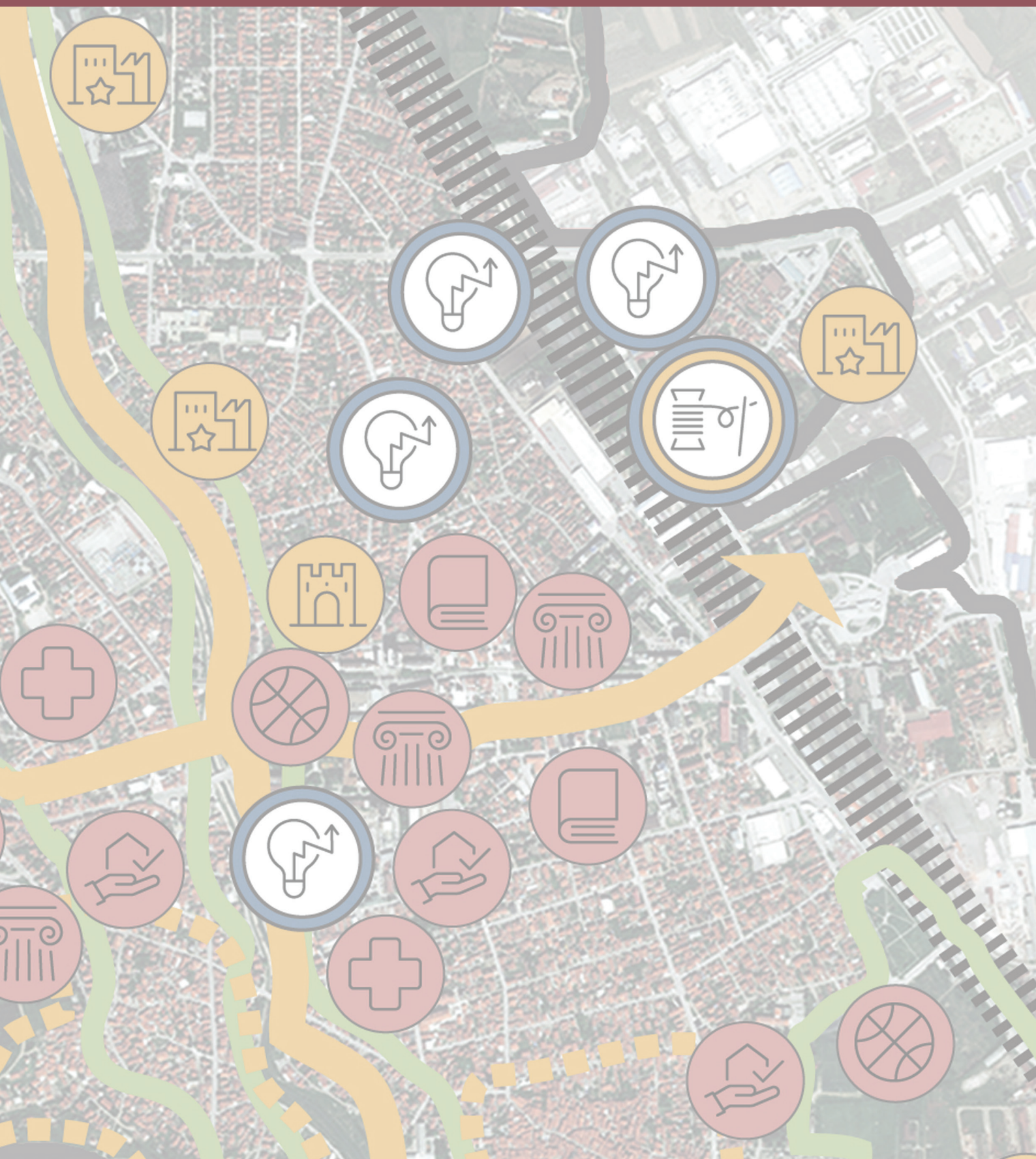


ЛЕСКОВАЦ



April 2024.

ISBN-978-86-903360-6-7



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 SPEECH BY THE MAYOR OF THE CITY OF LESKOVAC

Dear fellow citizens,

The territorial strategy of the City of Leskovac was prepared for the period 2024-2034. The local self-government has shown a clear intention to improve its activities in this field and introduce an integrated approach to territorial development in accordance with the territorial development policies of the European Union.

The strategy, as a public policy document, was prepared with the technical support of the European Union Local Development programme EU PRO Plus, based on the National Priorities for International Aid in the Republic of Serbia until 2025 (NAD). The strategy is of key importance for economic and social development and the process of European integration. The preparation of the document started in 2022, with the adoption of the Decision on drafting the Strategy, which opened up a large number of new challenges, to which the interdisciplinary working group had to respond. It was necessary to implement a new methodology, achieve broad participation, define a vision at a public forum with citizens, develop a document through five thematic objectives, determine priority areas of intervention and strategic projects. Therefore, the involvement of partners from different levels of administration, non-governmental organisations, public and private companies, social groups, faculties, development and research organisations, etc., played a key role in the successful drafting of this important document.

By adopting a new local strategic document, the City of Leskovac, as a responsible local self-government, showed its readiness to integrate ideas, resources and potentials in the service of citizens, in order to continue its prosperity path.



Mayor of Leskovac

Dr.Scient.Med. Goran Cvetanović





## **LIST OF PARTICIPANTS**

### **The mayor**

**Goran Cvetanović**

### **The Development Council of the City of Leskovac**

**Dragan Stojiljković**, director of PC “Dom”, president of the Council

**Zoran Dimitrijević**, entrepreneur “Keramika” d.o.o. Leskovac

**Bojan Tojaga**, Department of Social Activities and Local Development

**Jasminka Milenković**, Department of Urban Planning

**Tatjana Zdravković**, PC Urbanism and Construction Leskovac

**Zoran Randjelović**, businessman, Randelović d.o.o. Strojkovce

**Lazar Stojković**, B.Sc. Economist “AutoStop Interiors doo”

**Goran Jović**, Regional Chamber of Commerce

**Jablan Apostolović**, businessman M4 d.o.o. Leskovac

**Bojan Jovic**, director of Health “Actavis” a.d. Leskovac

**Prof. Dr. Ivan Mihajilović**, full professor at the Business School of Vocational Studies

**Prof. Dr. Milorad Cakić**, Faculty of Technology Leskovac

**Branislav Pešić**, entrepreneur Bane Komerc d.o.o. Leskovac

**Branislav Pešić**, entrepreneur New Bancom d.o.o. Leskovac

**Vukašin Đorđević**, entrepreneur of Vule komerc d.o.o. Leskovac

### **The working group for the development of the Territorial Strategy of the City of Leskovac Urban Area**

**Tatjana Zdravković**, PC Urbanism and Construction Leskovac

**Ivana Joksimović**, the City’s chief urban planner

**Danijel Stojković**, head of the Department for Communal Housing Affairs, Traffic and Infrastructure

**Marija Milosavljević**, head of the Finance Department

**Jasminka Milenkovic**, head of the Urban Planning Department

**Aleksandra Spasić**, head of the Property Department

**Tatjana Veličković**, department of Environmental Protection

**Rade Velinov**, head of the Department of Economy

**Saša Mladenović**, head of the Department for Social Activities and Local Development

**Novica Nikolić**, director

**Dragana Belenzada**, director

**Srećko Živković**, director

**Nebojša Dimitrijević**, director

**Sanja Conić**, Leskovac Cultural Center

**Maja Kocić**, department of Social Activities and Local Development

**Aleksandra Stojilković**, energy manager  
**Aleksandar Kostic**, civil protection affairs  
**Marija Lazarević**, Leskovac historical archive  
**Vladimir Sinadinović**, PUC Komunalac  
**Olivera Pešić**, National Employment Service Leskovac Branch  
**Slobodan Kocic**, Tourist organisation Leskovac  
**Anđela Kostic Minic**, Center for Professional Development in Education  
**Dejan Cakic**, the president  
**Dragan Stoilković**, PC Dom Leskovac  
**Olivera Jovic**, Association of Entrepreneurs  
**Zoran Dimitrijevic**, Keramika Leskovac d.o.o.  
**Toma Dašić**, Academy of Vocational Studies of Southern Serbia  
**Zoran Zivkovic**, Porečje Vučje Association  
**Dejan Savić**, PSC Kukavica Leskovac

## **UNOPS / EU PRO Plus programme**

**Marko Vujačić**, Head of Programme, UNOPS

**Olivera Kostić**, Programme Manager, EU PRO Plus

**Viktor Veljović**, Capacity Building Sector Manager and manager of the process of developing urban development strategies, EU PRO Plus

**Ratka Čolić**, Specialist in capacity development and territorial development, EU PRO Plus

**Velimir Šećerov**, Senior Capacity Development Specialist, EU PRO Plus

**Marija Maksin**, Senior Capacity Development Specialist, EU PRO Plus

**Uroš Radosavljević**, Senior Capacity Development Specialist, EU PRO Plus

**Ana Graovac**, Senior Capacity Development Specialist, EU PRO Plus

**Milena Zindović**, Senior Capacity Development Specialist, EU PRO Plus

**Aleksandar Đukić**, Senior Capacity Development Specialist, EU PRO Plus

**Predrag Cvetković**, Capacity Development Expert, EU PRO Plus

**Stefan Kah**, Capacity Development Advisor, EU PRO Plus

**Nikolaos Karadimitriou**, Specialist for capacity building and territorial development, EU PRO Plus

**Martin de Bruijn**, Specialist for capacity building and territorial development, EU PRO Plus

**Loris Servillo**, Specialist for capacity building and territorial development, EU PRO Plus

**Aleksandra Radivojević**, Associate in the Capacity Building sector, EU PRO Plus

**Marija Kosić**, Senior Assistant in the Capacity Building sector, EU PRO Plus

**Maja Tanjga**, Senior Assistant in the Capacity Building sector, EU PRO Plus





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## 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,

<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.

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 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 developing the strategy of Urban Development 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 Investments*), 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;
- defining the strategic framework for urban development projects;

- 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 (eng. *blending*) funding urban development from different types of funding (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 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, which goes beyond traditional sectoral policies, supporting the delivery of a response that is both place-based and integrated, thereby allowing interlinked and cross-sectoral responses to territorial 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 recognised 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 also, 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

<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>

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 on Sustainable Urban Development Strategies of the Joint Research Center of the European Commission, cross-sectoral integration can be achieved by: 1) ensuring the consistency of policy-making principles 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 the EU PRO Plus programme 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 because it involves different perspectives, expertise and resources brought by different partners. The comprehensive territorial strategy includes the following types of partners:

- **Authorities:** Local and national authorities are key partners due to their regulatory powers, financial resources and policy-making competencies. 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

<sup>4</sup> 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>

<sup>5</sup> 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>

environment can help identify the specific needs, concerns and priorities of the local population.

- **Private Enterprises:** Private sector participation is vital to 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 to intellectual capital by conducting studies, analysing data and proposing evidence-based 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:

- **Problem identification:** 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 engagement:** Community groups, NGOs, government and public organisations work together to engage 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 for the development of the urban area. This process ensures that the strategy reflects diverse views.
- **Formulation of solutions:** Drawing knowledge from different sectors, private companies, non-governmental organisations and academic institutions contribute to the proposal of 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 programme 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 the 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 programmes 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 residents. This participation process not only encourages a sense of ownership of 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 collaboration:** Partners work together to build capacity among stakeholders involved in implementing the strategy. This takes place through training programmes, 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 programme 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 territorial 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, i.e. two programme 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 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 of the Law). 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.

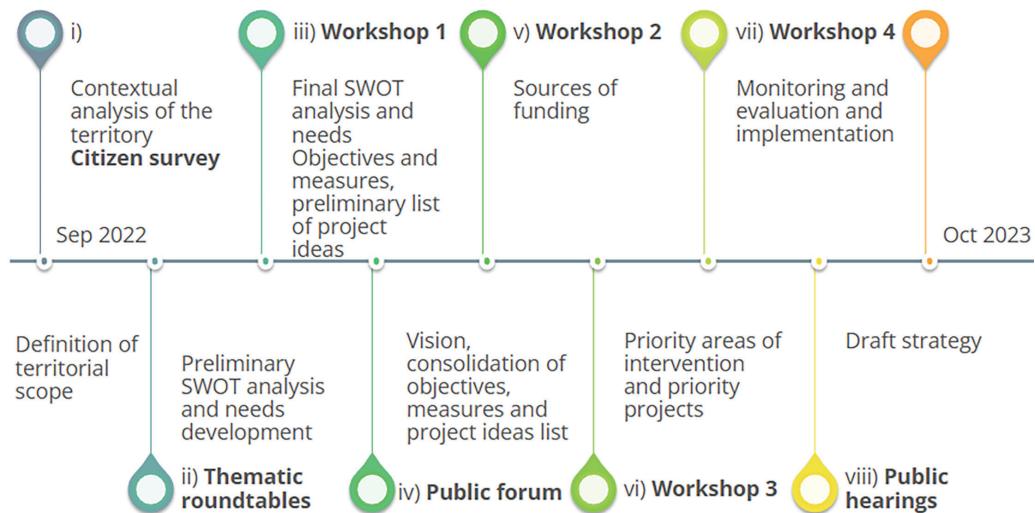
The organisation of the Strategy development process implies the coordination of cooperation between different sectors and levels of administration, facilitated communication with the participants of the planning process, the establishment of networks of administration and actors in the covered urban 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 programmes 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 territorial strategy development, 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 financing;
- 5) Priority areas of intervention and strategic projects;
- 6) Monitoring, evaluation, implementation of strategies and governance mechanisms.



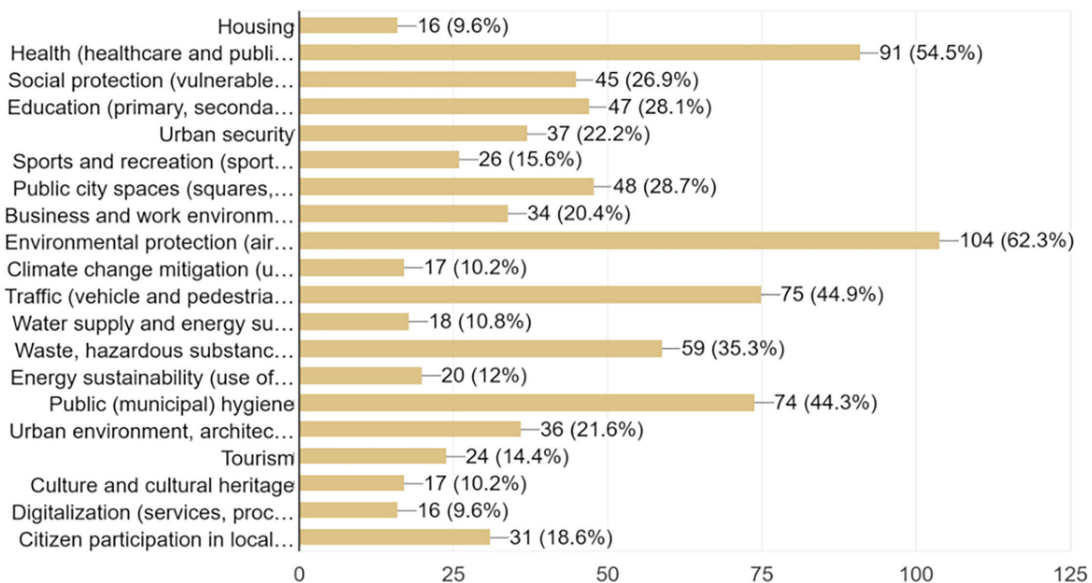
**Figure 1** Steps in the strategy development process

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, labour 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, the results of which were presented separately at the thematic round tables.

#### Appendix 1 Citizen survey results (source: City of Leskovac)

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

167 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 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 and 2:** *Thematic round tables, preliminary SWOT and contextual analysis, Professional Training Center, Lesovac, March 6 and 7, 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 goals and measures, which was discussed and verified at the first workshop with members of the Development Council and Working Group.



**Pictures 3 and 4:** *Workshop with members of the Development Council and Working Group - proposal of goals and measures, Center for Professional Development, Leskovac, April 11, 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 goals. 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.



**Pictures 5 , 6, 7 and 8:** *Citizens' Forum: the formulation of the vision of the development of the urban area, the addition and reformulation of measures and goals, and the exhibition of children's drawings by elementary school students on the topic "My city/territory in the future", City Hall, Leskovac, June 7, 2023.*

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 programme in all 99 LSGs.

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





**Pictures 9 and 10:** *Workshop priority areas of intervention and strategic projects, Center for professional training, Leskovac, July 27, 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 about 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.

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 (3) LSGs, which is confirmed by signing the application partnership statement and the partnership agreement between the 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 within 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 territorial 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)

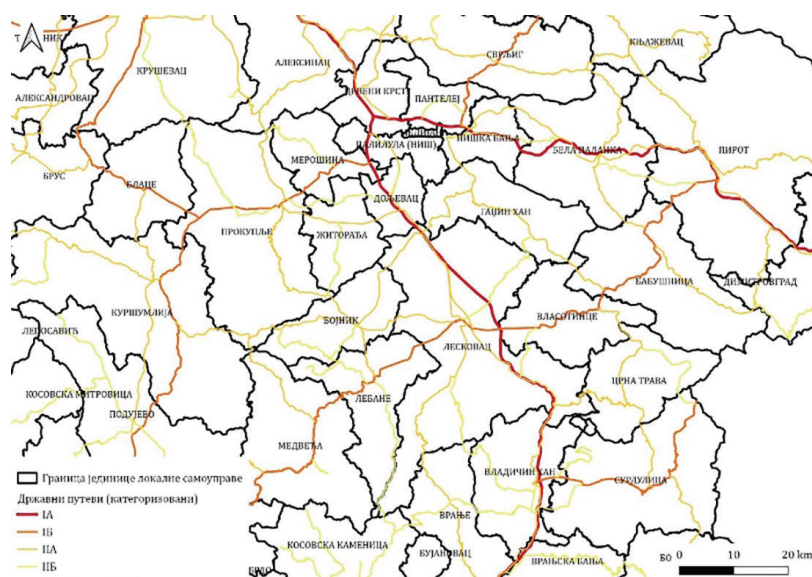
1) Relevant partnerships established for the implementation of similar or related initiatives in the previous period, which can represent the foundations for the establishment of management mechanisms that will ensure the implementation of the territorial strategy.

## 4 TERRITORIAL CONTEXT

The City of Leskovac is located in southeastern Serbia and is included in the Jablanica administrative district, of which it is the administrative centre. According to the nomenclature of statistical territorial units, it belongs to the statistical region (NSTJ2) of Eastern and Southern Serbia. The City area is located between the municipalities of Doljevac and Gadžin Han in the north, the municipalities of Vlasotince and Crna Trava in the east, the municipality of Vladičin Han, the city of Vranje and the municipality of Kosovska Kamenica (AP Kosovo and Metohija) in the south and the municipalities of Lebane, Bojnik and Žitorađa in the west.

With important urban centres in the vicinity of Leskovac, traffic connections are achieved: state road IA order no. 1 (E-75) - state border with Hungary (border crossing Horgoš) - Novi Sad - Beograd - Niš - Vranje - state border with Macedonia (border crossing Preševo); and state road IB order no. 39 - Pirot - Babušnica - Vlasotince - Leskovac - Lebane - Medveđa - Priština - Peć - state border with Montenegro (border crossing Čakor). It is connected with smaller centres and other settlements in the surrounding area by a network of state roads, IIA and IIB order<sup>6</sup>.

In addition to road traffic, on the territory of the City, there is also rail traffic on the main single-track railway (E-85): Belgrade - Niš - the border of the Republic of North Macedonia (Figure 2).

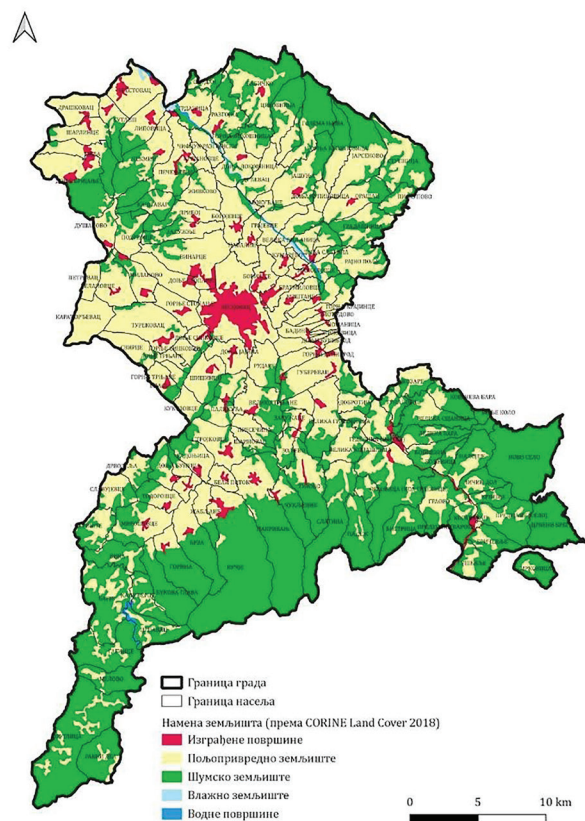


**Figure 2** Traffic position of Leskovac (Sources: Map of state roads, PC "Serbia Roads", 2022; Register of spatial units)

The City of Leskovac covers a territory of 1,025 km<sup>2</sup>, which in a physical and geographical sense is differentiated into the vast Leskovac basin and the surrounding mountains and hills in the northwest, northeast, southeast and south. Used agricultural land makes up 31.9% of the total

<sup>6</sup> State roads of the IIA order: no. 158 - Mala Krsna - Velika Plana - Batočina - Jagodina - Čuprija - Paraćin - Ražanj - Aleksinac - Niš - Klisura - Leskovac; no. 225 - Gadžin Han - Brestovac - Bojnik - Lebane; no. 226 - Prokuplje - Bojnik - Leskovac; no. 227 - Leskovac - Strojkovce - Miroševce - Vlase - Vranje - Donji Stajevac; no. 232 - Predejane - Black Grass; no. 258 - connection with the state road A1 (Leskovac centre loop) - Leskovac - Vladičin Han - Vranje - Bujanovac - state border with FYR Macedonia. National roads of the IIB order: no. 434 - Lebane - Velja glava - connection with state road 435; no. 436 - Strojkovce - Vučje - Vladičin Han; no. 437 - Leskovac - Gornje Dragovlje; and no. 438 - Vlasotince - Grdelica - connection with state road A1.

area of the City, while overgrown forest areas occupy 40.8%. Arable land and gardens make up 72% (23,582ha) of agricultural land, orchards make up 13.6% (4,442ha), meadows and pastures make up 11.2% (1,877.5ha), while vineyards occupy 2.4% (795ha, i.e. 3 .9% of the total area under vineyards in the Republic of Serbia) (Figure 3).



