uses the project delivery period to put in place the systems and institutions which would ensure the long-term operation of the projects concerned. It would be the responsibility of the PCU to ensure that the municipality has the resources to fulfil the Operations and Maintenance obligations for all capital projects. The PCU will assist directly or indirectly wherever possible with regard to the Operation and Maintenance (O&M) programmes.

<sup>119</sup> This person would facilitate the alignment between policy, strategy, projects and funding sources. It would support the DC with operation/project identification. It would also facilitate cross-sectoral coordination, and coordination between the ITI investment plan and the Municipal Capital Investment Plan, in the context of EU cohesion policy objectives.



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## 13 ANNEXES

### ANNEX 1 – DECISION ON ACCESS TO THE DEVELOPMENT OF THE URBAN AREA DEVELOPMENT STRATEGY

На основу члана 12. Закона о планском систему („Службени гласник Републике Србије”, број 30/2018), члана 13. став 6. и члана 21. Закона о локалној самоуправи („Службени гласник Републике Србије”, број 129/2007, 83/2014 - др. закон, 101/2016 - др.закон, 47/2018, 111/2021 - др. закон), члана 20. Закона о територијалној организацији Републике Србије („Службени гласник Републике Србије”, бр.129/2007, 18/2016, 47/2018 и 9/2020 - др. закон), Правилника о смерницама добре праксе за остваривање учешћа јавности у припреми нацрта закона и других прописа и аката („Службени гласник Републике Србије”, број 51/2019), Стратегије одрживог урбаног развоја Републике Србије до 2030. године („Службени гласник Републике Србије”, број 47/2019), члана 84. Статута града Лознице („Службени лист града Лознице”, број 1/19 – пречишћен текст) и Меморандума о разумевању, закљученог између града Лознице и Канцеларије Уједињених нација за пројектне услуге, дана 25.05.2022. године, којим се дефинише техничка подршка Програма Европске уније за локални развој ЕУ ПРО Плус у изради и спровођењу Стратегије развоја урбаног подручја града Лознице, Скупштина града Лознице на седници одржаној дана 28. јула 2022. године донела је

#### ОДЛУКУ

**о приступању изради Стратегије развоја урбаног подручја града Лознице**

#### Члан 1.

Град Лозница приступа изради Стратегије развоја урбаног подручја града Лознице.

#### Члан 2.

Под Стратегијом развоја урбаног подручја града Лознице (у даљем тексту: Стратегија), у смислу ове Одлуке, подразумева се плански документ развоја, а у складу са правилима Европске Уније.

Урбано подручје града Лознице у смислу ове Одлуке биће одређено Стратегијом развоја подручја града Лознице.

#### Члан 3.

Циљ израде Стратегије је да допринесе одрживом развоју територије заснованом на унапређењу социјалних, економских, климатских, културних и просторних аспеката развоја, као и аспеката животне средине. Посебна пажња се посвећује проналаску решења за аспекте животне средине и климатске изазове, прелаз на климатски неутралну економију, боље коришћење потенцијала дигиталних технологија у иновационе сврхе, те подстицање развоја урбаних подручја. Стратегија поставља приоритете одрживог урбаног развоја, доприноси максимизирању вредности финансирања и развијању веза унутар и изван окружења.

#### Члан 4.

Полазну основу за формулисање Стратегије представљају дефинисани правци развоја Републике Србије и Европске уније и града Лознице, кроз сагледавање Европских, националних и локалних развојних докумената и докумената јавних политика, и програма и пројеката који се реализују у граду Лозници.

Процес израде Стратегије подразумева следеће фазе:

- а) израда анализе стања/SWOT анализе и идентификација потреба и потенцијала;



- б) дефинисање визије, циљева, пакета мера, усклађених са циљевима из хијерархијски надређених аката стратешког планирања;
- в) идентификација приоритетних пројеката;
- г) дефинисање приоритетних подручја интервенције;
- д) дефинисање управљачког механизма за спровођење Стратегије;
- ђ) спровођење Стратегије.

#### **Члан 5.**

Кроз процес израде Стратегије промовисаће се интегрални и партиципативни приступ планирању развоја, међусекторска сарадња и размена информација, укључивање и координација јавног, приватног, цивилног сектора и научно-истраживачког сектора у процесу одлучивања, и партнерство међу институцијама.

#### **Члан 6.**

У циљу спровођења ове Одлуке и израде Стратегије, образоваће се Савет за развој урбаног подручја града Лознице (у даљем тексту: Савет) и Радна група за израду Стратегије (у даљем тексту: Радна група).

#### **Члан 7.**

Савет има задатак да координира и надзире процес израде Стратегије, да разматра Стратегију по фазама припреме, даје мишљење на предложени нацрт, прибавља мишљења релевантних институција и упућује коначни нацрт Стратегије на усвајање. Затим, Савет даје предлог за реализацију одређених стратешких пројеката важних за развој урбаног подручја, учествује у успостављању управљачког механизма за спровођење Стратегије и координира процес спровођења Стратегије.

Савет чине градоначелник, и изабрани чланови: представници Градске управе и Скупштине града, представници јавних предузећа, установа и институција, представници привредног сектора, организација цивилног друштва и научно-истраживачких институција из области урбанизма, као и релевантне регионалне развојне агенције.

Градоначелник именује чланове Савета посебним решењем/одлуком. Радом Савета руководи градоначелник.

Савет доноси Пословник о раду на првој седници Савета, која ће се одржати најкасније у року од месец дана од дана усвајања ове Одлуке.

#### **Члан 8.**

Радна група има задатак да спроведе све фазе у процесу израде Стратегије, дефинише кључне циљеве и приоритете развоја и предложи стратешке пројекте Савету.

Чланове и координатора Радне групе именује градоначелник.

#### **Члан 9.**

Градска управа града Лознице - Одељење за планирање и изградњу пружа стручну подршку и административно-техничку помоћ Радној групи током израде



Стратегије, кроз обезбеђење простора за рад, прикупљање и достављање одговарајуће релевантне документације и података.

#### **Члан 10.**

Током израде Стратегије биће организовани тематски округли столови, радионице, форуми за стручне и јавне расправе, на којима ће се усаглашавати предложена решења. У њихов рад могу бити укључени и сви остали заинтересовани учесници, како би се обезбедила партиципација и транспарентност процеса одлучивања и правовремено обавештавање јавности.

#### **Члан 11.**

Рок за израду Стратегије је 8 (осам) месеци од дана ступања на снагу ове Одлуке.

#### **Члан 12.**

Реализација ове Одлуке обезбеђује се кроз техничку подршку Програма Европске уније за локални развој ЕУ ПРО Плус. За реализацију ове Одлуке задужена је Градска управа града Лознице.

#### **Члан 13.**

О овој Одлуци информисаће се јавност у складу са одредбама Закона о планском систему, Закона о локалној самоуправи и Правилника о смерницама добре праксе за остваривање учешћа јавности у припреми нацрта закона и других прописа и аката, објавом на службеним страницама јединице локалне самоуправе.

#### **Члан 14.**

Сви појмови у овој Одлуци употребљени у граматичком мушком роду подразумевају мушки и женски природни род.

#### **Члан 15.**

Ова Одлука ступа на снагу осмог дана од дана објављивања у „Службеном листу града Лознице”.

### **СКУПШТИНА ГРАДА ЛОЗНИЦЕ**

Број: 06-23/22-17-3/3  
Датум: 28. јул 2022. године  
Л о з н и ц а

**ПРЕДСЕДНИЦА**  
**СКУПШТИНЕ ГРАДА**  
Милена Манојловић Кнежевић, с.р.

Тачност оверава  
**СЕКРЕТАР**  
**СКУПШТИНЕ ГРАДА**  
Дејан Марковић, дипл. правник



**ANNEX 2 – LIST OF PROJECT IDEAS**

| <b>O 1. IDENTITY OF THE URBAN AREA</b> |   |
|--|---|
| <b>1.</b>                              | Revitalization and commissioning of the premises of the Viskoza factory   |
| <b>2.</b>                              | Landscaping of the construction site  |
| <b>3.</b>                              | Project “City exit to the Drina”, landscaping of the Drina river bank   |
| <b>4.</b>                              | Creation of a new tourist offer through greater accessibility of the Drina coast and the construction of a cable car on Gučevo  |
| <b>5.</b>                              | Construction of the main public space, the square, in the fabric of the city  |
| <b>6.</b>                              | Putting into operation the area of the quanta market  |
| <b>7.</b>                              | Modulation of existing larger public areas (Jovan Cvijić Square and others)   |
| <b>8.</b>                              | Capacity building for the reception of migrants in transit and their displacement from tourist areas  |
| <b>9.</b>                              | Relocating the railway to develop the Viskoza area and the central part of the city   |
| <b>10.</b>                             | Arrangement and accessibility of archaeological sites   |
| <b>11.</b>                             | Reconstruction of buildings that have the status of cultural monuments (villa Bosna, villa Koviljača, administrative building in the spa park)  |
| <b>12.</b>                             | Reconstruction of the remaining villas and buildings in the spa and the remaining buildings of architectural heritage in the city area  |
| <b>13.</b>                             | Revitalization/decoration of memorial complexes and facilities  |
| <b>14.</b>                             | Protection of industrial heritage, repurposing Viskoza chimneys into new benchmarks of the city (observatory, gallery, museum...)   |
| <b>15.</b>                             | Reactivation of objects from the First World War (trenches on Gučevo, trenches...)  |
| <b>16.</b>                             | Construction of visitor centers, viewpoints, bicycle and pedestrian paths, connecting and equipping tourist potentials  |
| <b>17.</b>                             | Identification of illegal exploitation of gravel and sand and rehabilitation of these areas   |
| <b>18.</b>                             | Identification of illegal facilities along the Drina, at water sources, in Tršić and their removal  |
| <b>19.</b>                             | Establishing a new concept of connection in order to develop rural-urban connections and create value chains  |
| <b>20.</b>                             | Improvement and connection of tourist infrastructure:<br>Visitor center Gučevo<br>Visitor Center Cer<br>Gondola Gučevo<br>Arrangement of public fountains in Banja Koviljača<br>Protection of cultural heritage objects - archaeological sites for the purpose of tourism development |
| <b>21.</b>                             | Projects of regeneration of block spaces for public and private purposes:<br>Expansion of pedestrian zones with the participation of public and private funds<br>The project of remodeling the space in the Voćar block   |
| <b>22.</b>                             | The project of connecting cultural and tourist content, points of interest for tourists and residents (national and international regattas)   |

**O 2. GREEN AND ENERGY TRANSITION AND MOBILITY**

|            |   |
|------------|---|
| <b>23.</b> | Connecting the Tršić-Banja Koviljača bicycle path through the central area of the city, with a special focus on the Viskoza area          |
| <b>24.</b> | Reconstruction and construction of pedestrian and bicycle infrastructure  |
| <b>25.</b> | Construction of new parking facilities  |
| <b>26.</b> | Reconstruction / construction of roads that enable adequate connection with the new expressway, the new route of the state road B27, etc. |
| <b>27.</b> | Cleaning and commissioning of water sources   |
| <b>28.</b> | Protection of the banks of the Drina River and other watercourses   |
| <b>29.</b> | Protection of forests, flora and fauna  |
| <b>30.</b> | Examination and use of geothermal potential   |
| <b>31.</b> | Construction of water facilities in order to reduce the risk of flash floods and other disasters  |
| <b>32.</b> | Preparation of the cadastre of green areas  |
| <b>33.</b> | Construction of a protective green belt between the industrial zone and the city landfill   |
| <b>34.</b> | Construction of new / improvement of existing green areas   |
| <b>35.</b> | Greening of public areas and buildings - rows of trees, roof and wall greenery  |
| <b>36.</b> | Construction of underground containers and recycling islands  |
| <b>37.</b> | Cleaning up illegal landfills   |
| <b>38.</b> | Permanent removal of illegal landfills  |
| <b>39.</b> | Connection to the regional waste dump Eko-Tamnava   |
| <b>40.</b> | Renovation of the vehicle fleet and equipment for waste collection and transport  |
| <b>41.</b> | Cross-border cooperation project for solving environmental problems - landfill  |

**O 3. INNOVATIVE AND SMART ECONOMY**

|            |  |
|------------|--|
| <b>42.</b> | Development of the "North" industrial zone   |
| <b>43.</b> | Connection of chambers of commerce at the regional level   |
| <b>44.</b> | Support for SMEs in obtaining certificates and standards (mark of geographical origin, brand protection) |
| <b>45.</b> | Support for the development of cooperatives, clusters, cooperatives                                      |
| <b>46.</b> | Reconstruction of the market in order to improve the placement of agricultural products                  |
| <b>47.</b> | Further improvement of the implementation of the Local Action Plan for Employment                        |
| <b>48.</b> | Formation of the Innovation Start-up Center to support the development of digital activities             |

**O 4. SOCIAL WELLBEING**

|            |   |
|------------|---|
| <b>49.</b> | “LilaLo” festival – international and interregional cooperation   |
| <b>50.</b> | Empowering women from rural areas for employment  |
| <b>51.</b> | Creation and implementation of the employment program for women over 50 years of age  |
| <b>52.</b> | Establishment of a social enterprise  |
| <b>53.</b> | “Employment Caravan” project, informing the population about employment opportunities   |
| <b>54.</b> | Project for greater accessibility of kindergartens and schools for people with reduced mobility   |
| <b>55.</b> | Mapping and recording the needs of people with reduced mobility in the city of Loznica  |
| <b>56.</b> | Promotion and strengthening of professions and activities of public services (social protection, education, health) and development of socio-educational services |
| <b>57.</b> | Reconstruction of the Health Center and improvement in the provision of services to users   |
| <b>58.</b> | Reconstruction and revitalization of rural clinics for various programs   |
| <b>59.</b> | “Health Caravan” organization in cooperation with the civil sector  |
| <b>60.</b> | Formation of a fund to collect funds for the financing of health care services  |
| <b>61.</b> | Establishing a center for mental health (depression prevention, stress control)   |
| <b>62.</b> | Formation of a center for palliative care   |
| <b>63.</b> | Formation of a volunteer center   |
| <b>64.</b> | Establishing a mobile soup kitchen  |
| <b>65.</b> | Reconstruction of the Red Cross building  |
| <b>66.</b> | Establishment of counseling center for marriage and family  |
| <b>67.</b> | Expansion of daycare facilities for children with developmental disabilities and development of the “Respite” service   |
| <b>68.</b> | Establishment of day care and clubs for the elderly   |
| <b>69.</b> | Establishment of “SOS” lines for the elderly  |
| <b>70.</b> | Construction of sports fields in rural areas  |
| <b>71.</b> | Construction of the city gallery and theater  |
| <b>72.</b> | Formation of counseling centers for young people  |
| <b>73.</b> | Peer education on various topics (reproductive health, addictions)  |
| <b>74.</b> | Formation of mobile teams for help and support  |
| <b>75.</b> | Establishing a home help service in a rural area  |
| <b>76.</b> | Establishment of protection mechanisms against violence: Safe house, SOS telephone  |
| <b>77.</b> | Formation of a center for the prevention of addiction diseases  |

|   |   |
|---|---|
| <b>78.</b>  | Raising citizens' awareness and sensitization on the topic of stigma, discrimination, gender equality     |
| <b>79.</b>  | Acquiring citizens' skills for providing first aid and reacting in extraordinary and urgent circumstances |
| <b>80.</b>  | Conducting research in the field of social welfare as a basis for planning measures                       |
| <b>O 5. MANAGEMENT OF URBAN/TERRITORIAL DEVELOPMENT</b> |   |
| <b>81.</b>  | Cooperation projects with local community councils  |
| <b>82.</b>  | Youth promotion projects in the creation of public policies   |
| <b>83.</b>  | Improvements in youth infrastructure, establishment of the Office for Youth                               |
| <b>84.</b>  | Improving the work of residential communities at the block and city level                                 |
| <b>85.</b>  | Promotion of projects of general interest to citizens   |
| <b>86.</b>  | Improvement of GIS for city territory management  |
| <b>87.</b>  | Establishment of registers of public property, illegal construction, infrastructure, brownfield sites     |

## **ANNEX 3 – PARTICIPANTS IN DEVELOPING THE STRATEGY**

### **Participants in the Strategy development process**

Estela Radonjić, Jovana Šunjevarić, Nenad Leibenšperger, Danica Đurić, Vladimir Petrović, Vlado Krsmanović, Saša Stevanović, Marko Jovanović, Vladimir Simić, Slobodanka Gajić, Danijela Terzić, Marijana Obradović, Marija Čolaković, Katarina Petrović, Slađana Bodiroga, Gordana Stojanović, Rosa Savić, Milan Vučićević, Pavle Jakšić, Jerotija Matić, Nikola Popović, Angelina Marković, Slađana Stojanović, Kristina Nikolić, Marina Cvetanović, Biljana Radičević, Slavica Filipović, Vesna Vujić, Zorka Vladić, Sofija Gocić, Aleksandra Spasojević, Ivana Savić, Snežana Lazić, Jelena Mirković, Veljko Vujaklija, Anđela Ignjatović, Ana Jevtić, Aleksandar Popović, Darko Nestorović, Ljubiša Jastrevski, Milan Nedeljković, Đorđe Marković, Miodrag Vujić, Branko Stanojević, Milka Krstivojević, Ljubica Vasiljević.



## **ANNEX 4 – NATIONAL AND INTERNATIONAL SOURCES OF FUNDING URBAN AND TERRITORIAL DEVELOPMENT**

August 2023.

### **1 NATIONAL SOURCES OF FUNDING URBAN AND TERRITORIAL DEVELOPMENT**

#### **MINISTRIES OF THE GOVERNMENT OF THE REPUBLIC OF SERBIA**

MINISTRY OF FINANCE

MINISTRY OF ECONOMY

MINISTRY OF AGRICULTURE, FORESTRY AND WATER MANAGEMENT

MINISTRY OF ENVIRONMENTAL PROTECTION

MINISTRY OF CONSTRUCTION, TRANSPORT AND INFRASTRUCTURE

MINISTRY OF MINING AND ENERGY

MINISTRY OF INTERNAL AND FOREIGN TRADE

MINISTRY OF JUSTICE

MINISTRY OF STATE ADMINISTRATION AND LOCAL SELF-GOVERNMENT

MINISTRY OF HUMAN AND MINORITY RIGHTS AND SOCIAL DIALOGUE

MINISTRY OF EUROPEAN INTEGRATION

MINISTRY OF EDUCATION

MINISTRY OF HEALTH

MINISTRY OF LABOR, EMPLOYMENT, VETERANS AND SOCIAL AFFAIRS

MINISTRY OF FAMILY CARE AND DEMOGRAPHY

MINISTRY OF SPORTS

MINISTRY OF CULTURE

MINISTRY OF RURAL CARE

MINISTRY OF SCIENCE, TECHNOLOGICAL DEVELOPMENT AND INNOVATION

MINISTRY OF TOURISM AND YOUTH

MINISTRY OF INFORMATION AND TELECOMMUNICATIONS

MINISTRY OF PUBLIC INVESTMENTS

CABINET OF THE MINISTER WITHOUT A PORTFOLIO IN CHARGE OF PROMOTING THE  
DEVELOPMENT OF UNDERDEVELOPED MUNICIPALITIES

CABINET OF THE MINISTER WITHOUT PORTFOLIO IN CHARGE OF COORDINATING ACTIVITIES  
AND MEASURES IN THE FIELD OF RELATIONS OF THE REPUBLIC OF SERBIA WITH THE DIASPORA

CABINET OF THE MINISTER WITHOUT A PORTFOLIO IN CHARGE OF EVEN REGIONAL DEVELOPMENT

**AUTHORITIES OF THE REPUBLIC OF SERBIA:** CUSTOMS ADMINISTRATION; ADMINISTRATION FOR  
FREE ZONES; REPUBLIC WATER DIRECTORATE; ADMINISTRATION FOR FORESTS; ADMINISTRATION  
FOR AGRARIAN PAYMENTS; ADMINISTRATION FOR AGRICULTURAL LAND, NATIONAL ACADEMY  
FOR PUBLIC ADMINISTRATION, DEVELOPMENT AGENCY OF SERBIA, PORT GOVERNANCE AGENCY

**FUNDS:** DEVELOPMENT FUND OF THE REPUBLIC OF SERBIA, INNOVATION FUND, FUND FOR SCIENCE OF THE REPUBLIC OF SERBIA, CENTER FOR THE PROMOTION OF SCIENCE (CPN)

**BANKS:** Erste Bank A.D.; UniCredit Bank; Banca Intesa; NLB Komercijalna banka; Bank Poštanska štedionica; ProCredit Bank.

## **1.1 MINISTRIES OF THE GOVERNMENT OF THE REPUBLIC OF SERBIA<sup>120</sup>**

### **1.1.1 MINISTRY OF FINANCE<sup>121</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Support to local self-government - non-purpose transfers determined by Article 37 of the Law on Local Self-Government, financing and transfers for equalization - transfer of solidarity, which is determined in accordance with Article 38 of the Law on Local Self-Government Financing.
- Expropriation of land for the purpose of building capital projects - the funds are intended for expropriation, that is, the administrative transfer of real estate - land and buildings that may be subject to expropriation by law, for the purpose of building capital projects.
- Document management system - system for document management - electronic business.