**Figure 3** Land use (Source: Copernicus Land Monitoring Service, 2022; Republic Geodetic Authority, 2020)

On the territory of the City there is a protected natural area, under a strong protection regime, Zeleničje.

According to the 2011 population census, 144,206 inhabitants lived in the City of Leskovac (2% of the population of the Republic, i.e. 66.7% of the population of the Jablanica district), while according to the first results of the 2022 census, 124,889 inhabitants live in the same area, almost 20 thousand fewer inhabitants compared to the previous census and more than 31 thousand inhabitants less compared to the beginning of the 21st century, i.e. 2002 census, when 156,252 inhabitants lived in the City. In the period from 2012 to 2021, both components of the City's population migration were negative. In the mentioned period, 11,311 people were born and 21,863 people died (total natural change -10,552). The migration balance, viewed from the aspect of internal migration (without migration abroad), in the same period amounted to -3,198 inhabitants (14,254 inhabitants immigrated, while 17,452 emigrated).

The basic characteristics of the population (basic contingents of the population, average age, ageing index, etc.) do not deviate to a greater extent from the average at the level of the Republic. When it comes to the structure of the population according to economic activity, in



Leskovac the participation of the employed is lower than the average of the Republic, while the participation of the unemployed is higher. The economically active population makes up 41.2% of the total population of the City, of which 26.5% are employed (the average at the level of the Republic is 32.1%), and 14.7% are unemployed (the average at the level of the Republic is 9.3%). Among the unemployed population, 8.3% are those who used to work, while 6.4% are those looking for their first job. 58.8% of the population is inactive, of which: 14.6% are children under the age of 15, 7.8% are pupils and students, 9.4% are housewives and 21.6% are pensioners. The educational structure of the population is characterised by the dominance of the population with secondary education (50%). The representation of the population without a school education is above the average for the Republic of Serbia (19% compared to 13.7%), while the representation of the highly educated population is below the average (12.4% compared to 16.2%). The structure of the population according to nationality is dominated by Serbs (92.7% of the population), and the most numerous national minority is the Roma (5.3% of the population).

The average population density on the territory of the City (in 2022) is 122 inhabitants/km<sup>2</sup>, which is significantly above the average of the Republic (76 st./km<sup>2</sup>), of the region of Eastern and Southern Serbia (54 st./km<sup>2</sup>) and Jablanica district (67 st./km<sup>2</sup>).

The city of Leskovac includes 144 settlements, of which the city centre of Leskovac and the settlements of Grdelica and Vučje have the status of urban. According to the 2011 population census, 60,288 inhabitants lived in the city centre, that is, 41.8% of the total population of the city. The network of settlements is demographically differentiated into the central zone, which includes the city centre with suburban settlements and other demographically significant settlements (over 1,000 inhabitants) located in the valleys of the South Morava, Jablanica, Veternica and Vlasina, and the peripheral zone, which is characterised by the concentration of demographically smaller settlements (up to 1,000 inhabitants). Unfavourable demographic trends (decrease in natural growth and emigration) led in the period from 2002 to 2011 to a decrease in the number of inhabitants in almost all settlements, including the city centre and two other city settlements. The increase in the number of inhabitants in the mentioned period was recorded in the settlement of Petrovac and the suburban settlements of Badince, Gornje Stopanje and Bobište.

Preschool education on the territory of the City is realised within the Preschool Institution "Vukica Mitrović", which includes 11 facilities, in the city centre (8) and the settlements of Grdelica, Vučje and Bratmilovce. Primary education is provided in 25 main eighth-grade primary schools and 44 regional - advanced four-grade classes. A music school, a special school and a school for basic adult education also operate in the city. Secondary education is realised in the following schools: Gymnasium, Technical School, School of Trade and Hospitality, School of Economics, School of Textiles and Design, School of Agriculture, School of Chemical Technology, School of Medicine, School of Music and Special School for Secondary Education. The Faculty of Technology of the University of Niš and the Academy of Vocational Studies of South Serbia - the seat of the Academy - are located in Leskovac. Department of the Leskovac Business School and the Department of Technological Art Studies Leskovac. Health institutions on the territory of the City are: Health Center Leskovac, which includes the Health Center and

General Hospital and Institute for Public Health Leskovac. The network of primary health care facilities of the Leskovac Health Center includes 24 health clinics in the city (7), suburban and rural settlements<sup>7</sup> (17). Social protection is organised within the Center for Social Work and the Gerontological Center. Cultural institutions on the territory of the City are: National Library “Radoje Domanović”, Leskovac Cultural Center, National Theatre, Historical Archive Leskovac, National Museum (which includes: City Hall, Museum of Textile Industry in Strojkovac, Memorial House of Kosta Stamenković and Archaeological Site Carica’s town on the territory of the municipality of Lebane. The Leskovac Sports Association is a sports institution that unites 80 sports clubs and organisations.

On the territory of the City, 48 immovable cultural assets (IMC) were recorded, of which: 45 cultural monuments and 3 archaeological sites. In the IMC category, the Shop Đokić House in the city centre, the Jašunj Monastery of St. Bogorodice (Golema Njiva settlement), Jašunj monastery of St. Jovana (Jašunja settlement) and Rudare (Rudare settlement) and Čukljenik (Čukljenik settlement) monasteries. In the settlement of Leskovac there are 38 IMC, among which there are numerous buildings and houses, two churches, the Old Church of St. Bogorodica and the Cathedral Church of the Holy Trinity, a monument and the archaeological site of Hisar. In the other settlements there are: Complex of water mills and cable works (Strojkovce), Church of St. Apostle (Turekovac), Church of St. Petke (Kumarevo), Babičko Monastery (Babičko), the mediaeval settlement “Skobaljić grad” (Vučje) and the archaeological sites of Kale - Međa (Donje Brijanje) and Gradac (Zlokućane) and others.

In the structure of the economically active population of the City, according to activities, the processing industry dominates (41.3%), while the second most represented is trade (15%). Activities from the domain of public services also participate to a greater extent in total employment: health and social protection (7.5%) and education (6.9%). Compared to the economic structure at the level of the Republic, the representation of the processing industry in the territory of the City is almost twice as high (41.3% compared to 21.7%), while other activities (especially activities of the quaternary sector<sup>8</sup>) are mostly comparatively less developed. The average net salary in the territory of the city of Leskovac for the year 2021 was 51,734 dinars, which is 78.5% of the average salary at the level of the Republic of Serbia for the same year (65,864 dinars).

7 Health clinics in the settlements: Babičko, Belanovce, Bobište, Bogojevce, Brestovac, Guberevac, Donja Lokošnica, Donje Brijanje, Draškovac, Jašunja, Lipovica, Manojlovce, Oraovica, Orašac, Pečenevce, Razgojna and Turekovac.

8 Information and communication, financial, professional, scientific and administrative activities, etc

## 5 CONTEXTUAL ANALYSIS

### 5.1 SOCIETY

#### 5.1.1 Demographics

Between the two censuses, there was a very pronounced depopulation in Leskovac. According to the first census data from 2022, a total of 124,889 inhabitants live in Leskovac, which is 19,317, or 13.4% less, compared to the previous census, when Leskovac had 144,206 inhabitants.

According to data from the 2011 census, the urban population makes up 45.27%, and the rest 54.73% of the total population of Leskovac Local Government Area. As for the gender structure, the population is gender balanced, with a slightly higher number of women (50.33%) than men (49.67%).

According to data from 2011, there were 12,046 fewer inhabitants living in the city than in the 2002 census. The main reasons for the large depopulation lie in low growth rates and extremely high death rates. The negative natural increase is -6.7 per 1,000 inhabitants, while the number of deaths compared to the number of newborns is 984 higher. The ageing index, which shows the number of people over 64 years old compared to people under 14 years old at the level of Serbia, is 96, while in the territory of Leskovac it is 171. This indicates the dominance of the elderly population compared to children.

According to the first data of the agricultural census, 14% of the total population is agricultural. The level of education of the city's population, as well as the structure of the professional offer, is less favourable than in the Republic of Serbia, and it lags far behind the city's development needs. Out of the total population in the territory of the City of Leskovac, the economically active population makes up 41.24%, of which 26.53% are employed, and 14.71% are unemployed. The percentage of the economically inactive population in relation to the total population is much higher than the economically active population and amounts to 84,730 inhabitants, or 58.76%. The highest percentage is pensioners with 21.57%, while in second place are children under 15 years old with 14.57%.

Daily migration in the territory of the City of Leskovac exists mostly due to education, work or use of public services and is directed towards the central settlement of Leskovac, which is the administrative and economic centre of the city area, but also of the wider territory (Jablanica district).

The highest population concentration and population density is in the inner city centre. Population density is uneven and is highest in the city centre - 160 people/ha, in the part of the city with multi-family housing (Dubočica settlement) - 120 people/ha, in the wider city area - 60-70 people/ha and in the peri-urban area around 30 people/ha .

The population according to nationality is very homogeneous, the most represented are Serbs, while the rest are Roma, Montenegrins, Macedonians, Bulgarians and others. The Roma population is concentrated in the largest number in four informal Roma settlements in the inhabited town of Leskovac, and represents a part of the population where there is cultural diversity, social exclusion and pronounced unemployment.

### 5.1.2 Social inclusion and social protection

#### *Average salary of inhabitants*

According to the data of the Statistical Office of the Republic of Serbia, the average salary for November 2022 for the city of Leskovac it is 57,159.00 dinars, the Jablanica district is even less - 55,828.00 dinars, which is significantly lower than the national average of 78,326 dinars. These are still the lowest wages in Serbia. They record slight growth, but slower than the national average, which increases the economic gap.

#### *Social assistance services*

According to publicly available data of the Center for Social Work in 2019, it had a total of 10,446 beneficiaries of social, family-legal protection and extended social protection rights on its records. The percentage of the population that uses social assistance is the highest among the Roma. The existing Gerontology Center has insufficient capacity in relation to the needs of the population. The increasing participation of the elderly in the population and the expected increase in the number of residents belonging to this category, as a result of the extension of life expectancy, will require in the coming period the expansion of accommodation capacities as well as the provision of new forms of care.

In addition to the mentioned types of social protection and care, the need of the Center for Social Work to build shelters for adults and the elderly, as well as to build facilities for the permanent care of various social, marginalised and socially vulnerable groups, was expressed.

#### *Endangered zones*

According to the Security Strategy of the City of Leskovac for the period 2018-2022, and as a result of the survey, according to the citizens of Leskovac, the "Workers' Settlement" is more threatened by the crime rate. Zones with pronounced social problems are also represented by four Roma settlements. In these parts of the city, there are elements of segregation towards the rest of society, due to the difference in lifestyle, urban culture and social status.

#### *Security*

According to the same strategy, the already apostrophized parts of the city settlement Leskovac belong to the areas where security is most threatened: Roma settlements, as well as the "Workers' settlement". In addition to these relatively compact zones, parts of the settlement located on the outskirts and parts of the city that are unlit and unkempt have also been identified as areas where citizens feel unsafe. The inner centre of the Leskovac settlement, due to the density of people and the number of catering facilities, is also a place where the safety of young people can be threatened, as well as in the vicinity of primary and secondary schools.

In accordance with the above, citizens state that the safety of citizens is most threatened in the evening, that is, during the night, and when it comes to the younger population, especially during the weekend.

### 5.1.3 Housing

#### *Housing offer*

The number of apartments in the urban settlement of Leskovac is increasing, despite the decrease in the number of inhabitants. The demand for apartments in residential buildings is higher than the demand for family houses. The central city area is particularly attractive. When it comes to new construction, the construction of multi-family buildings by the private sector dominates, especially in the downtown area, most often through urban transformation, where family housing turns into multi-family by merging a number of plots. According to data from the Housing Strategy of the City of Leskovac, in 2011, the number of completed apartments in Leskovac was 120. The number of completed apartments in 2020 is 86, and 142 unfinished.

The living area per inhabitant is 19.76m<sup>2</sup>, according to the data of GUP Leskovac until 2020.

According to the data of the Republic Institute of Statistics for the first quarter of 2022, the price of a square metre in Leskovac was 94,079.00 dinars. The socio-economic situation of the population does not allow more extensive measures in the area of housing, so it is necessary to work on the promotion and subsidisation of the improvement of housing standards and conditions through the allocation of minimum funds from the local budget.

According to data from the Housing Strategy of the City of Leskovac, around 900 households are potential beneficiaries of social housing. The city of Leskovac has 85 apartments that are owned by it, and are currently being used by tenants. The existing housing stock in public ownership has been completely devastated, through the process of privatisation and buyout, as well as carelessness and small investments in the improvement of apartments. There is a lack of inventory and systematisation of apartments in public ownership, after which it would be possible to begin their adaptation and revitalization and consider the need for the construction of new apartments.

In the wider city area, a couple of multi-family social housing facilities (for internally displaced persons) were built, as well as two multi-family facilities intended for disabled war veterans, through projects. The city does not have an agency for social housing, nor is social housing entrusted as an activity to any public enterprise.

#### *Substandard settlements*

Settlements with pronounced substandard housing are four Roma settlements on the territory of the settlement of Leskovac. The settlements of Podvrce and Sat mahala are characterised by the problem of overcrowding (lack of housing), while the settlement of Slavko Zlatanović is characterised by the contrast and the presence of poor construction stock in parts of the settlement and insufficient infrastructure equipment (water network that has been broken on its own initiative, lack of sewerage, roads without pavement). The settlement in Vinarac is characterised by the lack of a sewage network and streets without curbs.

#### *Illegal construction*

During 2021, 17,000 cases for legalisation were recorded. In the previous period, the largest number of illegal buildings was in all four Roma settlements. As these parts are insufficiently covered by urban plans, the legalisation is very uncertain. Also in the part of the residential

settlement “Obrad Lučić” and the part of the settlement “Ohridsko” there is a lack of a planning document that would enable the legalisation procedure. A rough estimate is that around 30% of the territory is covered by illegal structures. In general, the trend of construction of illegal buildings is decreasing, except for Roma settlements, where it continues.

#### **5.1.4 Standard facilities**

##### ***Social infrastructure***

The number of kindergartens, their spatial distribution and existing capacities do not meet the needs of potential users of these services. The same is the case with gerontological centres, which are not enough. A smaller part of the needs are met by private kindergartens and homes for the elderly.

##### ***Health infrastructure***

The network of health facilities is satisfactory. There is a lack of new facilities within the general hospital complex in order to improve services (e.g. pathology services).

An extension is planned for the children’s dispensary by increasing the number of floors and dimensions.

##### ***Educational infrastructure***

The network of elementary schools is well-branched. In the city of Leskovac itself there are secondary vocational schools: economic, trade and catering, textile, chemical, agricultural, medical, technical.

When it comes to higher education, the Faculty of Technology is located in Leskovac, as well as the Southern Serbia College of Business Studies (headquarters of the Academy, Department of the Leskovac College of Business and Department of Technological Art Studies Leskovac), founded by the Republic of Serbia. There are privately owned higher education institutions in the City.

According to the data of the National Employment Service, the occupations in deficit in Leskovac are as follows:

- All construction - masons, carpenters, rebar workers, concrete workers, asphalt pavers, welders.
- Pharmacists, physicists, plant protection technologists, mechanical and electrical engineers.
- Chefs.

The secondary construction school does not exist on the territory of the City, while the professions of culinary technician and chef exist as educational profiles in the trade and catering school. Plant protection technologist does not exist as a study programme at the Faculty of Technology in Leskovac, which stands out as a problem of inconsistency of education with the local requirements of the economy.

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

A number of cultural institutions operate in Leskovac: the Historical Archive of the City of Leskovac, the National Museum, the Town Hall (the house of Bora Dimitrijević - Piksle), the



National Library “Radoje Domanović”, the Cultural Center, the National Theatre, the House of Roma Culture. The current situation in the field of culture has been improved through the adaptation and reconstruction of existing facilities. For smooth functioning, it is necessary to increase the capacity of the existing library, which does not meet the needs, and it is necessary to build a new facility, in a new location. Also, the Historical Archive is insufficiently large, and the need to build a new facility at another location in the city centre has been expressed.

It is planned to change the purpose of the Army House and part of the complex into an educational and cultural facility - a concert hall.

In Leskovac there is an active Center for professional training in education, founded by the City of Leskovac.

### ***Sports infrastructure***

On the territory of the city of Leskovac for the needs of sports and recreational activities of users of all ages, for amateur and professional sports, there are existing sports facilities:

- institution for sports and physical culture “Dubočica” (former sports and recreation centre “Zdravlje”) with indoor swimming pool, sports hall, tennis courts, adventure park,
- “Dubočica” stadium complex (where the new stadium was built), with auxiliary fields and accompanying facilities,
- “Sloga” stadium,
- “Partizan” and “Blue Pavilion” sports halls,
- sports fields in Bratmilovac, Bobište, Sinkovac, Kovanluk,
- 15 sports fields within other predominant purposes (housing and green areas, education)
- 2 specialised sports facilities for special purpose (hippodrome and sports airport).

Sports facilities are often small, and there is a strong need to upgrade existing facilities and build sports and recreational facilities at new locations. Expansion of the “Dubočica” Sports and Physical Culture Institution and the “Dubočica” Sports Complex is planned.

## **5.2 ECONOMY**

### **5.2.1 General economic trends and the labour market**

#### ***Employment***

The total number of employees in the City of Leskovac in 2021 was 37,060. Realisation of new investments, both domestic and foreign, reduces the number of unemployed. Women make up 46.6% of the total number of employees in Leskovac, and young people aged 15-29 make up 17.3%. In Leskovac, there are 12,691 unemployed persons on the NES records, of which 6,412 are women. (September, 2022) There is no unevenness by gender, while by age the number of unemployed persons aged 15-19 is smaller, while for other age groups there is an approximate uniformity. Most of the unemployed are in the age group of 55 to 59 years, followed by the age groups of 60 to 64 years, 50 to 54 years, and 45 to 49 years. In the



educational structure of the unemployed, the majority are those with first, third and fourth degrees. The percentage of women in these educational groups of the unemployed is higher, which means that the lack of qualifications affects the unemployment of women more than their age. About 17.5% of the unemployed have been in the records of the National Health Service for over 10 years, of which 14% have been unemployed for more than 5 years. These data indicate that there is a problem of long-term unemployment. The gender structure of the long-term unemployed is quite uniform, the percentage of women is slightly higher (56%) only in the category of unemployed for more than 10 years.

According to the data from the National Employment Service, all construction occupations are in short supply - masons, carpenters, rebar workers, concreters, asphalters, welders, pharmacists, physicists, plant protection technologists, mechanical and electrical engineers and cooks.

### ***Employee mobility***

The urban settlement of Leskovac is the centre of the gravitational area to which all settlements on the territory of the city converge. There is organised urban transport and it works in relation to the wider territory for the needs of daily commuting to and from work.

## **5.2.2 Economy and business environment**

### ***Business subjects***

There is a slight increase in the number of active companies in Leskovac, from 1,052 in 2019 to 1,093 in 2022. In 2022, the number of newly founded, but also the number of closed businesses is drastically lower than in previous years (34 newly established, 18 closed).

Also, there is an increase in the number of active entities, from 4,100 in 2019 to 4,427 in 2022. And in this category in 2022, there were almost 50% fewer newly founded, but also closed entrepreneurs. The number of newly founded entrepreneurs is slightly higher than the number of closed ones (360 versus 304). The largest percentage of employees work in the processing industry (39.1%), followed by wholesale and retail trade and motor vehicle repair (15.3%). 7.9% of employees are employed in the health care sector, and 7.0% in education. Other sectors are represented in small percentages, in mining (0.1%), real estate business (0.3%) and agriculture, forestry and fishing (0.6%). In 2020, for the area of the city of Leskovac, the number of employees in legal entities is 25,564 (67%), while the number of entrepreneurs is 8,027 (23%).

On the plan of direct investments in the territory of the city of Leskovac, larger investments by companies with majority foreign ownership were recorded in the field of the automotive industry, components for the automotive industry, car upholstery, floor mats for cars, the production of large industrial bags for industry, the production of socks, the production of jeans, etc. After the completion of the infrastructural equipment of the Green Zone, conditions were created for attracting direct investments, both foreign and domestic. Major foreign investors in the city are: Yura (auto industry), Porr Werner&Weber, Aptiv (auto industry), Mlekara (Bonafarm group), Falke (textile industry), Autostop Interiors (textile industry) and

Terasteel (construction industry). Aptiv, TeraSteel d.o.o., AUTOSTOP INTERIORS doo Leskovac and FALKE SERBIA are among the 10 most significant legal entities in terms of business income.

### ***Commercial zones***

In the city settlement of Leskovac there are economic zones: “North” zone, “Nevena”, “Njegoševa”, “58”, “Zdravlje”, “Zelena - zapad” production and business zone. The work zone under construction is the South zone “Bunibrodskaa livade”. According to the valid planning documentation, the formation of new work zones is planned: the zone “along the state road I row No. 1 (M1)”, the zone “along the Lebanski road”, the “Green” agribusiness zone ( east).

The plans envisage revitalising the existing work zones by restructuring the remaining companies and modernising production programmes, and reactivating out-of-function complexes. The new work zones enable the promotion and development of agribusiness (part of the “green” zone), the encouragement of entrepreneurship (“the zone along the M1 road” and the “zone along the Leban road”), the formation of a modern location-organisational form and the creation of a favourable business environment. The greenfield site owned by the city of Leskovac in the “Green Zone” provided new investments. The built-up in terms of bringing it to the planned purpose is different for individual zones, so that work zone no. 5 “Health”, working area no. 1 “North”, working zone no. 4 “58”, working area no. 3 “Njegoševa” and work zone no. 2 “Nevena”. In work zones no. 6, 7, 8, 9, 10 and 11 the percentage of apprehension and construction is lower.

The degree of communal equipment as a precondition of construction in terms of bringing it to the planned purpose is different by zone, as well as the representation of industrial production in relation to commercial activity, as the two most dominant uses in the zone.

Industrial heritage is of exceptional importance, given that Leskovac itself experienced a rise precisely thanks to the development of this branch of the economy and represents a special category of very significant material heritage, which requires adequate valorization from competent institutions.

Commercial activities are dispersively distributed on special areas or integrated with a predominant purpose in centres of all levels: along the Boulevard of Liberation, as special objects on the plot, the area around the Veternica river and the area around the railway and bus station; in local centres, as special objects on the plot or accompanying activities for other purposes and along linear centres that coincide with city traffic routes (Južnomoravskih brigada street, Bulevar oslobođenja, Kralja Petra street, Radnička street, Pana Đukića street, Vlajkova etc.); linear in the main streets and as individual objects in the residential centres - Bobište, Bratmilovce and Donje Sinkovce.

## **5.2.3. Tourism and culture**

### ***Tourist infrastructure***

Tourist accommodation facilities are of a more modest character, mostly in private boarding houses, while any activity has been stopped in the “Dubočica” hotel. Hotel “Belgrade” in the city centre has a significant capacity. There are five categorised hotels in the city settlement of

Leskovac (two with 4\* and three with 2\*), of which one is a garni hotel. The only categorised motel has 3\*. All hotels and motels have a total of 13 apartments and 149 rooms with 252 beds.

Sixteen 2\*, 3\* and 4\* categorised facilities are owned by legal entities, with a total of 460 beds.

The basic potentials for the development of tourism in the territory of Leskovac are:

- natural tourist motifs: Hisar hill and Veternica river;
- anthropogenic tourist motives: the archaeological site on Hisar, the church “Odžaklija” and St. The Trinity and the Church of St. Ilije, the House of Šop-Đokić and the house of Bora Dimitrijević-Piksla in Leskovac, the National Museum in Leskovac, the monument to the liberators of Leskovac, the monument on Hisar and others.
- cultural-manifestation events (Roštiljijada, Leskovačko leto, Leskovac Carnival, literary, musical and film meetings, painting and other artistic colonies, etc.). The barbecue and the carnival are the most popular and most visited (in addition to them: Leskovac summer, “Leskovac mučkalica days”, International festival and summer music academy “Strings”, International festival of film direction “Liffe”, Summit of ex-Yugoslavia photographers, Festival of stage miniatures, Leskovac fair domestic ajvar, winter clothing and drinks, Exhibition of souvenirs and tourist publications, etc.).

The traditional fair manifestation was completely neglected, while the building of the round pavilion, significant for its architectural values, was placed under preliminary protection by the competent Institute for the Protection of Cultural Monuments.

In 2019, the total number of tourist arrivals was 24,280, which is 18.33% more than in 2018. In the same year, a total of 45,178 overnight stays were realised, 23.06% more than in 2018. The growth in the number of arrivals and overnight stays in the city of Leskovac in 2019 was above the national average. The average length of stay of tourists in days is increasing, from 1.47 days in 2015 to 1.79 days in 2018.

National Museum in Leskovac for 2021. and other objects of the museum were visited by 10,446 visitors. In addition to the building of the National Museum in Leskovac, the Museum’s jurisdiction also includes: the Town Hall, the Memorial House of Kosta Stamenković, the Textile Museum in Strojkovac and the Archaeological site Caričin grad in the territory of the municipality of Lebane.

Tourist information desks in Vučje and Grdelica are additional facilities needed by tourists.

The most important recreational zones on the territory of the City are:

- the Dubočica stadium complex with auxiliary fields; the construction of accompanying facilities is planned for the building;
- Sports and recreation centre Dubočica with indoor swimming pool, sports hall, tennis courts, adventure park;
- City parks: central city park, Devet Jugovića, Kralja Petra park, Spomen park and Rupe park.
- A potential recreation area is the banks of the Veternica river and a pedestrian-bicycle path along the route of the old Hisar canal.

### ***Cultural heritage***

The Holy Trinity Cathedral in the centre of Leskovac was built in the Serbian-Byzantine style in 1931. The base of the church is square in shape with an isosceles cross with five domes. Its external appearance resembles the Gračanica monastery. The exterior ornamentation is among the most beautiful in the country. The general plan was prepared by Mr. Vasilije Andrasov. The church is protected by the state as a cultural monument.

The old church of the Holy Virgin, the so-called “Odžaklija” is an integrated part of the church complex of the Cathedral Church in Leskovac. It was built in 1803 on the foundations of the previous temple and is dedicated to the birth of the Blessed Virgin Mary. This unique church building is buried in the ground about one metre. Because of the hearth and chimney, it was called the chimney. The church was damaged in the Second World War during German and Allied bombing and in the flood of 1948. In the port there is an old church dedicated to the birth of the Holy Mother of God (the so-called Little Lady), a unique example of a building project in Orthodoxy. Odžaklija has the status of immovable cultural property and cultural monument.

The Church of St. Elijah on Hisar, in the national style, was built in 1889 on the site of a stone church from the Middle Ages. The building is based on a cross with a dome above the centre, designed by architect Svetozar Ivačković.

The Church of Saint Petka, the inn and the old cemetery in Rudar lie about four kilometres south of Leskovac. It is assumed that the church was built on the foundations of a single nave early Christian basilica, of which, during the renovation in 1799, the central and altar parts were preserved. Next to the temple is an inn that is considered one of the most beautiful examples of profane building architecture in the Balkan style of the 19th century. With authentic wooden stairs, window shutters on the first floor and a large chimney, this building is one of the most beautiful of its kind in Serbia.

The Šop-Đokića house on Masarikov Square was built in the Balkan style of civic architecture more than 140 years ago, and renovated in the early 80s. The premises of TOL and the Department of the Ministry of Education are located in the building. The house is under state protection.

The hydropower plant in Vučje, about 17 km from Leskovac, lies in the picturesque setting of the Vučjanka river. Commissioned in 1903. This hydroelectric power plant was built only two years after the first hydroelectric power plant in Serbia, in Užice, on the Djetinja River. It is unique in that it still produces electricity.

The town of Skobaljić, i.e. the remains of the fortress, lie on the northern slopes of Kukavica above Vučje, 18 km south of Leskovac. The fortress was built in the 15th century by the Serbian duke Nikola Skobaljić to defend the area of Dubočica from the Turks. The Upper and Lower towns and suburbs were built on one hectare. The walls have been preserved up to the height of the ground floor. Remains of amphorae and early Byzantine pottery were found. This small but significant fortification was in operation until the arrival of the Turks in 1454. A forest path from the headquarters in Vučje leads to the remains of the fortress.

Hisar - planned ethno-archaeological park. Inventions from the 13th to the 10th century BC. indicate the presence of the Dardanians. Traces of frescoes from the 12th and 13th centuries were also found on Hisar. From 2002 to 2006, a large number of architectural and other objects, ceramics, money and archaeological objects made of metal, glass, bone and stone were discovered. Of particular value are the ivory diptych with buckle and the silver buckle.

On the territory of the City there are significant industrial heritage complexes in Leskovac, Grdelica and Vucje.

### **5.3 URBAN ENVIRONMENT**

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

The planned development of Leskovac began after liberation from the Turks, at the end of 1877, when it became part of Serbia. Thanks to the state policy, regulatory plans were drawn up. The city received a regulatory (urban) plan in 1882. (engineer Wilhelm Bader, with whom the urban settlement changes its structure and becomes a European city from an oriental one. In the catastrophic war sufferings (1941-1944) Leskovac lost a fifth of its population and a large part of its construction fund. The city was also heavily damaged by the floods that hit it in the post-war period, the largest of which was in 1948. In order to eliminate the consequences of war destruction and natural disasters, an initiative was launched to begin intensive reconstruction and construction on an urban basis architect Ratomir Bogojević) This plan included the spatial development of the city for a period of 30 years (1946-1976), in which its population would grow at an average rate of 3% to 48,000. The city was treated as a socio-economic centre of a wider area that gravitates to it, being located in the centre of the Moravian-Vardar Valley on important national highways. The new urban plan of Leskovac was adopted in 1956 for a period of 20 years. The directions of expansion of the city's territory, the system of traffic networks, the distribution of the zones of the city's basic functions (zones of work and residence, sports and recreation) and then the locations of the hospital complex, the new cemetery, markets and other facilities have been retained. The concept of the traffic network and the position of the city centre with the square have been retained. It turned out that the free, undeveloped areas on the outskirts of the city, intended for collective housing construction, were not suitable for this construction because the land was completely unequipped for communal services, and equipping it required considerable resources and time. The housing crisis and the secured funds of the housing construction fund could not wait for a solution to this problem. The interest prevailed in moving the collective housing construction to the narrower city territory - where the individual housing of low population density is outlined in the plan.

The new GUP from 1973 valorised the implementation of the regulatory plan from 1956 and assessed the needs of the city's spatial development for a period of 20 years, i.e. until 1992, when about 67,000 inhabitants will be covered. All the city's factories are included in the planned territory of the city of 1600ha within the established border of the narrower construction area. It is planned to carry out reconstruction in a significantly larger part of the city fabric than was presented in the plan from 1956. The reconstruction envisages the replacement of the found building stock with low density and communal equipment, with

a new building with a higher population density in the system of collective housing. This approach was aimed at a more rational use of city land, and providing the necessary space for the expansion of traffic areas and the placement of accompanying content. In the planned period, it was not realistic to expect the removal of the concentration of found housing stock of illegal construction that existed without infrastructure. It started from the point of view that the illegally built housing fund should be reviewed and included in detailed plans and completely suppress the further spread of such construction. The general urban plan of the city of Leskovac until 2010 was adopted in 1992. Within the boundaries of the GUP area there is a built-up urban fabric from the centre to the periphery with illegally built residential areas, undeveloped space between the city and suburban settlements, the suburban settlements of Bobište, Bratmilovce and Donje Sinkovce, and the southern and northern catchment areas. This General Urban Plan was implemented for twelve years. The existing plan was created on the basis of a social system that has changed: self-management, social ownership, social housing funds that have ceased to be current.

The general urban plan of Leskovac from 2010 to 2020 was based on the principles of sustainable development, which include coordinated economic, social, ecological and spatial development. Due to the tendency of the population to decrease, the construction area was reduced and agricultural land was preserved. The goal was to achieve an optimal relationship between built and unbuilt: forest, agricultural and water land.

The urban development of the Grdelica and Vučje settlements began with GUPs from 1966, which were sporadically changed as needed, due to deviations. Both places, as municipal subcenters, have drawn up and adopted general regulation plans. The settlement of Strojkovce, as the centre of the rural community, is included in the Spatial Plan of the City of Leskovac, within which a settlement scheme has been drawn up.

### **5.3.2 Urban area**

#### ***Network of settlements***

On the territory of the City of Leskovac there is an urban centre, the urban settlement of Leskovac, while Grdelica and Vučje are city sub-centers by categorization (two, out of a total of 5, for the territory of the City), Strojkovce is the centre of the village community (for these settlements, only cultural goods and industrial heritage).

The settlement network is based on the following settlement hierarchical structure:

- City and regional centre (1) – Leskovac;
- Suburban settlements (11) - Donje Sinkovce, Donje Stopanje, Gornje Stopanje, Vinarce, Rudare, Bratmilovce, Bobište, Mrštane, Donja Jajina, Šišince and Kukulovce;
- City sub-centres (5) - Brestovac, Grdelica, Vučje, Pečenevce and Predejane (village);
- Village community centres (10) - Razgojna, Turekovac, Miroševce, Velika Grabovnica, Manojlovce, Orašac, Strojkovce, Guberevac, Belanovce and Bogojevce;
- Primary rural settlements.



City sub-centres with the following gravitating villages and areas:

- Brestovac with gravitating villages: Lipovica, Međa, Donje Brijanje, Kutleš, Šarlince and Draškovac;
- Grdelica with gravitating villages: Bistrica, Nesvrta, Oraovica, Grdelica selo, Tupalovce, Kozare, Kovačeva Bara, Vilje Kolo, Velika Sejanica, Dedina Bara, Bojišina, Bočevica and Palojce;
- Vučje with gravitating villages: Nakrivanj, Čuklenik, Beli Potok, Žabljanje, Brza,
- Pečenevce with gravitating villages: Brejanovce, Živkovo, Priboj, Zalužne, Kaštavar and Čekmin;
- Predejane (town) with gravitating villages: Mrkovica, Crveni Breg, Suševlje, Bričevlje, Predejane selo, Koračevac, Krpejce, Graovo, Ličin Dol and Novo Selo.

Village Community Centers:

- Razgojna with gravitating villages: Babičko, Gornja Lokošnica, Donja Lokošnica, Grdanica, Smrdan and Čifluk Razgojinski;
- Turekovac with gravitating villages: Karađorđevac, Svirce, Donje Trnjane, Gornje Trnjane, Vlase and Gornje Sinkovce;
- Miroševce with gravitating villages: Drvodolja, Todorovce, Slavujevce, Igrište, Barje, Kaluđerce, Crcavac, Gagine, Melovo, Oruglica, Ravni Del, Gorina and Bukova Glava;
- Velika Grabovnica with gravitating villages: Zoljevo, Zagužane, Mala Grabovnica, Dobrotin, Mala Kopašnica, Velika Kopašnica, Tulovo, Slatina and Padež;
- Manojlovce with gravitating villages: Gornje Krajince, Donje Krajince, Kumarevo, Mala Biljanica, Velika Biljanica, Jelašnica, Rajno Polje, Gornja Slatina, Donja Slatina, Zločudovo and Nomanica;
- Orašac with gravitating villages: Gradašnica, Piskupovo, Stupnica, Jarsenovo, Gornja Kupinovica and Donja Kupinovica;
- Strojkovce with gravitating villages: Šainovac, Presečina, Veliko Trnjane, Gornja Jajina, Palikuća, Radonjica, Gornja Bunuša, Donja Bunuša and Bunuški Cifluk;
- Guberevac with gravitating villages: Gornji Bunibrod, Donji Bunibrod, Badince and Žižavica;
- Belanovce with gravitating villages: Dušanovo, Petrovac, Milanovo, Karađorđevac and Podrimce;
- Bogojevce with gravitating villages: Drčevac, Crkovnica, Oraovica, Golema Njiva, Jašunja, Navalin, Grajevce and Zlokućane.

### ***Urban units***

The space of the Leskovac urban settlement is divided into four basic spatial and functional units:

- Centre (narrower centre - it houses a larger number of central functions and mostly high-density housing and - wider centre - which also includes family housing zones);
- Wider city zone - part of the whole settlement;
- Working zones – part of the whole settlement east of the railway;
- Suburban settlements - part of the whole settlement, Čifluk Mira - in the peripheral part characterised by housing with a certain participation of agricultural households.



The “Centre” is characterised by historical and ambient determinants, a dominant urban and public city character, the compactness of the urban fabric, complexity and multi-layered, i.e., mixed-use functions, with contents of a public nature, communal areas, greenery, sports and recreation facilities, special purpose, commercial that fulfil functional and ecological criteria, religious complexes as well as the presence of several housing typologies. The buildings are of different storeys and quality, the density of population and housing is uneven. The present Roma settlement with the largest number of inhabitants on the territory of the city. The buildings that represent IMC are most represented in the city centre. A special area is in direct contact with the river Veternica.

The “wider city zone” is characterised by organised blocks of residential construction, different typologies of housing and a moderate number of floors. In this unit there are also 2 informal Roma settlements.

The whole “Work zone” is mainly intended for industry and production, commercial activities, but also the whole of the existing family housing framed by the work zone. Active economic and commercial complexes as well as brownfield locations are represented. The “Resort” complex is part of the industrial heritage very important for the development of Leskovac.

Part of the entire suburban settlement - Čifluk Mira is characterised by predominantly family residential construction and the presence of a Roma settlement. Along the perimeter of the settlement, family housing combined with small business and agriculture is characteristic. In this sub-unit there is an unpromising military complex - an airport and a hippodrome.

### ***Open public spaces***

City Square - represents a location in the centre of Leskovac, of great importance in terms of culture, history and space. Pedestrian traffic is dominant. Pedestrian areas are connected in a system of paths, sidewalks, passages and other areas in the square and park. The space has a role and is used for mass gatherings and events. Public block areas were formed in the interior of residential and residential-business blocks. They are mostly represented within the city centre. They are also present in the wider city area as a supporting content of multi-family housing. There is usurpation of green areas in “Radničko naselje” in the zone of multi-family housing for parking purposes.

Public green spaces are represented by parks: Central City Park, Devet Jugovića and Hisar Park, Memorial Park, Kralja Petra Park, Rupa Park; squares; as well as public green areas in the multi-family housing estates: Dubočica, Solidarnost, Radničko, Toma Kostić. The central city park is the most important green area of a public character, which compositionally forms a whole in which a network of pedestrian communications connects other compositional elements: plateaus, elements with water and monuments, children’s playgrounds, rest areas, facilities, etc. Devet Jugovića Park is located at the foot of Hisar hill. The beginnings of its creation date back to the Balkan War at the site of the Turkish cemetery, which is confirmed by the dimensions of the trees. The landscape style of the park is determined both by the function of the park-recreation and recreation, and by the large unevenness of the terrain.

The memorial park is located on the eastern slope of Hisar, north of the cemetery and the church of Svetoilije. It was built after the Second World War. The park has only one entrance

from the north side along a path that represents the central axis of the park that leads to the central plateau with the main monument and a smaller amphitheatre. The Hisar Forest Park is the largest green area in the Leskovac township, which forms the backbone, the backbone around which the green system develops. There is usurpation of space by the illegal construction of a Roma settlement that is in direct contact.

### 5.3.3 Natural environment

#### *Natural units*

An important natural environment in the urban settlement is the river Veternica, whose banks are insufficiently and inadequately used. Only the part in the centre has been renovated, but it is not used enough due to poor connection with the central zone and insufficient quality maintenance. Hisar Forest Park is the largest green area in the city, the backbone around which the green system is developed. Hisar is an archeological site - a fixed immovable cultural asset, declared by the decision of the RS Government. In addition to the functional convenience for ethnic contents, as well as the continuation of archaeological research and the presentation of architectural remains, the park is favourable for active and passive recreation of a large number of users, with the achievement of aesthetic and sanitary-hygienic significance. The Hisar Forest Park did not reach its full utilisation capacity because the ethno-archaeological and hospitality facilities were not realised, but also because of the lack of infrastructure.

#### *Natural goods*

Protected areas are:

- The strict nature reserve “Zeleničje”, a category I natural resource, is located on the Ostrozub mountain, belongs to the Novo Selo - Leskovac KO (21.60 ha) and the other part of the Ostrozub KO - Crna Trava municipality (20.10 ha); The Institute for the Protection and Scientific Study of Rarities of the Republic of Serbia, by decision from 1950, placed under protection a part of the beech forest stand with the site of a rare tertiary species of zeleničeta or laurel cherry (*Prunus laurocerasus*) with a size of 180.00 ha; The Republic Institute for Nature Protection of the SR Serbia, with its act from 1971, proposed to Leskovac and Crna Trava SOs, that the strict nature reserve regime be limited only to beech stands with a natural site of zeleničeta with a total area of 41.70 ha; represents an area of special importance for nature protection in Serbia (Area of Special Conservation Interest-AsCI), significant from the point of view of application Berne Conventions in Serbia, ie the EMERALD area;
- Natural space around immovable cultural property Jašunjski monasteries of St. John and St. Bogorodica, is protected by the Decision on the protection and determination of the boundaries of the immediate environment and natural space around the monastery of St. John and St. The Mother of God of the Church Municipality of Leskovac, in 1989, in order to preserve the natural space and its planning and use; the area under protection includes two monastery complexes, which are located in the valley of the Manastirska river and along the mountain slopes of Babicka Gora on the western and eastern sides; the protective environment has an area of 188.3ha, of which 37.7ha is owned by the church, and the other 150.5ha is managed by PC “Srbija šume” PC “Šuma” Leskovac;

the protected complex includes cadastral parcels that are located within KO Crkovnica and KO Jašunja; considered by purpose: forests make up 163.59ha (87%), fields 7.9ha (4%), meadows 4.9ha (3%), pastures 4.5ha (2%), orchards 1.74ha (1%) and watershed 5.5ha (3 %), i.e. in total 188.3ha.

The areas of identified spatial units proposed for protection (according to the RPP of the municipalities of the South Seas) are:

- The area of the Kukavica mountain, with a complex of high-quality beech forests, an area of essential importance for preserving the regime and quality of water (especially the canyon of the Vučjanka river) and diverse plant and animal life, with favourable conditions for recreation; Prime Butterfly Areas in Europe (PBA-Prime Butterfly Areas in Europe); on the territory of the cities of Leskovac and Vranje and the municipality of Vladičin Han, approximate area of 16,000ha;
- The areas of the Grdelica gorge as a combination of natural and cultural landscape and a representative example of the intensity and extent of water erosion, with significant occurrences of floristic and faunal diversity, specific geological structures and geoheritage phenomena, on the territory of the city of Leskovac and the municipality of Vladičin Han, approximate area of 4,000ha;
- The area of the Babička gora and Kruševica mountains, with the protected environment of the Jašunj monasteries, wooded areas rich in mammal and bird fauna, and meadow-pasture enclaves as habitats of diverse flora, on the territory of the town of Leskovac and the municipality of Vlasotince, approximate area of 5,500ha;
- The Ostrožub mountain area, with a preserved forest complex interspersed with pastures and meadows, a great diversity of flora and fauna, with the appearance of the relict shrub species Zeleničeta, numerous springs and streams and significant recreational opportunities, on the territory of the town of Leskovac and the municipalities of Vlasotince and Crna Trava, approximate area of 4,500ha .