### **1.1.2 MINISTRY OF ECONOMY<sup>122</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Financial support programme - use of standards to more competitive products. The programme is designed as a form of necessary support, primarily for small and medium-sized enterprises, in order to encourage them to increase the use of standards in production and business organisation, to certify products and management systems and use other services in the field of IC, which will result in an increase in competitiveness economy as a whole. The programme includes an instrument of financial support to economic entities in the form of subsidies. The available funds are approved individually to the users, with a refund, as co-financing in the amount of 40% or 60% of justified costs without VAT for each project activity;
- Encouraging regional development - financial support that serves the purpose of supporting the development of business infrastructure through infrastructural equipping of the business zone and their connection with the environment, as well as the improvement of infrastructure capacities in order to develop tourism and other economic activities. Programme activities strengthen the capacities of local self-government units and accredited regional development agencies, and connect all subjects of regional development, at the national, regional and local level, in order to implement the policy of regional development;
- Support programme for small businesses for the purchase of equipment - grants are awarded for investments in new production equipment to micro and small businesses, entrepreneurs and cooperatives for the purpose of strengthening their competitiveness,

<sup>120</sup> <https://www.srbija.gov.rs/link/2497>

<sup>121</sup> <https://www.mfin.gov.rs/>

<sup>122</sup> <https://privreda.gov.rs/>

improving and improving their business and internationalization, as well as creating new jobs. The programme is a combination of grants from the budget (25%), loans from commercial banks and leasing companies (70%) and the client's own funds (5%);

- Programme to encourage the development of entrepreneurship through financial support for beginners in business - grants are awarded for financial support to newly founded entrepreneurs, micro and small businesses, which have been registered in the Agency for Economic Registers for the earliest two years in relation to the year of application submission. The support is a combination of 30% grants from the budget and 70% loans from the Development Fund, as well as non-financial support through a standardized set of services from accredited regional development agencies - education and assistance in creating a business plan;
- Support through a standardized set of services for MSMEs related to training, advisory services, as well as promotion of available types of support for small and medium at the local level, free of charge The programme is implemented by 17 accredited regional development agencies, with the coordination of the Development Agency of Serbia;
- Support for industrial development, industrial restructuring in the direction of approaching innovative and technology-intensive and moving away from labor-intensive sectors and improvement and digitization of business models of industrial production;
- Incentive programme to support the digital transformation of industry - Continuous co-financing of the implementation costs of approved projects proposed within the digital transformation strategy of individual economic entities (improvement/introduction of new business processes, business models, products, services);
- Incentives for industrial business entities for the development of innovative solutions through cooperation projects with the scientific and research community;
- Support programme for industrial economic entities for the procurement of first generation technological equipment;
- Infrastructure development support programme for the needs of industrial zones;
- Investments of special importance - allocation of funds to business entities that invest in fixed assets or create a large number of new jobs, in relation to the object of investment and the territorial concentration of certain economic branches and economic activities;
- Credit support to companies in the privatization process, which ensures the efficient continuation of the company's privatization process, i.e. the company's survival until the end of the process;
- The Podrinje Development Programme - a joint initiative of the governments of the Republic of Serbia and the Republic of Srpska, is predominantly of an economic nature, foresees the possibility of joint activities and cooperation in the implementation of projects in the field of economic development. The following LGUs are participating from the Republic of Serbia: Šid, Sremska Mitrovica, Bogatić, Šabac, Loznica, Mali Zvornik, Krupanj, Valjevo, Osečina, Ljubovija, Kosjerić, Bajina Bašta, Užice, Čajetina, Priboj and Koceljeva.

### 1.1.3 MINISTRY OF AGRICULTURE, FORESTRY AND WATER MANAGEMENT<sup>123</sup>

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Incentive for investments for the improvement and development of rural public infrastructure - incentives include support for investments in the construction and equipping of facilities:
  1. for water supply;
  2. road infrastructure;
  3. for storage and processing of agricultural products.
- The right to incentives is exercised by the local self-government unit, if the investment in question is realized in a populated place with less than 10,000 inhabitants.
- Incentive for the improvement of the system of creation and transfer of knowledge through the development of technical-technological, applied, developmental and innovative projects in agriculture and rural development. A legal entity registered in the Register of Scientific Research Organisations, a research and development center, an innovation center, an accredited faculty, an entrepreneur and a legal entity that meets the conditions for performing advisory and expert work in agriculture are entitled to incentives.
- Incentive to support programmes related to the preparation and implementation of local strategies for rural development (LSRR).
- Incentives include support for programmes, namely:
  1. incentives for preparing LSRR;
  2. incentives for the implementation of LSRR.
- The right to incentives is exercised by the Partnership for Territorial Rural Development (an association of representatives of the public, private and civil sectors of a certain rural area, which was established in accordance with the law regulating associations).
- Incentive for the implementation of activities aimed at increasing competitiveness through the certification of food quality systems, organic products and products with geographical origin.
- Regulation of watercourses and protection against harmful effects of water - undertaking measures and activities for protection against flooding by external and internal waters and ice, protection against erosion and torrents and elimination of the consequences of such effects of water and management of risks from the harmful effects of water, as well as preparation of technical documentation for the above objects.

**Other projects implemented by the Ministry, which are financed from other sources:**

- The project for competitive agriculture in Serbia - funded by the World Bank. The project refers to the improvement of productivity and promotion of entrepreneurial spirit on family farms, cooperatives, cooperatives, associations and micro, small and medium-sized enterprises through financial support and capacity development of advisory services, business and financial planning. The Ministry, through the Administration for Agrarian Payments, is issuing a public call for investments related to improving the

<sup>123</sup> <http://www.minpolj.gov.rs/>

competitiveness of primary livestock production in the areas of milk production, meat production, beekeeping and aquaculture.

- Instrument of pre-accession assistance for rural development (IPARD) - funds of the European Union. Within the IPARD programme, the following measures were implemented:
  1. Investments in physical assets of agricultural holdings
  2. Investments in physical assets related to the processing and marketing of agricultural and fishery products
  3. Ecologically oriented and organic agriculture
  4. Implementation of local development strategies—LEADER approach
  5. Diversification of agriculture.
- Programme for resilience to climate change and irrigation in Serbia - phase II - funds from the European Bank for Reconstruction and Development. The project finances the construction and rehabilitation of critical irrigation infrastructure in local governments.
- The project of integrated development of the Sava and Drina river corridors - funds from the International Bank for Reconstruction and Development. The goal of the Project is to improve flood protection and enable cross-border cooperation in the area of water on the Sava and Drina river corridors. The project finances flood protection, investment in environmental management, dams and related activities in selected priority areas along the Sava and Drina river corridors.
- Construction of the irrigation system - first phase - funds from the Abu Dhabi Development Fund. The project finances the construction, reconstruction, arrangement and rehabilitation of water facilities and irrigation systems, namely regional irrigation hydrosystems and dual-purpose systems in the area of Srem, Bačka and Banat and hydromelioration systems in the area of Šabac, Čačak, Pančevački Rit and Topola.
- Environment and climate - funds IPA programme 2020. Taking measures and activities to protect and improve the quality of surface and underground water through the construction of a wastewater treatment plant for the agglomeration of Loznica; construction of new collectors and reconstruction of existing ones, construction of pumping stations and pressure pipelines and construction of parts of the new atmospheric sewage, as well as through the construction of systems and facilities for the collection, removal and purification of waste water in Sokobanja.

#### 1.1.4 MINISTRY OF ENVIRONMENTAL PROTECTION<sup>124</sup>

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Incentives for the purchase of environmentally friendly vehicles - subsidized purchases of new vehicles that have an exclusively electric drive, as well as vehicles that run with atmospheric and electric hybrid drive, in order to protect and improve air quality,
- Reducing air pollution in Serbia from individual sources - reducing the release of polluting substances from individual sources into the environment with the aim of implementing measures to improve air quality and undertaking preventive measures in segments important for protecting air from pollution, through cooperation with local self-government units

<sup>124</sup> <https://www.ekologija.gov.rs/>



- Protection and preservation of water as a natural resource - preservation of the quality of water as a natural resource, elimination of the consequences of pollution and application of preventive measures prescribed by the law on environmental protection through cooperation with local self-government units.
- Procurement, replacement, reconstruction and rehabilitation of boiler rooms for heating - reduction of the release of polluting substances into the environment, from boiler rooms for heating within the facilities that are under the jurisdiction of local self-government units, with the aim of improving air quality, undertaking preventive measures in segments important for air protection from pollution and protection and improvement of the environment.
- Incentives for management programmes of protected natural assets of national interest - co-financing of management programmes for national parks and protected areas.
- Afforestation for the purpose of protecting and preserving landscape diversity - co-financing the purchase of seedlings and the execution of works for the afforestation of the land with indigenous species of trees and shrubs, on land under the jurisdiction of local self-government units.
- Preservation and protection of soil as a natural resource - prevention or elimination of harmful changes in the soil, which aims to preserve the surface and functions of the soil as a natural resource and to prevent or eliminate harmful changes in the soil that may occur as a result of: erosion processes, reduction content of organic matter in the soil, acidification, salinization and alkalization of soil, soil compaction, landslides and landslides, fires and chemical accidents, pollution.
- Reducing the carbon footprint of local communities by applying circular economy principles - co-financing the development of innovative projects and business models based on circular economy principles that contribute to low-carbon development.
- Integrated management of waste, waste water, chemicals and biocidal products - establishment of a system for regional waste management and improvement of the waste management system, establishment of a system for waste water management at the level of local governments and water protection.
- Rehabilitation and closure of unsanitary landfills - support to local self-government units that are unable to independently finance the rehabilitation and closure of unsanitary landfills on their territory,
- Removal and permanent disposal of hazardous waste - solving the issue of removing hazardous waste in companies undergoing restructuring and bankruptcy, as well as removing other hazardous historical waste.
- Prevention of illegal dumping of waste and removal - by providing support to local self-government units in preventing illegal dumping of waste and preventing the creation of new illegal landfills.
- Waste management and circular economy - support to local governments in the application of innovative technologies and solutions in recycling and reuse of waste, reducing the use of natural resources and improving the quality of the environment through the reduction of emissions of pollutants into the environment.
- Procurement of collection and recycling equipment - raising the capacity of local and regional PUCs in order to increase their efficiency and improve waste management.

- Support for civil society projects in the field of environmental protection - financing of projects in the field of environmental protection carried out by associations and other civil society organisations, which were selected through a competition.
- Incentives for the reuse and utilization of waste - incentives for enterprises to encourage the reuse and utilization of waste as a secondary raw material, or to obtain energy, as well as to encourage the production of biodegradable bags.
- Technical assistance in the preparation of project documentation for infrastructure projects in the field of environment - preparation of the necessary planning and project documentation for infrastructure projects in certain local governments.
- Improvement of infrastructure for environmental protection - construction of waste water treatment facilities including collectors and sewage network.

**From other funds, the Ministry realizes the following projects:**

- IPA 2010 - Support to municipalities in the Republic of Serbia in the preparation and implementation of infrastructure projects;
- IPA 2017 - Environmental Protection Sector;
- IPA 2018 - Environmental Protection Sector;
- IPA 2020 - Environment and climate;
- Construction of regional centers for waste management - funds of the European Bank for Reconstruction and Development;
- District heating project in Kragujevac - funds from the European Bank for Reconstruction and Development.

### **1.1.5 MINISTRY OF CONSTRUCTION, TRANSPORT AND INFRASTRUCTURE<sup>125</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Road transport, roads and traffic safety - development of road transport reflected in easier access to the international transport market
- Railway and intermodal transport - improvement and development of railways (including cable cars) and intermodal transport through the arrangement of railway and intermodal transport systems.
- Realization of infrastructure projects of importance for the Republic of Serbia - and realization of construction and reconstruction projects of traffic infrastructure and infrastructure projects.
- Programme of integral development of Southwestern Serbia - financing of projects in the field of tourism, environment and infrastructure.
- Water supply and waste water treatment program in medium-sized municipalities in Serbia and Green Cities - construction of drinking water treatment plants and waste water treatment plants, as well as rehabilitation and expansion of the municipal water supply, waste water collection and disposal system.
- Reconstruction of the railway line Nis - Dimitrovgrad.
- Programme of integrated solid waste management in Serbia - improvement of municipal infrastructure for efficient management of municipal solid waste in selected cities.

<sup>125</sup> <https://www.mgsi.gov.rs/cir/projekti>

- Project for the construction of municipal (sewage) infrastructure and infrastructure for the disposal of municipal solid waste - a project with the working title "Clean Serbia", the construction of a sewage network and facilities for the processing of waste water and rehabilitation, reconstruction, recultivation and construction of landfills with solid waste treatment.

**From other funds, the Ministry realizes the following projects:**

- IPA 2020 - Support for EU integration.
- IPA 2020 - Democracy and Governance.
- The project to improve the trade and transport of the Western Balkans with the application of a multi-phase programmatic approach - funds of the International Bank for Reconstruction and Development.
- Rehabilitation of roads and improvement of traffic safety - funds International Bank for Reconstruction and Development, European Investment Bank and European Bank for Reconstruction and Development.
- Modernization of the railway sector in Serbia - funds from the World Bank, the International Bank for Reconstruction and Development.

#### **1.1.6 MINISTRY OF MINING AND ENERGY<sup>126</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Public call for the allocation of funds for the financing of the Programme of Energy Rehabilitation of Family Houses and Apartments implemented by local self-government units, as well as city municipalities.
- Public call for the allocation of funds for the financing of energy efficiency improvement projects in facilities of public importance in local self-government units, as well as city municipalities.
- Energy efficiency and energy management in municipalities in Serbia - systematic and comprehensive energy management through the introduction of the European Energy Award certificate, improvement of the energy efficiency of public buildings in Kruševac and Užice.
- Improving the energy management system to increase investments in the energy efficiency of public buildings in Serbia - reducing GHG emissions through improving energy efficiency and promoting the use of renewable energy sources in public buildings with a special focus on state-owned buildings.

**From other funds, the Ministry realizes the following projects:**

- Encouraging the use of renewable energy sources - development of the biomass market, funds from the German Development Bank KfW. The project is implemented in the relevant local self-government units that were included in previous justification studies based on their own initiative, potential and previously taken steps in order to use biomass and geothermal energy.

<sup>126</sup> <https://www.mre.gov.rs/>

- Rehabilitation of the district heating system in Serbia - funds from the German Development Bank KfW. The project envisages the rehabilitation and modernization of 7 heating plants through the implementation of projects in the field of construction/improvement/replacement of thermal energy production facilities, replacement/expansion of heating pipes, improvement/replacement/installation of substations and installation/improvement/expansion of modern SCADA systems.

#### **1.1.7 MINISTRY OF INTERNAL AND FOREIGN TRADE<sup>127</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Incentives for the development of the national brand of Serbia and the preservation of old crafts - subsidies to economic entities for the development and preservation of traditional crafts.
- Support for programmes of consumer associations and out-of-court settlement of consumer disputes - financing or co-financing of programmes of registered consumer associations, which include activities of providing information, education, advice and legal assistance to consumers, as well as conducting independent research.

#### **1.1.8 MINISTRY OF JUSTICE<sup>128</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Public competition for the allocation of funds collected on the basis of the postponement of criminal prosecution - for projects prepared by natural persons, legal persons, authorities, organisations, public institutions, entrepreneurs, associations, funds, humanitarian organisations, which realize the public interest in the field of health, culture, education, humanitarian work.

#### **1.1.9 MINISTRY OF STATE ADMINISTRATION AND LOCAL SELF-GOVERNMENT<sup>129</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Support for the development and functioning of the local self-government system - establishment of a better system of local self-government, realization of infrastructure projects of local self-government units, improvement of the work of LGUs and good administration, improvement of the efficiency of the work of local self-government in the area of personnel capacities, modernization of the work of local self-government units in terms of IT and technical equipment.
- Local self-government for the 21st century - support for the implementation of functional analysis and functional organisational models, building and strengthening the capacities of LGUs, development and improvement of inter-municipal cooperation through the Fund for Inter-Municipal Cooperation.

<sup>127</sup> <https://must.gov.rs/>

<sup>128</sup> <https://www.mpravde.gov.rs/>

<sup>129</sup> <https://mduls.gov.rs/category/projekti-i-programi/>

- Partnership for local development - improvement of service provision in selected municipalities: renovation of public institution buildings, reconstruction/construction of local markets, establishment of a municipal center for monitoring the provision of local services by local public utility companies, reconstruction of public space - (sports fields, parks, pedestrian paths , etc.), construction/replacement of lighting.
- Management of the public administration reform - establishment of unique administrative positions through support to local self-government units and city municipalities whose purpose is to increase the efficiency, effectiveness and economy of the work of the authorities, in situations where, in order to exercise one or more rights, the actions of one or more authorities are required.
- Budget fund for the Programme for Local Self-Governments - improvement of infrastructure, work efficiency and quality of life in LGUs.
- Establishing solid coordination mechanisms for the development and functioning of e-Government and rounding off the legal framework and procedures for the development of e-Government - awarding grants to a maximum of 35 LGUs for the development and implementation of procedures and procedures relevant to the introduction of e-Government, training and mentoring support for the provision of e-Government services - Management, and support for data opening.
- Improving the function of human resource management (HRM) in state administration and local self-government through the introduction of new instruments and strengthening the capacity for HRM - Building the capacity of cities and municipalities to implement and improve the function of human resource management in local self-government.
- Improving the sustainability of public finances through reforming and developing public property management - Implementation of LGU projects within the grant scheme for improving public property management at the local level, implementation of 20 packages of direct technical support to municipalities for improving public property management at the local level.
- Improvement of the process of planning and budget preparation at the local level - raising the capacity of LGUs to implement programme budgeting in accordance with the methodology for programme budgeting through the creation of instructional documents for the preparation of the programme budget, the organisation of 24 regional trainings for all LGUs and direct technical support for 12 LGUs selected by competition.
- Raising awareness of the rights of national minorities - encouraging the establishment and effective functioning of councils for inter-ethnic relations at the local level in all municipalities with ethnically mixed populations through trainings and meetings with LGU representatives.
- Empowerment of civil society organisations - competition for the allocation of funds from the Budget Fund for National Minorities for programmes and projects from a specific priority area of funding.



**1.1.10 MINISTRY OF HUMAN AND MINORITY RIGHTS AND SOCIAL DIALOGUE<sup>130</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- The rights of national minorities to self-governance - strengthening of civil society organisations and business companies by announcing tenders for financing programmes and projects of organisations whose founders are national councils of national minorities that deal with the protection and promotion of the rights of national minorities in areas where national councils of national minorities are entrusted with the exercise of public powers.
- Encouraging environment for the development of civil society - implementation of measures and activities with the aim of improving the legal, institutional and financial framework for the development of civil society and raising the capacity of public administration bodies and civil society organisations in order to improve mutual cooperation.
- Public competition for financing programmes of associations that contribute to greater involvement of civil society organisations in the creation of gender-responsive policies.
- Competition for civil society organisations, for projects related to the implementation of the Prevention and Protection Against Discrimination Strategy.
- Informative, educational and promotional activities to encourage women and girls to participate in innovative activities related to the digital, circular and green economy through research teams as experts, but also as entrepreneurs in these fields.
- Informative, educational and promotional activities for the increased participation of women in the protection of intellectual property and patents, increasing knowledge and information about the protection of intellectual property and innovation activity.
- Informative, educational and promotional activities for increased inclusion of women and girl soldiers in science and technology parks, innovation incubators and similar centers.
- Competition for financing scientific-research projects in the field of gender equality.
- Programmes and projects by which Roma men and women are informed and educated on the topic of access to rights and preservation of identity.
- Training programmes that include the topics of gypsyism as a form of racism and discrimination for employees of LGUs.
- Campaign to increase the representation of Roma men and women in political decision-making bodies at the local level.
- Formation of local councils for the social inclusion of Roma and Roma women.
- Forming new mobile teams for the inclusion of Roma in all local governments with a significant share of Roma and ensuring capacity building for members of the mobile teams.
- The programme of educational work and other forms of work and services provided by the preschool institution with the aim of supporting families and children up to three years of age.
- Partnership between LGUs, preschool institutions and CSOs in the implementation of programmes to encourage the development and learning of children, as well as the development of parenting skills in the community.

<sup>130</sup> <https://www.minijmpdd.gov.rs/>

- Training for employees in public administration bodies on the inclusion of CSOs in the process of drafting, implementing, monitoring the implementation and evaluating the effects of public policies and regulations.
- Training for CSOs to understand the role, competences and functions of public administration and participation in the process of drafting, implementing, monitoring and evaluating public policy documents and regulations.

**From other funds, the Ministry realizes the following projects:**

- Support for participation in EU programmes - IPA programme funds. Providing financial support to associations and other civil society organisations for the implementation of projects previously approved by the European Union.

#### **1.1.11 MINISTRY OF EUROPEAN INTEGRATION<sup>131132</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Support for the effective use of Instruments for EU pre-accession aid and development aid.
- Call for project ideas from the Territorial Strategy for the collection of project concepts within the Integrated Territorial Strategy (Interreg VI-A) Programme Bulgaria-Serbia 2021-2027.

#### **1.1.12 MINISTRY OF EDUCATION<sup>133</sup>**

**From the RS budget, the Ministry finances and co-finances the following programme activities and projects:**

- Modernization of the infrastructure of primary and secondary schools, institutions of higher education and institutions of student standards by implementing projects of construction, reconstruction, rehabilitation, adaptation, projects to improve the energy efficiency of existing buildings by applying energy efficiency measures, projects of investment maintenance of school buildings, as well as the implementation of projects to equip newly built and existing school facilities and institutions and school contents
- Support for the digitization programme in the area of the national education system
- Construction of educational and scientific centers Inclusive preschool upbringing and education The Ministry provides support for integration into the European educational space through the programmes Erasmus+ (Erasmus+), iTwinning (eTwinning), Juridajs (Eurydice), Euroguidance, EPALE, Europass and EOK (EQF).

**The Ministry realizes the following projects from the funds of contracted loans and credits:**

- Dual Education Training Center, Council of Europe Development Bank funds;
- Associated schools in Serbia B, funds of the European Investment Bank;
- School modernization programme, funds of the European Investment Bank;
- Education for social inclusion, funds from the Development Bank of the Council of Europe;
- Inclusive preschool education and upbringing, funds of the International Bank for Reconstruction and Development;

<sup>131</sup> <https://www.mei.gov.rs/>

<sup>132</sup> <https://www.mei.gov.rs/srp/pozivi/165/detaljnije/w/0/raspisan-prvi-poziv-za-projektne-ideje-iz-teritorijalne-strategije/>

<sup>133</sup> <https://prosveta.gov.rs/>

- Student housing in Serbia, Development Bank of the Council of Europe;
- Improvement of university education, Council of Europe Development Bank funds;

### **Other projects in which the Ministry participates**

#### **1. The project of accelerating innovation and encouraging the growth of entrepreneurship in the Republic of Serbia (SAIGE)**

The project to accelerate innovation and encourage the growth of entrepreneurship in the Republic of Serbia (SAIGE) supports the further reform of the scientific research sector, the strengthening of links between the economic and academic sectors, and the development of innovative companies.

Funds for the implementation of the SAIGE Project were provided on the basis of a joint investment by the Republic of Serbia, i.e. the Ministry of Education, Science and Technological Development) through a loan and technical support from the World Bank in the amount of 43 million euros and non-refundable financial support from the European Union in the amount of 41.5 million euros .

The SAIGE project is implemented jointly by the Ministry of Education, the World Bank and the European Union, and the beneficiaries are the scientific community, scientific research organisations, the innovative economy, as well as the Fund for Science and the Fund for Innovation Activities.

The SAIGE project provides support to the competitive programmes of the Science Fund of the Republic of Serbia and the best scientific research projects that were chosen based on an independent international selection.

Project activities:

- Support for scientific research

The support includes grants for basic and applied research, which are implemented within the framework of two programmes, the Special Programme for Research on COVID-19 and IDEA.

Through the Programme for Cooperation with the Serbian Diaspora, the SAIGE project finances the connection and cooperation of Serbian science with the community of the Serbian diaspora in order to improve the ecosystem of research, innovation and entrepreneurship in Serbia. The programme should attract promising scientists, researchers and entrepreneurs from the Serbian diaspora community to transfer knowledge and skills through various activities. It will include networking, advisory participation in the creation of strategies, vouchers for exchange of knowledge for Serbian researchers, grants for joint basic and applied research, development and transfer of technologies, protection of intellectual property and commercialization of research.