The plan also initiates the protection of geoheritage objects - Grdelička Klisura, Vučje and Donji Brestovac, which are separated by the Regional Spatial Plan of the Municipalities of South Pomeranian Voivodeship (2010), as well as the areas - Male Kopašnica, Kozare, Stupnica and Piskupova, which are proposed by the city of Leskovac and designated objects such as gorges and watercourses, small lakes and their surroundings, interesting rock formations, beautiful and colourful environments - especially around cultural heritage monuments, smaller preserved forest complexes, individual representative trees and groups of trees.

### ***Green infrastructure***

Within the city of Leskovac, there is a system of green areas consisting of public green areas, interwoven with protective green areas. The degree of greenness in Leskovac is 7.6 m<sup>2</sup>/inhabitant, and including green areas for other purposes, the degree of greening is 26.7 m<sup>2</sup>/resident (minimum is 20 m<sup>2</sup>/inhabitant, and the recommended value is 30-50 m<sup>2</sup>/resident). Greenness level is 1.25%, only in the construction area it is 2%, and if you count the greenery within other uses (total 181.4ha) the value is 4.5%. The average predicted level of greening of urban territories in Serbia is 10-15%. According to the planned situation from the GUP, the degree of greenness (ratio of the total area of greenery to the number of inhabitants) is 26.4

m<sup>2</sup>/ to the resident; including green areas for other purposes, the value is 47 m<sup>2</sup>/resident. The level of greenness (ratio of green areas to the entire city area, expressed as a percentage) is 4.2%; for the total green area, including green areas for other purposes, is 7.5%. It is 7% for the territory of the construction area, and 12.3% with greenery for other purposes. It can be taken as satisfactory, taking into account the size of the city and the developed green corridor (recommended value is 10-15%).

### ***Brownfield sites***

In the area of the Leskovac urban settlement, there are several military complexes of different status, with the potential for conversion:

- the military complex “South Camp”, which is out of service, but is still considered promising for the needs of the Army,
- The Army House is a complex owned by the local community, which needs to be put into a public function - concert halls,
- military garrison - an unpromising complex still not exchanged with the local self-government, it is out of order in the centre,
- the airport - an unpromising complex is unchanged.

A certain number of brownfield industrial sites have been reactivated, but still in the northern and eastern industrial zone, as well as in the centre zone (as individuals) there are neglected complexes, without economic activity. All brownfield sites are communally equipped, connected by traffic and built. The absence of economic activity, neglect of buildings and the devastation of the complex have a negative impact on the environment.

Private investors mainly invest in abandoned industrial complexes or their parts.

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

#### ***Air***

A local network of measuring points for fixed measurements of average air pollution levels has been established. Three measuring points were determined: PUK “Vodovod” (Administration), Medical School and Kindergarten “Kolibri”. The Faculty of Technology is a location within the state network of measuring points and was established for the needs of the Ministry. Measurements are performed daily for the following parameters: sulphur dioxide, nitrogen dioxide and soot, and the parameters of total precipitable matter (UTM) and heavy metals (cadmium, lead and zinc) in UTM are determined on the basis of a monthly collected sample (sediment).

The biggest air pollution problems in Leskovac appear during the winter during the burning season. During that period, the air quality is such that the limit values for the soot parameter are exceeded, as well as the concentration of total precipitable substances increases (but these values are far below the maximum daily permissible value). The period April - September is with excellent air quality.

The presence of carbon dioxide was detected in the winter period, as a result of heating with fossil fuels. Zones of family housing and multi-family housing in the southern part of the City are not connected to a heat pipe or gas pipe, but the most common method of heating is

individual fireplaces. Despite the installation of gas boilers in the Crvena Zvezda and Dubočica heating plants, fossil fuel boilers (fuel oil and coal) are still in use in all three boiler houses of the city Toplana.

### **Water**

In order to assess the condition of the surface waters of the watercourses - rivers in the territory of the city of Leskovac and their impact on the underground water of the reserve source for water supply, monitoring has defined measurement points (11 in total) and quality control parameters of the surface waters of the watercourses, namely: Veternica (6), Vučjanka as tributaries of the river Veternica (1), Južna Morava (2), Jablanica (1) and Kozaračka river (1). Monitoring is also carried out at public swimming pools (Kupalište Vujanka-Vučje, near the hydroelectric power plant and Kozaračka reka-Grdelica) during the swimming season.

The goal of monitoring the quality of surface water of watercourses is water protection and includes a set of measures and activities that protect and improve the quality of surface water in order to:

- preservation of life and health of people;
- reducing pollution and preventing further deterioration of water conditions;
- ensuring harmless and unhindered use of water for various purposes (water supply, recreation of citizens and irrigation); and
- protection of aquatic and coastal ecosystems and achievement of environmental quality standards in accordance with the regulation governing environmental protection and environmental goals.

The analysis of the results of the examination of the quality indicators of the river Vučjanka, in the largest number of tested samples, showed a quality that corresponds to its creditworthiness class. It was determined that, based on the measured average annual concentrations, it has a moderate ecological status, but individual tests during the year show that the river Vučjanka has a poor ecological status (belongs to class IV) for the parameters: ammonium ion and total coliform bacteria in December.

The Veternica River is the recipient of waste water from Vučje and Leskovac, as well as from other settlements upstream from Leskovac. At the measuring points: before the confluence of the Vučjanka river in the village of Žabljanje; after the confluence of the river Vučjanka in the village of Žabljanje; below the mouth of the Čukljenica River in the village of Strojkovce; at the entrance to the city near the Prison; at the exit from the city-industrial zone, before the inflow into South Morava-the village of Bogojevce, the Veternica river during the test period from December 2020 to November 2021 had a moderate ecological status in relation to the obtained values of the average annual concentration, it belonged to the III class of surface waters and that for the parameters ammonium ion and total coliform bacteria. Individual measurements indicate that Veternica also has poor quality (belongs to class IV for nutrient parameters and total coliform bacteria, in the winter months and in periods of heavy rains when the soil is washed away and the water level increases).

In its course upstream from the town of Leskovac, the South Morava River collects wastewater from all settlements, both municipal and industrial. At the measuring points: before the

confluence of the Veternica river - the village of Bogojevce; after the inflow of the Veternica river, downstream towards the village of Lokošnica, during the test period from December 2020 to November 2021, in relation to the obtained values of the average annual concentration, it had a moderate ecological status, it belonged to the III class of surface waters for the parameters ammonium ion and total coliform bacteria. After the Veternica inlet, it has a poor ecological status and belongs to class 4, for certain parameters (ammonium ion and total phosphorus in December and January and BOD 5 in July and August).

It should be noted that in 2022, construction was completed and the main sewage collector and wastewater treatment plant (WWTP) of Leskovac, located in the village of Bogojevce, were put into operation. Since then, waste water from the city and industry of Leskovac is no longer discharged untreated into the Veternica River, but after purification is discharged into the South Morava River, which will contribute to improving the quality and status of surface water in the urban area.

In its course upstream from Leskovac, the Jablanica River receives waste water from Lebane, the Lece mine and other settlements and settlements. At the measuring point near the village of Vinarce, during the test period from December 2020 to November 2021, in relation to the obtained values of the average annual concentration, the Jablanica river had a moderate ecological status, it belonged to the III class of surface waters for the parameters total phosphorus, ammonium ion and total coliform bacteria. It also has a bad ecological status (belongs to the 4th class for the parameters ammonium ion in March and May).

The Čukljenica river has a moderate ecological status, but individual tests during the year show that this river had from excellent to moderately good quality depending on the test period.

The quality control of the bathing area was monitored during the bathing season from 2021, every 15 days. Results of testing the quality of surface waters (Vučjanka near the hydroelectric power plant and Kozaračka reka in Grdelica) that were used as bathing areas in the monitoring period 202/2021. according to the comparative quality indicator (SQWI) they are of good, very good and excellent quality.

In the territory of the city of Leskovac, there were no extraordinary cases of high pollution.

### ***Land***

In the area of the City, the soil has been tested for several years in terms of the rN value of the soil, the percentage of humus, as well as the presence of various elements (nitrogen, potassium, calcium, etc.). The examination is carried out for the needs of agricultural production and for land that is outside the limits of the construction area. The quality of the soil is not threatened to a significant extent.

In order to protect the quality of agricultural land, the following goals have been defined:

- implementation of protection measures on landslides and unstable soil threatened by landslides
- Reduction of soil pollution due to the use of inadequate agrochemicals in agriculture
- Reducing the effects of soil erosion and mitigating the effects of natural disasters, defining anti-erosion protection measures



In the latest GUP, the construction area was reduced, while in the other settlements, the construction areas, as well as cemeteries, were kept within the existing limits. Due to a rational approach, detailed regulation plans with precise calculations are made for cemeteries.

### **Noise**

Noise level monitoring in Leskovac is carried out at 10 measuring points, twice during the day, once in the evening and twice during the night, in a reference period of 15 minutes.

The noise level at all measuring points in Leskovac, in relation to the zones provided for by the programme, is not critical, it is within the permitted limits with very rare deviations. The highest values of the equivalent noise level were measured at the measuring point next to the intersection of Bulevar oslobođenja and Južnomoravskih brigada streets, but the measured values were within the limits provided for city roads.

### **Heat islands**

Heat islands can be considered parts of certain roads in the centre zone, where due to the frequency of vehicular and pedestrian traffic and the presence of commercial activities along the roads, it is not possible, despite attempts and sufficient sidewalk width, to establish rows of trees: urban settlement Leskovac - Svetozara Markovića Street, part of the street South Moravian Brigades (from the intersection with Bulevar oslobođenja street to the intersection with Nikola Pašić's Beleva), Rade Končara street, Kralja Petra street in the green market area, Vljakova street (from the intersection with Radnička street to National Heroes Square).

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

After the construction of the dam and reservoir Barje on the river Veternica upstream from the city, the town of Leskovac is mostly protected from floods, although there is a part of the bed of the river Veternica that needs to be regulated.

Identified landslides exist on Hisar Hill and represent areas where construction is prohibited. There are unexplored parts, which need to be explored in the coming period. According to the erosion map made for the territory of the City, there is no danger of erosion.

Since the middle of the last century on the territory of the Republic of Serbia, there has been a significant increase in the average, maximum and minimum daily temperature. Average temperature change trend for the territory of Serbia in the period 1961-2017. was 0.36°C per decade, and during the period 1981-2017. This rising temperature trend was 0.60°C per decade. The entire territory of Serbia is faced with a significant increase in temperatures, especially in the summer and spring seasons, while the least pronounced trends were observed during autumn. According to available data<sup>9</sup>, changes in the climate in the Leskovac Local Government Area 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 Leskovac Local Government Area will have a slightly higher temperature increase than the average for Serbia.

<sup>9</sup> Observed climate changes in Serbia and projections of the future climate based on different scenarios of future emissions, UNDP Serbia, 2018



- 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).
- 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.

### ***Waste management***

Municipal waste is collected in containers and typical bins. In parts of the settlement where multi-family housing prevails, waste is collected in containers, while in parts of family housing, each household has its own container, i.e. type bucket. Industrial waste is temporarily stored at the location of the waste generator or company. Recyclable material is stored for several days, while hazardous waste is disposed of for a longer period of time due to the fact that there is no landfill intended for the final disposal of hazardous waste in the country.

Waste from housing, as well as from private shops and businesses, is collected and taken away in an organised manner, which is foreseen by the plan and work programme of the company "PWW-Leskovac" doo, with the fact that waste from private shops and businesses is taken away as needed and more often.

In the territory of the city of Leskovac, waste selection is not systematically developed and is the domain of individual initiatives of individual entrepreneurs:

- companies and entrepreneurs engaged in wood processing, dispose of the waste generated during production on site, briquette it on special machines or use it in a refuse state during the winter season for their own heating needs or sell it to citizens;
- companies and entrepreneurs who have large amounts of waste hydraulic oil in their production process store the same in appropriate barrels and transport it to the refinery for regeneration;
- companies and entrepreneurs who have large amounts of metal waste in their production process collect them in special containers and sell them to companies registered for the collection of secondary raw materials;
- companies and entrepreneurs where waste from plastic materials is generated in the course of production are crushed in special mills and returned to the production process;
- companies and entrepreneurs who perform catering activities return glass packaging to beverage suppliers for reuse.

On the territory of the City of Leskovac, there are operators for the collection and transport of secondary raw materials (paper, cardboard, glass, PET packaging, foil, etc.) and operators for the treatment of non-hazardous metal waste.

Collected municipal solid waste in the territory of the city of Leskovac is deposited at the Regional Sanitary Landfill “Željkovac”. The complex of the Regional Sanitary Landfill “Željkovac” is located 6 km southeast of the centre of Leskovac and 1 km west of the road route DP IIA order no. 258 on the outskirts of KO Gornji Bunibrod and KO Guberevac. The Bučan stream divides the complex along its length into two approximately equal parts with a natural fall according to DP IIA order no. 258, that is, towards South Morava. After the construction of the sorting facility - Recycling Center, in 2010, primary and secondary selection of recyclable waste was carried out at the Regional Sanitary Landfill “Željkovac”, before depositing. Also, the bulk waste removal action in the territory of the city of Leskovac takes place according to the established schedule twice a year. The removal of bulky waste means the collection of: old furniture, white goods, etc., from citizens, except for the removal of construction waste. Citizens take out this type of waste in front of their houses, in the same places where they leave their containers for solid municipal waste at the published date and time.

All temporary local municipal waste landfills, which existed in the previous period, have been closed: “Bogojevce”, “Dušanovo”, “Brst” in KO Podrimce and the landfill for construction and demolition waste in Donja Jajina. These locations have not been rehabilitated and recultivated, and they pose a great risk to the environment and citizens in their vicinity.

On the territory of the City of Leskovac, there are numerous “wild” landfills, about which a Report DEP1 and DEP 2 is drawn up every year and submitted to the Agency for Environmental Protection within the framework of NRIZ. In 2021, around 100 locations of so-called “wild” landfills were registered. The city of Leskovac, JKP “Komunalac” and PWW Leskovac d.o.o. periodically clean “wild dumps”, which are also located on all watercourses, all village cemeteries and access roads. Certain locations of “wild” landfills are cleaned several times a year, because waste is thrown continuously. Some locations of “wild” landfills are green.

### **5.3.5 Primary utility infrastructure**

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

The largest part of the city core has a built-up water supply network. The total number of connections to the water supply network for the territory of the city is about 24,000. There are still parts of the city where the existing water supply network is of an insufficient profile, primarily for fire protection. Another big problem is that 10% of the water supply network is made of asbestos cement, so called salonite pipes, which is not permitted from a sanitary point of view.

The source of drinking water is the Barje reservoir, which was planned as a regional source, and today it is used only for the needs of Leskovac, so there is a water reserve and there are no restrictions in water supply. Water from the Barje reservoir is purified at the plant for the preparation of drinking water (PPV) in Gorina. The capacity of PPV Gorina is 840 l/s, and the average amount of delivered clean water from PPV in the past period is 300-350 l/s. The existing capacities of the source and PPV meet the needs of the city, and the maintenance of the system is at a satisfactory level.

There are also built wells that were previously used for the city’s water supply, and which now have the function of a reserve source.

Around the existing sources of underground water, three zones of sanitary protection of sources were formed, according to the decisions of the Ministry of Health. The primary polluter is above all wild construction that endangers the protection zones around the existing wells, which are used as backup springs. Also, a very small part of industrial facilities have pre-treatment of waste water that they discharge into the public sewage network, which can endanger the operation of the CPPOV in Bogojevica.

For the Barje reservoir, the 2018 Spatial Plan of the Barje reservoir basin was drawn up and adopted, in accordance with which a revision of sanitary protection zones is required.

The largest part of the settlement of Leskovac has a built-up public sewage network for the removal of municipal wastewater. The largest part of the sewage network was built as a general system for the removal of both municipal wastewater and stormwater. There is a very small number of streets in which no sewage network has been built (mainly two Roma or parts of peripheral residential settlements with family housing).

The largest part of the settlement of Leskovac does not have a rain sewer system. Atmospheric water, first of all, from the roadway is most often drained into the sewer system of the general system. This represents a serious problem because the existing sewerage network is of insufficient profile to receive storm water. The existing sewerage network for the removal of stormwater has outlets into the recipient river Veternica without any stormwater treatment. The planning documentation envisages the construction of a sewerage network for the removal of stormwater and a system for the treatment of that water before it enters the recipient.

The general sewage network is a problem for the functioning of the treatment plant during heavy and long-lasting rains, so it is necessary to separate it into two systems (for used water and for rainwater).

Leskovac is one of the few urban centres in Serbia that has a functional modern wastewater treatment plant (WWTP). Wastewater from settlements and industries collected by the sewage network is brought to the WWTP located in the village of Bogojevce via the new main collector over 5 km long. The WWTP has been in trial operation since 2022, and purified wastewater is discharged into the South Morava River. The constructed WWTP includes a complete line of water and sludge with a capacity of 86,000 equivalent inhabitants (ES), which removes suspended, organic and nutritious substances (nutrients) from the waste water up to the prescribed limits. Sludges generated in the purification process are treated by anaerobic digestion, where the released biogas is collected and used for the production of heat and electricity, which significantly reduces the electricity consumption of the WWTP from the power grid.

### ***Energy***

There is a district heating system (DHS) on the territory of the City of Leskovac. The DHS is connected to the downtown area and a neighbourhood with multi-family housing in the northern part of the city (multi-family residential buildings, schools, city institutions, Leskovac General Hospital, Health Center and a small number of individual users). According to data from 2019, the City of Leskovac has over 4,300 users connected to the hot water network, of which 30 are users of public buildings.

The district heating system in Leskovac is carried out through three boiler houses: “Crvena Zvezda” boiler house, fired with coal (installed power 22 MW) and natural gas (installed power 10.8 MW). The total length of the route of hot springs of the Red Star district heating system is 6,140 m. The planned installation of another boiler unit with a power of 10.8 kW, which will use natural gas as an energy source. Boiler plant “Dubočica”, which uses fuel oil and gas with a total installed capacity of 19.5MW as fuel and which also has to undergo changes in terms of capacity increase from 19.5MW to 30MW with the possibility of fuel oil-gas conversion. The total length of the hot spring route is 3,850m. The “S 17” boiler house, which uses fuel oil as fuel, with a total installed power of 9MW, is located in the city centre and has 4,650 direct users and 6,500 indirect users per day. Due to the impossibility of increasing the capacity in terms of construction and the impossibility of conversion to gas as an energy source, it is planned to relocate from the basement premises of the “S-17” building.

A total of 325,753m<sup>2</sup> of area is connected to the hot water supply system of over 12 km, of which 108,200m<sup>2</sup> is business and 217,553m<sup>2</sup> residential space. or 3,950 apartments, which is less than 10% of the total number of households in Leskovac. The reason for the disconnection is the absence of a heating plant and network for the southern part of the city. Wide consumption includes individual boiler houses that mainly use solid fuel as an energy source (wood, coal and, more recently, pellets). Even a small number of schools have individual fossil fuel boiler rooms.

In the city, there is a built medium-pressure city gas network and the necessary metering and regulation stations. A certain number of larger economic entities in the working zones are connected to gas as an energy source. Widespread consumption is still not represented. The reason for the disconnection is the economic interest of the distributor. On the territory of the City, the distributor is “Yugorosgaz” and more recently “Srbijagas”.

For the distribution of electricity, there is sufficient capacity in relation to demand, all households are connected, and the network is reliable.

There is a great opportunity to use solar energy, primarily on the roofs of buildings. The built solar power plants are owned by business entities: the company “Domit” d.o.o. (on the roofs of seven buildings) and the company “Bimtex” d.o.o. (on the roof of a building) and others.

The number of energy passports is around 60 and there are public as well as business-residential and residential buildings.

### **5.3.6 Primary transport infrastructure and traffic**

#### ***Traffic network***

The transport network is well developed. In the western and southern parts of the city, in the zones of family residence, there are streets of the secondary network without a road curtain. It is necessary to reconstruct the roadway and build sidewalks and bicycle paths on the entrance routes of the state roads to the populated place.

The safety of pedestrians and cyclists on state road IIa order no. 226 (Prokuplje - Bojnik - Leskovac) and state road IIa order no. 158 (Mala Krsna - Velika Plana - Batočina - Jagodina - Čuprija - Paraćin - Ražanj - Aleksinac - Niš - Klisura - Leskovac), through the settlement due to the lack of sidewalks.

### ***Public urban and suburban transport***

There is an organised urban and suburban bus service. Parking lots and vehicles do not comply with accessibility standards.

Transport services are entrusted to private carriers:

- The direction of Vučje (via Jajina and Rudar) is carried out by the carrier DOO "Frenki komerc",
- The direction Orašac, Stupnica is carried out by the carrier DOO "Mitić",
- The direction of Predejane is carried out by the carrier DOO "Goran",
- The direction of Pečenevca, D. Trimming, Razoring is performed by the carrier DOO ASP "Jugotrans".
- The direction of Donje Trnjane is carried out by the carrier DOO "Jugotrans" and
- The direction of Jašunja, G. Njiva, Lakošnica is operated by the company "Aleks Bon Tours" LLC.

The signing of a new contract with only one carrier is in progress.

The city has a bus station managed by PC City Bus Station Leskovac.

There is no universal accessibility of the public city transport system and adaptability to people with disabilities or parents with small children in strollers. The key problems and disadvantages are that the activity is entrusted to a larger number of private carriers.

### ***Railway***

Leskovac is directly included in the national rail transport system, via the main single-track electrified railway line Beograd - Mladenovac - Lapovo - Niš - Preševo - state border (Tabanovci) in a length of about 9.8 km (from about km 282+386, to about km 292+197), which is part of the trans-European Corridor X, which represents the backbone of the railway network of the Republic of Serbia, the natural and most rational connection of Central and Western Europe with Greece and the Middle East.

Through the railway station "Leskovac", the closest connection with the railway is achieved by the municipalities: Leskovac, Crna Trava, Lebane, Medveđa and Bojnik.

Despite the accepted global policy to increase the volume of transport of goods and passengers by rail, due to the economy, the railway is still stagnant compared to road traffic.

There are residential zones directly abutting the railway corridor.

### ***Air traffic***

There is an airport that the Serbian Army has designated as an unpromising complex and it is planned to use it for civilian purposes (after exchange).

### ***Pedestrian zones***

Pedestrian zones are missing - Svetozara Marković Street and Moše Pijade Street. A minor traffic study is needed for Moše Pijade Street, and an alternative for vehicular and freight traffic is needed for Svetozar Marković Street, an increase in the profile of Miloš Obilić Street (from Rade Svilar Street to Svetoilijska).

***Bicycle traffic***

The conditions for the movement of cyclists along the street network are not suitable from the point of view of safety. The network of bicycle paths is insufficiently developed. There is an insignificant number of bicycle lanes in the dimensions of the roads; are absent in the largest number compared to the planned solutions, there is no connection between the built paths, and it is not possible to achieve continuity of movement.

***Parking***

The problem of parking is present in the area of the centre of the city settlement Leskovac. There is a lack of open parking lots, as well as parking garages. The problem is also expressed in the residential complex with multi-family housing "Radničko", where public parking lots for the needs of the facilities do not exist, but the usurpation of green areas is present. It is necessary to completely rearrange the inner block areas.

***Commuting***

There is a system of bus-only public transportation and daily migrations of the population of other settlements to Leskovac are present due to schools, public services, work, etc.

**5.4 URBAN AND TERRITORIAL DEVELOPMENT GOVERNANCE****5.4.1 Access to governance**

In the framework of sustainable and integrated urban development, governance refers to the methods used by the administration and various relevant actors in planning, financing and managing the development and implementation of the strategy. The key aspects of urban development governance are: 1) a multi-level governance approach, which refers to the coordination and harmonisation of activities between different levels of management; 2) multi-stakeholder approach, which refers to the inclusion of all relevant actors during the public policy development cycle; and 3) "bottom-up" and participatory approach, which refers to initiatives led by the local community and encouraging the involvement of local actors.

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

In previous practice, apart from the City of Leskovac, the project holders in which the City of Leskovac was involved were at the international level:

- Municipality of Kriva Palanka (North Macedonia)
- Municipality of Elin Pelin (Bulgaria).
- The existing regional and republican institutions are:
- Center for the Development of Jablanica and Pčinj Districts
- Permanent Conference of Cities and Municipalities.

***A multi-stakeholder approach***

Stakeholders from the city administration and the public sector are identified, whose representatives should form a team for the development of a specific plan or strategy. All existing working and advisory bodies of local self-government are considered, and at the same time



representatives of public utility companies and indirect users of the city budget are included (e.g. tourism organisation, centre for social work, health centre, library, museum, archive, etc.), but and representatives of private companies, representatives of higher education institutions, e.g. Academy of Vocational Studies South Serbia in Leskovac, Faculty of Technology, etc.

In previous practice, the following institutions and sectors were involved in the projects implemented by the City of Leskovac:

Public sector/administration:

- City administration of the city of Leskovac

Public sector/enterprises:

- Tourist organisation Leskovac
- PC Urbanism and Construction Leskovac
- SRC "Dubočica"
- PUC "Komunalac"

Economy/private and public sector:

- Aptiv Company

Civil sector:

- citizens' association "Team 42"
- Permanent Conference of Cities and Municipalities
- non-governmental organisation "Porečje Vučje"
- Roma community

Scientific and research institutions:

- Academy of Vocational Studies

### ***Partnerships and networks***

In previous practice, projects in which the City of Leskovac was involved were implemented in joint cooperation with the following institutions and actors:

International partnerships:

- OSCE mission
- European Union
- Government of Switzerland

Domestic partnerships:

- Municipality of Bojnik, Municipality of Lebane
- Permanent Conference of Cities and Municipalities
- Ministry of Construction, Transport and Infrastructure
- Ministry without portfolio in charge of demography and population policy
- Ministry of Environmental Protection
- citizens' association "Team 42"
- Aptiv Company

## Networks:

- Twin cities: Municipality of Kriva Palanka (North Macedonia)

### ***Participatory approach***

During the preparation of the following planning documentation, there were additional elements of citizen participation in relation to what is prescribed by law:

- Detailed regulation plan for part of the Roma settlement “Slavko Zlatanović” in Leskovac, subdivision a8-1 in block 61 of the General Regulation Plan 10 (meetings were held with the residents in order to clarify the importance of the planning document, the stages in the development of the plan and the planning solution itself)
- Detailed regulation plan for the area of PGR 16 - “Green Zone - East” unit 4b in Leskovac (a meeting was held with investors and other relevant stakeholders in the phase of early public inspection; the project had its own website with the project email)
- Detailed regulation plan for part of the Roma settlement - sub-units a5-2 and a8-2, part of block 61 settlement “Slavko Zlatanović” in Leskovac (a settlement board was formed that communicated with urban planners)
- Detailed regulation plan of cultural monuments in the Skobaljić City (a meeting was held with representatives of institutions and other relevant stakeholders in the phase of early public insight on the conceptual framework of spatial development; the project had its own website with the project email)
- As a form of participation of the professional public, the city announced public tenders for the Conceptual Urbanistic-Architectural solution for the arrangement of the central zone of Leskovac, as well as for the conceptual solution for the pylon on the square.

The number of citizens’ associations and interest in strategies and plans is small compared to the territory of the city. There is an inclusion in the Local Waste Management Plan 2021-2030. year, where the members of the working team were: the citizens’ association “TIM 42” and the non-governmental organisation “Porečje Vučje”, as well as representatives of operators in that area.

The working team for the development of the Leskovac City Development Plan includes, among others, associations of entrepreneurs, NGOs, citizens’ associations, local businessmen and agricultural cooperatives.

The participants in the process of drafting the Strategy for the Improvement of the Position of the Youth of the City of Leskovac for the period 2021 - 2025 are representatives of: the association “Musical Communication”, “Educational Center Leskovac”, the association “Team 42”, the association “Under”, the association “Youth Institute for Health and Development ZDRAV”, Association of Entrepreneurs Leskovac, Association “Narodni Parlament”, Association “Logos”, Association “Hisarski Champions”, Association “Zvonce”, Association “TomorrowLe”, Association “Konektor”, Association “Kreativni Centar”, Association “Leskovačke Piče”, associations of persons with disabilities, Leskovac Photo Club, Faculty of Technology, secondary schools.

### ***Governance capacities of LSG***

The capacity of services dealing with urban development is small in relation to the territory of the city.

### 5.4.2 Sources of funding

In previous practice, the projects implemented by the City of Leskovac were financed from the following sources:

National sources of funding

- Ministry of Construction, Transport and Infrastructure
- Office for Public Investments
- Ministry without portfolio in charge of demography and population policy
- Ministry of Environmental Protection
- Ministry of Mining and Energy of the RS and others.

EU funds:

- European donor programmes
- IPA, EUPRO
- IPA, EU PRO Plus
- European progress

International financial instruments:

- EVERYONE
- The World Bank
- Helvetas
- HELP
- Swiss pro
- GIZ
- ASB

Bilateral and multilateral cooperation and donor programmes:

- IPA 2007
- Cross-border cooperation with North Macedonia
- Cross-border cooperation with Bulgaria

Public-private partnerships:

- in the field of waste management
- in the field of public lighting management.

### 5.4.3 Transparency and information

Leskovac is consistently in the top 10 local self-governments according to the local self-government transparency index. In the ranking for 2022 (Transparency Serbia), it shares the eighth position with Vranje with 74 points.

The City of Leskovac submits data to the Open Data portal for the “Open Budgets” platform.

The City of Leskovac is an example of good practice in several activities:

- Publication of parliamentary decisions on the LSG website
- Work plans and reports on the work of PC on the LSG website

- On the city website, there are the following e-services intended for faster and more efficient communication with citizens:
- System 48 - System for reporting utility problems (Report a utility problem 24 hours a day, 365 days a year, in the shortest possible time the on-call services of public companies go to the field, within 48 hours expect to solve your problem)
- Virtual registrar/Virtual registrar for abroad - for registered areas: Leskovac, Donje Sinkovce, Gornje Stopanje, Bratmilovce and Bobište.
- Electronic register of administrative procedures
- Ask the Mayor

The Geographical Information System (GIS) is represented through the city's GIS portal, which contains information on valid planning and urban plans, investment locations, natural assets, as well as tourist facilities and war memorials.

A joint GIS portal was developed for the City of Leskovac, Bojnik municipality and Lebane municipality - "vidijug":

<https://gis.gradleskovac.org/visios/gup2020leskovac>

<https://gis.gradleskovac.org/visios/brownfields>

[https://vidijug.rs/?\\_rstr\\_nocache=rstr80163773fb7c89ae](https://vidijug.rs/?_rstr_nocache=rstr80163773fb7c89ae)

## 6 SWOT ANALYSIS AND NEEDS

### 6.1 IDENTITY OF THE URBAN AREA

#### *advantages/strengths*

- Good geostrategic and traffic position - on the route of the road and rail trans-European Corridor X
- A long tradition of planning and construction of settlements
- Reconstructed central city square with dominant pedestrian areas and a park
- Presence of parks (central city park, Devet Jugovića and Hisar Park, Memorial Park, Kralja Petra Park, Rupa Park) and squares
- Protected natural assets: Strict nature reserve "Zeleničje", Protected natural area around immovable cultural property Jašunjski monasteries of St. John and St. Virgin Mary; natural monuments: the "oskorusa" tree in the village of Sejanica near Grdelica and the "Kutleš oak - record"
- Areas identified for protection: Kukavica mountain area, Grdelica gorge area, Babička gora and Kruševica mountain area, Oštrozub mountain area
- Anthropogenic tourist motifs: the archaeological site on Hisar, the church "Odžaklija" and St. The Trinity and the Church of St. Ilije, the house of Šop-Đokića and the house of Bore Dimitrijevića-Piksle, National Museum
- Cultural and manifestation events (Roštilijada, Leskovac summer, Leskovac Carnival, literary, musical and film meetings, painting and other art colonies, etc.)
- Science Park within the Center for professional training of employees in education
- Textile Museum in Strojkovac, the only museum of its kind in Serbia
- Digitization of the tourist offer of Leskovac has been completed
- Leskovac tourism development programme

#### *weaknesses/deficiencies*

- Illegal construction, especially in Roma settlements
- Insufficient accommodation facilities for tourist visits
- Endangerment and demolition of valuable objects of industrial heritage
- Insufficiently recognizable tourist image and brand and unevenly developed and underutilised tourist potentials
- A large number of unused brownfield sites
- Inappropriate use of green areas in the zone of multi-family housing
- Inadequate access to the Arab Valley Memorial Park

#### *potentials/possibilities*

- The natural ambience of the banks of the Veternica River, which is underutilised due to disconnection and insufficient maintenance
- Planned ethno-archaeological park "Hisar"

- Preserved objects of industrial heritage: Hydropower plant in Vučje and other complexes in Leskovac, Grdelica and Vučje and the protected building of the fair's round pavilion of high architectural value
- Potential recreation area on the pedestrian and bicycle path that follows the route of the old Hisar canal
- Development of new types of tourism: cultural tourism, religious, sports-recreational, urban, gastronomic, event, industrial tourism, etc. and creating a destination gastronomic brand of the city of Leskovac
- Repurposing of the Army House, Military Garrison

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

- Continuation of depopulation trends (13% in the inter-census period) and population emigration
- Undervalued modernist, socialist and industrial architectural heritage
- Endangerment of natural and cultural assets
- Permanent sealing of agricultural land by construction and exclusion from agricultural production
- Unsettled legal-property relations for brownfield sites

#### ***needs***

- Stopping the expansion of the construction area of the settlement by hiring brownfield sites and improving infrastructure equipment
- Adequate transformation and reactivation of a brownfield site
- Development of sustainable tourism, tourist signage and infrastructure in order to achieve a year-round offer of services

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

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

- The town of Leskovac is mostly protected from floods
- Regional sanitary landfill "Željkovac"
- A recycling centre where secondary selection of recyclable waste is carried out before disposal at the landfill
- The Barje reservoir, planned as a regional reservoir, is currently used only for the needs of Leskovac - there are water reserves
- Sewage network on the largest percentage of the territory of the Leskovac settlement
- Waste water treatment plant in Bogojevce settlement
- District heating system in the centre zone and zones with multi-family housing in the northern part of the city
- Sufficient electricity capacities in relation to demand
- Organised suburban transport, and city transport exists as part of suburban transport lines



***weaknesses/deficiencies***

- Insufficient degree of greening of public green areas
- Air pollution in the winter due to emissions from city and individual fireplaces in households
- All three boiler rooms of the city heating plant partly use fossil fuel boilers (fuel oil and coal).
- Almost all the main watercourses in the area of the city (Veternica, Vučjanka, Južna Morava, Jablanica) are recipients of wastewater and have a moderate to poor ecological status.
- The heat island effect occurs in the centre zone
- Identified landslides on Hisar hill (prohibited construction areas)
- There is no primary waste selection and waste selection is not systematically developed; it is in the domain of individual initiatives of individual entrepreneurs and households
- Unrehabilitated and uncultivated old local municipal waste landfills and the presence of illegal landfills (in 2021, about 100 locations of illegal landfills were registered)
- Lack of alternative roads and directions
- Lack of permanent and occasional pedestrian streets
- Public transportation stops do not comply with accessibility standards
- Outside the central zone, there are streets without sidewalks, where the safety of pedestrians and cyclists is at risk
- Inadequate parts of the water supply network (10-15% of the network is made of asbestos cement pipes)
- A small percentage of industrial facilities have pre-treatment of waste water that they discharge into the public sewage network, which can threaten the functioning of the wastewater treatment plant.
- The largest part of the city core does not have a built-in storm sewer system, and the existing sewer network is of insufficient profile to receive stormwater.
- Absence of heating plant and network of district heating system for the southern part of the city
- Streets of the secondary network without a road barrier (in the western and southern parts of the city)
- The quality of public passenger transport is not satisfactory
- There is no network of bicycle paths, only individual routes
- Occupancy of green areas in multi-family housing zones for parking purposes
- There are no smart systems in the field of any utility
- There is no public free internet, except on the Square

***potentials/possibilities***

- Operators for the collection and transport of secondary raw materials (paper, cardboard, glass, PET packaging, foil, etc.) and operators for the treatment of non-hazardous metal waste
- Built medium-pressure city gas network, without wide consumption
- Solar energy as the greatest potential for the use of renewable energy sources

- Activation of the banks of the Veternica river, which is now underutilised due to disconnection and insufficient level of maintenance
- Urban greenery
- Brownfield sites with potential for conversion
- Using water reserves from wells

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

- Environmental incidents during production in factories located on the territory of the city and during the transportation of hazardous materials
- Further underutilization of the potential of natural resources and renewable energy sources
- Collision between existing and planned purposes

#### ***needs***

- Improvement of the condition of communal infrastructure and increase of accessibility to users and formation of a system for removal and treatment of storm water before entering the recipient
- Increasing urban comfort through the improvement of the condition and the formation of new public green areas in the city - parks, squares, both from an ecological point of view and in terms of decorativeness
- Improvement of the state of stationary traffic, especially in the central areas of the city (formation of parking lots and parking garages)

### **6.3 INNOVATIVE AND SMART ECONOMY**

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

- Developed production capacities (automotive industry, wood processing, textile industry, pharmaceutical products, etc.)
- Five industrial zones were developed: "Severna", "Nevena", "Njegoševa", "58", "Zdravlje" and the Green zone as a new industrial zone
- Industrial and technological heritage is of exceptional importance and represents a special category of significant material heritage
- Favourable conditions for foreign direct investments
- A large number of small and medium-sized enterprises and entrepreneurs (4,427) and a developed entrepreneurial spirit
- Institutions for supporting the economy (chamber of commerce, business and professional associations, Center for the Development of Jablanica and Pčinj Districts - CRJPO)
- Well-organised transport for the needs of transporting workers to work organized by companies for their workers
- Raw material base for processing agricultural products

***weaknesses/deficiencies***

- Insufficient connection between the economy and the higher education sector
- Absence of free customs zones
- Insufficient development of clusters and other forms of association with the aim of joint performances on foreign markets
- High participation of products with a low level of added value
- Below average net earnings of workers

***potentials/possibilities***

- Formation of four new working zones: Southern zone “Bunibrodske livade”, Zone “along the state road I row no. 1(M1)”, Zone “along the Leban road”, “Green” agribusiness zone (east)
- Activation of existing cultural, historical and sports institutions as a generator of economic development
- Incentive republican measures for the employment of more employable persons
- Development of social entrepreneurship
- Transformation of the Agricultural School into a Circular Economy Centre with retention of existing programmes (establishment of a fund for the development of the circular economy)
- Industrial and technological park
- Development of creative industries

***threats/risks***

- Lack of professional workforce of certain profiles
- High dependence of factories for the automotive industry on market movements
- Weak interest of the economy in digitization and transition to new technologies

***needs***

- Constant demand for qualified workforce and matching educational profiles with the needs of the economy, especially at the level of secondary education
- Institutional and non-institutional support for start-up companies and SMEs
- Familiarity with the concept of circular economy and the direct introduction of these principles into production
- Association of economic producers in a cluster and establishment of cooperatives - for the purpose of branding and product placement

## 6.4 SOCIAL WELLBEING

### *advantages/strengths*

- System development - institutions and networks of established services
- Education, social and health care in the public sector and a built network of facilities
- Centre for professional development in education with employee competencies for planning and organising training for employees in education
- Developed primary and secondary health care
- Solid infrastructure development for sports and recreational activities
- Manifestations of culture with a long tradition recognized and recognized by European and world audiences and institutions
- Centre for the Promotion of Science
- Social innovation project
- Cultural institutions - Leskovac Cultural Center, National Theatre, National Museum, National Library and Historical Archive

### *weaknesses/deficiencies*

- Lack of capacity to accommodate preschool children and a long waiting list
- Insufficient capacities of shelters for adults and the elderly
- Insufficient daycare facilities for children with developmental disabilities
- The outflow of qualified personnel, especially in the health profession
- Substandard housing in four Roma settlements with insufficient infrastructure
- Absence of social housing agency
- Promotion and presentation of cultural and historical heritage as a mechanism of economic development
- Insufficient recognition of the Center for the Promotion of Science
- Lack of space for a library

### *potentials/possibilities*

- Developing cooperation with institutions from other local governments and international institutions in the field of social protection
- Reconstruction and equipping of health care institutions
- Scholarships for high school students by businessmen and provision of free transportation
- Networking of cultural institutions with cultural institutions of cities in the region through performances, concerts, painting exhibitions, literary evenings
- Expansion of Grdelica health centre services (laboratory)
- Financial support for educators from the national level

***threats/risks***

- Negative natural increase and increase in the share of the elderly in the total population
- Low level of health culture
- Pronounced social problems, especially in Roma settlements
- Lack of financial support for existing cultural institutions and new creative forms of cultural creativity
- Unresolved property legal relations of cultural objects

***needs***

- Greater accessibility to preschool facilities - new kindergartens
- Care and care of the elderly and infirm - new gerontological facilities, shelters for the elderly, children with developmental disabilities, etc.
- Social housing with inventory and systematisation of apartments in public ownership
- Improvement of accessibility to sports and recreational facilities - expansion of existing facilities and construction of facilities in new locations

**6.5 URBAN AND TERRITORIAL DEVELOPMENT GOVERNANCE*****advantages/strengths***

- Experience in using different (EU, international and domestic) sources of project financing
- Experience in networking with domestic and international partners
- Council for Development and Center for Development of Jablanica and Pčinj Districts
- Adequate and up-to-date planning documentation
- Realised public-private partnerships (waste management and maintenance of public lighting; parking and public transport)
- Additional elements of participation in urban planning processes
- Satisfactory transparency of local self-government for 2022 (LTI 74, rank 8/145)
- The practice of submitting data to the Open Data portal for the "Open Budgets" platform
- Functional GIS and joint GIS portal for the City of Leskovac and the municipalities of Bojnik and Lebane
- Existing systems of electronic communication between LSGs and citizens
- Participation of citizens in the development of plans for environmental protection

***weaknesses/deficiencies***

- Insufficient coordination of national, regional and local actors in the management process - multi-level management
- Weak involvement of the economy in the projects implemented by the City of Leskovac
- Small number of citizens' associations and insufficient interest of citizens in strategies and plans in relation to the territory of the city
- Lack of trained personnel in LSGs for urban development management
- The percentage of realisation of capital projects is only 10-20%

- Insufficiently good cooperation with republican institutions: Republic Directorate for Property, Cadastre, etc.