The project provides technical assistance to the Science Fund in terms of developing new programmes and strengthening internal capacities and procedures.

- Empowerment of innovative startup companies

In order to strengthen the startup community in Serbia, the Innovation Activity Fund, within the SAIGE Project, launched the Catapult acceleration programme.

Through this programme of the Fund, innovative entrepreneurship is encouraged, it provides access to sources of financing for the development of innovative companies and attracts private investments.

Catapult is the first accelerator in Serbia that provides young companies with intensive, three-month mentoring and connections with investors.

The Catapult programme helps innovative, growth-oriented companies to position themselves in the global market, as well as to improve their business development capabilities, which will increase the possibility of attracting private investment.

- Support for the reform of the science and research sector

The SAIGE project supports the reform of scientific and research organisations through the design and implementation of institutional transformation plans by providing incentives, financial and technical support for undertaking the planned steps of institutional reforms.

Through a phased approach, scientific institutes that have expressed interest in transformation and have been approved by the Ministry of Education, Science and Technological Development to participate in the process, undergo an independent international expert assessment and, based on the assessment results, receive detailed transformation plans, with concrete expected results.

## **2. Programme of institutional financing of accredited institutes founded by the Republic of Serbia, autonomous province, unit of local self-government and institutes founded by the Serbian Academy of Sciences and Arts and Programme of institutional financing of institutes of national importance for the Republic of Serbia.**

The programmes regulate issues of importance for their implementation and develop priorities and indicators for evaluating the work of accredited institutes founded by the Republic of Serbia, an autonomous province, a unit of local self-government and the Serbian Academy of Sciences and Arts, and institutes of national importance for the Republic of Serbia, as well as other issues of importance for the implementation of these programmes including the rights and obligations of researchers at accredited faculties regarding the establishment and duration of the employment relationship.

The aim of these programmes is to strengthen scientific research institutions in order to be more recognizable and competitive at the national and international level, to strengthen research teams for participation in competitive projects, to achieve dynamic development of science, technological development and innovation, to increase the efficiency of the use of resources of the scientific research system.

### **1.1.13 MINISTRY OF HEALTH<sup>134</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Improving the availability of health care for the Roma population - engaging health mediators and supporting projects that are implemented in cooperation with Roma citizens' associations in order to improve the health of Roma men and women.

<sup>134</sup> <https://www.zdravlje.gov.rs/>

- Support for the activities of citizens' associations in the field of health care - support for the work of associations that deal with activities of importance for health care, financing the organisation of expert meetings at the regional level, organizing national meetings, meetings with international participation, implementing projects that include certain health care systems, maintaining courses and continuous education.
- Support for the activities of citizens' associations in the field of HIV infection prevention and control - a contracting mechanism with citizens' associations for the selection of implementers, who are engaged on an annual basis based on an open call for submission of project proposals in the field of HIV infection prevention and control,
- Programmes of the Serbian Red Cross - aimed at socially vulnerable populations, especially children, the elderly, refugees and internally displaced persons, and include first aid, preventive health activities, education and training for young people, care for the elderly, psychosocial support for families of missing and kidnapped persons .
- Construction and equipping of state-owned health institutions founded by the Republic of Serbia - investment investment, investment maintenance of premises, medical and non-medical equipment and means of transport, procurement of medical and other equipment necessary for the operation of health institutions, means of transport, procurement of equipment for the development of integrated health information system.
- Public call for project financing for the implementation of programme 1802 "Preventive health care" project 0012 "Support to the activities of citizens' associations in the field of health care".
- Public call for project financing for the implementation of programme 1802 "Preventive health care" project 0010 "Improving the availability of health care for the Roma population".
- Public call for project financing for the implementation of programme 1802 "Preventive health care" project 4013 "Support to the activities of citizens' associations in the field of prevention and control of HIV infection".

**The Ministry realizes the following projects from the funds of contracted loans and credits:**

- Reconstruction of university clinical centers - funds of the European Investment Bank.
- Health development - funds from the International Bank for Reconstruction and Development
- Programme "Interreg" IPA Romania - Serbia 2021-2027.

**1.1.14 MINISTRY OF LABOR, EMPLOYMENT, VETERANS AND SOCIAL AFFAIRS<sup>135</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Public call for the allocation of support packages to local self-government units for the improvement of social protection - support to local self-government units for the improvement of the social protection system at the local level and financial support in the form of grants for the establishment/expansion of at least one social protection service.

<sup>135</sup> <https://www.minrzs.gov.rs/sr>



- Public call for project proposals in the field of veterans-disabled protection - funding of projects by citizens' associations to improve the position of veterans, disabled veterans, civilian war veterans and families of fallen veterans and to improve the area of nurturing the traditions of the liberation wars.
- Public call for project proposals for the investment maintenance of war memorials of importance for nurturing the traditions of Serbia's liberation wars - for the competent Institutes for the Protection of Cultural Monuments
- Public competition for submitting programme proposals to the permanently open competition for the improvement of the position of persons with disabilities in the Republic of Serbia in 2023 - financing of programmes implemented by citizens' associations registered on the territory of the Republic of Serbia.
- Public competition for submitting programme proposals to the Programme competition for the improvement of the position of persons with disabilities in the Republic of Serbia in 2023.
- Carrying out the activities of social welfare institutions - performing entrusted tasks in centers for social work and providing social welfare services in institutions founded by the Republic.
- Support for the work of foster parents - financing placement in foster families on the basis of the allowance for the maintenance of the beneficiary and the allowance for the work of the foster parent.
- Support for the work of social protection institutions - investments in facilities and equipment in institutions and provision of missing funds in order to smoothly carry out activities in cases where problems arise in the settlement of obligations based on the costs of communal services and energy sources, extraordinary and occasional costs based on judicial and administrative proceedings, decision of courts or authorities state bodies.
- Rights of users outside the network of social protection institutions - assistance for job training of asylum seekers, financial assistance for accommodation in special hospitals.
- Support to associations in the field of family and child protection - co-financing of citizens' associations to help children - grants to encourage programmes and activities of public interest in the field of family and child protection.
- Support to associations and local communities - financing of associations and local communities that include the affirmation of various activities aimed at improving social protection in the community.
- Support for associations in the field of veterans and disabled protection - financial support for projects of associations with various programmes, interests and activities related to the field of veterans and disabled protection, protection of their families, as well as nurturing the tradition of Serbia's liberation wars, based on a public tender.
- Support to companies for the professional rehabilitation of persons with disabilities - wage subsidies for employees with disabilities and funds for improving working conditions in these companies with the aim of strengthening the capacity to carry out professional rehabilitation, employment and maintenance of employment of persons with disabilities.
- Protection of the position of persons with disabilities - a public tender of public importance for the submission of programme proposals for the improvement of the position of persons with disabilities.

- Support for the development of social entrepreneurship - an incentive for the development of social entrepreneurship, which aims to increase the work activation of able-bodied persons who are in the social protection system, less employable unemployed persons in accordance with the regulations in the field of employment and other less employable persons from particularly sensitive categories.

**From other funds, the Ministry realizes the following projects:**

- Public call for providing comprehensive support for the establishment / improvement of local mechanisms for the inclusion of Roma and Roma women - funds of the IPA 2020 Programme.

### **1.1.15 MINISTRY OF FAMILY CARE AND DEMOGRAPHY<sup>136</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Public call for the allocation of grants designated for the co-financing of population policy measures and support in the area of family and children to local self-government units.
- Support to associations in the field of family and child protection - co-financing of citizens' associations to help children - grants to encourage programmes and activities of public interest in the field of family and child protection.
- Public call for submission of programme proposals to the permanently open call for grants intended for projects of family law protection of citizens, support for families and children - for the use of grants to non-governmental organisations for projects of family law protection, citizens, support for families and children.
- Public competition for submitting programme proposals to the permanent open competition for the awarding of grants intended for projects of family law protection of citizens, coordination and policy implementation in the field of demography - for the use of grants to non-governmental organisations for projects of family law protection of citizens, coordination and policy implementation in the field of demography.
- Public call for submission of programme proposals to the permanently open call for grants intended for projects of family law protection of citizens, coordination and implementation of population policy - for the use of grants to non-governmental organisations for projects of family law protection of citizens, coordination and implementation of population policy.
- Public call for submission of programme proposals to the permanently open call for grants intended for projects of family law protection of citizens, support for associations in the field of family and child protection - for the use of grants to non-governmental organisations for projects of family law protection of citizens, support for associations in the field of family protection.

<sup>136</sup> <https://minbpd.gov.rs/>

**1.1.16 MINISTRY OF SPORTS<sup>137</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Special programmes in the field of sports - financing the activities of organisations in the field of sports that are carried out with the aim of providing security
- conditions for free and safe sports, especially for children, women, young people and people with disabilities.
- Construction and capital maintenance of sports infrastructure - projects of construction, equipping and maintenance of sports facilities in local self-government units from the 4th development group are specially financed.
- Public call for submission of programme proposals, i.e. projects related to the construction of sports facilities for the needs of people with disabilities and adaptation of existing sports facilities to the needs of people with disabilities.
- Public call for submission of programme proposals, i.e. projects in the field of sports through the construction, equipping and maintenance of sports facilities that are important for the development of sports in the entire territory of the Republic of Serbia.

**1.1.17 MINISTRY OF CULTURE<sup>138</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Support for improving the capacity of the cultural sector at the local level - Co-financing of the Cities in Focus programme through a public call that will improve the area of culture and art in local areas, encourage the development of creativity and recognize the specifics of cultural identity and sustainable development of local communities.
- Support for research, protection and preservation of immovable cultural heritage - competition in the field of protection, preservation and use of immovable - architectural and archaeological heritage. Supported projects include work on the preparation of technical project documentation, implementation of technical protection measures and conservation work on immovable cultural assets, research and protection of archaeological sites and work related to the presentation of architectural and archaeological cultural heritage, publication of materials as well as other activities on the protection of immovable inheritance.
- Digitization of cultural heritage - financing of the work of institutions in the field of culture, for projects related to equipping laboratories for digitalization of cultural heritage, as well as projects related to the process of digitization of the cultural heritage of the Republic of Serbia and strengthening the infrastructure capacities of institutions.
- Support for research, protection and preservation of intangible and movable cultural heritage - Competition in the field of protection, preservation and presentation of museum heritage, Competition in the field of protection, preservation and presentation of archival materials, Competition in the field of protection, preservation and presentation of old and rare library materials and Competition in areas of protection, preservation and presentation of intangibles cultural heritage.

<sup>137</sup> <https://www.mos.gov.rs/>

<sup>138</sup> <https://www.kultura.gov.rs/>

- Support for the development of library and information activities and the library and information activities of the Association of the Blind of Serbia - Competition in the field of library and information activities for financing the procurement of information and communication technologies for public libraries, publication of professional publications, digitization of library materials, support for the education of librarians, improvement of storage conditions and protection of library and information materials, support for interactive programmes for children and young people.
- Support for the work of the Institute for the Protection of Cultural Monuments and Historical Archives.
- Strengthening cultural production and artistic creativity - public competition for financing and co-financing of projects in all artistic fields / music, drama, dance, visual arts, literature, film, etc., and through cultural activities of sensitive groups/national minorities, persons with disabilities , children, young people. financing and co-financing of the work and programme activities of cultural institutions founded by the RS in the field of musical arts, performing arts /drama, opera, artistic dance and traditional folk art/, film art and audio-visual creativity, and through scientific research programmes in culture and art .
- Support for the development of literary creativity and publishing
- Support for the development of musical creativity - support and stimulation of projects and programmes in the field of musical art, their presentation and affirmation, continuous raising of the level of cultural needs of the population, institutions and engaged individuals.
- Support for the cultural activities of socially sensitive groups - support for projects that contribute to greater social cohesion, fostering intercultural dialogue, developing conditions for the diversity of cultural expressions and identities, and strengthening the availability of cultural content.
- Support for the development of artistic play - financing and co-financing of institutional and independent production, implementation of domestic and international exchange and professional development of artists (participation in conferences or masterclasses) in the field of artistic play.
- Support for the strengthening of theater art - financing and co-financing of institutional and independent productions, implementation of domestic and international exchange and professional development of artists (participation in conferences or masterclasses) in the field of theater art.
- The Capital of Culture of Serbia - strengthening the operational and professional capacities of local self-governments in the field of culture through the preparation of strategic documents for the development of culture (Strategy and Action Plan), support for the improvement of infrastructure, human resources and programmes with the aim of raising them to a higher level.
- Support for the work of institutions in the field of protection and preservation of cultural heritage - preparation of technical project documentation, implementation of technical protection measures and conservation work on immovable and movable cultural assets, research and protection of archaeological sites and work related to the presentation of architectural and archaeological cultural heritage.
- Digitization in the field of protection and preservation of cultural heritage - public tender for financing the work of institutions in the field of culture, for projects related

to equipping laboratories for digitalization of cultural heritage, as well as projects related to the process of digitization of the cultural heritage of the Republic of Serbia and strengthening the infrastructure capacities of institutions.

- Public call for the allocation of incentives to an investor to produce an audiovisual work in the Republic of Serbia.
- Competition for financing or co-financing of projects in the field of protection of old traditional crafts and their modern application.
- Competition for financing and co-financing of projects in cinematography for 2023 in the category: pre-digitalization and digitalization of cinema.

#### **1.1.18 MINISTRY OF RURAL CARE<sup>139</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Support for the development of cooperatives - a public tender for the allocation of grants for old and newly formed agricultural and agricultural cooperatives, agricultural and agricultural cooperatives whose registered activity is rural tourism (tourist cooperatives) or whose registered activity is the production of traffic or the activity of performing old and artistic crafts (crafts cooperatives), that is domestic crafts.
- Support for the organisation of events in the villages of the Republic of Serbia - a public competition for the implementation of the grant award programme can be in the field of dramatic arts, literature, literary skills and other arts (competitions in singing, recitation, acting, painting, etc.), holding sports competitions, promoting , preservation and improvement of old crafts and cultural-artistic heritage, creation of art and domestic crafts, as well as other activities in which the inhabitants of the village can show their knowledge and skills and compete in them.
- Support for the adaptation of multifunctional facilities - adaptation of facilities in rural areas to provide a clinic, pharmacy, post office, club for the elderly, children's club, cinema hall, municipal administration counter, local community office, etc.
- Incentive for the purchase of minibusses for the transportation of the rural population - grants are intended for the purchase of minibusses that can be used exclusively for the transportation of the rural population from one village to another village or from the village to the city/municipal headquarters.
- Public competition for the allocation of grants for the organisation of the event called "Miholjski susreti village".

#### **1.1.19 MINISTRY OF SCIENCE, TECHNOLOGICAL DEVELOPMENT AND INNOVATION<sup>140</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Support for the realization of interests in innovation activity - providing support for the development or significant modification of existing innovative products, technologies, processes and services, in order to encourage the application and commercialization of scientific research results, as well as providing support for the use of modern technologies

<sup>139</sup> <https://www.mbs.gov.rs/>

<sup>140</sup> <https://nitra.gov.rs/>



and the construction of innovative organisations for infrastructural support of innovation activities.

- Support for the digitization programme in the area of the national scientific research system - equipping and maintaining the software resources needed for keeping electronic records.
- Support for the work of NTP Niš.
- Support for education and training of young talents - awarding high school students for the results achieved in national and international competitions and providing scholarships to students for studies in the country and abroad.
- Research and development in the public sector - adaptation of existing buildings and laboratories, construction of science and technology parks in Belgrade, Novi Sad, Niš; construction of residential buildings for rent to young scientists in Belgrade, Novi Sad, Niš and Kragujevac, construction of centers of excellence in priority areas (stem cells, nano-sciences, agricultural-biology center, biomedicine), procurement of new capital equipment for research, construction of science centers .

**From other funds, the Ministry realizes the following projects:**

- IPA 2018 – Competitiveness
- The project of acceleration of innovation and encouragement of the growth of entrepreneurship - SAIGE
- IPA Support for participation in EU programmes
- IPA 2019 - Competitiveness and Innovation

#### **1.1.20 MINISTRY OF TOURISM AND YOUTH<sup>141</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Support of LGUs in the implementation of youth policy - cooperation with local self-governments in the development of an institutional framework for the improvement of youth policy at the local level, providing support for the formation of youth offices, local youth councils, the development and implementation of local action plans for youth, the formation of sustainable youth clubs and the establishment of local youth services, establishment of KZM work standards and assessment, monitoring and improvement of KZM work.
- Programmes and projects supporting young people in education, upbringing, safety, health and participation - funding or co-financing of programmes and projects aimed at providing support for youth networking and improving the conditions for participation in decision-making through a sustainable institutional framework, based on the needs of young people and in partnership with to young people, raising the awareness of young people about healthy lifestyles, safety and environment.
- Programmes and projects to support youth in employment - financing or co-financing of programs and projects to encourage and stimulate various forms of employment, self-employment and entrepreneurship of young people, developing services and mechanisms that promote employability and employment of young people through intersectoral cooperation and empowering young people to acquire skills for active, responsible and efficient career management.

<sup>141</sup> <https://www.mto.gov.rs/>

- Incentives for the construction of infrastructure and superstructure in tourist destinations - financing/co-financing of tourism development projects to encourage the quality of the tourist offer implemented by companies and entrepreneurs registered to perform activities in the field of tourism, as well as registered agricultural farms. Financial support for the realization of these projects is provided by granting loans.
- Incentives for projects of promotion, education and training in tourism - co-financing of tourism development projects, promotion of tourist products and tourist areas of Serbia and encouragement of a receptive tourist-hospitality offer, improvement and implementation of statistical research and methodology of satellite accounts, as well as education and training in tourism.
- Incentives for the improvement of the receptive tourist and hospitality offer - incentives for travel agencies, travel organizers, as a way of support for promotional and marketing activities that are necessary to reach the required level of traffic of foreign tourists.

#### **1.1.21 MINISTRY OF INFORMATION AND TELECOMMUNICATIONS<sup>142</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Development of ICT infrastructure in institutions of education, science and culture
- Construction of broadband communication infrastructure in rural areas
- Digitization of Serbia's tourist offer - preparation of infrastructural communication and application bases for the implementation of long-term goals of digitization of tourist locations.
- Support for the achievement of public interest in the field of information - co-financing through competitions, media projects, independent productions, associations and organisations engaged in the production of media content for projects that contribute to the diversity of media content and the pluralism of ideas and values, the development of media creativity in the fields of culture, education and science , information and improving the position of all segments of society.
- Support for informing national minorities in their own language - co-financing through tenders for media projects, productions and associations aimed at informing members of national minorities.
- Support for the information of persons with disabilities - co-financing through the competition of media projects, productions and associations intended for the information of persons with disabilities.

#### **1.1.22 MINISTRY OF PUBLIC INVESTMENTS<sup>143</sup>**

**From the RS budget, the Ministry finances the following programme activities and projects:**

- Restoration and construction of public purpose buildings and remediation of the consequences of natural disasters - restoration and renovation of public purpose buildings in public ownership.
- Renovation and construction of public facilities in the field of healthcare.

<sup>142</sup> <https://mit.gov.rs/>

<sup>143</sup> <https://www.obnova.gov.rs/>

- Renovation and construction of public purpose buildings in the field of education and science.
- Renovation and construction of public facilities in the field of sports infrastructure.
- Renovation and construction of public facilities in the field of social protection.
- Renovation and construction of public purpose buildings in the field of culture.
- Renovation and construction of public facilities in the field of local communal infrastructure.

#### **1.1.23 CABINET OF THE MINISTER WITHOUT A PORTFOLIO IN CHARGE OF PROMOTING THE DEVELOPMENT OF UNDERDEVELOPED MUNICIPALITIES<sup>144</sup>**

**From the RS budget, the Cabinet of Ministers without portfolio finances the following programme activities and projects:**

- Public call for submission of project proposals to the Programme for financing projects of public interest implemented by associations from the territories of extremely underdeveloped municipalities (units of local self-government from the fourth group).
- Public call for application of projects for the Development Support Programme of extremely underdeveloped municipalities (units of local self-government from the fourth group)
- Support for the implementation of measures of balanced regional development - preparation of project-technical documentation, planning documentation and strategic documents under the jurisdiction of local self-government units.

#### **1.1.24 CABINET OF THE MINISTER WITHOUT PORTFOLIO IN CHARGE OF COORDINATING ACTIVITIES AND MEASURES IN THE FIELD OF RELATIONS OF THE REPUBLIC OF SERBIA WITH THE DIASPORA<sup>145</sup>**

**From the RS budget, the Cabinet of Ministers without portfolio finances the following programme activities and projects:**

- Protection of the rights and interests of members of the diaspora and Serbs in the region - co-financing projects of citizens' associations, professional education and legal assistance to the diaspora and Serbs in the region.
- Competition for co-financing of projects that contribute to the preservation and strengthening of ties between the home country and the diaspora, as well as between the home country and the Serbs in the region - support for the organisation of schools, camps (programmes aimed at getting to know the mother country), summer schools of the Serbian language, educational workshops and educations (for the improvement Serbian language classes) intended to preserve the cultural and linguistic identity of children and youth in the diaspora and the region.
- Competition for the co-financing of projects that, with their quality, contribute to the preservation and strengthening of ties between the home country and the diaspora, as well as between the home country and the Serbs in the region.

<sup>144</sup> <https://rnro.gov.rs/javni-konkursi/>

<sup>145</sup> <https://www.mbpdijaspora.gov.rs/>

### **1.1.25 CABINET OF THE MINISTER WITHOUT A PORTFOLIO IN CHARGE OF EVEN REGIONAL DEVELOPMENT<sup>146</sup>**

**From the RS budget, the Cabinet of Ministers without portfolio finances the following programme activities and projects:**

- Public call for applications for projects for the Regional Growth Promotion Programme in the Republic of Serbia for funds for the co-financing of development documents of regional development and for co-financing of projects of importance for regional growth - the right to use funds for the co-financing of development documents at the level of LGUs and regional areas has one or more LGUs and ARRA or LGUs independently, who participate in projects together.

## **1.2 AUTHORITIES OF THE REPUBLIC OF SERBIA**

### **1.2.1 CUSTOMS ADMINISTRATION<sup>147</sup>**

**From the RS budget, the Customs Administration finances the project:**

- Construction of the complex of the customs office at GP Gradina.

### **1.2.2 ADMINISTRATION FOR FREE ZONES<sup>148</sup>**

**From the RS budget, the Administration for Free Zones finances the project:**

- Promotion, development, control and supervision of free zones - additional benefits of local self-government for investments in the area of the free zone, expansion of the area of free zones, promotion of free zones.