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

- Development of mechanisms of participation and transparency for the purposes of drafting planning documents
- International and national programmes and projects for building and increasing management capacity
- Public-private partnerships in various areas - infrastructure, place branding, sustainable mobility and JGP, development of sustainable tourism, etc.
- Development of GIS system and electronic communication between administration and citizens
- Working group for waste management
- Engagement of the private sector for the implementation of project tasks (including urban planning)

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

- Insufficient institutional capacity to solve key problems
- Slow governance reform for multi-stakeholder management processes
- Low level of citizen participation in the process of urban development
- High pressure from the central level of administration through the introduction of new formal obligations for LSGs
- The outflow of quality staff from the management system and employment bans
- Insufficient synchronisation of subjects in the realisation of capital projects

#### ***needs***

- Capacity building in integrated urban governance
- An efficient mechanism and trained experts for applying for international projects - greater involvement of international partners
- Essential participation of citizens and interested parties in the planning process beyond formal forms for quality urban management
- Greater use of ICT tools for citizen and stakeholder participation
- Introducing the concept of lifelong learning



## 7 VISION, OBJECTIVES, SPECIFIC OBJECTIVES AND MEASURES

### 7.1 VISION

Leskovac is a city with a distinctive identity based on a rich industrial heritage and an entrepreneurial and visionary spirit. Touristically unique, with a rich urban and rural offer. A green and clean city, without cars, well-organised, with an attractive and accessible coastline. Safe, easily accessible, desirable for living.

A DESIRABLE CITY OF LIVING OPPORTUNITIES.

A CITY OF UNIQUE TOURIST OFFERS IN THE FORM OF INDUSTRIAL HERITAGE AND RURAL AMBIANCE.

A GREEN AND CLEAN CITY WITH ARRANGED PUBLIC SPACES.

### 7.2 THEMATIC OBJECTIVES, SPECIFIC OBJECTIVES AND MEASURES

The starting framework for formulating the objectives, specific objectives and measures of the urban area strategy (SUP) is 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>10</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 clean and fair energy transition, 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 SUP 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>11</sup>; Sludge management programme in Serbia from 2023 to 2032<sup>12</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>13</sup>; Strategy for young people in the Republic of Serbia for the period

<sup>10</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2021:231:FULL&from=EN>

<sup>11</sup> <https://www.mei.gov.rs/srp/vesti/2811/detaljnije/w/0/nacrt-zakona-o-uspostavljanju-i-funkcionisanju-sistema-za-upravljanje-kohezionom-politikom-na-portalu-ekonsultacije/>

<sup>12</sup> <https://www.ekologija.gov.rs/lat/saopstenja/vesti/prvi-put-usvojen-vazan-planski-dokument-%E2%80%93-programme-upravljanja-muljem-u-republici-srbiji>

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

<sup>13</sup> <https://www.ekologija.gov.rs/saopstenja/vesti/vlada-republike-srbije-usvojila-strategiju-niskouglenicnog-razvoja-do-2030-godine>

from 2022 to 2030<sup>14</sup> ("Official Gazette of RS", No. 9/2023); Strategy of deinstitutionalization and development of social protection services in the community for the period 2022-2026. year<sup>15</sup> ("Official Gazette of the RS", no. 12/2022); Air protection programme in the Republic of Serbia for the period from 2022 to 2030 with an action plan<sup>16</sup> ("Official Gazette of RS", no. 140/2022); Circular economy development programme in the Republic of Serbia for the period 2022-2024. year<sup>17</sup> ("Official Gazette of RS", no. 137/2022); Waste management programme in the Republic of Serbia for the period 2022-2031<sup>18</sup> ("Official Gazette of RS", No. 12/2022); programme of adaptation to changed climatic conditions with Action Plan, Draft<sup>19</sup>; Spatial Plan of the Republic of Serbia from 2021 to 2035, Draft<sup>20</sup>; Strategic priorities for the development of the culture of the Republic of Serbia from 2021-2025<sup>21</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>22</sup>; Strategy for the development of information society and information security in the Republic of Serbia for the period from 2021 to 2026<sup>23</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>24</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>25</sup> ("Official Gazette of RS", number 125/2021); Industrial policy strategy of the Republic of Serbia from 2021 to 2030<sup>26</sup> ("Official Gazette of RS", No. 35/2020); Employment strategy in the Republic of Serbia for the period from 2021 to 2026<sup>27</sup> ("Official Gazette of RS", no. 18/2021, 36/2021); Strategy for the development of education and upbringing in Serbia until 2030<sup>28</sup> ("Official Gazette of RS", No. 107/2021); Strategy of smart specialisation in the Republic of Serbia for the period 2020-2027. year<sup>29</sup> ("Official Gazette of RS", No. 21/2020); Strategy of sustainable urban development of the Republic of Serbia until 2030<sup>30</sup> ("Official Gazette of RS", No. 47/2019); Artificial intelligence development strategy in the Republic of Serbia for the period 2020-2025. year<sup>31</sup> ("Fig. Gazette of the RS", no. 96/2019); Public health strategy in the Republic of Serbia 2018-2026. year<sup>32</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>33</sup> ("Official Gazette of RS", No. 98/2016); Strategy of agriculture and rural development of the Republic of Serbia for the period 2014-2024.

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

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

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

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

18 [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)

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

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

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

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

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

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

25 [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)

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

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

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

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

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

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

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

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

year<sup>34</sup> ("Official Gazette of RS", No. 85/2014); Strategy for supporting the development of small and medium-sized enterprises, entrepreneurship and competitiveness for the period from 2015 to 2020<sup>35</sup> ("Official Gazette of RS", number 35/15).

By harmonising 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, special 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** – objective, **SO** – special 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 underutilised buildings, zones and units, including the revitalization of brownfield sites, with the limitation of urban planning parameters
<b>M 1.1.2</b> Urban regeneration of parts of the settlement that are exposed to devastating processes, including the consequences of climate change (heat islands, etc.)
<b>M 1.1.3</b> Promotion, arrangement, preservation and connection of public spaces (areas and facilities) in accordance with the concept of accessibility and increasing accessibility to facilities of public services and services
<b>M 1.1.4</b> Establishment of measures to improve the management, maintenance and raising of the culture of housing in residential communities (multi-family buildings) and increase the accessibility of multi-storey residential buildings (ramps, elevators)
<b>M 1.1.5</b> Improving security in urban settlements
<b>SO 1.2 Encouraging the protection of cultural and architectural heritage and the formation of a cultural landscape</b>

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

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

<b>M 1.2.1</b> Active protection of cultural heritage, giving recommendations for the character and intensity of acceptable activities in urban development planning, promotion of cultural heritage and connection with educational institutions
<b>M 1.2.2</b> Restoration and protection of buildings and structures 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 landscape diversity
<b>M 1.2.4.</b> Determination of urban units with special urban parameters adapted to the inherited urban matrix
<b>M 1.2.5.</b> Support for further research of archaeological sites/localities (Hisar, Skobaljić town, etc.)
<b>SO 1.3 Preservation and promotion of industrial heritage as a city identity</b>
<b>M 1.3.1</b> Development, renovation and regeneration of brownfield sites with industrial heritage
<b>M 1.3.2</b> Promotion of industrial heritage
<b>M 1.3.3</b> Industrial heritage mapping (especially small mills)
<b>SO 1.4 Encouraging the development of sustainable tourism</b>
<b>M 1.4.1</b> Diversification of the tourist offer based on the identity of the urban area with sustainable use of natural and cultural assets, their more effective and comprehensive protection and mitigation of the negative impacts of tourism
<b>M 1.4.2</b> Improving cooperation between cultural institutions in order to promote the tourist offer and cultural and historical heritage
<b>M 1.4.3</b> Promotion and presentation of touristic and cultural-historical heritage and cultural institutions of the city as a mechanism of economic development
<b>M 1.4.4</b> Diversification of the tourist offer based on the identity of the urban area with sustainable use of natural and cultural assets, their more effective and comprehensive protection and mitigation of the negative impacts of tourism
<b>SO 1.5 Encouraging an integrated and sustainable approach in remediation of illegal construction and its prevention</b>
<b>M 1.5.1</b> Rehabilitation and renovation of existing substandard or unorganised residential areas and units through their infrastructural equipment, construction of public facilities and improvement of the quality of public spaces
<b>SO 1.6 Strengthening and improving the management of urban-rural linkages</b>
<b>M 1.6.1</b> Development of public services, traffic and technical infrastructure, suburban public transport (bus and railway) and communal activities in rural areas
<b>M 1.6.2</b> Development of projects and programmes for monitoring ecosystem services that rural areas provide to urban settlements
<b>M 1.6.3</b> Valorisation of the hydro potential of lowland and small mountain rivers (Veternica, Jablanica, Južna Morava, and smaller mountain rivers are: Vučjanka, Nakrivanjska, Sejanička, etc.) in the function of strengthening urban-rural linkages
<b>M 1.6.4</b> Restoration of underutilised buildings (in different forms of ownership) in rural areas and their conversion

<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 of energy efficiency and reduction of greenhouse gas emissions</b>
<b>M 2.1.1</b> Establishing sustainable energy (using energy efficiency measures, using renewable energy sources and applying standards and innovative materials for environmental protection and reducing harmful effects on the climate)
<b>SO 2.2 Encouraging the use of renewable energy sources</b>
<b>M 2.2.1</b> Integration of the use of renewable energy sources (electrical and thermal)
<b>SO 2.3 Development of smart energy systems, networks and storage</b>
<b>M 2.3.1</b> Introducing a smart energy network, advanced energy storage and distribution systems, thermal energy (district heating), energy efficiency monitoring, development of smart cities, energy-efficient lighting, sustainable biomass production, etc.
<b>SO 2.4 Adaptation to climate change and disaster risk prevention, strengthening resilience to climate change, taking into account an ecosystem-based approach</b>
<b>M 2.4.1</b> Establishing new or improving systems for risk monitoring, increased preparedness, warning and response in case of natural disasters and hazards
<b>M 2.4.2</b> Enhanced protection measures against climate change-related natural disasters (except floods and forest fires)
<b>M 2.4.3</b> More effective protection against flooding by external waters (rivers)
<b>M 2.4.4</b> Newly constructed or reinforced and improved protection against landslides and landslides
<b>M 2.4.5</b> Built or improved green infrastructure to adapt to climate change
<b>SO 2.5 Ensuring equal access to sanitation and water supply and promoting sustainable water management</b>
<b>M 2.5.1</b> New or improved systems to improve the quality of drinking water supplied to consumers in the Gradište public water system from the water intake in Gradište managed by PUK Grdelica (out of scope)
<b>M 2.5.2</b> New or improved public distribution water systems
<b>M 2.5.3</b> New or improved public sewage collection systems
<b>M 2.5.4</b> New or improved capacities for wastewater treatment and sewage sludge treatment
<b>M 2.5.5</b> New or improved stormwater flood protection systems, including rainwater harvesting systems
<b>SO 2.6 Improvement of waste management</b>
<b>M 2.6.1</b> Rehabilitation and recultivation of around 100 locations of illegal landfills
<b>M 2.6.2</b> Encouraging and introducing waste separation
<b>M 2.6.3</b> Introduction of adequate management of household hazardous waste
<b>M 2.6.4</b> Introduction of adequate construction waste management
<b>M 2.6.5</b> Development and implementation of measures for the use of energy and materials from waste
<b>SO 2.7. Strengthening the protection and preservation of nature, biodiversity and green infrastructure and reducing all forms of pollution</b>
<b>M 2.7.1</b> Systemic protection of green (plants) and blue infrastructure (water)
<b>M 2.7.2</b> Identification of areas within the framework of preparation for NATURA 2000 networks covered by protection and restoration measures

<b>M 2.7.3</b> Reclaimed land for green areas, housing, economic or other purposes
<b>M 2.7.4</b> Improvement and expansion of the areas covered by the installation of the air quality monitoring system
<b>M 2.7.5</b> Clearly defining the areas covered by the protection against major chemical accidents and limiting the consequences of those accidents on human health and the environment through the control of industrial and Seveso plants/complexes
<b>SO 2.8 Encouraging sustainable multimodal urban mobility</b>
<b>M 2.8.1</b> Introducing environmentally friendly vehicles into the collective public transport system
<b>M 2.8.2</b> Provision of infrastructure intended for pedestrians (pedestrian paths) and bicycle traffic
<b>M 2.8.3</b> Introduction of infrastructure for alternative fuels
<b>M 2.8.4</b> Establishment of a new or modernised digitalized system of monitoring and management of city transport
<b>SO 2.9 Development of a smart, safe, sustainable and intermodal transport network of international and national importance that is resistant to climate change</b>
<b>M 2.9.1</b> Inclusion of population impact assessment in technical and planning documentation
<b>M 2.9.2</b> Harmonization of spatial and urban planning documents at the level of LSGs and ITIs with the development of a traffic network of international and national significance
<b>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 Corridor X and cross-border mobility</b>
<b>M 2.10.1</b> Improvement of the road network and road traffic
<b>M 2.10.2</b> Improvement of the road traffic management system
<b>M 2.10.3</b> Improvement of the railway network and railway traffic
<b>M 2.10.4</b> New and modernised intermodal connections

<b>O 3. Promoting innovative and smart economic transformation, circular and low-carbon economy and ICT integration</b>
<b>SO 3.1 Strengthening cooperation and initiation of research centres with the economy</b>
<b>M 3.1.1</b> Supporting companies and creating jobs, strengthening innovation capacities and applying advanced technologies in micro, small, medium and large companies
<b>M 3.1.2</b> Support to researchers and scientific research organisations participating in joint research projects that have applications in the economy and public sector
<b>M 3.1.3</b> Networking of SMEs, scientific research institutions and organisations in order to support business
<b>M 3.1.4</b> Encouraging interregional investment for innovation
<b>SO 3.2 Using the advantages of digitization for citizens, businesses, research institutions and public administration bodies</b>
<b>M 3.2.1</b> Improvement of citizens' digital knowledge and skills (including senior citizens over 65 years old), raising the capacity of employees in the public and private sector to use new technologies and improve the digital infrastructure in educational institutions
<b>M 3.2.2</b> Digitization of services and business in the public and private sector
<b>M 3.2.3</b> Support for the improvement of digital tools in order to make public services accessible to people with special needs



<b>M 3.2.4.</b> Improvement of information security of citizens, public administration and economy
<b>SO 3.3 Strengthening sustainable growth and competitiveness of SMEs and job creation</b>
<b>M 3.3.1</b> Improved operations and development of SMEs, improved business infrastructure, strengthening of innovation and stimulation of business association and creation of value chains
<b>SO 3.4. Development of competences for smart specialisation 4S, industrial transition and entrepreneurship, within the quadruple spiral of innovation (economy, science, public and civil sector - institutional participants)</b>
<b>M 3.4.1</b> Developing the capacity of institutions and institutions for the development of SMEs
<b>M 3.4.2</b> Developing the competences of SMEs and institutional participants oriented towards innovation and entrepreneurship
<b>M 3.4.3</b> In common participation of SMEs and institutional participants in competitive calls
<b>M 3.4.4</b> Connecting to a platform for the promotion of services, technologies and products in the areas of digital, innovative and creative activity
<b>SO 3.5 Strengthening digital connectivity</b>
<b>M 3.5.1</b> Provision of broadband access with high data transmission capacity
<b>SO 3.6 Encouraging and promoting the transition to a circular and resource-efficient economy</b>
<b>M 3.6.1</b> Education of business entities and encouragement of investments in circular economy solutions as growth generators (new capacity for waste recycling, investments in facilities for separate waste collection, waste processed for reuse, etc.)
<b>SO 3.7 Promoting the transition to a net-zero carbon economy</b>
<b>3.7.1</b> Encouraging investments in low-carbon economy solutions as generators of growth, more efficient use of material resources and energy efficiency

<b>O 4. Improvement of social wellbeing</b>
<b>SO 4.1 Improving the effectiveness and inclusiveness of the labour market and access to quality employment and dignified work through the development of social infrastructure and the promotion of social entrepreneurship</b>
<b>M 4.1.1</b> Development of new or modernization of existing educational profiles in schools-
<b>M 4.1.2</b> Creating opportunities and more favourable conditions for the employment of groups that are more difficult to employ (workers over 50 years old, workers with a lower level of education, women, people with special needs, etc.)
<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> Development of new or modernization of existing childcare, education, training and lifelong learning services (continuous lifelong education)
<b>M 4.2.2</b> Development of new retraining programmes and creation of new services for marginalised groups
<b>SO 4.3 Promoting the socio-economic inclusion of marginalised communities, low-income households and disadvantaged social groups, including persons with special needs, through integrated action covering 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 Promotion of integrated action for persons at risk of security</b>

<b>M 4.4.1</b> Development of new or modernization of existing facilities for temporary reception and intervention care of persons (homeless, victims of violence, migrants, etc.)
<b>SO 4.5 Ensuring equal access to health care and fostering resilience of health systems, including primary care</b>
<b>M 4.5.1</b> Development of new or modernization of existing health and social care services
<b>SO 4.6 Encouraging social inclusion and social innovation</b>
<b>M 4.6.1</b> Improved access and expansion of the network of social services and social innovations in the community
<b>SO 4.7 Ensuring equal access to cultural services, programmes and facilities</b>
<b>M 4.7.1</b> Development of new cultural content
<b>SO 4.8 Ensuring equal access to sports and recreation services, contents and facilities</b>
<b>M 4.8.1</b> Improving the quality of life through playing sports as an element of essential importance for the development of personality and a healthy lifestyle
<b>M 4.8.2</b> Construction of sports fields in urban and rural settlements
<b>SO 4.9 Creating a stimulating environment for youth initiatives and activities</b>
<b>M 4.9.1</b> Designing and organising the offer of programmes and content for the quality use of young people's free time
<b>M 4.9.2</b> Development of the "Youth Club" model
<b>M 4.9.3</b> Encouraging young people to volunteer in various fields

<b>O 5. Improving the urban/territorial development governance</b>
<b>SO 5.1 Encouraging multi level development governance - local, national, international, EU, etc.</b>
<b>M 5.1.1</b> Strengthening public dialogue, more effective implementation of networks, partnerships, programmes and projects of urban development management at multiple levels in order to improve the quality of work and introduce innovations
<b>M 5.1.2</b> Capacity building for development governance (development agency, urban planning company and/or urban planning department)
<b>M 5.1.3</b> Improvement of monitoring and evaluation of the implementation of the Strategy
<b>SO 5.2 Encouraging a multi-stakeholder approach - economy, science and education, public and civil sector</b>
<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>M 5.2.2</b> Improvement of horizontal coordination in all stages of the development and implementation of the Strategy
<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

**M 5.3.3** 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 and Standards of Open Administration

**SO 5.4 Encouraging mixing (*blending*) urban development financing from different types of funding (domestic and international)**

**M 5.4.1** Support for the use of various sources of funding for the priority areas of intervention of the urban area development strategy

**M 5.4.2** Application of EU Cohesion Policy instruments and others. - integrated territorial investments (*ITI – Integrated Territorial Investments*), sustainable urban development (*SUD – Sustainable Urban Development*), local development managed by LSGs (*CLLD – Community Led Local Development*)

**SO 5.5 Strengthening the transparency of decision-making at the level of the urban area**

**M 5.5.1** Development of regional information systems (GIS) for the needs of managing the development of the territory (monitoring and evaluation of the implementation of the urban area development strategy)

**M 5.5.2** Establishment of registers/records of public property and public goods, underutilised locations and facilities, mapping of illegal construction, traffic monitoring, water management infrastructure, risk management, etc. and their regular updating

## 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<sup>36</sup>. 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.<sup>37</sup> 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.

<sup>36</sup> It is interesting that large cities tend to collect opportunities and challenges that are closer to each other than to the environment. This is reflected in the similarities between internationally propagated urban policies and the dissemination of best practices through academic and political networks. In contrast, a series of natural, geographical, socio-cultural and economic circumstances, along with functional relationships and local administrative competences, depict urban areas with a low degree of urbanisation as a kaleidoscope of characteristic places and situations.

<sup>37</sup> Although these are necessary pillars of support, this operational framework does not provide consistent visions capable of facing contemporary challenges and countering the prevailing trends of underdevelopment that have affected Europe in recent decades. Moreover, the sectoral distribution of funds usually takes place through established subsidy mechanisms, which can encourage a reciprocal dynamic for the electoral support of current local elites.

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 subjects 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.

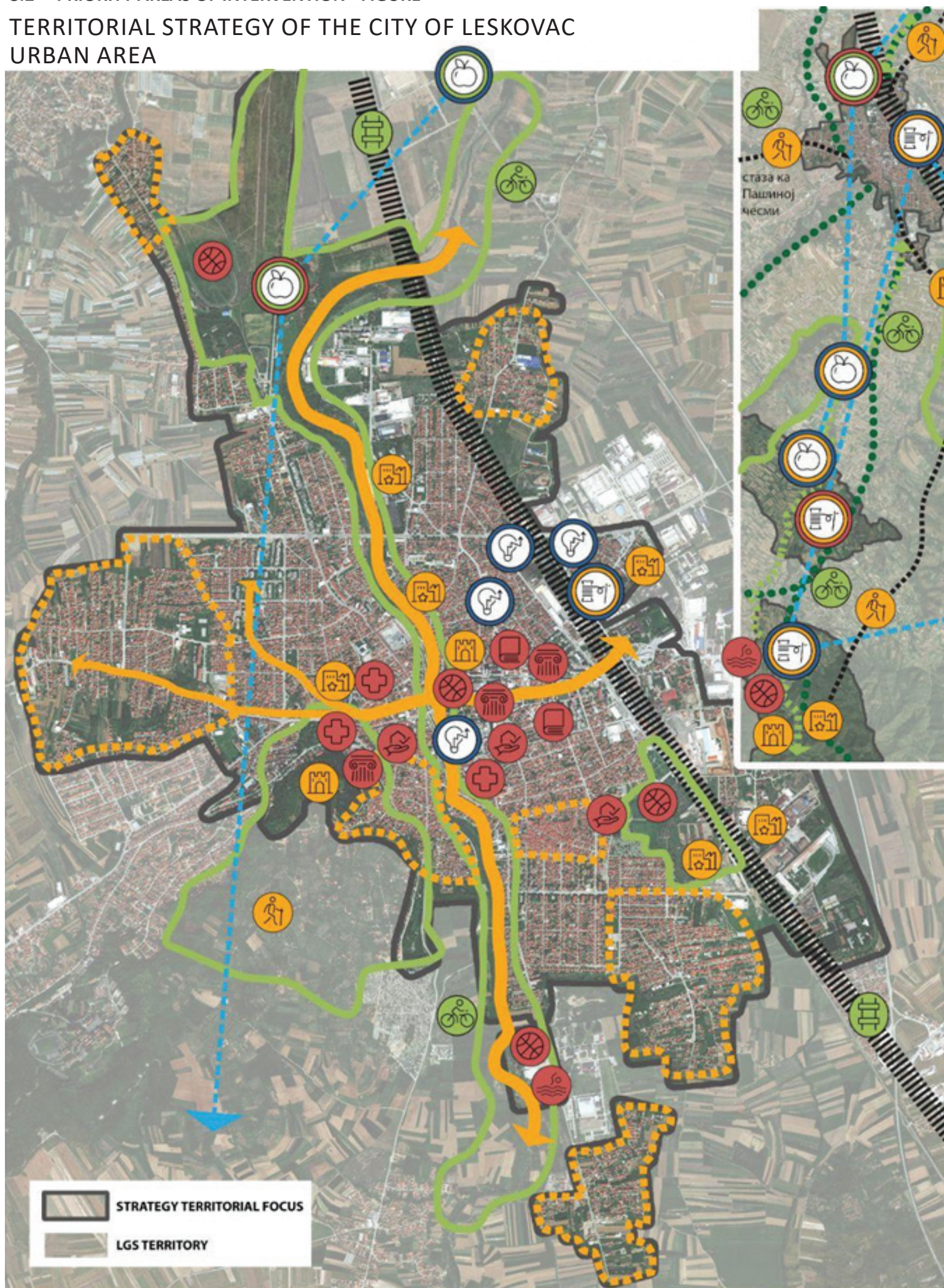
Based on the above approach, the following are graphical representations:

- 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 territorial strategy development.