### **1.2.3 REPUBLIC WATER DIRECTORATE<sup>149</sup>**

**From the RS budget, the Directorate finances the following programme activities and projects:**

- Arrangement and use of water - construction, reconstruction of water facilities for the supply of drinking water and sanitary hygiene needs, plants for the preparation of drinking water, main pipelines and reservoirs, in order to provide healthy drinking water in sufficient quantity for settlements and industry in municipalities and cities.
- Protection of water from pollution - protection and improvement of the quality of surface and underground water, which enables the protection of the environment and human health through the reduced risk of water epidemics, as well as the protection of water sources through the construction and reconstruction of water facilities for the collection, removal and purification of waste water.
- Regulation of watercourses and protection from the harmful effects of water - protection from flooding by external and internal waters and from ice, protection from erosion and

<sup>146</sup> <https://rrrz.gov.rs/extfile/sr/472/%D0%88avni%20poziv.pdf>

<sup>147</sup> <https://www.carina.rs/>

<sup>148</sup> <https://www.usz.gov.rs/>

<sup>149</sup> <https://rdvode.gov.rs/>

torrents and elimination of the consequences of such water effects and risk management from the harmful effects of water.

- Electrification of the irrigation system - construction of the missing power facilities, in order to create the conditions for the connection of facilities of agricultural producers.
- Project of Integrated Development of the Sava and Drina Corridor - financing of flood protection, investment in environmental management, dams and related activities in selected priority areas along the Sava and Drina River Corridor and providing support for the implementation of waterway improvements by demining the right bank of the Sava and Drina River Corridor.
- Construction of irrigation systems - construction, reconstruction, arrangement and rehabilitation of water facilities and irrigation systems, on regional irrigation hydrosystems and dual-purpose systems in the area of Srem, Bačka and Banat and hydromelioration systems in the area of Šabac, Čačak, Pančevački Rit and Topola.
- Completion of the existing network for public water supply in settlements, with its extension to suburban areas - Implementation of the Programme for the Improvement of the Water Supply System in the Cities and Municipalities of Sombor, Vršac, Šabac, Pančevo, Sremska Mitrovica, Loznica, Smederevo, Kraljevo, Jagodina, Trstenik, Aleksinac, Vranje, Pirot Leskovac, Paraćin, Knjaževac, Vrbas and Kikinda.

#### **Other projects implemented by the Directorate, which are financed from other sources**

- Environment and climate - funds of the IPA Programme, protection and improvement of the quality of surface and underground water through the construction of a wastewater treatment plant for the agglomeration of Loznica.

#### **1.2.4 ADMINISTRATION FOR FORESTS<sup>150</sup>**

**From the RS budget, the Administration finances the following programme activities and projects:**

- Sustainable development and improvement of forestry - forest protection, planting of forest trees in autumn of the current year and spring of the following year, forest care, construction of forest roads, production of forest seeds and production of forest planting material.
- Competition for the allocation of funds under the Annual programme of the use of funds for sustainable development and improvement of forestry - the right to the allocation of funds belongs to the owner, that is, the user of forests and forest land, a legal entity and entrepreneur, and a scientific research institution.
- Competition for the allocation of funds under the Annual Programme for the Construction and Reconstruction of Forest Roads - the right to the allocation of funds belongs to the owner, that is, the user of forests and forest land, a legal entity and an entrepreneur.
- Competition for the allocation and use of funds for the sustainable development and improvement of hunting for subsidies in the field of hunting.

<sup>150</sup> <https://upravazasume.gov.rs/>



### 1.2.5 ADMINISTRATION FOR AGRARIAN PAYMENTS<sup>151</sup>

**From the RS budget, the Administration finances the following programme activities and projects:**

- Direct payments - payments that are directly awarded to producers through certain support measures, namely through the milk premium, incentives for crop and livestock production and the realization of recourse.
- Measures of rural development - increase in competitiveness (including reaching a higher level of added value and quality standards, as well as risk management), improvement of the environment, diversification of income and improvement of the quality of life in rural territories.
- Public call for submission of applications for exercising the right to incentives in agriculture and rural development.
- Credit support in agriculture - through subsidizing a part of the interest rate for approved loans in the field of agricultural production, intended for the development of animal husbandry, farming, fruit growing, viticulture, vegetable growing and flower growing, as well as various forms of investments and procurement of agricultural machinery and equipment.
- Special incentives - incentives for the production of planting material and certification and clonal selection, incentives for the implementation of breeding programmes, in order to achieve breeding goals in animal husbandry, as well as incentives for the implementation of scientific research, development and innovation projects in agriculture.

**Other projects implemented by the Administration, which are financed from other sources:**

- The project of market-oriented agriculture - funds of the International Bank for Reconstruction and Development, intended for the financing of a grant scheme for agricultural producers and the establishment of a unique information system of the Ministry of Agriculture and its constituent bodies.

### 1.2.6 AGRICULTURAL LAND ADMINISTRATION<sup>152</sup>

**From the RS budget, the Administration finances the following programme activities and projects:**

- Support for the development of agricultural land - financial support through tenders for the performance of works in the area of development of agricultural land through: melioration of meadows and pastures, cultivation of agricultural land, construction of irrigation systems, construction of drainage systems.
- Competition for the distribution of funds for the execution of works on the protection, arrangement and use of agricultural land.
- Support for the protection and use of agricultural land - financial support through tenders to local self-government units and scientific institutions for the development of programmes, projects and study research works of importance for LGUs and the Republic of Serbia.

<sup>151</sup> <https://uap.gov.rs/>

<sup>152</sup> <https://upz.minpolj.gov.rs/sadrzaj/>

**1.2.7 NATIONAL ACADEMY FOR PUBLIC ADMINISTRATION<sup>153</sup>**

**From the RS budget, the Academy finances the following programme activities and projects:**

- Professional training in public administration - preparation, implementation and development of general professional training programmes and training programmes for managers and employees.
- Strengthening the professional capacities of civil servants in their positions.

**1.2.8 DEVELOPMENT AGENCY OF SERBIA<sup>154</sup>**

- Public call for participation in the competitiveness development support programme - financing of projects to increase the level of use of standards in production and business organisation, product certification, management systems and increase the use of other services in the field of quality infrastructure.
- Public call for participation in the Programme for the Improvement of Cooperation and Capacity Building at the Regional and Local Level - financing of projects for the improvement of economic and regional development through the strengthening of inter-institutional cooperation and the capacity of accredited regional development agencies and local self-government units.
- Public call for the allocation of incentive funds in order to attract direct investments in the automation of existing capacities in the area of the food industry.

**1.2.9 PORT MANAGEMENT AGENCY<sup>155</sup>**

**From the RS budget, the Academy finances the following programme activities and projects:**

- Public call within the cross-border and transnational cooperation programme “Transnational Danube Programme” (INTERREG) for financing coordination projects for priority areas within the EU strategy for the Danube region.

**1.3 FUNDS****1.3.1 DEVELOPMENT FUND OF THE REPUBLIC OF SERBIA<sup>156</sup>**

- Investment loans to clients who need funds to finance the purchase of equipment, machines, plants, then the construction or purchase of production or business premises.
- Permanent working capital required for financing current obligations that arise in the regular business activities of the end user of the loan, and refer to the procurement of raw materials and materials, supplies, as well as other production costs, receivables from customers, obligations to suppliers.
- Loans for business entities operating in underdeveloped and extremely underdeveloped areas.

<sup>153</sup> <https://www.napa.gov.rs/>

<sup>154</sup> <https://ras.gov.rs/>

<sup>155</sup> <https://www.aul.gov.rs/>

<sup>156</sup> <https://fondzarazvoj.gov.rs/cir>

### 1.3.2 FUND FOR INNOVATION ACTIVITY<sup>157</sup>

The Fund supports the development of innovations through appropriate instruments of financial, technical and advisory support, with the aim of empowering innovative companies and strengthening the connection between research and development on the one hand and the business sector on the other, respecting the highest ethical, financial and business standards and practices.

- **Voucher programme in the 4S areas** - The “Innovation Vouchers” programme is a simple financial mechanism that enables small and medium-sized enterprises to, using the services of the scientific research sector, raise the level of innovation of their products and become more competitive on the market. The maximum amount approved for the innovation voucher is up to 800,000 dinars, that is, the innovation voucher covers up to 60% of the total costs of the service. Innovation vouchers are awarded on the basis of a public call.
- **Science and business cooperation programme in the areas of 4S** - aims to advance industrial research by encouraging private sector enterprises and public sector (majority state-owned) scientific research organisations to carry out joint research and development projects with the idea of creating new or improving existing commercially viable products and services, like and innovative technologies with significant impact on future development and market potential. Beneficiaries of the funds are consortia developing new commercially applicable technologies, services and products in the priority areas of smart specialization. Consortia must be composed of at least one private company and one public scientific research organisation, and may have a maximum of five members. Through this programme, the Fund for Innovation Activities awards co-financing in the maximum amount of up to 300,000 euros per project, i.e. a maximum of 70% of the total project budget, with mandatory co-financing of the consortium in the amount of at least 30% of the total project budget, when the main member of the consortium is a micro or small company.
- **Programme for financing development and innovation projects of companies in the areas of 4S** - the innovation co-financing programme is intended for companies from the 4S area that need significant financial resources for the realization of the development cycle of technological innovations and covering the high costs for the transfer of research into a commercially viable product. The applicants are micro, small and medium-sized private companies established in the Republic of Serbia, which develop a technological innovation for which there is a market need and have the potential to create new intellectual property, as well as a competitive position in the global and domestic environment. The amount allocated by the Fund cannot exceed the amount of 300,000 euros, and the implementation of the projects can last no longer than 24 months. The funds allocated by the Fund for Innovation Activities within this programme cover a maximum of 60% of the total approved project budget, while at least 40% must be provided by the applicant (enterprise) from other private sources, independent of the Fund.
- **Accelerator and subprogramme intended for startups in the 4S area** - the programme will consist of two components: one for the early stage (idea) and the other for companies

<sup>157</sup> <http://www.inovacionifond.rs/cir/>

in the scale-up stage (increasing the volume of business). Each component will include 20 companies (teams of two founders) per year, selected on a competitive basis by participating investors (including business angels, early-stage venture capital funds, etc.). Each component will have intensive training and mentoring programmes lasting two to three months. The program will be implemented with the support of the World Bank in the amount of 8,000,000 dollars.

- **Proof of concept, programme for researchers from scientific research organisations** - this measure is intended to support innovations from the earliest stages of development, created in scientific research organisations. This program provides financial and mentoring support to determine the emergence of a new product, process or technology with commercial potential. Thanks to this programme, project teams that have been approved for funding will have a mentor at their disposal for product definition, business model development and future development.
- **Early Development Programme** - is intended for private companies that develop a technological innovation for which there is a need on the market and that have the potential to create new intellectual property. The goal is to provide financing for the development of innovative technologies, products and services with market application to encourage innovative entrepreneurship and enable business survival during the critical phase of research and development. The applicant can be a private micro or small company owned by a Serbian majority, established in the Republic of Serbia and no older than five years at the time of application, as well as a team consisting of a maximum of five members. The allocated funds can cover a maximum of 70% of the total approved project budget, while the amount of funding from the Fund for Innovation Activity cannot exceed 80,000 euros for projects lasting up to one year. At least 30% of the total approved project budget must be provided by the applicant (enterprise) from other private sources, independent of the Fund.

### 1.3.3 FUND FOR SCIENCE OF THE REPUBLIC OF SERBIA<sup>158</sup>

The primary goal of establishing the Science Fund of the Republic of Serbia, as a special organisation, is to provide support for scientific research activities and development activities in the Republic of Serbia, management and provision of financial resources, as well as providing professional support to researchers from accredited scientific research organisations in the realization of scientific projects within the programme announced by the Science Fund of the Republic of Serbia. Programme activities of the Science Fund of the Republic of Serbia are implemented through the following published programmes:

- **Programme for excellent projects of young researchers (PROMIS)** aims to involve young researchers in scientific research work, to strengthen the professional capacities of young researchers, to train young PhDs in project management, to train young researchers to apply for other research projects, especially in the European Union, to create new project teams, as well as to provide support for excellent ideas and scientific research work that will affect society and the economy. The programme to support the development of projects in the field of artificial intelligence is designed to encourage

<sup>158</sup> <https://fondzanauku.gov.rs/>

the excellence and relevance of scientific research in the Republic of Serbia in the field of artificial intelligence, to encourage the application of the results of scientific research in the field of artificial intelligence in the development of the economy of the Republic of Serbia, to promote the excellence and development of human resources in the field of artificial intelligence for science and economy of the Republic of Serbia and promotes international cooperation in the subject domain of science and innovation.

- **Serbian science cooperation programme with the diaspora** - vouchers for knowledge exchange, aims to enable the establishment of scientific cooperation with the diaspora for the purpose of improving and exchanging knowledge, establishing or improving scientific cooperation, joint work on scientific research and research and development problems and challenges, publication of joint works and patents, support for the development of new services, product commercialization, technology transfer, network expansion and cooperation with the diaspora, as well as the preparation of proposals for joint projects for applying to foreign funds.
- **IDEA programme** aims to finance projects based on excellent ideas that may in the future have a significant impact on the development of science and research, the economy and/or society as a whole, the involvement of excellent researchers in scientific research work, the strengthening of the professional capacities of researchers and the creation of new project teams.

All programmes implemented by the Science Fund of the Republic of Serbia through public calls should ensure a high scientific level, innovative results, competitiveness at the international level and relevance in relation to the challenges of society as a whole. Funds for the work of the Science Fund of the Republic of Serbia are provided from the budget of the Republic of Serbia, and additional funds are provided through an international agreement with the World Bank.

#### 1.3.4 CENTER FOR THE PROMOTION OF SCIENCE (CPN)<sup>159</sup>

The Center for the Promotion of Science is a public institution, with the aim of promoting science and technology through cooperation with research and educational institutions in the country and around the world, with the private sector, the media, and state authorities. The role of CPN is to establish a link between science and society by bringing together all relevant actors and the general public in the process of research and innovation. The ultimate goal is the integration of society into research processes in order to gain the best possible insight into the needs of citizens and to face social challenges as adequately as possible.

From 2011, until 2020, the Center for the Promotion of Science through a public call finances projects for the promotion and popularization of science on the territory of the Republic of Serbia. In the indicated period, a total of 527 projects were approved and financed, and 113,445 million dinars were allocated for these purposes. From 2020, the Center for the Promotion of Science is specifically financing projects that are implemented through the established network of 15 science clubs<sup>58</sup> at regional centers for professional training (1,855 million dinars).

<sup>159</sup> <https://www.cpn.edu.rs/>



## 1.4 BANKS

### 1.4.1 Erste Bank A.D.<sup>160</sup>

- Financing of the public sector - local self-government and public enterprises.
- Financing of renewable energy projects.
- Financing of investment projects based on the principles of project financing.
- Support programmes for small and medium-sized enterprises to open and maintain sustainable businesses.

### 1.4.2 UniCredit bank<sup>161</sup>

- Financing of companies dedicated to improving the social impact of their business as well as employment opportunities for different categories of women, young people and segments of the population that face greater obstacles to entering the labor market.
- Qualified investments and investments in energy efficiency related to improving the energy efficiency of buildings and the industrial sector.
- The COSME programme is intended for small and medium-sized enterprises, according to the EU segmentation, with the aim of supporting the strategy for sustainable and comprehensive growth.

### 1.4.3 Banca Intesa<sup>162</sup>

- Loans for the improvement of energy efficiency - the loan is intended for investments in the installation of insulation, installation of new windows, doors, heat pumps, solar panels, replacement of lighting and numerous other energy-efficient solutions.
- Intesa Casa green loans - housing loan for the purchase of energy-saving apartments, with an energy passport of category A or B.

### 1.4.4 NLB Komercijalna banka<sup>163</sup>

- ECG Investment loans are intended for financing energy efficient measures, measures for renewable energy sources, inclusion projects, circular economy.
- Investment loans are intended for financing the purchase of equipment, machines, vehicles, financing the purchase, construction of business premises for own use, refinancing of investment loans in other banks, refinancing of own investment - legalization of built objects - other investments in fixed assets for the purpose of carrying out activities.

### 1.4.5 Bank Poštanska štedionica<sup>164</sup>

- Investment loans are intended for financing the long-term investment needs of companies. It can be investment in fixed assets, vehicles, plants, machines, equipment, construction or purchase of business premises, refinancing of own investment.

<sup>160</sup> [HTTPS://www.erstebank.rs/sr/Pravna-lica](https://www.erstebank.rs/sr/Pravna-lica)

<sup>161</sup> <https://www.unicreditbank.rs/rs/pi.html>

<sup>162</sup> <https://www.bancaintesa.rs/>

<sup>163</sup> <https://www.nlbkb.rs/>

<sup>164</sup> <https://www.posted.co.rs/>

- Roma entrepreneurship promotion programme, loans to small and medium-sized companies whose founders are residents of Roma nationality, as well as to entrepreneurs of Roma nationality.

#### 1.4.6 ProCredit bank<sup>165</sup>

- Credits for energy efficiency.
- Business loans for solar panels.
- Grants for new machines.

## 2 INTERNATIONAL SOURCES

### 2.1 EUROPEAN UNION FUNDS

#### 2.1.1 IPA - INSTRUMENT FOR PRE-ACCESSION ASSISTANCE

Since 2007, the European Union (EU) has provided financial support to the countries of the “Western Balkans” through the unique Instrument for Pre-accession Assistance (IPA), which united all previous pre-accession financial assistance instruments: PHARE, SAPARD, ISPA, CARDS. In the period 2021-2027. 14.162 billion euros will be made available to all IPA beneficiaries. Total budget for the period 2014-2020. in 2015 it amounted to EUR 11.668 billion, and Serbia was allocated around EUR 200 million in non-reimbursable aid from the IPA 2015. Total IPA budget for the period 2007-2013. was 11.468 billion euros. In the period 2007-2013. 1.4 billion euros was allocated to the RS.

##### 2.1.1.1 INSTRUMENT FOR PRE-ACCESSION ASSISTANCE IPA 2021-2027.

Following the political agreement between the European Parliament and the Council of the EU regarding the IPA III instrument, the Regulation on the IPA III instrument for the period 2021-2027 was adopted on September 15, 2021. The general objective of IPA III is to support the beneficiaries in the implementation of political, institutional, economic and social reforms necessary for their alignment with the values and rules of the EU and the achievement of EU membership. In addition, the regulation contains a list of specific objectives grouped into five categories (so-called “Windows”).

- 1) Rule of law, fundamental rights and democracy (15.1%);
- 2) Good governance, alignment with EU acquis, strategic communication and good neighborly relations (16.6%);
- 3) Green agenda and sustainable connectivity (42.4%);
- 4) Competitiveness and inclusive growth (22.3%);
- 5) Territorial and cross-border cooperation (3.5%).

In order to achieve a balanced distribution of funds among IPA beneficiaries, the European Commission (EC) proposed the principle of “fair distribution” to be measured during the entire period of implementation of IPA III (2021 - 2027), and not on an annual basis. However, in addition to the aforementioned principle, access to funds will be based on criteria such as: compliance with the

<sup>165</sup> <https://www.procreditbank.rs/>

strategic framework and the IPA III programme framework, the readiness of projects / programmes for implementation and their expected impact and progress in the process of European integration with special attention to the rule of law, fundamental rights and good governance.

The existing IPA structures should serve as a basis for the efficient use of this instrument as well as other potential sources of EU funds. In this way, as well as the implementation of the IPA programme based on the model of indirect management, the strengthening of capacities necessary for the transition to the use of Cohesion Policy funds will continue. The main partners in the planning and programming process of the IPA III instrument will be, as before, the National IPA Coordinator and the EU Delegation<sup>166</sup>.

#### *2.1.1.2 IPA II - INSTRUMENT FOR PRE-ACCESSION ASSISTANCE 2014 - 2020*

IPA II represents the framework for EU pre-accession support for the period 2014-2020. One of the changes in the programming and implementation of the IPA II instrument in relation to IPA I in the period 2007-2013, refers to the structure of the IPA II program, in which instead of the 5 components, which were characteristic of IPA I, policy areas were introduced ("*policy areas*"). The policy areas within IPA II are: reforms as part of preparations for EU membership and building institutions and capacities; socio-economic and regional development; employment, social policies, education, promotion of gender equality and development of human resources; agriculture and rural development, and regional and territorial cooperation.

About 200 million euros of non-reimbursed aid was intended for Serbia from the IPA 2015, from which projects in the fields of energy and transport, rule of law, state administration reform and agriculture would be financed. For the period 2014-2020, pre-accession aid in Serbia had two main pillars: Democracy and the rule of law and Competitiveness and development.

#### *2.1.1.3 INSTRUMENT FOR PRE-ACCESSION ASSISTANCE IPA 2007-2013.*

Implementation of IPA 2007-13. was intended to provide financial assistance through five channels (known as "components"): transition assistance and institution building; cross-border cooperation ("*Cross border cooperation*"- CBC); regional development; human resource development and rural development.

#### *2.1.1.4 EUROPEAN TERRITORIAL COOPERATION PROGRAMMES IN THE REPUBLIC OF SERBIA 2021-2027*

Territorial cooperation programmes<sup>167</sup> or Interreg programmes represent financial support for the cooperation of border territories of neighboring states (cross-border cooperation) or the cooperation of parts or whole states (transnational and interregional cooperation) to solve issues of common interest - environmental protection, waste management, provision of services in various sectors, cultural and economic cooperation, tourism, traffic, etc. The basis for implementing the programme is a seven-year operational programme or cooperation programme that consists of an analysis of the territory covered by the programme, the challenges faced by

<sup>166</sup> <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ipa-instrument-za-pretpriustupnu-pomoc/instrument-za-pretpriustupnu-pomoc-2021-2027/>  
[https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/overview-instrument-pre-accession-assistance/how-does-it-work\\_en](https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/overview-instrument-pre-accession-assistance/how-does-it-work_en)

<sup>167</sup> [https://www.mei.gov.rs/upload/documents/publikacije/Brosure%20nove/22/Programi\\_evropske\\_teritorijalne\\_saradnje\\_u\\_RS\\_2021-2027.pdf](https://www.mei.gov.rs/upload/documents/publikacije/Brosure%20nove/22/Programi_evropske_teritorijalne_saradnje_u_RS_2021-2027.pdf)

that territory and an analysis of which of those challenges can be overcome through cooperation with institutions from other parts of the country covered by the programme.

In the financial period 2021-2027. year, Serbia participates in ten programmes of European territorial cooperation, namely: Hungary-Serbia, Romania-Serbia, Bulgaria-Serbia, Croatia-Serbia, Serbia-Bosnia and Herzegovina, Serbia-Montenegro, Serbia-North Macedonia, IPA Adriatic-Ionian programme, the Programme for the Danube Region and the URBACT Programme. Also, there is a possibility that additional territorial cooperation programmes will be approved for Serbia during this financial perspective.

The following text shows the programmes that are available to cities and municipalities of the EU PRO plus programme (all except the Hungary-Serbia cross-border cooperation programme).