## 8.2 PRIORITY AREAS OF INTERVENTION - FIGURE

### TERRITORIAL STRATEGY OF THE CITY OF LESKOVAC URBAN AREA







## PRIORITY AREAS OF INTERVENTION

### DEVELOPMENT GENERATORS



#### SMART SPECIALISATION CENTRE - FOOD FOR THE FUTURE-

Agricultural school, "Green zone", old mills on Veterica and Vučjanka rivers



#### INNOVATION CENTRE - Center for professional training and

Science club, Business incubator, Industrial and technological park, Faculty of Technology



#### SMART SPECIALISATION CENTRE -CREATIVE INDUSTRIES

Textile design school, Faculty of Technology, Museum of textiles in Strojkovce, Teokarović factory complex in Vučje, Academy of Vocational Studies

### PRIORITY AREAS



AXIS OF URBAN RENEWAL - Veterica river banks



TRANSFORMATION ZONE OF BROWNFIELDS AND UNUSED BUILDINGS

### PROTECTION AND DEVELOPMENT ZONES



GREEN INFRASTRUCTURE - Conservation zones of green areas and the Veterica river



GREEN CORRIDORS AND LINKS - riverbeds of Veterica and Vučjanka



URBAN RENEWAL ZONE OF CITY PARTS EXPOSED TO DEVASTATION PROCESSES - Rehabilitation and renewal of existing sub-standard and informal settlements through their infrastructural equipment, introduction of public buildings and improvement of the quality of public spaces

### DEVELOPMENT ROUTES AND HUBS



PEDESTRIAN ZONES AND ROUTES



CYCLING PATHS AND ROUTES



RAILROAD



MOTORWAY

### DEVELOPMENT NETWORKS



NATIONAL CULTURAL HERITAGE AND LANDMARKS - Support to further investigations of archeological sites (Hisar Fortress, Grdelica Fortress, Mala Kopašnica)



EDUCATIONAL INSTITUTIONS - Schools management institution, Preschool institution "Vukica Mitrović", Academy of Vocational Studies, Faculty of Technology



CULTURAL INSTITUTIONS - Theater, Cultural centre, National Museum, Textile Museum, Historical Archive, Library



SOCIAL SERVICES INSTITUTIONS - Social services centre, Geriatric centre, Centre for development and provision of service in the community



HEALTH SERVICES INSTITUTIONS - Hospital, Community health centre, Institute for public health



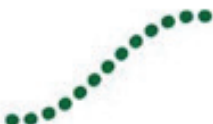
SPORT CENTRES



POOL/BEACH



SMART SPECIALISATION NETWORK



STRENGTHENING OF URBAN-RURAL CONNECTION - Valorization of hydro potential and small mountain rivers (Vučjanka, Nakrivanjaska, Kozaračka, Sezanička, Veterica, Jablanica, Južna Morava,...), Reconstruction of underutilized buildings in rural areas and their conversion

## 8.3 LIST OF STRATEGIC PROJECTS

### 8.3.1 Identity of the urban area

1. Development of the waterfront as an axis of identity development with the revitalization of the brownfield location "Kosta Stamenković" and other unrealized buildings
2. Reconstruction of the Teokarević villa in Vučje, Skobaljić town, arrangement of the pedestrian corridor to the bathing area and construction of a suspension bridge in the context of preserving the industrial heritage, developing the creative industry and improving the tourist potential
3. The repurposing of the Military Home into a public purpose building and the transformation of Svetozar Markovića Street into a pedestrian zone
4. Preservation and renovation of socialist heritage buildings - decorating the facades of multi-family buildings in the city centre and other residential and public buildings (Union House, Garnizonon, Eight-story building, etc.)
5. Rehabilitation of the Roma settlement "Podvrce" and other substandard and informal settlements
6. Affirmation of the settlement of Grdelica with the promotion of content with the potential for the development of tourism and rural tourism (locality of Kale)
7. Inclusion in *ERIH* network of European industrial cultural heritage
8. Reconstruction, lighting, marking of industrial chimneys
9. Formation of Centres for alternative art for young creators, within the framework of industrial heritage
10. The formation of a spatial cultural and historical entity (3 immovable cultural assets - civic houses) in the area between Ivan Milutinovića, Cara Dušana, Ratka Pavlovića and Radoja Domanovića streets

### 8.3.2 Green and energy transition and urban mobility

1. Green infrastructure - increasing the share of green areas and networking into a single system, creating a green cadastre
2. Development of a "Sustainable Urban Mobility Plan" with the development of a "Circulation Plan" and a "Parking Plan" - implementation of a traffic structure that will reduce pressure on the city centre, while at the same time introducing sustainable urban mobility (electric cars / motorbikes, public transport with energy with non-toxic fuel, organised cycling infrastructure, adapted to sensitive categories of the population)
3. Establishing the city's ecological public transport
4. Establishing a more efficient waste management system
5. Improvement of the storm sewerage system and introduction of innovative systems for stormwater management, reconstruction and extension of sewerage for waste water and wastewater monitoring
6. Construction of biopower plants (sludge processing, biowaste...)
7. Installation of solar panels along with the reconstruction of the roofs of residential buildings
8. Installation of filters on chimneys of heating plants and public buildings

9. Establishing a system for risk management through the monitoring of flood announcements, potential landslides, reserve groundwater sources for drinking water, pollution emissions and the impact on infrastructure and the environment of larger industrial plants in urban areas
10. Completion of the gasification process of the city of Leskovac with connection subsidies for the economy and the population

### **8.3.3 Innovative and smart economy**

1. Construction and equipping of the Leskovac Industrial - Technological Park
2. Development of circular agricultural production and processing and support to the economy and population in the area of circular economy and energy efficiency and transition to a low-carbon economy
3. Use of sewage sludge in agriculture, material and energy recovery
4. Establishment of a Centre for the collection of recyclable waste and a landfill for construction waste
5. Establishment and support of sustainable clusters in the field of wood industry, food producers, beverage (alcoholic) producers, furniture producers
6. Subsidising projects that promote the development of a circular and low-carbon economy
7. Profiling and activation of smart specialisation zones:
  - creative industries (film industry, textiles, circular economy centre)
  - food for the future (connecting the School of Agriculture in the context of healthy food production and rural tourism development, construction of distribution centres and development of the fruit and vegetable processing industry)

### **8.3.4 Social wellbeing**

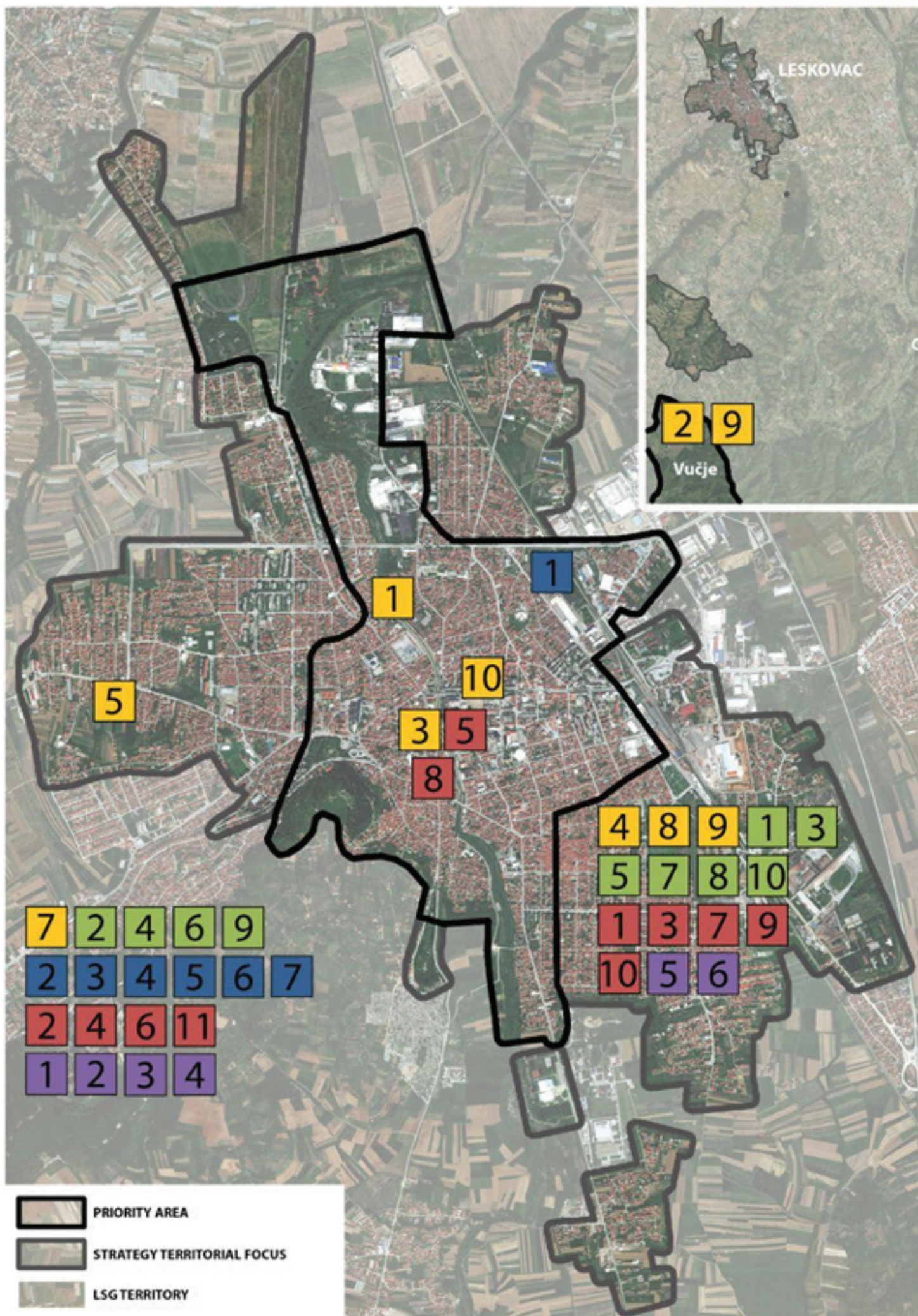
1. Construction of housing facilities with support and affordable housing
2. programmes for strengthening human resources, incentives for attracting highly skilled workforce
3. Formation of the Centre for the Development of Social Protection Services and Temporary Reception and Interventional Care of Persons
4. Strengthening social entrepreneurship in the community and creating conditions for its sustainability
5. Improvement of cultural content - reaffirmation of the Army House
6. Improvement and development of the network within the educational institution "Vukica Mitrović"
7. Construction of a kindergarten for children from vulnerable groups
8. Extension of the Gerontological Centre, shelter for the elderly
9. Raising the level of equipment of the healthcare system
10. Day care for children with developmental disabilities - Respite accommodation
11. Formation of the Centre for development and provision of services in the community



### **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. Creation of integrated projects and training on the application of various sources of financing
3. Training to encourage the application of a multi-stakeholder approach - economy, education, science, public and civil sector (Quadruple and Quintuple Helix Model of innovation) (e.g. Eco - engineers)
4. Improving transparency through the application of GIS - mapping of landfills, pollutants, risks of climate change, communal problems, cadastre of underground installations of greenery, relief, hospitals, schools for the purpose of predicting disasters and responding in emergency situations, mapping of heat islands, underutilised locations and facilities and Ph.D.
5. Promotion of industrial heritage - installation of an interactive panel on the architectural heritage of the city core
6. Creating a catalogue for investors and establishing a public-private dialogue and partnership for objects and locations of cultural, industrial and architectural heritage from the socialist period

#### **8.4 STRATEGIC PROJECTS - FIGURE**





# TERRITORIAL STRATEGY OF THE CITY OF LESKOVAC URBAN AREA

## STRATEGIC PROJECTS

### URBAN AREA IDENTITY

- 1 Rehabilitation of riverfront as an axis of identity development with the revitalisation of brownfield site „Kosta Stamenković“ and other underutilized buildings
- 2 Reconstruction of Teokarević villa in Vučje, Skobaljić fortress, rehabilitation of the pedestrian corridor to the beach and construction of the hanging bridge in context of preserving industrial heritage, development of creative industries and improvement of tourist potential
- 3 Conversion of the Army Cultural centre into a public building and transformation of the Svetozara Markovića street into a pedestrian area
- 4 Preservation and renewal of socialist heritage buildings – reconstruction of facades of housing buildings in the city centre and other residential and public buildings (Unions House, Garrison, Eight-stories building, etc.)
- 5 Rehabilitation of Roma settlement “Podvrce” and other sub-standard and informal settlements
- 6 Affirmation of Grdelica village with the promotion of activities with potential for development of tourism and rural tourism (archaeological site Kale)
- 7 Inclusion in ERIH network of European industrial heritage
- 8 Reconstruction, lighting, and signage for industrial chimneys
- 9 Establishment of centres for alternative art for young creators, within industrial heritage buildings
- 10 Establishment of cultural-historical district (3 heritage buildings – urban villas) in the blocks between Ivana Milutinovića, Cara Dušana, Rastka Pavlovića and Radoja Domanovića streets

### GREEN AND ENERGY TRANSITION AND URBAN MOBILITY

- 1 Green infrastructure – increase of green areas and connectivity into a unified system, establishment of Cadastre of green areas
- 2 Development of the Sustainable Urban Mobility Plan with the creation of the Circulation Plan and Parking Plan – implementation of traffic structure that will reduce the pressure to the city centre, with simultaneously introducing sustainable urban mobility (electric cars/motorcycles, public transport with energy non-toxic fuel, organized cycling infrastructure, adapted to vulnerable citizen categories)
- 3 Establishment of ecological urban public transport
- 4 Establishment of a more efficient waste management system
- 5 Improvement of the system of stormwater infrastructure and introduction of innovative systems for stormwater management, reconstruction and expansion of waste water sewage system and monitoring of waste waters
- 6 Construction of bio powerplants (sludge treatment, biowaste...)
- 7 Installation of solar panels along with the reconstruction of the roofs of housing buildings
- 8 Installation of filters on heating plants' chimneys and public buildings
- 9 Establishment of system for risk management through monitoring of flood alerts, potential landslides, spare underground water sources for potable water, pollution emissions and effects on infrastructure and environment of larger industrial facilities in the urban area
- 10 Finalisation of the process of gasification of the city of Leskovac with subsidizing of connections for commercial and domestic users

### INNOVATIVE AND SMART ECONOMY

- 1 Construction and equipment of the Industrial and Technology Park Leskovac
- 2 Development of circular agricultural production and processing and support for the industry and citizens in the field of circular economy and energy efficiency and the transition to low-emission economy
- 3 Usage of sewer sludge in agriculture, recuperation of material and energy
- 4 Establishment of Centre for collection of recyclable waste and construction waste landfill
- 5 Establishment and support of sustainable clusters in the fields of wood processing industry, food producers, (alcoholic) beverage producers, furniture manufacturers
- 6 Subsidizing projects that enhance the development of circular and low-emission economy
- 7 Profiling and activating smart specialisation zones:
  - Creative industries (film industry, textile, circular economy centre)
  - Food for the future (collaboration of Agricultural High School in the context of healthy food production and development of ru

### SOCIAL WELL-BEING

- 1 Construction of assisted living and affordable housing buildings
- 2 Programs for strengthening of human resources, subsidies for attraction of highly educated workforce
- 3 Establishment of the Centre for development of social services, and temporary shelter and emergency treatment for vulnerable persons
- 4 Strengthening of social entrepreneurship in the community and establishing conditions for its sustainability
- 5 Improvement of cultural facilities – conversion of the Army Cultural Centre
- 6 Improvement and development of the network of preschool institution “Vukica Mitrović”
- 7 Construction of kindergarten for children from vulnerable social groups
- 8 Construction of Geriatric centre, shelter for elderly persons
- 9 Improvement of the level of equipment of health care system – acquisition of mammograph and MRI
- 10 Daycare for children with developmental disability
- 11 Establishment of the Centre for development and provision of service in the community

### URBAN/TERRITORIAL DEVELOPMENT MANAGEMENT

- 1 Improving the capacity for managing integral territorial investments, including the formation of a project coordination unit
- 2 Creation of integral projects and training on the application of various sources of financing
- 3 Training to encourage the application of a multi-stakeholder approach - industry, education, science, public and civil sector (Quadruple and Quintuple Helix Model of innovation) (i.e. Eco-engineers)
- 4 Improvement of transparency with the application of GIS – mapping of landfills, pollutants, climate change risks, communal issues, cadastre of underground infrastructure, greenery, landscapes, hospitals, schools, with the purpose of catastrophe prediction and reaction in extraordinary circumstances, mapping of heat islands, underutilized locations and buildings, war memorials, etc.
- 5 Promotion of industrial heritage – installation of an interactive panel on the built heritage of the city centre
- 6 Creation of catalogue for investors and establishment of public-private dialogue and partnership for buildings and locations of cultural, industrial and built heritage from Socialist period

## 9 SOURCES OF FUNDING

Urban and territorial development requires significant financial resources for project implementation. Currently available financial 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 programmes 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 financing are: funding, agencies, commercial banks, projects, programmes 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: programmes and incentive funds of the ministries of the RS (Ministry of Finance<sup>38</sup>; Ministry of Economy<sup>39</sup>; Ministry of Agriculture, Forestry and Water Management<sup>40</sup>; Ministry of Environmental Protection<sup>41</sup>; Ministry of Construction, Transport and Infrastructure<sup>42</sup>; Ministry of Mining and Energy<sup>43</sup>; Ministry of Internal and Foreign Trade<sup>44</sup>; Ministry of Justice<sup>45</sup>; Ministry of State Administration and Local Self-Government<sup>46</sup>; Ministry for Human and Minority Rights and Social Dialogue<sup>47</sup>; Ministry for European Integration<sup>48</sup>; Ministry of Education<sup>49</sup>; Ministry of Health<sup>50</sup>; Ministry of Labour, Employment, Veterans and Social Affairs<sup>51</sup>; Ministry of Family Care and Demography<sup>52</sup>; Ministry of Sports<sup>53</sup>; Ministry of Culture<sup>54</sup>; Ministry of Rural Care<sup>55</sup>; Ministry of Science, Technological Development and Innovation<sup>56</sup>; Ministry of Tourism and Youth<sup>57</sup>; Ministry of Information and Telecommunications<sup>58</sup>; Ministry of Public Investments<sup>59</sup>;

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

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

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

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

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

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

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

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

46 <https://mduls.gov.rs/category/projekti-i-programmei/>

47 <https://www.minljmpdd.gov.rs/>

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

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

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

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

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

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

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

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

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

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

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

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



The cabinet of the minister without portfolio in charge of improving the development of underdeveloped municipalities<sup>60</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>61</sup>; Cabinet of the minister without portfolio in charge of balanced regional development<sup>62</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>63</sup>; Port Management Agency<sup>64</sup>) and funds (Development Fund of the Republic of Serbia<sup>65</sup>; Fund for innovation activity<sup>66</sup>; Science Fund of the Republic of Serbia<sup>67</sup>;

- The local budget, as well as loans from commercial banks (Erste Bank A.D.<sup>68</sup>; UniCredit bank<sup>69</sup>; Banca Intesa<sup>70</sup>; NLB Komercijalna banka<sup>71</sup>; Bank Poštanska štedionica<sup>72</sup>; ProCredit bank<sup>73</sup>) that operate on the territory of RS.