#### *2.1.1.4.1 ROMANIA - SERBIA CROSS-BORDER COOPERATION PROGRAMME*

Support area<sup>168</sup>

Priority 1: Environmental protection and risk management

The specific objectives within this thematic priority are:

- Improving the protection and preservation of nature, biodiversity and green infrastructure, including urban areas, and reducing all forms of pollution;
- Promotion of renewable energy in accordance with the Renewable Energy Directive (EU) 2018/2001. including the sustainability criteria set out therein;
- Promotion of energy efficiency and reduction of greenhouse gas emissions i
- Promoting adaptation to climate change and disaster risk prevention, adaptability in line with ecosystem-based approaches.

Priority 2: Social and economic development

The specific objectives within this thematic priority are:

- Improving equal access to inclusive and quality services in education, training and lifelong learning through the development of accessible infrastructure, as well as strengthening adaptability for distance and online education and training;
- Ensuring equal access to health care and improving the adaptability of health systems, including primary care, and promoting the transition from institutional to family and community-based care and
- Strengthening the role of culture and sustainable tourism in economic development, social inclusion and social innovation.

Priority 3: Increasing border management capacity

The specific objective within this thematic priority is:

- Strengthening the institutional capacity of public authorities, especially those authorized to manage a certain territory and interested parties.

<sup>168</sup> <https://www.romania-serbia.net/>

## Financial sources

|                            |                     |
|----------------------------|---------------------|
| IPA                        | 74,566,827.00 euros |
| Total (IPA + co-financing) | 87,725,678.82 euros |

*2.1.1.4.2 BULGARIA - SERBIA CROSS-BORDER COOPERATION PROGRAMME*Support area<sup>169</sup>

## Priority 1: Competitive border region

The specific objective within this thematic priority is:

- Improvement of sustainable growth and competitiveness of SMEs and creation of new jobs in SMEs, including productive investments.

## Priority 2: Integral development of the border region

The specific objective within this thematic priority is:

- Encouraging integrated and inclusive social, economic and environmental development, culture, natural heritage, sustainable tourism and security in non-urban areas.

## Priority 3: A more resilient border region

The specific objective within this thematic priority is:

- Promoting climate change adaptation and disaster risk prevention, resilience taking into account ecosystem-based approaches.

## Financial sources

|                            |                     |
|----------------------------|---------------------|
| IPA                        | 32,398,938.00 euros |
| Total (IPA + co-financing) | 38,116,397.65 euros |

*2.1.1.4.3 CROSS-BORDER COOPERATION PROGRAMME CROATIA - SERBIA*Support area<sup>170</sup>

## Priority 1: working for a smarter programming area

The specific goal within this thematic priority is:

- development and improvement of research and innovation capacities and adoption of advanced technologies.

## Priority 2: working for a greener programme area that is resistant to climate change

Specific goals within this thematic priority are:

- Promotion of renewable energy in accordance with the directive on renewable energy (EU) 2018/2001, including the sustainability criteria specified therein;
- Promoting climate change adaptation and disaster risk prevention, resilience, taking into account ecosystem-based approaches.

<sup>169</sup> <http://www.ipacbc-bgrs.eu/>

<sup>170</sup> [www.croatia-serbia.com](http://www.croatia-serbia.com)



### Priority 3: Coworking for a healthier and more inclusive programme area

The specific goal within this thematic priority is:

- Ensuring equal access to health care and fostering the resilience of health systems, including primary care, and promoting the transition from institutional to family- and community-based care.

### Priority 4: Coworking for more sustainable and socially innovative tourism and culture

The specific goal within this thematic priority is:

- Highlighting the role of culture and sustainable tourism in economic development, social inclusion and social innovation.

#### Financial sources

|                            |                     |
|----------------------------|---------------------|
| IPA                        | 38,281,653.00 euros |
| Total (IPA + co-financing) | 45,037,238.82 euros |

#### 2.1.1.4.4 CROSS-BORDER COOPERATION PROGRAMME SERBIA - BOSNIA AND HERZEGOVINA

##### Support area<sup>171</sup>

#### Priority 1: Encouraging tourism and cultural and natural heritage

The specific objective within this thematic priority is:

- Develop and promote joint tourist offers based on cultural and natural heritage

#### Priority 2: Investing in youth, education and skills

The specific objectives within this thematic priority are:

- Improve youth activism and youth socio-economic participation
- Increase the employability of certain groups by providing new skills.

#### Financial sources

|                            |                     |
|----------------------------|---------------------|
| IPA                        | 14,000,000.00 euros |
| Total (IPA + co-financing) | 16,223,529.41 euros |

#### 2.1.1.4.5 SERBIA - MONTENEGRO CROSS-BORDER COOPERATION PROGRAMME

##### Support area<sup>172</sup>

#### Priority 1: Encouraging employment, labor mobility and social and cultural inclusion in the programme area

The specific objective within this thematic priority is:

- Improve the quality of public health and social services to include marginalized groups in the programme area.

<sup>171</sup> <http://srb-bih.org/>

<sup>172</sup> [www.cbcsrb-mne.org](http://www.cbcsrb-mne.org)

## Priority 2: Encouraging tourism and cultural and natural heritage

The specific objective within this thematic priority is:

- Improve and promote a jointly coordinated cross-border tourism offer based on protected cultural and natural heritage.

Financial sources

|                            |                    |
|----------------------------|--------------------|
| IPA                        | 8,400,000.00 euros |
| Total (IPA + co-financing) | 9,734,117.65 euros |

### 2.1.1.4.6 SERBIA - NORTH MACEDONIA CROSS-BORDER COOPERATION PROGRAMME

Support area<sup>173</sup>

Priority 1: Employment, labor mobility and social and cultural cross-border inclusion

The specific objective within this thematic priority is:

- Improvement of social and cultural inclusion and health

Priority 2: strengthening tourism and cultural and natural heritage

The specific objective within this thematic priority is:

- Improvement of cultural and natural heritage towards the sustainable development of tourism.

Financial sources

|                            |                    |
|----------------------------|--------------------|
| IPA                        | 8,400,000.00 euros |
| Total (IPA + co-financing) | 9,734,117.65 euros |

### 2.1.1.4.7 ADRIATIC - IONIAN TRANSNATIONAL PROGRAMME

Support area<sup>174</sup>

Priority 1 – Support for a smarter Adriatic-Ionian region

- Development and improvement of research and innovation capacities and adoption of advanced technologies
- Developing skills for smart specialization, industrial transition and entrepreneurship

Priority 2 – Support for a greener Adriatic-Ionian region more resistant to climate change

- Promoting adaptation to climate change and disaster risk prevention, building resilience, taking into account ecosystem-based approaches
- Promoting the transition to a circular and resource-efficient economy
- Improving the protection and preservation of nature, biodiversity and green infrastructure, including urban areas, and reducing all forms of pollution

<sup>173</sup> <https://eu.rs-mk.org/>

<sup>174</sup> [www.adrioninterreg.eu](http://www.adrioninterreg.eu)

- Promoting sustainable multimodal urban mobility, as part of the transition to a net zero carbon economy

#### Priority 3 - A more connected Europe with better mobility (CP 3)

- Development and improvement of sustainable, climate-resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility

#### Priority 4 - Support for the management of the Adriatic-Ionian region (ISO1 - Better management of Interreg)

- Support for the management of the EU Strategy for the Adriatic-Ionian Region (EUSAIR) and the institutional capacities of authorities.

#### Financial sources

|                           |                      |
|---------------------------|----------------------|
| ERDF (EU Member States)   | 65,848,129.00 euros  |
| IPA                       | 70,840,386.00 euros  |
| Total EU funds (ERDF+IPA) | 136,688,515.00 euros |
| Total co-financing        | 24,121,502.65 euros  |
| Total programme           | 160,810,017.65 euros |

#### 2.1.1.4.8 TRANSNATIONAL PROGRAMMES FOR THE DUNAVIS REGION

##### Support area<sup>175</sup>

#### Priority 1 – A smarter Danube region

- Specific objective 1.1 Development and improvement of research and innovation capacities and use of advanced technologies
- Specific objective 1.2 Developing skills for smart specialization, industrial transition and entrepreneurship

#### Priority 2 – A greener Danube region with low carbon emissions

- Specific objective 2.1 Promotion of renewable energy in accordance with Directive (EU) 2018/2001, including sustainable criteria defined by the directive
- Specific objective 2.2 Promotion of capacities for adaptation to climate change in the Danube region and management of natural disasters at the transnational level in relation to ecological risks, taking into account ecosystemic approaches
- Specific objective 2.3 Sustainable, integrated, transnational water and sediment management in the Danube river basin, ensuring a good quality and quantity balance between water and sediment deposits
- Specific objective 2.4 Protection and preservation of biodiversity in ecological corridors and eco-regions of transnational importance in the Danube region

<sup>175</sup> [www.interreg-danube.eu](http://www.interreg-danube.eu)

### Priority 3 – Socially oriented Danube region

- Specific objective 3.1 Accessible, inclusive and effective labor markets
- Specific objective 3.2 Quality, accessible and inclusive services in education, training and lifelong learning
- Specific objective 3.3 Strengthening the role of culture and sustainable tourism in economic development, social inclusion and social innovation

### Priority 4 – Better management of cooperation in the Danube region

- Specific objective 4.1 Support the management of the EUSDR
- Specific objective 4.2 Strengthening institutional capacities for territorial and macro-regional management.

#### Financial sources

|   |                      |
|---|----------------------|
| ERDF (EU Member States)                 | 165,424,228.00 euros |
| IPA                                     | 30,000,000.00 euros  |
| NDICI (neighboring countries of the EU) | 19,623,629.00 euros  |
| Total EU contribution                   | 215,047,857.00 euros |
| Total programme                         | 268,809,822.00 euros |

#### 2.1.1.4.9 URBACT PROGRAMME

URBACT<sup>176</sup> is one of the programmes of interregional cooperation. The goal of the programme is to encourage sustainable integral urban development in cities across Europe, and the projects are implemented by municipal administrations in partnership forming cooperation networks. URBACT's mission is to enable cities to work together and develop integral solutions to urban challenges, by networking, learning from each other's experiences, drawing lessons and identifying good practices to improve urban policies.

#### Support area

Priority: Promoting integral sustainable urban development through cooperation

- Specific objective: Improving the institutional capacity of local government, especially those who have a mandate to manage a certain territory, as well as other interested parties.

#### Financial sources

|                         |                     |
|-------------------------|---------------------|
| ERDF (EU Member States) | 79,769,799.00 euros |
| IPA                     | 5,000,000.00 euros  |
| Total IPA               | 5,160,000.00 euros  |

<sup>176</sup> <https://urbact.eu/>

### 2.1.1.5 WESTERN BALKANS INVESTMENT FRAMEWORK (WBIF)

Investment framework for the Western Balkans<sup>177</sup> (The Western Balkans Investment Framework - WBIF) encourages socio-economic development and the process of accession to the European Union throughout the Western Balkans, by providing financial resources and technical assistance for strategically important investments. It represents a joint initiative of the European Union, international financial institutions (EIB, EBRD, CEB, KfW, AFD and WB), bilateral donors and the Western Balkan Six. The investment framework for the Western Balkans is considered the main regional instrument for providing support in the preparation and implementation of strategically relevant projects in the field of transport, energy, environmental protection and social infrastructure in “countries in the EU accession process”. From February 2014 to December 2021, Serbia was awarded: 30 grants for technical assistance with a total value of over 54 million euros; 6 investment grants worth 134.45 million. EUR, whereby the total investment value of the co-financed infrastructure projects amounts to 605 million. euros.

Table: Overview of investment grants by sector

|             | <b>Traffic</b>  | <b>Investment amount. grant</b>                       |
|-------------|---|---|
| <b>1</b>    | Modernization of the railway line Nis-Dimitrovgrad-border with Bulgaria section: Sićevo-Staničenje-Dimitrovgrad   | 43,730,000 euros                                      |
| <b>2</b>    | Modernization of the Niš-Dimitrovgrad railway - border with Bulgaria - electrification and signaling  | 27,770,000 euros                                      |
| <b>3</b>    | Construction of the highway route E80 Niš-Medare (Phase I Niš-Pločnik)  | 40,600,000 euros                                      |
|             | <b>Environment</b>  |   |
| <b>4</b>    | Makiš - extension of the drinking water processing plant  | 2.940865 euros  |
|             | <b>Energy</b>   |   |
| <b>5</b>    | Construction of the 400 kV transmission line Kragujevac - Kraljevo with raising the voltage level to 400 kV at the Kraljevo 3 substation, Trans-Balkan Corridor - Phase I: Section II   | 6,600,000 euros                                       |
| <b>6</b>    | Construction of a new double 400 KV transmission line Obrenovac - Bajina Bašta, with the reconstruction of the existing Obrenovac and Bajina Bašta substations and raising the voltage level of the Bajina Bašta substation to 400 kV | 12,800,000 euros                                      |
| <b>7/ 8</b> | 2 regional projects - part of the Regional Programme for Energy Efficiency for the Western Balkans  | 2 investment grants in the amount of 28,765,972 euros |

177 <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ipa-instrument-za-pretpristupnu-pomoc/investicioni-okvir-za-zapadni-balkan-western-balkans-investment-framework-wbif/>



In 2021, a document titled “Strategic Orientation of the WBIF for the Western Balkans (EFSD+)” was presented. This document includes: policy context, legal basis and instruments, including the new EU connectivity strategy called “Global Gateway”, guiding principles and a description of the areas of intervention that will be supported through the European Fund for Sustainable Development plus (eng: The European Fund for Sustainable Development Plus EFSD+ and budget guarantees as well as combining loans and grants for the public and private sectors. Recommendations of the so-called of informal expert working groups (NRG) for accelerating the implementation of WBIF projects, the Green Agenda and socially responsible public procurement, information was provided on the addition of the Regional Energy Efficiency Programme (REEP+) in the amount of over 100 million euros, information on priorities for support in the following period, rates of co-financing of projects with EU investment grant funds.

#### 2.1.1.6 IPARD III

Within the instrument for pre-accession assistance IPA III period 2021-2027, which applies from January 1, 2021, there is also a special Programme IPARD III<sup>178</sup> for support in the field of rural development. The EC has established a budget in the amount of 288,000,000 euros for this Programme for the period 2021-2027. The governing body of IPARD submitted the final version of the IPARD III programme to the European Commission on January 21, 2022. Of the 13 measures offered by the EC to the candidate countries for EU membership, the Republic of Serbia decided to implement seven measures within the IPARD III programme. In relation to the IPARD II programme and measures accredited so far, the following measures will be available to users:

- Measure 4 - Agroecology - climate and organic agriculture;
- Measure 5 - Implementation of local rural development strategies - LEADER approach;
- Measure 6 - Investments in rural public infrastructure.

It is planned to introduce new sectors through the IPARD III programme, such as the fishing sector, the sector for the processing of grains and industrial plants, and within Measure 7, in addition to the rural tourism sector, new sectors are planned, namely: Direct sale of agricultural and local products and service sector in rural areas.

#### 2.1.1.7 MULTI-USER IPA

The development of regional cooperation is one of the important prerequisites in the EU accession process, and at numerous summits between the EU and the Western Balkans, it was confirmed that the rapprochement of the EU will go hand in hand with the development of regional cooperation. In addition to individually supporting candidate countries and potential candidates for membership, the EU provides financial and technical support with the aim of realizing common (regional) priorities of the beneficiaries of the IPA II instrument. This support is provided from the Multi-user IPA instrument<sup>179</sup> (Multy Beneficiary IPA), whose goal is to improve regional cooperation and solve issues of general interest for all IPA beneficiaries. In accordance with the relevant EU procedure, the main guidelines in the process of defining regional projects/actions are presented in the document EU Programme Framework for IPA

178 <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ipa-instrument-za-pretpristupnu-pomoc/ipard-iii/>

179 <https://www.mei.gov.rs/src/fondovi/fondovi-evropske-unije/ipa-instrument-za-pretpristupnu-pomoc/visekorisnicka-ipa/>

III, which defines the general priorities, measures and areas that will be financially supported as part of this instrument in the period 2021- in 2027 The support provided under this IPA III component is focused on four priority areas:

- support for regional investments;
- support for territorial cooperation through the implementation of cross-border and transnational cooperation programmes;
- support to regional structures and organisations and
- horizontal support to the common priorities of the beneficiaries from the region.

#### *2.1.1.8 DEVELOPMENT OF THE COHESION POLICY MANAGEMENT SYSTEM (IPA 2015)*

Project “Development of the Cohesion Policy Management System in the Republic of Serbia”<sup>180</sup> is financed with EU funds through the IPA for 2015 in the amount of almost 2.7 million euros. It aims to prepare the state administration of the RS for the effective implementation of the Cohesion Policy (KP) of the EU. The basic purpose of the project is to improve the capacities of institutions in the RS at the national and sub-national level for efficient preparation, implementation, monitoring and evaluation of programmes and projects financed from structural funds and the cohesion fund of the European Union. It consists of three basic components:

- establishing a legislative and institutional framework for the implementation of KP;
- preparation of relevant planning and programme documents for the implementation of KP, and
- raising the capacity of institutions and bodies nominated for the implementation of KP, as well as partners and potential users at the national and subnational level.

In this way, the project should also contribute to the successful implementation of the measures defined by the Action Plan for negotiation chapter 22, which is the basic criterion for the opening of this chapter. The implementation of the project began in July 2019 and will last a total of 36 months. The main user and coordinator of the activity is MEI.

#### *2.1.1.9 EU PRO PLUS*

EU programme for local development - EU PRO Plus<sup>181</sup> contributes to a more balanced socio-economic development of 99 local governments in two regions: Šumadija and Western Serbia and Southern and Eastern Serbia. The programme works on improved management of territorial development, economic growth and improved social infrastructure and social cohesion.

For this three-year programme, which began in January 2021, the EU has allocated funds in the total amount of 40 million euros, initially 30 million for contracted development activities and an additional ten million aimed at supporting local governments, small businesses and the health system in recovery from the consequences caused by the covid 19 pandemic. The programme is led by MEI, a implemented by the United Nations Office for Project Services (UNOPS).

The direct beneficiaries of the EU PRO Plus programme are MEI, 99 local governments, local government structures, regional development agencies, other business support organisations,

<sup>180</sup> <https://www.mei.gov.rs/srp/fondovi/projekti-ministarstva-za-evropske-integracije/razvoj-sistema-za-upravljanje-kohezivnom-politikom-ipa-2015/>

<sup>181</sup> <https://www.euproplus.org.rs/onama/o-programu>

micro, small and medium enterprises (MSMEs) and civil society organisations (CSOs). The end users of the programme are residents of 99 cities and municipalities.

EU PRO Plus is based on the National Priorities for International Aid in the RS until 2025 (NAD), crucial for economic and social development and the EU integration process, while it especially contributes to the preparation for meeting the requirements from Chapter 22 of the EU acquis - Regional Policy and coordination of structural instruments. EU PRO relies on the good practices and achieved results of its predecessors, the development programmes EU PROGRES, European PROGRES and EU PRO.

## 2.1.2 PROGRAMMES OF THE UNION

Union programmes<sup>182</sup> represent a series of integrated measures that are intended to strengthen cooperation between the member states of the European Union and candidate states in various fields. The programmes of the Union are financed from the common budget of the EU, with funds intended for the development of various priority areas: environmental protection, energy, transport, development of entrepreneurship, competitiveness, culture, education, etc.

The Republic of Serbia signed the Framework Agreement on participation in European Union programmes on November 22, 2004. Participation in Union programmes is an opportunity for the RS to become familiar with EU policies, European institutions, laws and their application in practice, as well as value systems and EU functioning mechanisms. According to EC rules, competent domestic institutions - ministries, associations, organisations, offices - are responsible for the participation of the RS in Union programmes, which have a mandate for this. The coordination of participation in each individual programme of the Union for which the Republic of Serbia has paid a financial contribution to the general budget of the EU is entrusted to the national contact points from the respective national institutions. MEI coordinates the process of European integration in the Republic of Serbia, which includes cooperation with relevant ministries regarding negotiations for appropriate negotiation chapters as well as in the management of EU programmes, from which it follows that MEI is responsible for reporting to the Government and informing the public about all international development assistance, including and Union programmes. In the previous period, the Republic of Serbia participated in thirteen programmes of the Union, and from June 30, 2023, can also participate in the Digital Europe programme:

### 2.1.2.1 DIGITAL EUROPE

Digital Europe Programme (DIGITAL)<sup>183</sup> is a new programme financed by the EU and aimed at connecting digital technologies to business, citizens and public administration. In June 2023, the Agreement between the European Union and the Republic of Serbia was signed on Serbia's participation in the European Union's Digital Europe programme for the period until 2027.<sup>184</sup> On the basis of this agreement, legal and natural persons with residence or headquarters in Serbia will be able to apply for project financing in the European Union and will be on an equal footing with subjects from full member countries when it comes to granting grants from EU funds. IT companies and scientists will be able to apply for the following areas of digitization: artificial

182 <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/programi-unije/>

183 <https://digital-strategy.ec.europa.eu/en/activities/digital-programme>

184 <https://www.srbija.gov.rs/vest/716373/potpisan-sporazum-o-ucescu-srbije-u-programu-digitalna-evropa.php>

intelligence, High Performance Computing (HPC), advanced digital skills, and the development and application of digital capabilities and interoperability. The total value of the Digital Europe programme is estimated at 7.5 billion euros.

#### *2.1.2.2 HORIZON EUROPE*

Horizon 2020 is the EU's largest integrated programme for research and innovation, bringing together all programmes previously funded by the Competitiveness and Innovation Framework Programme (CIP), the Seventh Framework Programme for Research and Innovation (FP7) and the European Institute for Innovation and Technology (EIT ). By bringing together innovation and research, the programme seeks to make progress in three priority areas: Excellence in Science, Industry Leadership and Societal Challenges. The programme is intended to build a society and economy in the EU based on knowledge and innovation. It is planned that - through the mobilization of additional funds for research, development and innovation, including the allocation of 3% of GDP for research and development throughout the EU by 2020 - the goals related to research and development will be achieved. The ultimate goal of this financial instrument is to create an innovative Union - by supporting the development of world science, removing barriers to innovation and making it easier for the public and private sectors to work together.

#### *2.1.2.3 SME COMPETITIVENESS PROGRAMME – COSME*

The programme for the competitiveness of small and medium-sized enterprises is a programme for the promotion of the competitiveness of small and medium-sized enterprises. The goals of the programme are: strengthening the competitiveness and sustainability of enterprises, especially small and medium-sized enterprises, encouraging entrepreneurial culture and promoting the establishment and growth of small and medium-sized enterprises. Measures also supported by this programme include project writing trainings, activities that enable access to new markets, as well as the promotion of as many transnational partnerships as possible. The programme also supports educational exchange between entrepreneurs (*Erasmus* for young entrepreneurs). As part of this programme, 1.4 billion euros were allocated from the budget for companies, so that they could access loans more easily. This objective is implemented through direct financing or by providing loan guarantees.

#### *2.1.2.4 PROGRAMME FOR EMPLOYMENT AND SOCIAL INNOVATIONS*

The programme for employment and social innovation aims to reach a high level of quality and sustainable employment, while ensuring adequate social protection and social inclusion. Also, the programme helps to prevent and reduce poverty, as well as to improve working conditions in the period from 2014 to 2020.

#### *2.1.2.5 ERASMUS*

Erasmus is a European Union programme that provides funding for cooperation projects in three areas: education, youth and sports. In the broadest sense, the Erasmus programme in the field of education has the following priorities: to promote and support the development of all levels of education, to strengthen the links between formal, non-formal and informal learning, to strengthen the connection between education and the world of work, to create additional values for the European area of education, to connect member countries in defining educational policies.

The focus of the Erasmus programme is to strengthen the potential of young people for active participation in civil society, the development of leadership skills, solidarity and understanding between cultures. From 2014 until now, educational institutions and youth organisations from Serbia have been coordinators or partners in projects with a total value of over 83 million euros. So far, according to available data, 7,644 individuals from educational institutions, organisations and institutions dealing with youth and non-governmental organisations have been on exchanges in Erasmus member countries. It is responsible for the implementation and promotion of the Erasmus programme in the RS Tempus Foundation.

#### *2.1.2.6 CREATIVE EUROPE*

Creative Europe is an EU programme to support the culture and media sectors. The programme consists of two sub-programmes: Culture - for the promotion of the cultural sector and the Media programme - for the support of the audiovisual sector.

Through the Culture sub-programme, the cooperation of cultural and creative organisations between different countries is promoted, initiatives are supported to translate and promote literary works throughout the European Union, as well as to develop networks that enable the competitiveness and international activity of the cultural and creative sector. Platforms for the promotion of new artists and the encouragement of European programmes for cultural and artistic works are also being established. The sub-programme Culture includes four competitions: European cooperation projects, European platforms, European networks and Literary translation projects.

The Media Programme finances activities that include: the development of the European audiovisual sector, respecting and presenting the European cultural identity and heritage, the promotion of European audiovisual works within and outside the borders of the EU, strengthening the competitiveness of the audiovisual sector, facilitating access to financing and the promotion of the use of digital technologies. This fund will finance the European Capital of Culture and the European Heritage Label, as well as European awards for literature, architecture, heritage protection, film art and pop and rock music.

#### *2.1.2.7 EUROPE FOR CITIZENS*

The Europe for Citizens programme aims to promote European identity and European citizenship. It is intended for citizens' associations, civil society organisations and local self-government units. The general objectives of the programme are the financing of projects aimed at a better understanding of the EU, its history and diversity, as well as the promotion of European citizenship and the improvement of civic and democratic participation at the EU level. The Europe for Citizens programme is divided into two areas: European memory and democratic engagement, and civic participation. The goal of the first area is awareness of historical continuity, common European values and goals. The purpose of the second area is to support the democratic participation of citizens in life and development in Europe.

#### *2.1.2.8 EUROPEAN HEALTH PROGRAMME III*

The programme is the main instrument used by the EC to implement the EU health strategy. The main goals of the programme are to improve the health system and reduce inequality

in providing/receiving health care. The programme provides support in four areas: 1) Health promotion, healthy lifestyle and disease prevention; 2) Protect EU citizens from serious cross-border threats to health; 3) Contribution to the creation of innovative, efficient and sustainable healthcare systems and 4) Easier access to better and safer healthcare for EU citizens.

#### *2.1.2.9 FISCALIS 2020*

Fiskalis 2020 is a programme that deals with the exchange of information and experiences between the tax authorities of European countries. The goal of the programme is to, in partnership with other European countries, develop a trans-European information system and build a network between users of national authorities. The programme supports the fight against tax evasion and avoidance, the planning of tax policy and the implementation of EU legislation in the field of taxation. This is achieved through the exchange of information, support for administrative cooperation and the increase of the administrative capacities of the participating countries, with the aim of reducing the administrative burden of tax authorities and harmonizing costs for taxpayers.

#### *2.1.2.10 CUSTOMS 2020.*

Customs 2020 is a programme that supports the cooperation of customs authorities between EU member states and candidate countries. The goal is to improve their efficiency, by achieving better cohesion, in order to avoid damaging the Customs Union. The programme supports the following measures: joint actions, seminars and workshops, project groups, teams of experts, building administrative capacities in customs administrations, studies, information campaigns, development of IT skills, training for developing the necessary professional skills and knowledge in the field of customs.

#### *2.1.2.11 CIVIL PROTECTION MECHANISM OF THE EUROPEAN UNION*

The aim of EU activities in the field of civil protection is to support efforts to prevent disasters and ensure the readiness of civil protection units to act in cases of disasters - at the national, regional and local levels. The EU Civil Protection Mechanism offers RS numerous opportunities for cooperation: application of tools for monitoring and early warning systems, participation in joint trainings and exercises, exchange of experts, participation in disaster prevention projects, direct communication with other civil protection authorities, exchange of information and best practices, etc.

In the new financial perspective from 2021 to 2027, most of the Union's programmes are the successors of the previous programmes, but changes, new programmes, new rules for implementation, monitoring and reporting, as well as new criteria for participating in the programmes have also been introduced.

#### *2.1.2.12 INSTRUMENT FOR CONNECTING EUROPE*

The Connecting Europe Facility (CEF) aims to support the achievement of EU policy objectives in the transport, energy and digital sectors, and in relation to trans-European networks, enabling or accelerating investments in projects of common interest, as well as supporting cross-border cooperation in the production of renewable energy. It aims to maximize synergies between the sectors covered by the CEF and other EU programmes.



### **2.1.2.13 RIGHTS, EQUALITY AND CITIZENSHIP**

The overall goal is to contribute to the creation of an area in which the rights of persons contained in the Treaty on the Functioning of the European Union and the Charter of Fundamental Rights of the European Union are promoted and protected. Specifically, this programme should promote the rights deriving from European citizenship, the principles of non-discrimination and equality between women and men, the right to the protection of personal data, the rights of the child, the rights deriving from the consumer legislation of the Union and from the freedom of doing business in the internal market.

### **2.1.2.14 EUROPEAN INSTRUMENT FOR DEMOCRACY AND HUMAN RIGHTS**

The European Instrument for Democracy and Human Rights (EIDHR) aims to support the promotion of democracy and human rights in non-EU countries. The key objectives are: improving respect for human rights and fundamental freedoms, strengthening the role of civil society in promoting human rights and democratic reforms, supporting and strengthening the international and regional framework for the protection of human rights, justice, the rule of law and the promotion of democracy, building trust and increasing reliability and transparency of democratic elections process, especially through the monitoring of election processes, etc.

## **2.1.3 COHESION POLICY AND OTHER FUNDS**

Cohesion policy<sup>185</sup> (KP), also known as Regional Policy, represents the EU's main investment policy, which contributes to creating new jobs, improving the quality of life of citizens and increasing the overall economic development of both member states and the EU as a whole. It is also an expression of solidarity, given that support is directed to less developed regions and EU member states - with the aim of strengthening the economic, social and territorial cohesion of the Union. In December 2013, the legal framework for KP for the period 2014-2020 was established. year. For the mentioned period, the budget of the KP amounted to 351.8 billion euros, and it was distributed among 28 member states. RS will be able to use funds from the mentioned funds when it becomes a member of the EU. Negotiations for the accession of the RS to the EU in the area of KP, in terms of the fulfillment of requirements and principles, and preparations for its effective implementation, are conducted through Chapter 22 - Regional policy and coordination of structural instruments. The Government of the RS adopted the Action Plan, which is a benchmark for opening negotiations under Chapter 22<sup>186</sup>. The EU project "Development of the EU Cohesion Policy Management System in Serbia" is being implemented for the implementation of activities and support for making the necessary decisions (see 2.1.8). In addition, the "EU Programme for Local Development - EU PRO Plus" is implemented, which

<sup>185</sup> <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/koheziona-politika/>

<sup>186</sup> The key decisions and/or activities within Chapter 22 for the next period are: 1) Preparation of the negotiating position that will also reflect the new legal framework for the KP EU (first unofficial draft prepared); 2) Preparation and adoption of a law that will create a legal basis for the establishment of a system for the management of KP EU funds and the preparation of programme documents (a working group was formed, a draft of the structure of the law was prepared); 3) Identification of institutions that will be the main bearers of tasks and responsibilities in the context of the management of cohesion policy funds in Serbia - management and intermediary bodies for the first goal of the KP "Investments for jobs and growth" (an option document for establishing an institutional framework for management has been prepared KP funds for the purpose of "Investments for jobs and growth"); 4) Making a decision on the number and structure of programmes that Serbia will prepare for the European Fund for Regional Development, the European Social Fund+ and the Cohesion Fund; 5) Continuation of investment in capacities at the local and regional level, in cooperation with regional development agencies (in continuity).

promotes the concept of integral urban and territorial development and contributes to the development of LGU capacities for balanced socio-economic development and the improvement of territorial development management, economic growth and improved social infrastructure and social cohesion (see 2.1.1.9). The use of KP funds depends on the ability of users from the public and private sectors - such as local governments, companies, the civil sector, etc. to use these funds. MEI actively cooperates with other institutions at the national and local level, in order to enable these subjects to use the mentioned funds<sup>187</sup>.

#### *2.1.3.1 NEW COHESION POLICY 2021-2027 (ERDF, ESF, CF)*

New cohesion policy of the EU<sup>188</sup> contributes to the strengthening of economic, social and territorial cohesion in the EU. It aims to correct imbalances between countries and regions. It fulfills the political priorities of the Union, especially the green and digital transition. In relation to the previous programme period, novelties were introduced. The new EU Cohesion Policy for the period 2021-2027 strengthens the urban dimension (EC, New Cohesion Policy, 2021-27). The adopted five policy objectives focus on the following topics:

- 1) competitive and smart Europe (with a focus on innovation, digitalization, economic transformation and support for small and medium-sized enterprises);
- 2) green Europe (with the implementation of the Paris Agreement and investment in the energy, low-carbon transition towards an economy with net zero carbon emissions, renewable energy sources and the fight against climate change);
- 3) connected Europe (equipment with strategic transport and digital networks);
- 4) inclusive Europe (achieving social rights and supporting quality employment, education, skills acquisition, social inclusion and equal access to health and social care), and
- 5) Europe closer to the citizens (with support for the development of local strategies and sustainable urban development).

The new goal of “Europe closer to citizens” was introduced into the main political framework as an increased commitment to integral territorial development and includes the encouragement of sustainable urban development. Local actors are given opportunities to take the lead in recognizing and solving various challenges, but above all, to use their endogenous (locally specific) development potentials.

Through these goals, significant investments in urban areas are mobilized. At least 8% of the funds of the European Regional Development Fund (ERDF) in each member state will be invested in priority projects that the cities themselves define based on the local strategy of sustainable urban development.

<sup>187</sup> In this sense, special priority is given to cooperation with the Development Agency of Serbia (Sector for Regional Development) and the network of accredited regional development agencies, which represent a link between the central and local levels and a means for the active participation of local governments in the processes of planning and identification of development priorities on the one hand sides and preparation of projects that should be supported from the funds of the mentioned funds in in order to realize the defined priorities. This is particularly evidenced by cooperation in the field of cross-border cooperation, which confirms the importance of continuous support to local self-governments. For this reason, MEI concluded the Agreement on cooperation in the field of European integration with the Development Agency of Serbia and Agreements on cooperation with regional development agencies, trying to ensure their active participation in the processes that should ensure the efficient absorption and use of EU development funds at the local level. In this way, in accordance with the best European practice, as well as the expressed mood of regional development agencies, long-term cooperation with the aim of sustainable local development is ensured.

<sup>188</sup> [https://ec.europa.eu/regional\\_policy/2021-2027\\_en](https://ec.europa.eu/regional_policy/2021-2027_en)

### Asset priorities

- The European Regional Development Fund will support the investments of all 5 policy objectives, but 1 and 2 are the main priorities;
- The main priority of the European Social Fund+ is 4;
- The Cohesion Fund supports policy objectives 2 and 3;
- The Just Transition Fund provides support within dedicated specific objectives;
- Interreg programmes have 2 additional policy objectives at their disposal (Article 14 of the Interreg Regulation): “Better cooperation in development management” and “A safer and more secure Europe”.

The basic instruments through which support is implemented and directed to specific programmes and operations are:

#### EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF)

It provides support to EU member states and their regions with the aim of eliminating major regional inequalities and achieving self-sustaining growth. First of all, it is aimed at strengthening the competitiveness of the economy - through investments in research, development and innovation, investments in production and infrastructure, urban and local development, improving the competitiveness of small and medium-sized enterprises and supporting the transition to an economy based on low carbon dioxide emissions in all sectors.

#### EUROPEAN SOCIAL FUND (ESF)

It provides support to EU member states and their regions in achieving employment policy goals. It is aimed at investing in human resources through supporting the employment of as many people as possible, encouraging equal access and equal opportunities for everyone, encouraging entrepreneurship and activation on the labor market, integrating immigrants, ensuring gender equality, fighting poverty, strengthening social inclusion, improvement of education and lifelong learning. Through the Youth Employment Initiative from the ESF, activities aimed at people under the age of 25, who are not employed, are supported in education or training.

#### COHESION FUND (CF)

It provides support to the least developed EU member states whose GNI per capita does not exceed 90% of the EU-27 average. Large projects in the field of transport infrastructure and environmental protection are financed from this fund. In the programme period 2014-2020, it provides support to the following member states: Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

#### 2.1.3.2 HELP

In 2014, the EC established the EU Regional Trust Fund in response to the crisis in Syria - the Madad Fund<sup>189</sup> (EU Regional Trust Fund in response to the Syrian Crisis, the “Madad Fund”). The original goal of this fund was to support refugees from Syria and their countries of residence (Egypt, Iraq, Jordan, Lebanon, Turkey). The fund was later expanded to include refugees and

189 <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ostali-fondovi/>

migrants from other vulnerable countries, as well as support for non-EU countries affected by the migrant crisis, which gave RS the opportunity to apply for funds. For the RS, in 2016 and 2017, from the funds of the Madad fund, support was approved for the financing of current operational costs, nutrition, provision of health services and access to education for migrant children and improvement of the conditions for the accommodation of refugees and migrants in reception centers - primarily in cooperation with by the Ministry of Labour, Employment, Veterans and social issues, the Commissariat for Refugees and Migration and the Ministry of the Interior, as well as the International Organisation for Migration (IOM).

#### *2.1.3.3 EU SOLIDARITY FUND - FSEU*

The EU established the Solidarity Fund<sup>190</sup> (FSEU), with the aim of providing support to member states and countries that are in the process of negotiations for EU membership to more easily overcome the consequences of large-scale natural disasters. This expresses European solidarity with regions and countries within Europe that are affected by natural disasters. By covering parts of public expenditures, the FSEU contributes to the efforts of countries to implement activities for the reconstruction of the country and the rehabilitation of damage caused by natural disasters.

The Republic of Serbia, as a country in the process of negotiations for EU membership, submitted an application for funds from the EU Solidarity Fund on July 30, 2014, in order to repair the damage and restore the areas affected by the floods of May 2014.<sup>191</sup> Since the EU has adopted amendments to the regulation establishing the EU Solidarity Fund and its purpose is extended to cases of general threat to public health, the RS submitted an application for support from the EU Solidarity Fund in 2020. After a detailed assessment of applications for support from the EU Solidarity Fund, on March 11, 2021, the EC proposed to the European Parliament and the Council the mobilization of EUR 530 million in non-reimbursable support for 17 member states and 3 candidate states for membership in order to support measures to combat the coronavirus, of which Serbia should have received almost 11.9 million euros of non-refundable support from this Fund. Based on the decision of the EC and the accompanying communication, the Ministry of Finance, with the support of the MEI, initiated the process of determining which costs will be submitted for the allocated funds, given that it was designated as the coordinating body for this phase of the process during the preparation of the application<sup>192</sup>.

#### *2.1.3.4 REGIONAL HOUSING PROGRAMME*

Regional housing programme<sup>193</sup> is a joint initiative of four countries - Serbia, Bosnia and Herzegovina, Croatia and Montenegro - which aims to provide permanent housing solutions for the 27,000 most vulnerable refugee families (74,000 individuals) in the region. Of these, 16,780 families (about 45,000 individuals) are in Serbia. The programme is implemented as part of the "Sarajevo Process", based on the "Belgrade Declaration", which was signed in 2011 by the ministers of foreign affairs of the four beneficiary countries of the programme. These countries were the most affected by the war conflicts of the 1990s and therefore have a significant refugee population.

190 <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ostali-fondovi/>

191 On December 17, 2014, the European Parliament and the Council approved the proposal of the decision of the European Commission, which allocated funds to Serbia for rehabilitation and reconstruction of the areas affected by the May floods in the amount of 60.2 million euros (60,224,605 euros).

192 [http://www.obnova.gov.rs/uploads/useruploads/Documents/Solidarnost\\_na\\_delu\\_preview.pdf](http://www.obnova.gov.rs/uploads/useruploads/Documents/Solidarnost_na_delu_preview.pdf)

193 <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ostali-fondovi/>

In the RS, the Programme is implemented on the basis of the Framework Agreement, concluded on October 25, 2013, between the RS and the Development Bank of the Council of Europe. The agreement regulates the basic settings of the programme, the implementation mechanism, the obligations of the participants in the programme and the amount of funds that will be engaged. The Programme is managed by the Development Bank of the Council of Europe, which administers a multi-donor fund formed for the purpose of implementing the Programme. The largest donor of this fund is the EU, which provides the largest part of the funds through the multi-user and national IPA. The total announced contribution to the EU fund is 235 million euros. Other donors are USA, Switzerland, Germany, Denmark, Italy, Norway, Turkey, Cyprus, Hungary, etc. The entire programme is under the jurisdiction of the Commissariat for Refugees and Migration of the RS. Through the Programme, a large number of different housing solutions are provided: the allocation of building material packages, the construction of prefabricated houses, the purchase of rural houses and the construction of residential buildings. In this way, it is ensured that refugee families solve their housing issue in the way that suits them best in their current place of residence, bearing in mind that the Programme is implemented in over 120 municipalities in the Republic of Serbia. The donation agreement for the first subproject in the amount of 2,212,500 euros was signed in 2014. The following 8 donation contracts and associated amendments in the total value of EUR 169,930,645 (of which EUR 137,398,681 are donations from the Fund) were signed by the national IPA coordinator. These agreements collectively foresee the provision of a total of over 7,700 housing solutions<sup>194</sup>.

#### **2.1.4 GREEN AGENDA FOR THE WESTERN BALKANS**

After signing the Sofia Declaration, the heads of state and government from the Western Balkans reached an agreement with the EU on the implementation of the Action Plan for the Green Agenda<sup>195</sup>, which paves the way for them to realize the economic and investment plan for the region worth 30 billion euros. They committed to put sustainable development, resource conservation, nature protection and climate action at the center of all economic activities and to align with EU goals. The Council for Regional Cooperation (RCC) was in charge of coordinating the drafting of the document, and it was adopted in Slovenia at the EU Summit - Western Balkans. In the Action Plan for the Green Agenda for the Western Balkans for the period up to 2030, the most important segments are the collection of greenhouse gas emissions, plans for the gradual cessation of coal use, regional integration, pollution control and environmental protection.

The investment package consists of nine billion euros in grants and 20 billion euros of investments, which will be implemented through the new Western Balkans Guarantee Facility. The countries of the region should implement economic and social reforms as well as strengthen the rule of law, the EU leaders stated and also pointed to the benefits for competitiveness and digital transition.

The EU announced that together with the 600 million euros that the European Commission will propose as part of the Instrument for Pre-Accession Assistance (IPA), it will make available 1.1 billion euros by the end of the year for the implementation of the Economic and Investment Plan. The Western Balkans has the task of declaring energy and climate aspirations that will match

<sup>194</sup> [www.regionalhousingprogramme.com](http://www.regionalhousingprogramme.com); [www.kirs.gov.rs](http://www.kirs.gov.rs)

<sup>195</sup> <https://balkangreenenergynews.com/rs/usvojeni-akcioni-plan-za-zelenu-agendu-za-zapadni-balkan-donosi-devet-milijardi-evra-grantova-rok-za-uskladjivanje-s-eu-ets-om-2024-godine/>

the EU's goal of reducing greenhouse gas emissions by 55 percent by the end of the decade, as well as other related goals, for which a massive transformation is necessary. The countries of the region will have to overcome the challenges that come with the gradual cessation of the use of coal, such as unemployment, disruptions in the economy and labor migration, the declaration from the summit states. Decarbonization will be achieved "through the use of fuels from renewable sources or fuels with reduced carbon emissions," the document states. Leaders of the 27-nation bloc have pledged to provide technical and financial assistance to develop a carbon charging system in the context of the Carbon Cross-Border Adjustment Mechanism (CBAM), which is essentially a carbon tax on imported goods and electricity.

The action plan for the Green Agenda has five pillars:

- 1) Decarbonization
- 2) Circular economy
- 3) Cleaning from pollution
- 4) Sustainable agriculture and
- 5) Protection of nature and biodiversity.

In the decarbonization part, the indicative deadline for harmonization with the European Climate Law and the adoption of the vision of achieving climate neutrality is 2025, and 2024 is set for harmonization with the EU Emissions Trading System (EU ETS) and the introduction of other carbon charging instruments. The countries of the Western Balkans have agreed to include among the priorities, which they will finance, energy efficiency measures, the abolition of coal subsidies and programmes to combat energy poverty.

The segment of the circular economy implies that by 2023 at the latest, strategies will be developed that will encompass the entire product life cycle. Governments have pledged to raise awareness of waste prevention and separation and sustainable consumption.

On the pollution cleanup front, measures include the ratification of the Convention on Long-range Transboundary Air Pollution and its protocols by 2025. The implementation of air quality strategies and the construction of the necessary infrastructure for the processing of waste water by 2030 at the latest are also planned.

As for sustainable agriculture, the indicative time frame sets 2026 as the horizon for adopting standards on food safety, plant and animal health and welfare, and waste management, as well as supporting organic and pollution-free food cultivation and reducing the amount of synthetic chemicals products in food production. Among the measures in agriculture will have to be the use of renewable energy sources and the reduction of emissions.

The countries of the region have taken responsibility for the preparation of plans for the restoration of the forested landscape until 2024, including a financial component.



## 2.2 INTERNATIONAL FINANCIAL INSTRUMENTS-BANKS

### 2.2.1 DEVELOPMENT BANK OF THE COUNCIL OF EUROPE CEB<sup>196</sup>

Council of Europe Development Bank<sup>197</sup> (BSE) is a multilateral development bank with a social orientation. It was founded in 1956 in order to solve the problems of refugees, and later expanded the range of activities to the entire field of social development. RS joined this international bank in 2004. BSE provides concessional (favorable) loans and consulting services for socially oriented investment projects in the areas of:

- Sustainable and inclusive growth;
- Integration of refugees, displaced persons and migrants i
- Environmental protection.

Cooperation between RS and BSE is achieved primarily through projects financed through favorable loans such as: improvement of educational and scientific infrastructure and provision of accommodation for young researchers, reconstruction of housing infrastructure (landslides), construction of housing units for families affected by the earthquake in Kraljevo, construction and equipment new ones prison capacities in Pančevo and Kragujevac, etc. In addition to its own funds intended for lending, BSE also has funds entrusted to it for management by other donors. In this sense, as part of the response to the migrant crisis, the RS made available the “Fund for Migrants and Refugees”, through which the most urgent needs of migrant centers in Šid, Kanjiža and Preševo and other places are financed. In addition, the bank participates in the Investment Framework for the Western Balkans (see 2.1.1.5) and in this sense is responsible for part of the grants granted to the RS from this instrument, and is also in charge of managing the Regional Housing Care Programme intended to solve the housing problem of refugees ( see 2.1.3.4), whose biggest user is the RS.

### 2.2.2 EUROPEAN INVESTMENT BANK EIB

European Investment Bank<sup>198</sup> (EIB) is an EU financial institution that plays a significant role in financing long-term investment projects. Outside the borders of the EU, the bank supports projects that contribute to economic development in countries that have signed a Stabilization and Association Agreement or a cooperation agreement with the EU or one of its members. The EIB provides support primarily through loans, but also through technical assistance, guarantee schemes and microfinancing. Loans are granted to the state as well as the private sector. Beneficiaries of loans in a broader sense can be municipalities and cities, ministries, state-owned companies, but also private companies and large corporations.

In accordance with the mandate defined by the European Parliament and the Council of the EU, the EIB finances investments in the RS through loans (whereby the EIB can cover up to 50% of project costs), concluded directly with the project holder (individual loans) or indirectly, mainly through other banks (intermediate loans). In practice, individual loans are approved for strategically relevant projects and programmes worth more than 25 million euros, while

<sup>196</sup> <https://www.mei.gov.rs/srp/fondovi/bilateralni-i-multilateralni-partneri/po-medjunarodnim-organizacijama/>

<sup>197</sup> [www.coebank.org](http://www.coebank.org)

<sup>198</sup> <http://www.eib.org/>

intermediate loans are credit lines to banks and financial institutions intended to help finance small and medium-sized enterprises and local projects with justified investment programmes or projects worth up to 25 million euros. Loans are approved to support projects that are economically justified in the areas of transport, energy, environmental protection, industry and services, health and education, research and development, information and communication technology.

Currently, current projects in the Republic of Serbia financed by the EIB are:

- Construction of the Niš - Pristina highway. So far, the Republic of Serbia, with the support of the EIB, has received about 5 million through the Investment Framework for the Western Balkans. euros of grants.
- Modernization of the railway line Nis - Dimitrovgrad. Thanks to the support of the EIB, 44 mil. EUR of grants from WBIF, while in December 2017 another 28 million was approved. euros for the second phase of this project.

### **2.2.3 EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT EBRD**

European Bank for Reconstruction and Development<sup>199</sup> (EBRD) is has been active in RS since 2001. In the past period, the bank implemented more than 200 projects with a total value of around 4.24 billion euros, of which 62% were implemented in cooperation with the public sector, while 38% were implemented in cooperation with the private sector. The activities currently carried out by the EBRD are in accordance with the Strategy for Serbia approved by the Board of Directors in April 2014, and are focused on three key areas:

- The competitiveness of the private sector through the provision of financial and technical assistance primarily to the sector of small and medium enterprises. In this area, support to the private sector takes place directly through the provision of financial support, most often in the form of investment lending or securing working capital, or indirectly through financial intermediaries (such as banks). Technical assistance is reflected in the provision of consulting services or advice from experienced advisors, or the development of local advisory capacities.
- Stabilization of the financial sector through support to banking and non-banking institutions. In this area, the EBRD is focused on providing long-term financing for the banking sector and developing special products that would enable the marketing of special financial products, such as loans for energy efficiency and investment in renewable energy sources.
- Development of sustainable public enterprises, including investment in energy, traffic and utility infrastructure. The bank also provides support for the preparation and implementation of major infrastructure activities in the energy, environment and transport sectors, through lending or a combination of loans and grants - independently or in cooperation with other partners such as the EU.

<sup>199</sup> <http://www.ebrd.com/home>

## 2.2.4 WORLD BANK WB

The activities of the World Bank, as a development partner in the Republic of Serbia, are defined by the document Framework for partnership for 2016-2020, with the main goal of supporting the process of accession of the Republic of Serbia to the EU, by creating a competitive and inclusive economy. The priority areas of development in this document are:

- fiscal and macroeconomic stability,
- strengthening management capabilities and institutional capacities,
- reform of public enterprises,
- improvement of business conditions,
- infrastructure development i
- labor market reform.

This cooperation is currently taking place through the implementation of projects worth more than 1.8 billion dollars, in the following areas: transportation, improving the business environment, competitiveness and employment, health, flood prevention and reconstruction, risk management, financial sector reform, public sector improvement, improvement of public enterprises i preschool education.

Recently approved projects<sup>200</sup> у периоду 2021-2023 cy: Catalyzing Long Term Finance through Capital Markets, Improving public financial management for the green transition, First Serbia Green Transition Programmatic Development Policy Loan, Scaling-Up Residential Clean Energy (SURCE) Project, Serbia Local Infrastructure and Institutional Development Project, Public Sector Efficiency and Green Recovery DPL.

Programme Green, living and resilient cities in Serbia<sup>201</sup>

In June 2021, the World Bank launched the Green, Living and Resilient Cities Programme in Serbia, together with the Ministry of Construction, Transport and Infrastructure, to strengthen sustainable and resilient urban development<sup>202</sup>. This activity is part of the World Bank's Global Umbrella Programme for Sustainable and Regional Development (SURGE) and is supported by the Swiss Confederation through the State Secretariat for Economic Affairs (SECO). The four-year technical assistance began in 2022 and will support selected cities in Serbia in the planning and implementation of sustainable, low-carbon and resilient urban development programmes, while providing national level policy recommendations and proposed actions to facilitate the implementation of the RS Sustainable Urban Development Strategy. A detailed analysis will also help to identify challenges in the municipal solid waste management sector. The programme aims to respond to existing gaps at the national level and to support selected cities to improve their capacities:

200 [https://projects.worldbank.org/en/projects-operations/projects-summary?lang=en&countrycode\\_exact=YF](https://projects.worldbank.org/en/projects-operations/projects-summary?lang=en&countrycode_exact=YF)

201 <https://www.worldbank.org/en/country/serbia/brief/green-livable-resilient-cities-in-serbia-programme>

202 Serbian cities are of vital importance for national economic growth. However, in order to become drivers of regional development and poverty reduction, they need to be better managed in order to increase their ability to live and the quality of life of their citizens. Improved strategic urban development and management can help cities in Serbia to fully utilize their potential and play a key role in supporting the country's green transition. The Government of Serbia recognizes the importance of cities for the national economy. In 2019, the Sustainable Urban Development Strategy (SOUR) was adopted, followed by an action plan in March 2021, establishing a comprehensive and integral programme for the next phase of urban development in Serbia. This programme provides Serbia with a unique opportunity to advance towards the green transition at the sub-national/municipal level, foreseen by the EU Green Deal. It also fits with the World Bank's strategic direction for post-COVID-19 recovery in line with the World Bank's Green, Resilient Inclusive Development (GRID).

- To better plan, prepare and implement high-impact city-level investments that promote sustainable, low-carbon urban development and urban resilience, and
- Deepening the knowledge base and policy dialogue towards more inclusive, sustainable, resilient and green urban development, including lagging regions.

### 2.2.5 GERMAN DEVELOPMENT BANK (KfW)

KfW is Germany's leading development bank<sup>203</sup>. During the 1960s, the bank expanded its activities to the international level by implementing German financial cooperation with developing countries on behalf of the German government. At the end of 2021, the balance amount was about 550 billion euros, and the annual approved funds worldwide exceed 130 billion euros, of which about 12 billion euros are in development cooperation. The main goals are to improve the economic and social living conditions of people, reduce poverty and protect the climate and the environment. The German federal government, as an institution of public law, owns 80% of the bank's capital, while the remaining 20% is owned by the German federal states. KfW supports RS in achieving goals and fulfilling obligations related to the EU accession process with a special focus on climate and energy, as well as sustainable development of urban infrastructure. An overview of the projects implemented in Serbia is available at the following link <https://nemackasaradnja.rs/mapa-projekata/>

#### Regional Challenge Fund (RCF)

Regional Fund for Challenges<sup>204</sup> (RCF) is a financial mechanism established with the aim of increasing employability, especially of young people. The fund strengthens the competitiveness of companies in the economies of the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia) through the financing of investments in equipment and infrastructure for selected cooperative or dual education projects that are carried out in partnership with professional educational institutions and companies. Funds are awarded after bidding (challenge) at the regional level.

The German Federal Ministry for Economic Cooperation and Development (BMZ) allocated 64.43 million euros for the RCF, and the Government of Switzerland, represented by the Swiss Agency for Development and Cooperation (SDC), co-financed an additional 9.7 million Swiss francs. The funds were entrusted to the German Development Bank (KfW), and the project is implemented by the Chamber Investment Forum of the Western Balkans (WB6-CIF), a joint initiative of chambers of commerce from the region.

RCF supports projects jointly implemented by vocational training institutions and partner companies, which engage or plan to engage in cooperative education and training activities. Projects can receive support for the development of new programmes or the expansion and improvement of existing programmes. Grants are awarded to consortia that have successfully passed the two-phase selection process.

RCF provides financial and follow-up support to selected consortia for:

<sup>203</sup> <https://nemackasaradnja.rs/kfw/>

<sup>204</sup> <https://rcf-wb6.org/sta-mi-radimo/?lang=me>

- Infrastructural works and equipment for facilities within institutions for vocational training and training
- Training of teachers from vocational training institutions, trainers in companies and coordinators for cooperative education and training (in vocational training institutions and in companies), required for the implementation of the funded training programme
- Advisory support during project planning and implementation

More than 1,500 training places will be offered through the supported projects. Up to 19,776,650 euros will be invested in projects implemented by institutes and companies for professional training. Each project will be supported by grants from EUR 150,000 to EUR 600,000.

## **2.3 BILATERAL AND MULTILATERAL COOPERATION, DONOR PROGRAMMES**

### **2.3.1 UNITED NATIONS TEAM IN SERBIA**

The United Nations (UN) has been present in the Republic of Serbia (former Yugoslavia) since the beginning of the crisis in the region, in the early 1990s. The United Nations team in Serbia<sup>205</sup> has been cooperating with the Government of the RS since the beginning of the 2000s. The UN team in Serbia currently includes 20 agencies, funds and programmes, both resident and non-resident, who work together to improve national development priorities in accordance with the 2030 Agenda and 17 Sustainable Development Goals. The team is coordinated by the permanent coordinator of the UN, and works according to the principles of the Framework for cooperation of UN nations for sustainable development with the RS 2021-2025, signed between the Government of the RS and the UN Team in Serbia. The framework represents a path towards three strategic priorities:

- 1) Serbia uses the full potential of a green, sustainable and inclusive economy - Increasing opportunities for all and risk management;
- 2) Well-being, social justice and human potential are at the heart of systems, policies and practices - Everyone has equal opportunities, throughout life, to realize their full potential;
- 3) Building trust and mutual responsibility through the rule of law and respect for human rights and obligations - Encouraging transparency, fairness and effectiveness

Milestones:

- Serbia adopts and implements strategies to combat climate change and protect the environment, which increase the community's resilience, reduce the carbon footprint and enhance the positive effects of investments at the national level;
- Natural and cultural resources are managed in a sustainable manner;
- Fair economic and employment opportunities are fostered through innovation;
- Universal and inclusive access to quality, social and protection services has been improved;
- Skills, education and opportunities are improved to ensure fair outcomes for all;
- Mobility and demographic transition become vectors of positive change and prosperity for all people;

<sup>205</sup> <https://serbia.un.org/sr/about/about-the-un>

- All people, especially the more vulnerable, benefit from the realization of human rights, gender equality and improved rule of law in accordance with assumed international obligations;
- All people benefit from effective governance and meaningful civic engagement.

The Sustainable Development Goals are a global call to action to prevent poverty, protect the environment and climate, and ensure that all people live in peace and prosperity. The UN in Serbia is working on the implementation of 17 sustainable development goals.

In the period from 2011 to 2015, the UN team in Serbia provided assistance worth more than 230 million dollars. In June 2017, a new Development Partnership Framework (RDF) was signed between the Government of the RS and the UN Team in Serbia for the period 2016-2020. The new strategy is fully aligned with the Government's national priorities, the EU Accession Agenda and the Sustainable Development Goals Agenda. The value of the new UNDAF-and for the period 2016-2020. for Serbia, it is estimated at 170 million dollars, not including the funds set aside for emergency situations such as the refugee/migrant crisis.

### 2.3.2 DEVELOPMENT COOPERATION BETWEEN GERMANY AND SERBIA

Development cooperation between Germany and Serbia<sup>206</sup> started immediately after the democratic changes in 2000. Since then, GIZ has been present in Serbia with one central office in Belgrade and a larger number of project offices. By order of the Federal Ministry for Economic Cooperation and Development (BMZ), GIZ provides support to Serbia in the process of approaching the European Union, strengthening the efficiency of the economy and strengthening democratic structures. GIZ implements programmes and projects<sup>207</sup> from the following areas:

- sustainable improvement of the economy and employment;
- good governance;
- environment.

Serbia also benefits from GIZ's regional projects. The Open Regional Fund for Southeast Europe, which brings together several countries, supports measures implemented in the areas of legal reform, counseling in the field of foreign trade, modernization of communal services, as well as energy efficiency, biodiversity and integration into the European Union.

<sup>206</sup> <https://nemackasaradnja.rs/giz/>

<sup>207</sup> The following projects are being implemented in Serbia: Rural development through integrated forest and water resources management in Southeast Europe; Waste management, circular economy and green job opportunities; Energy efficiency in public buildings; Development of a sustainable bioenergy market; Social rights for vulnerable groups; Public administration reform; Social services for disadvantaged population groups; Promoting EU Integration in the Western Balkans; Open regional funds for South-East Europe – legal reform; Open regional funds for South-East Europe – modernisation of municipal services; Public finance reform; Open Regional Fund for South-East Europe – Biodiversity; Open regional funds for South-East Europe – Energy Efficiency; Economic Diversification of Rural Areas; Zoran Djindjic Internship Programme of German Business for the Countries of the Western Balkans; Programme „Migration for Development“; Private sector development in disadvantaged regions; Sustainable recruitment of nurses; Open Regional Fund for South-East Europe – Foreign Trade; Western Balkans School Exchange Scheme; Dialogue on Employment Creation, Initiative and Dual Education; Supporting young people in rural regions of Serbia; Strengthening Rule of Law in Serbia (giz.de)



### 2.3.3 FRENCH DEVELOPMENT AGENCY AFD

French Development Agency<sup>208</sup> opened a regional office in Serbia in 2019, which is responsible for the entire Western Balkans, as well as a representative office in Albania. The group finances, supports and accelerates the transition to a more harmonious and resilient world for the common good - climate, biodiversity, peace, gender equality, education and health, thereby contributing to the achievement of the UN Sustainable Development Goals. Activities are aligned with the 2015 Paris Climate Agreement. This means that each project is evaluated according to its compliance with the implementation of the strategy of low-carbon development and long-term resilience. This principle is based on a clear fact: sustainable development and the fight against poverty cannot be separated from the fight against global warming and the protection of the environment or biodiversity.

With 5.2 billion euros approved for the year 2021 for the financing of climate projects, AFD is one of the main international financial institutions that support this type of projects, so that 55% of financial engagements have a direct impact on the fight against climate change and its mitigation consequences. In Serbia, AFD provided EUR 51 million for the reconstruction of railway infrastructure, capacity building and modernization of the sector, as well as EUR 50.5 million to support environmental reforms (implementation of Serbia's climate obligations in accordance with the Paris Agreement and the EU accession process). In cooperation with the International Bank for Reconstruction and Development (World Bank), the French Development Agency also contributes to the improvement of urban infrastructure in Serbia, through a valuable project (loan). 265.2 million euros (300 million US dollars).

Project "Development of local infrastructure and institutional strengthening of local self-governments of the Republic of Serbia"

Project holder<sup>209</sup> is the Government of the Republic of Serbia/Ministry of Construction, Transport and Infrastructure. The goal of the project is to improve the capacity of local governments to manage sustainable infrastructure, as well as to improve access to economic and social potential in a climate-conscious manner, in accordance with the obligations arising from the Sofia Declaration on the Green Agenda for the Western Balkans, adopted in 2020. as well as in accordance with the goals, measures and activities defined The strategy of sustainable urban development of the Republic of Serbia until 2030 and the Action Plan for its implementation. The project will primarily provide investments and technical support for the sustainable improvement of local roads and mobility, as well as the overall resilience of local governments to climate change. Each local self-government will be entitled to a certain amount of funds, according to a formula that takes into account the number of inhabitants, area, level of development, as well as vulnerability to climate change. The expected start of the project is June 2022, while the completion of the project is expected in November 2028.

- The project is structured through the implementation of activities divided into three basic components:
- Component 1: Climate Smart Mobility

<sup>208</sup> <https://rs.ambafrance.org/AFD-4148>

<sup>209</sup> <https://www.mgsi.gov.rs/cir/projekti/razvoj-lokalne-infrastrukture-i-institucionalnog-jachanja-lokalnih-samouprava-republike>

- Component 2: Strengthening capacity to provide services in the field of infrastructure
- Component 3: Project management and awareness raising

Together with the European Bank for Reconstruction and Development, AFD supports the expansion of infrastructure for solid waste management, through a loan of 150 million euros. Investments in the Western Balkans amount to more than 630 million euros, to which should be added support for two regional projects. The first project is dedicated to improving the quality of life in cities thanks to the “Smart City” programme. AFD also supports the RISE project, which provides support to young entrepreneurs from the Western Balkans, in cooperation with the Regional Office for Youth Cooperation (RYCO).

### 2.3.4 DONATION PROGRAMMES

#### Japan

The strategic framework of development cooperation with the RS is defined in the Japanese Development Cooperation Charter of February 2015. Priority areas of Japan’s bilateral development assistance to the RS<sup>210</sup> are:

- Environmental protection,
- Health and social protection and education i
- Entrepreneurship and support to small and medium enterprises.

Some of the examples of assistance that Japan provides to the RS are: non-project donations in the form of Japanese products, projects for the basic needs of the population (POPOS projects) which include one-time assistance such as the reconstruction of school buildings and kindergartens, the delivery of medical equipment and ambulances, garbage collection vehicles and containers, tanks, special vehicles for transporting people with special needs, etc., but also consulting assistance from Japanese experts since 2009 through the volunteer programme of the Government of Japan. Japan also provides concessional loans (yen loans), so the project “Construction of a desulfurization system at the Nikola Tesla Thermal Power Plant” will be realized from the funds of one of the loans.

#### Kingdom of Denmark

Denmark provides its development assistance to beneficiaries in most cases bilaterally, but also multilaterally mainly through the UN, EU institutions and the World Bank. Development cooperation strategy of the Kingdom of Denmark with the Republic of Serbia<sup>211</sup> it is defined within a broader regional concept - the Danish Neighborhood Programme for Eastern Europe. Since 2017, with the completion of two large programmes financed by Danish bilateral grant aid in the south of Serbia and the adoption of a new Danish development aid strategy, the Republic of Serbia has ceased to be the so-called Danish “partner state” and since then there has been no significant bilateral development aid from the Kingdom of Denmark to the Republic of Serbia, given that the focus of Danish development aid in Europe is directed towards Ukraine and Georgia.

<sup>210</sup> <https://www.jica.go.jp/balkan/english/office/index.html>

<sup>211</sup> <http://serbien.um.dk/en/danish-cooperation/danish-cooperation-with-serbia/>

### Kingdom of Norway

The Kingdom of Norway is one of the largest bilateral donors to the RS, whose support from 2008 to today amounts to more than 100 million euros. Norway provides assistance to Serbia through the Bilateral Cooperation Programme, the Embassy's Fund for Small Projects, as well as direct grants to civil society organisations<sup>212</sup>. In January 2018, a Memorandum of Understanding (MoU) was signed between MEI RS and the Ministry of Foreign Affairs of the Kingdom of Norway, which refers to bilateral cooperation through projects and which defines the basic principles of cooperation between the two ministries with the aim of supporting Serbia's integration into EU structures through projects that contribute to reform processes and the development of supported sectors in accordance with the requirements of the European integration process.

### Kingdom of the Netherlands

Dutch development aid to the Republic of Serbia<sup>213</sup> has in the past years been focused on supporting the development of the agricultural sector, environmental protection, the private sector, employment, the rule of law, assistance to refugees and internally displaced persons, and the building of institutional capacities. During 2019 and 2020, no new projects were contracted, and within two programmes - MATRA and the Human Rights Fund, which aim to help civil society organisations and the justice and internal affairs sectors, the Embassy of the Netherlands spent a total of 831,116 EUR. As part of the ORIO programme, the project Collection and treatment of waste water in Leskovac is being implemented in the Republic of Serbia. The total budget of the ORIO programme for the project in Leskovac is EUR 7.91 million.

### Kingdom of Sweden

Sweden has adopted a new Strategy for supporting reforms in Serbia, the Western Balkans and Turkey 2021-2027<sup>214</sup>. Financial support according to the new strategy for 2021-2027 amounts to 560 million euros, of which 500 million are distributed to the Western Balkans and 60 million to Turkey. Sweden's total grant so far amounts to around 283 million euros. Sweden will continue with the trend of supporting the financing of programmes and projects in the RS in the amount of 12 million euros annually. The largest amount of non-reimbursed aid per sector in the period from 2000 to today was allocated by Sweden to the environmental protection sector in the total value of around 43 million euros. Among the ongoing projects, the following stand out:

- The PEID project (Priority Environmental Infrastructure for Development), through which support to the environmental protection sector continues - providing technical assistance to the Ministry of Environmental Protection, in order to prepare potential projects for financing in the coming period. The main goal is the creation of project-technical documentation for large infrastructure projects. The budget of the project is around 3 million euros.
- EISP 2 project (Environmental Infrastructure Support Project), which provides support to the Ministry of Environmental Protection in the implementation of smaller components

<sup>212</sup> <https://www.norway.no/en/serbia>

<sup>213</sup> <https://www.netherlandsworldwide.nl/countries/serbia>

<sup>214</sup> <http://www.swedenabroad.com/sr-Latn-RS/Embassies/Belgrad/>

of large infrastructure projects as well as in identifying potential projects in the field of environmental protection so that they are ready for the preparation of the necessary project-technical documentation. The project budget is around 2.9 million euros.

- The continuation of the project dealing with preparations for negotiations under Chapter 27 takes place through the ENVAP 3 project - Environment Accession Project (September 2016 - March 2021), where the budget is around 3 million euros.

#### People's Republic of China

The legal basis for cooperation between the RS and the People's Republic of China is the Agreement on t of the People's Republic of China, which is signed annually.<sup>215</sup> The priority areas of development cooperation are health, education, energy and security. In the past few years, several projects in the field of healthcare were implemented, which provided medical equipment for hospitals and health centers throughout the country. The People's Republic of China also provided significant support in terms of flood defense. The Government of the People's Republic of China also facilitated professional training by organizing seminars in various fields for representatives of institutions at the national and local level, chambers of commerce, small and medium-sized enterprises, universities, and hospitals.

#### Republic of Austria

Through development aid projects, the Republic of Austria supports the RS policy aimed at the prospect of EU accession<sup>216</sup>. Projects were implemented in the areas of regional development, education, environmental protection, agriculture, health, entrepreneurship development, social protection, strengthening of management capacity at the local level, as well as support for civil society organisations. The Austrian Development Agency (ADA) as the implementing agency of the Republic of Austria applies European standards in the implementation of various EU programmes/projects:

- Implementation of the EU programme entitled "Socio-economic development of the Danube region in the Republic of Serbia", financed from EU funds - The project consists of several components, including the construction and renovation of infrastructure, such as the construction of a water supply system in the municipality of Veliko Gradište, as well as rehabilitation Golubac Fortress, for which the Republic Austria provided 1,800,000 euros in grants.
- Regional project to support the implementation of the Green Agenda for the Western Balkans - The overall goal of the project is to improve the transition of the Western Balkans towards modern, resource-efficient and competitive economies. The specific goal is to support the implementation of the Green Agenda, which achieves the commitment to transforming the economy in a sustainable way and achieving climate neutrality by 2050. The total budget of the project is 11,000,000 euros. The regional project was started in 2022.

<sup>215</sup> <http://rs.chineseembassy.org/srp/>

<sup>216</sup> <http://www.entwicklung.at/en/>

According to the volume of allocated funds, the Republic of Austria is the third largest bilateral donor participating in the financing of WBIF, with funds provided in the amount of 17.9 million euros cumulatively, in the period 2009-2020. year.

#### Republic of France

Based on the Agreement on Strategic Partnership and Cooperation, the French government provides support to the RS in public policies in the EU accession process. According to the agreement between the Governments of Serbia and France on the French Development Agency and PROPARGO signed in 2019, the AFD office in Belgrade functions as a regional office for the Western Balkans and has been fully operational since 2019. In accordance with the aforementioned Agreement, AFD Group provides financial support, such as grants and guarantees for long-term loans to the state, local governments, public and private companies and financial institutions, as well as subsidies, in accordance with the rules of foreign exchange operations of the RS. The areas of cooperation are:

- Development of the metro system in the city of Belgrade - At the end of November 2020, an agreement was signed between the governments of Serbia and France on cooperation in the field of priority infrastructure projects, investment value of 581 million euros, which foresees that 454 million will be invested in the construction of the first line of the Belgrade metro euros. It is envisaged that French companies will provide the metro compositions and carry out work on the “electromechanical part”, while Chinese companies will carry out construction work. The official start of works on the development of the metro system began in 2021, with the execution of preparatory works and works on filling the ground, construction of collectors at the location of the planned Depot (terminal) in Makiško polje.
- In the energy sector, an amount of up to 127,000,000 euros is foreseen. for the automation of the medium voltage electrical distribution network
- Within the Programme, the so-called “green development loans” RS has at its disposal a credit arrangement of 300 million US dollars from the World Bank, KfW and AfD group. The estimated funds of the AfD group are in the amount of 90 million US dollars.
- In the field of environmental protection, the city of Belgrade chose the company BeoČistaEnergija d.o.o. (consisting of a consortium consisting of the French company “SUEZ” and the Japanese company “ITOCHU”) as a partner within the Public-Private Partnership, for the project of construction and financing of a waste-to-energy plant in Vinci. The Vinca project includes rehabilitation of the existing landfill, construction of a new storage center according to European standards and an incineration unit with the production of electricity and heat (incinerator).
- In the third quarter of 2021, the law was adopted on the confirmation of the Loan Agreement in the amount of 50,000,000 euros, between the AFD Group and the RS for the implementation of reforms aimed at the so-called “green recovery” through the Programme Loan for Public Policies “Urban Environments Resilient to Climate Change”. An integral part of the Programme is a grant in the amount of 500,000 euros for the needs of technical support to the Government of Serbia, which includes the development of a Road Map for climate activities at the national and local self-government levels

(Smederevo and Užice). Support was provided for the drafting of by-laws of the Law on Climate Change and the assessment of capacity building.

#### Republic of Greece

The Hellenic Plan for the Economic Reconstruction of the Balkans (HiPERB) is a programme of Greek development assistance within the framework of which the Government of the Republic of Greece has designated grants for six Balkan countries - the Federal Republic of Yugoslavia, Romania, Bulgaria, Macedonia, Bosnia and Herzegovina and Albania<sup>217</sup>. The target sector of this aid programme is infrastructure modernization, especially in the transport sector. Two extremely important projects for Serbia that are supported by the HiPERB plan are the construction of Corridor 10.

#### Republic of India

The Indian Technical and Economic Cooperation Programme (ITEC) is implemented by the Ministry of Foreign Affairs of the Government of India as a bilateral aid programme of that country to friendly countries. This programme mainly targets developing countries, including RS, which are offered free training courses in India for various technical and professional occupations, as well as the possibility of faster and easier adaptation to an increasingly globalized world.<sup>218</sup> In the period from 2013 to the end of 2019, approximately 80 civil servants of the RS attended ITEC courses (from 2008 to today there are about 167 experts, representatives of the government and private sector) in various fields and scientific disciplines, including information and communication technologies, expenditure management, entrepreneurship, the WTO area, banking and finance, renewable energy sources, issues related to climate change, legislation, improving the English language, etc.

#### Republic of Korea

The Knowledge sharing programme (KSP) is implemented in cooperation with the Korea Development Institute (KDI) and aims at institutional development and strengthening the capacities of employees in state administration bodies of partner countries. The programme provides consultations focused on the needs of partner countries, which are carried out through a series of joint research works, trainings, consultations, which are held alternately in Korea and partner countries. This is how the following programmes are implemented:

- KOICA Fellowship programmes - KOICA partner programmes - The primary goal of this programme is additional education for technical skills and knowledge, as well as capacity building for sustainable socio-economic development;
- Master's studies (KOICA Scholarship Programme - Master's Degrees) - postgraduate (master's) studies;
- Serbian-Korean IT Access Center (SKIP Center) - opened in Belgrade in 2017, and a second SKIP center is planned in Niš, intended for free IT training for citizens, civil servants and start-up companies

<sup>217</sup> <http://www.mfa.gr/serbia/sr/the-embassy/>

<sup>218</sup> [www.itecgoi.in](http://www.itecgoi.in)



## Republic of Poland

Polish development cooperation in Serbia<sup>219</sup> implemented through small development projects, which are implemented by the Embassy of the Republic of Poland with local partners. The main goal is to implement projects that will improve the living standards of the local population. Within the framework of the system of small grants, the initiatives of small development projects that bring positive effects on the daily life of local communities are carried out. Bilateral aid can be used by institutions from the public finance sector, research institutes, non-governmental organisations and persons from the private sector. Partners in projects are usually local non-governmental organisations, public institutions or local governments. The projects implemented in Serbia in the period 2007-2020 had a total value of 253,856 euros. At the third session of the “Belgrade Conference” held in Warsaw in 2019, three parallel panels took place: environmental protection, judicial system and communication in the field of European integration.

## Republic of Singapore

During the 1970s, Singapore began to share its experiences with partner countries around the world through various programmes. These programmes were brought under a unified framework when the Singapore Cooperation Programme (SCP) was established in 1992. The cooperation programme is a series of courses, programmes, seminars, workshops, consultations, as well as study visits in a number of areas organized by the Government of Singapore and aims to share with partner countries Singapore’s experience in acquiring important technical skills and knowledge that are of vital importance for the economic and social progress of a country. SCP training areas include education, environment (climate change, environmental protection...), transport and infrastructure, economy and economy, social issues (social entrepreneurship and innovation, social cohesion, empowerment of people with disabilities and special needs...), health, cyber security, sustainable development (renewable energy, sustainable cities, energy efficiency and emission reduction), state administration and digital government. Candidates for training programmes can be civil servants - managers of narrower internal units in public administration institutions as well as civil servants in position, unless otherwise indicated.

## Republic of Slovenia

Technical assistance activities<sup>220</sup> are focused on supporting the institutions of the Republic of Serbia in the process of European integration, including support in harmonizing regulations, harmonizing procedures in the work of our institutions with EU standards, improving the quality of services, improving organisational structures through the transfer of the experience of Slovenian institutions and organisations. The amount of funds allocated for development aid is determined annually by the Development Plan of the Republic of Slovenia. Currently, a project called “Help in preventing corruption” is being implemented, which aims to improve the conditions for ensuring transparency and accountability in the functioning of public sector institutions in the RS, as well as strengthening the capacity for effective implementation of legal competences of institutions in the fight against corruption. The project holder is the Anti-Corruption Agency, and the total value is 95,580 euros.

219 [www.belgrad.msz.gov.pl](http://www.belgrad.msz.gov.pl)

220 [www.belgrade.embassy.si](http://www.belgrade.embassy.si)

## Republic of Turkey

The legal framework for cooperation with the Republic of Turkey in the field of donor, development and humanitarian aid in emergency situations is represented by the Agreement between the governments of the two countries on technical and financial cooperation<sup>221</sup> from 2009. With its signing, the Turkish Agency for Cooperation and Coordination in the RS (TIKA) officially began its work, through which cooperation with the institutions of the RS is directed and achieved. Priority areas that are supported through the programme of development cooperation with education, health, agriculture, culture, historical heritage and tourism. The total estimate of the realization of the development assistance funds of the Republic of Turkey amounts to over 37 million euros.

Important examples of support through donor funds are: the reconstruction and equipping of the General Hospital in Novi Pazar, the Center for the Protection of Children, Infants and Youth "Zvečanska", the reconstruction of the High Court building in Novi Pazar, works on the restoration of Ram Fortress near Veliko Gradište, works on to the restoration of the "Sultanija" Mosque Valide" in Sjenica, construction and reconstruction of several elementary schools in Novi Pazar. During 2020 and 2021, most donor funds were directed through projects in the field of health, environmental protection, media, education, culture, sports, humanitarian aid, cultural and historical heritage, as well as support in the fight against the COVID-19 pandemic.

## Federal Republic of Germany

Bilateral development cooperation between the Federal Republic of Germany and the RS has been ongoing since 2000. The Republic of Serbia was granted over 1.8 billion euros in development aid from the funds of the German Ministry for Cooperation and Development (BMZ), the funds of the Ministry of the Environment, the Stability Pact and others in the form of grants and soft loans. Financial support projects are implemented by the German Development Bank (KfW), while technical assistance projects are implemented by the German Cooperation Agency<sup>222</sup> (GIZ). In the past period, German development aid funds in the RS were directed to the implementation of projects and programmes in three priority areas: 1) public infrastructure (energy and water) - electricity and thermal energy supply, water supply, sewage infrastructure (wastewater management); 2) sustainable economic development and employment - improvement of legal frameworks in the field of finance and economy, development of the financial sector, support for small and medium-sized enterprises, support for secondary vocational education and training reforms and 3) democracy, state administration, civil society - support for the development of decentralized administration, efficient and results-oriented, especially in the domain of improving transparency, the rule of law, the justice system and balancing the forces of different parts of the state administration, as well as helping in the preparation for accession negotiations and supporting the EU accession process over the last few years. In terms of the volume of approved funds and the significance of the achieved results, the Federal Republic of Germany undoubtedly represents the most important bilateral development partner of the Republic of Serbia.

In addition to projects implemented at the national level, FR Germany provides both financial and technical assistance to regional projects and programmes. Regional financial cooperation is

<sup>221</sup> <http://www.tika.gov.tr/en>

<sup>222</sup> <http://www.belgrad.diplo.de/> and [www.nemackasaradnja.rs](http://www.nemackasaradnja.rs)

implemented through the following cooperation instruments: 1) Regional instrument for support of renewable energy sources and energy efficiency; 2) European Fund for Southeast Europe and 3) Green Fund for the Development of Southeast Europe. Regional technical cooperation is implemented through three regional programmes: 1) Open regional fund for Southeastern Europe; 2) Regional programme for the establishment of the Danube Center of Competence to strengthen the region of the lower reaches of the Danube and 3) Cross-border cooperation in the field of social inclusion of persons who are victims of human trafficking.

#### United States of America

Development cooperation with the United States of America (USA) is implemented through the United States Agency for International Development (USAID). The legal basis for cooperation is the assistance agreements between the RS and the USA for better functioning of the administration and a more competitive market economy. Priority areas of development cooperation between the RS and the USA include the development of local self-governments, development of small and medium-sized enterprises, institution building, rule of law, European integration and strengthening of the civil sector. Significant projects within the framework of better functioning of the administration<sup>223</sup> are: “Rule of Law” (*The Rule of Law project*), “Strengthening the media system” (*Strengthening of the media systems*), “Strengthening resilience to the refugee crisis” (*Enhancing Local Resilience to Refugee Crisis*). Significant projects within a more competitive market economy<sup>224</sup> are: “Support for the development of the private sector in southern and southwestern Serbia” (*Private Sector Development Project*) and “Project for a competitive economy” (*Competitive Economy Project*).

#### Slovak Republic

Cooperation between the Slovak Republic and RS<sup>225</sup> focuses on supporting the transformation process, implementing reforms, including public finance reform, increasing the involvement of the private sector in development cooperation, and supporting reconciliation and dialogue between communities. In the past period, Slovakia provided aid to Serbia through the Slovak Development Agency “Slovak Aid”. In the following period, the focus of bilateral development cooperation with Slovakia will be the transfer of experience related to the integration of countries into Euro-Atlantic structures, the encouragement of innovation and the start-up of enterprises, assistance in the digitalization of public administration, support for small and medium-sized enterprises in connection with employment, with a focus on female entrepreneurs, as well as integration of socially marginalized citizens. The Slovak Republic also participates in the implementation of projects financed under the EU Instrument for Pre-Accession Assistance (IPA).

<sup>223</sup> <https://www.usaid.gov/serbia/democracy-human-rights-and-governance>

<sup>224</sup> <https://www.usaid.gov/serbia/economic-growth-and-trade>

<sup>225</sup> <http://www.mzv.sk/belehrad>

## United Kingdom

Within the development cooperation between the RS and the United Kingdom<sup>226</sup>, representatives of the British Embassy in RS play an active role in the process of coordinating development aid. The Good Governance Fund (GGF) is a multi-year programme and part of this fund is available to Serbia to support reforms in the following areas: rule of law (judiciary, fight against corruption, human and minority rights, etc.), public administration, economy and business environment, strengthening freedom of expression. The Good Governance Fund operates through three channels: 1) The Strategic Support Fund (SSF), which targets pilot projects and civil society organisations, through the provision of direct grants. Supported projects focused on priority areas of the GGF Fund: from improving the business environment to strengthening government accountability and freedom of expression; 2) International Financial Institutions (IFIs) channel, which is designed to support reforms through cooperation with international financial institutions. The most significant resources are focused on the development of e-Government (the project “Digital transformation” and the project “Open Data”), implemented with the help of UNDP and the Office for Information Technologies and Electronic Administration of the Government of the RS, and 3) the Management Fund (MOF), which managed by a consortium led by PricewaterhouseCoopers (PwC), and includes technical assistance for projects developed in cooperation with state institutions.

## Swiss Confederation

The state of Switzerland has been present in Serbia since 1991. So far, financial support amounts to 350 million euros. The Government of the Swiss Confederation has two institutions in its composition that are responsible for development aid. Swiss agency for Development and Cooperation (SDC, engl. *Swiss Development Agency, SDC*) is attached to the Swiss Ministry of Foreign Affairs and is in charge of development assistance related to the support of capacity building projects, technical assistance, i.e. the so-called “soft” projects aimed at reforming the administrative and general social system. State secretariat for economic affairs (SECO, Engl. *State Secretariat for Economic Affairs DRY*), of the Swiss Ministry of Economy is responsible for development projects that are exclusively of an infrastructural nature.

The new Strategy for the period 2018-2021 is focused on the areas of management, economic development and sustainable energy sources. Switzerland decided on 95 million euros, which is 10% more in relation to the previous strategic period:

- In the area of management, support in the amount of 36 million euros will be provided to legislation at the republican and local level in order to strengthen the position of representative bodies, as well as their supervisory role. Attention will be focused on the capacities of local self-governments in managing public finances in order to improve the overall quality of services to citizens and the business sector. Support to civil society will have a stronger role with the aim of strengthening ties between civil society organisations and citizens in order to increase their participation and ensure a voice in the decision-making process;
- In the area of economic development and employment, support in the amount of 45 million euros it is intended to improve the macroeconomic framework, business

226 <https://www.gov.uk/world/organisations/british-embassy-belgrade.sr>

environment and inclusive policies to overcome inequality. Attention will be focused on local economic development, trade promotion, youth employment, dual education and private sector development with the aim of sustainable development and quality employment, especially in rural areas;

- In the area of self-sustainable energy and resilient cities, support in the amount of 14 million euros it is intended to strengthen the exploitation of renewable energy sources, the application of energy efficiency measures and the strengthening of capacities for management and planning of infrastructural activities. Additionally, support in this area will be extended to activities that will contribute to the development of self-sustainable cities, with the aim of reaching national goals of energy efficiency and renewable energy sources. Switzerland provided support in strengthening capacities for migration management, improving capacities for reception, registration of asylum seekers and approval of an innovative housing model for migrants on the territory of Serbia in the amount of 2 million euros.

Organisation HELVETAS Swiss Intercooperation<sup>227</sup> implements in Serbia “Social Sciences for a better society”, “Act for a Stronger Civil Society”, “Building Economies Where All Can Prosper” projects. In 2023, HELVETAS and Transparency Serbia published the results of the Local Participation Index (LIPA) survey.<sup>228</sup> where it is pointed out that the citizens of Serbia are not sufficiently involved in the process of making decisions, regulations, decisions on spending money from local budgets, in public discussions and other mechanisms of LGU functioning. This index classifies municipalities and cities into six clusters. None of the 44 local governments in Serbia included in the research is in the rank of the highest cluster, the so-called “full participation”, and the average grade, that is, the average level of participation index in Serbian municipalities is only 26.4 percent, which is in the range of “basic participation”. According to the LIPA research results, only one JLS has a “high” level of participation (above 60 percent) - and that is the city of Užice. LIPA results from 30 percent to 45 percent (moderate level of participation) have 14 LGUs, among which Veliko Gradište and Sombor are the best. The average index of 26.4 percent, which is in the range of “basic participation”, has almost half of LGUs (20 of them), and less than 15 percent (low level of participation) has nine municipalities

<sup>227</sup> <https://www.helvetas.org/en/eastern-europe/what-we-do/where-we-work/partner-countries/serbia>

<sup>228</sup> <https://n1info.rs/biznis/istrazivanje-gradjani-nedovoljno-ukljuceni-u-odluke-o-trosenju-novca-na-lokalu/>



## ANNEX 5 – DECISION ON ADOPTION OF THE TERRITORIAL STRATEGY OF LOZNICA URBAN AREA



На основу чланова 10. и 38. Закона о планском систему Републике Србије („Службени гласник РС” број 30/2018), чланова 20. и 32. Закона о локалној самоуправи („Службени гласник РС”, број 129/2007, 83/2014 -др. закон, 101/2016 - др. закон, 47/2018 и 111/2021-др.закон), Стратегије одрживог урбаног развоја Републике Србије до 2030. године ("Службени гласник Републике Србије", број 47/2019), Меморандума о разумевању, закљученог између града Лознице и Канцеларије Уједињених нација за пројектне услуге од 25.5.2022. године којим се дефинише техничка подршка Програма Европске уније за локални развој ЕУ ПРО Плус у изради и спровођењу Стратегије развоја урбаног подручја града Лознице, и члана 41. и 84. Статута града Лознице („Службени лист града Лознице” број 1/19-пречишћен текст), Скупштина града Лознице на седници одржаној 27. марта 2024. године доноси

### ОДЛУКУ

#### О ДОНОШЕЊУ СТРАТЕГИЈЕ РАЗВОЈА УРБАНОГ ПОДРУЧЈА ГРАДА ЛОЗНИЦЕ ЗА ПЕРИОД 2024-2034.ГОДИНЕ

##### Члан 1.

Доноси се Стратегија развоја урбаног подручја града Лознице за период 2024-2034 године, даљем тексту: Стратегија.

Временски хоризонт предвиђен за реализацију Стратегије је 2034. година, односно период који обухвата два програмска периода Кохезионе политике ЕУ.

##### Члан 2.

У обухвату Стратегије развоја урбаног подручја града Лознице налазе се три подручја:

1. Обухват урбаног подручја Лознице и Бање Ковиљаче подразумева целу катастарску општину Лозница и катастарску општину Бања Ковиљача, односно насељено место Лозница и насељено место Бања Ковиљача
2. Обухват подручја Тршић-Троноша је дефинисан границом утврђеног „Културног предела - Предела изузетних одлика Тршић-Троноша”
3. Обухват подручја планине Цер је дефинисан границом природног добра који је поступку утврђивања заштите као „Предео изузетних одлика - Планина Цер”.

##### Члан 3.

Циљ доношења Стратегије је да допринесе одрживом развоју територије заснованом на унапређењу социјалних, економских, климатских, културних и просторних аспеката развоја, као и аспеката животне средине. Посебна пажња се посвећује проналаску решења за унапређење стања животне средине и за климатске изазове, прелаз на климатски неутралну економију, боље коришћење потенцијала дигиталних технологија у иновативне сврхе, те подстицање развоја урбаних подручја. Стратегија поставља приоритете одрживог урбаног развоја, доприноси максимизирању вредности финансирања и развијању веза унутар и изван окружења.



Члан 4.

Саставни део ове Одлуке је Стратегија развоја урбаног подручја града Лознице и Извештај о обављеној јавној расправи у нацрт Стратегије.

Члан 5.

Текстуални део Стратегије се објављује у „Службеном листу града Лознице”.

Члан 6.

Ова Одлука ступа на снагу осмог дана од дана објављивања у "Службеном листу града Лознице".

**СКУПШТИНА ГРАДА ЛОЗНИЦЕ**

Број: 06-9/24-3-2/3  
Датум: 27. март 2024. године  
Л о з н и ц а

**ПРЕДСЕДНИЦА  
СКУПШТИНЕ ГРАДА**  
Милена Манојловић Кнежевић, с.р.

Тачност оверава  
**СЕКРЕТАР  
СКУПШТИНЕ ГРАДА**  
Дејан Марковић, дипл. правник





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