Foreign sources of funding are: EU funds and programmes, 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 mobilising funds from the following international funds and programmes:

- IPA - Instrument for pre-accession assistance<sup>74</sup> (2021-2027; 2014-2020; 2007-2013), programmes of European territorial cooperation in the Republic of Serbia 2021-2027<sup>75</sup>, Investment framework for the Western Balkans<sup>76</sup> (Western Balkans Investment Framework - WBIF), IPARD III<sup>77</sup>, a multi-user IPA<sup>78</sup>;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

75 [https://www.mei.gov.rs/upload/documents/publikacije/Brosure%20nove/22/programmei\\_evropske\\_teritorijalne\\_saradnje\\_u\\_RS\\_2021-2027.pdf](https://www.mei.gov.rs/upload/documents/publikacije/Brosure%20nove/22/programmei_evropske_teritorijalne_saradnje_u_RS_2021-2027.pdf)

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

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

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

- EU programmes<sup>79</sup> (Digital Europe<sup>80</sup>, HORIZON Europe, SME Competitiveness programme - COSME, Employment and Social Innovation programme, ERASMUS, Creative Europe, Europe for Citizens, European Health programme 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>81</sup> (New Cohesion Policy 2021-2027, MADAD, EU Solidarity Fund, Regional Housing programme) and the Green Agenda for the Western Balkans<sup>82</sup>;
- International financial instruments-banks<sup>83</sup> (Council of Europe Development Bank - CEB, European Investment Bank - EIB, European Bank for Reconstruction and Development - EBRD, World Bank - WB<sup>84</sup>, German Development Bank - KfW);
- Bilateral and multilateral cooperation, donor programmes (United Nations Team in Serbia<sup>85</sup>, German Agency for Technical Cooperation - GIZ<sup>86</sup>, French Development Agency<sup>87</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 programmes 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.

79 <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/programmei-unije/>

80 <https://digital-strategy.ec.europa.eu/en/activities/digital-programmeme>

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

82 <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/>

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

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

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

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

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

Table 2: Sources of financing (as of July 2023)

N A T I O N A L R E S O U R C E 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 N T E R N A T I O N A L S O U R C E 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 IPA 2014-2020 IPA 2007-2013) Programmes of European territorial cooperation in the Republic of Serbia 2021-2027 Investment framework for the Western Balkans IPARD III A multi-user IPA	Digital Europe HORIZON Europe SME competitiveness programme – COSME Programme for employment and social innovation ERASMUS Creative Europe Europe for citizens European Health Programme III FISCALIS 2020 CUSTOMS 2020 EU Civil Protection Mechanism An instrument for connecting Europe Rights, equality and citizenship European Instrument for Democracy and Human Rights	New cohesion policy 2021-2027 MADAD EU Solidarity Fund Regional housing programme 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 financing urban development at the local management level are:

- increasing available finances - by supporting them 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 characterised 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 (Strategy of sustainable urban development of the RS until 2030)	Funding sources used	
	National sources of funding	International sources of funding
<b>Commercial and commercial zones and brownfield sites</b>	Ministry of Economy IPA - competitiveness + RS Government PPP Banks Diaspora	European Investment Bank European Bank for Reconstruction and Development KfW Bank UN SDGs Switzerland, Japan GIZ EU PRO
<b>Uncontrolled elemental expansion of urban settlements and degradation of rural areas</b>	MGSI MDULSU Ministry of Public Investments	European Investment Bank UN SDGs
<b>Endangered urban structures, urban matrices and central urban areas</b>	Ministry of Culture MGSI PPP	Creative Europe European Investment Bank World Bank WB Green fund KfW UN SDGs GIZ/AMBERO EU PRO
<b>Parts of urban settlements with a problem improvement of social standard or solving social problems</b>	RS Housing programme for security forces Ministry of Public Investments	IPA European Bank for Reconstruction and Development Bank of the Council of Europe CEB Regional housing programme UN SDGs SWISS PRO UNOPS
<b>Settlements and parts of settlements exposed to problems environmental protection and climate change</b>	Ministry of Mining and Energy Ministry of Public Investments	IPA European Bank for Reconstruction and Development GIZ + KfW UN SDGs bilateral cooperation
<b>Settlements with IMC and architectural heritage, important rappers cultural and historical development of urban settlements, grouping of urban settlements</b>	Ministry of Culture Ministry of Tourism	World heritage foundation Creative Europe IPA cross-border cooperation Transnational cooperation INTERREG ADRION DANUBE UN SDGs 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 RCO 76 SOURRS
	- Integrated territorial development projects for which support has been received	Number of contracted projects	RCO 114 RCR 52 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	SPRKSS SDG11 SRKRS 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 visitor increase	RCR 77 SRTSR 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 links	- Integrated territorial development projects for ecosystem services that rural areas provide to urban settlements	Number of projects	RCO 76 SOURRS 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 RCR 29 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 SNURRS

SO 2.3 Development of smart energy systems, networks and storage	-Users connected to smart energy systems	Number of users	RCR 33 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 PPIKUAP 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 RCR 35 RCR 42 RCO 25 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 RCR 47 PUORS 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 RCO 37 RCO 38 RCO 39 RCR 50 RCR 95 PPIKUAP PPRSPZVRS
	- 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 modernized public transport - Annual number of users of new or modernized tram lines and (underground) railway lines - Annual number of users of infrastructure intended for cycling	Increasing the number of users	RCR 62 RCR 63 RCR 64 PPRS

SO 2.9 Development of a smart, safe, sustainable and multimodal 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 RCR 58 RCR 59 RCR 60 SNURRS 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 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	- 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 RCR (3)01 RCR 102 SNTRRS SERVIRS SIPRS 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 RCR 12 RCR 13 SRIDIB SNTRRS SERVIRS
	- 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 RCR 18 RCR 19 RCR 25 SPRMSPPK 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 specialization 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 - SME staff completing skills training for smart specialization, industrial transition and entrepreneurship (by skill type: technical, managerial, entrepreneurial, green, other)	Number of people	RCR 97 RCR 98 SPSRS SOURRS SNTRRS SERVIRS SIPRS SESSERS
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 RCR 54 SRIDIB 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 SNURRS PRCERS SIPRS 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 RCR 105 RCO 59 SNURRS 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/refueling points)	Number of points	
	- Afforestation	ha/m <sup>2</sup>	
Thematic objective 4			
SO 4.1 Improving the effectiveness and inclusiveness of the labor market and access to quality employment and dignified work and encouraging social entrepreneurship	- Area of new or modernized facilities for employment services	m <sup>2</sup>	RCO 61 RCR 65 SZRS
	- Annual number of users of new or modernized 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 modernized social protection facilities - The population covered by projects within the framework of integrated action for the socioeconomic inclusion of marginalized communities, low-income households and disadvantaged social groups	Number of users	RCR 74 RCO 113 SDRUSZZ



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	- Annual number of users of new or modernized social housing	Number of households	RCR 67 SOURRS SDRUSZZ
SO 4.4 Improving equal access to inclusive and quality education services	- Annual number of users of new or modernized childcare facilities - Annual number of users of new or modernized educational facilities	Number of users	RCR 70 RCR 71 SROVRS
SO 4.5 Ensuring equal access to health care and fostering health system resilience	- Annual number of users of new or modernized e-healthcare services - Annual number of users of new or modernized health care facilities	Number of users	RCR 72 RCR 73 SJZRS
SO 4.6 Ensuring equal access to cultural services, programmes and facilities	- Annual number of users of new or modernized 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 modernized sports and recreation facilities	Number of users	SMRS PPRS
SO 4.8 Creating a stimulating environment for youth initiatives and activities	- Annual number of beneficiaries of new or modernized youth initiatives and activities	Number of users	SMRS
<b>Thematic objective 5</b>			
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 RCO 76 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 SOURRS 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 RCO 80 ZRR 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 RCO 80 SOURRS
	- Implementation of public-private partnership	Number of PPP projects	
	- Strategies of integrated territorial development for which support has been received - 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 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; 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 Leskovac structures and institutions under pressure, even more so where coordination between multiple LSGs would be required. The City of Leskovac 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 Leskovac 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 Leskovac 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 Leskovac 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 Leskovac 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>88</sup>

After project closing, the City of Leskovac 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 /NGO 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 Leskovac 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

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<sup>88</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 DEVELOPMENT OF TERRITORIAL STRATEGY OF CITY OF LESKOVAC

У складу са чланом 38. став 3. Закона о планском систему („Службени гласник Републике Србије“, број 30/18), чланом 13. став 6, чланом 20, 32. и 66. став 3. Закона о локалној самоуправи („Службени гласник Републике Србије“, бр. 129/07, 83/14 - др.закон, 101/16 - др.закон, 47/18 и 111/21 - др.закон), Стратегијом одрживог урбаног развоја Републике Србије до 2030. године („Службени гласник Републике Србије“, број 47/19), члана 39. Статута града Лесковца („Службени гласник града Лесковца“, број 28/18) и Меморандумом о разумевању, закљученог између града Лесковца и Канцеларије Уједињених нација за пројектне услуге, дана 20.5.2022. године, којим се дефинише техничка подршка Програма Европске уније за локални развој ЕУ ПРО Плус у изради и спровођењу Стратегије развоја урбаног подручја града Лесковца, Скупштина града Лесковца на 19. седници одржаној 27. јуна 2022. године, донела је

#### **ОДЛУКУ О ПРИСТУПАЊУ ИЗРАДИ СТРАТЕГИЈЕ РАЗВОЈА УРБАНОГ ПОДРУЧЈА ГРАДА ЛЕСКОВЦА**

##### **Члан 1.**

Град Лесковац приступа изради Стратегије развоја урбаног подручја града Лесковца.

##### **Члан 2.**

Под Стратегијом развоја урбаног подручја града Лесковца (у даљем тексту: Стратегија), у смислу ове Одлуке, подразумева се плански документ развоја, а у складу са правилима Европске Уније<sup>1</sup>.

##### **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 Лесковца, кроз сагледавање Европских, националних и локалних развојних докумената и докумената јавних политика, и програма и пројекта који се реализују у Лесковцу.

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;

<sup>1</sup> Члан 11. Уредбе (ЕУ) 2021/1058 Европског парламента и већа од 24. јуна 2021. о Европском фонду за регионални развој и Кохезионом фонду.



- 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, део активности спроводиће Савет за развој града Лесковца (у даљем тексту: Савет) и образоваће се Радна група за израду Стратегије (у даљем тексту: Радна група).

#### Члан 7.

Савет, у складу са својим надлежностима, 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.

#### 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.

Јавно предузеће Урбанизам и изградња Лесковац, којој су поверени послови израде урбанистичких планова, пружа стручну подршку, а Одељење за друштвене делатности и локални развој пружа административно-техничку помоћ Радној групи током израде Стратегије, кроз обезбеђење простора за рад, прикупљање и достављање свих званичних релевантних података и др.

#### 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 програм ЕУ ПРО Плус. За реализацију ове Одлуке задужена је организациона јединица градске управе надлежна за послове локалног економског развоја.

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 гласнику града Лесковца“.

Број: 06-3/22-I

У Лесковцу, 27. јуна 2022. године

**СКУПШТИНА ГРАДА ЛЕСКОВЦА**

ПРЕДСЕДНИК

Александар Буровић



**ANNEX 2 - LIST OF PROJECT IDEAS**

<b>O 1. IDENTITY OF THE URBAN AREA</b>	
1.	Arrangement of the banks of the Veternica River, as an axis of identity development, as a public space around which brownfield sites will be revitalised
2.	Landscaping of public areas within protected immovable cultural assets (IMCs) to highlight heritage values and improve public space
3.	Inclusion in <i>ERIH</i> network of European industrial cultural heritage
4.	Formation of an ambient unit (3 immovable cultural assets - civic houses) in the area between Ivan Milutinovića, Cara Dušan, Ratko Pavlovića and Radoj Domanovića streets
5.	Promotion of content in Grdelica, Kale locality, with the potential development of rural tourism
6.	Mapping of underutilised facilities and locations
7.	Reconstruction of the local community building and construction of a wedding hall in Vucje
8.	Promotion and reconstruction of Skobaljić town
9.	Remediation of the space and implementation of emergency interventions to secure critical parts of the complex of the Skobaljić grad site, implementation of conservation and restoration works on the investigated structures, systematic archaeological research in the interior of the fortifications
10.	Construction of a suspension bridge over the Vučjanca river to the church
11.	Reconstruction, lighting, marking of industrial chimneys, as a symbol of future development
12.	Formation of the Center for alternative art for young creators, within the framework of industrial heritage
13.	Setting up an info panel about the missing architectural heritage of the city core
14.	Conversion of the Army House into a town hall, concert hall
15.	Renovation of the facades of multi-family buildings in the centre and other residential areas
16.	Reconstruction of Teokarević's villa
17.	Regulation, reconstruction of the Vucjanka river quay
18.	Formation of a promenade along Veternica
19.	Promotion of tourist offer and cultural and historical heritage - construction of missing tourist infrastructure (formation of Drčevac rest area on the Jašunjski monasteries tourist trail, etc.)
20.	Arrangement of parks and playgrounds for children
21.	Cabling of 35kV and 110kV transmission lines through the urban area
<b>O2. GREEN AND ENERGY TRANSITION AND MOBILITY</b>	
22.	Formation of pedestrian corridors
23.	Creation of a bicycle corridor along Veternica and its connection with other bicycle paths
24.	Construction of a bicycle path from Leskovac to Vučje
25.	Setting up a trek track on Hisar and on Rudarska cuka
26.	Improvement of public transport in an ecological sense
27.	Reconstruction of city roads
28.	Creation of a new traffic study

29.	Connecting the railway and bus station with a pedestrian corridor
30.	Establishment of complementary public transport and traffic using the rent a bike system and electric scooters
31.	Arrangement of public transport tailored to sensitive and vulnerable categories and persons with disabilities
32.	Pilot project of ecological school transport of district schools
33.	Improving the energy efficiency of existing buildings and facilities
34.	Subsidising the poorest citizens with the aim of using cleaner heating materials
35.	Introduction of natural gas in city heating plants
36.	Construction of a new biomass power plant/heating plant
37.	Accelerating the installation of solar panels on buildings
38.	Installation of solar panels along with the reconstruction of the roofs of residential buildings
39.	Monitoring of the Kozaracka River in Grdelica, for timely announcement of floods
40.	Monitoring of potential landslides in the area of the Hisar hill and improvement of protection against landslides - previous works, investigative works, selection of solutions, design, implementation of adopted solutions
41.	Arrangement and revitalization of the bed and banks of the river Veternica in the urban area
42.	Increasing the proportion of green areas in the urban area
43.	Developing a system of connected green areas
44.	Sustainable use of groundwater in agriculture
45.	Monitoring of underground water sources for drinking water in Leskovac
46.	Reducing water losses and increasing the efficiency of the water supply system in Leskovac
47.	Reconstruction and extension of sewerage for waste water and waste water monitoring
48.	Improvement of rainwater drainage system and introduction of innovative rainwater management systems
49.	Improving the monitoring of waste streams
50.	Remediation of the existing waste dumps "Slavko Zlatanović" and "Hisar"
51.	Establishing a centre for the collection of recyclable waste
52.	Installation of bins for waste separation
53.	Installation of underground containers and containers for the collection of recycled waste
54.	Establishing a system for the collection and adequate management of hazardous waste from households
55.	Educational campaigns on household waste recycling
56.	Monitoring of pollution emissions and the impact on infrastructure and the environment of larger industrial plants in urban areas
57.	Installation of filters for chimneys of heating plants, public buildings and private houses
58.	Relocation of the boiler room from the basement of the buildings
59.	A project to build the missing infrastructure - water, sewerage to every resident

60.	Expansion of the water supply network connected to the Barje water system with the connection of Grdelica and other unconnected settlements
61.	Expansion of the gas pipeline network on the territory of the city with the connection of Vučje, Grdelica and other settlements
62.	Construction of biopower plants (sludge processing, biowaste...)
63.	Construction of green energy facilities for public facilities - educational, sports, health facilities, public administration facilities, cultural institutions
<b>O 3. INNOVATIVE AND SMART ECONOMY</b>	
64.	Connecting the activities of the Faculty of Technology and the Textile School in the context of the creative industry of textile design with the Teokarović complex in Vučje (Museum of Industry)
65.	Connecting the Agricultural School in the context of healthy food production and rural tourism development, through encouraging the arrangement of watercourses along mountain rivers and watermills on them
66.	Use of sewage sludge in agriculture, material and energy recovery
67.	Creation of subsidies through a mechanism to support SMEs in the transition to a low-carbon economy
68.	Furnishing of industrial zones
69.	Education of the economic sector for the preparation of projects related to the low-carbon and circular economy
70.	Education of the population to use the energy efficiency programme (continuous process and promotion)
71.	Establishment and support of sustainable clusters in the field of wood industry, food producers, alcoholic beverage producers, furniture producers
72.	Construction of the Industrial Technology Park at the location of the laboratory of the Faculty of Technology
73.	Formation of the Film Center (TIG Grdelica, Vučje)
74.	programmes for strengthening human resources, incentives for attracting highly skilled workforce
<b>O 4. SOCIAL WELLBEING</b>	
75.	Formation of the Center for development and provision of services in the community
76.	Construction of a health clinic in the settlement of Slavko Zlatanovića
77.	Construction of a kindergarten for children from vulnerable groups
78.	Increasing the number of groups in nursery groups and kindergartens
79.	Construction of a gym next to "Svetozar Marković" Elementary School
80.	Revision of the housing strategy
81.	Construction of housing facilities with support
82.	Accelerating the establishment of social entrepreneurship
83.	Formation of a Regional day care center for adults and the elderly
84.	Construction of the Gerontology Center, shelter for the elderly



85.	Establishing a shelter for the homeless
86.	Establishing a day care center for children with developmental disabilities - Predah accommodation
87.	Designing a cultural manifestation, specific for the urban area
88.	Construction of facilities for entertainment and leisure (arena for roller skating, karting tracks, artificial rock for sport climbing)
89.	Formation of a sports centre in Vucje and arrangement of the swimming pool
90.	Construction of parks and playgrounds for dogs
91.	Formation of boarding houses for dogs and cats
92.	Sterilisation of street dogs and cats
93.	Establishment of shelters for cats
<b>O 5. URBAN/TERRITORIAL DEVELOPMENT GOVERNANCE</b>	
94.	Creation of a guide application through Leskovac, connected to <i>google</i> services
95.	Mapping the locations of local landfills
96.	Establishing a register of local pollutant sources
97.	Remediation of wild landfills
98.	Development of GIS for the cadastre of underground installations, hospitals, schools and other public facilities, for the purpose of predicting disasters and responding in emergency situations
99.	Mapping greenery, heat islands - Green infrastructure
100.	Mapping of underutilised locations and facilities (facilities that are dilapidated or neglected, facilities that are not used as former social enterprises, etc.)
101.	Involvement of higher education and scientific institutions for solving and analysis - Eco engineers for the project of cooperation between higher education and scientific institutions with the economy and the city (innovations in the domain of new solutions for new conditions)
102.	Formation of the base of international projects
103.	Improvement of environmental monitoring
104.	Involvement of citizens in the decision-making process for projects of interest to the local community
105.	Improving citizens' information for inclusion in the decision-making process - media, social networks
106.	Preparation of the Sustainable Mobility Study

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

Ivana Momić, Marija Jovanović Žišić, Slađana Kocić, Sonja Stojanović, Sonja Jankovska Stanković, Vladica Stojanović, Aleksandar Đorđević, Zoran Stevanović, Žarko Albijanić, Dragan Ranđelović, Ivana Ranđelović, Ljiljana Mihajlović, Marija Stanković, Suzana Grebenarević, Snezana Ristic, Boban Stefanović, Novica Stojanović, Maja Milošević Milojić, Ana Stojiljković, Ina Stojanović, Vanja Kuzmanović, Ninoslav Stamanković, Staniša Ristic, Miodrag Stojilković, Marko Trivunić, Tamara Veljković, Anka Ivanović Conić, Suzana Ranđelović, Mirjana Dimitrijević, Marija Rakić, Valentina Aksentijević Mitrović, Jelena Pavlović . Stefanović, Marija Rajković, Milan Ničić, Vladimir Branković, Milan Đorđević, Aleksandra Pavlović, Andrija Antić, Jasmina Nedeljković, Saša Bukumirović, Aleksandar Mladenović, Jelena Miljković, Brankica Stamenković, Sanja Milošević, Aleksandar Pejčić, Milan Popović, Aleksandra Miljković, Goran Petković, Zoran Nikolić, Stanko Ranđelović, Žaklina Miljković, Anđelija Gudeljević, Ivana Savić Gajić, Boban Mitrović, Boban Ilić, Dejan Stojanović, Milica Ivković, Petar Đurović, Stefan Mitanović, Milena Danić, Nikola Zdravković, Aleksandar Ostojić, Milan Dimitrijević, Zoran Stojiljković, Ljiljana Đorđević, Olivera Ivanović, Ivana Cvetković.

## **ANNEX 4 - NATIONAL AND INTERNATIONAL SOURCES OF FINANCING URBAN AND TERRITORIAL DEVELOPMENT**

July 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>89</sup>**

### **1.1.1 MINISTRY OF FINANCE<sup>90</sup>**

**From the RS budget, the Ministry finances the following program 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>91</sup>**

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

- Financial support program - use of standards to more competitive products. The program 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 organization, 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 program 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. Program 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;

<sup>89</sup> <https://www.srbija.gov.rs/link/2497>

<sup>90</sup> <https://www.mfin.gov.rs/>

<sup>91</sup> <https://privreda.gov.rs/>

- Support program 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, improving and improving their business and internationalization, as well as creating new jobs. The program is a combination of grants from the budget (25%), loans from commercial banks and leasing companies (70%) and the client's own funds (5%);
- Program 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 program 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 program 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 program for industrial economic entities for the procurement of first generation technological equipment;
- Infrastructure development support program 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 Program - 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>92</sup>

**From the RS budget, the Ministry finances the following program 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 Organizations, 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 programs related to the preparation and implementation of local strategies for rural development (LSRR).
- Incentives include support for programs, 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>92</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 program, 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.
- Program 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 program 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>93</sup>

**From the RS budget, the Ministry finances the following program 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>93</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 programs of protected natural assets of national interest - co-financing of management programs 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 organizations, 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>94</sup>**

- From the RS budget, the Ministry finances the following program 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.
- Program 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.
- Program of integrated solid waste management in Serbia - improvement of municipal infrastructure for efficient management of municipal solid waste in selected cities.

<sup>94</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>95</sup>**

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

- Public call for the allocation of funds for the financing of the Program 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>95</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>96</sup>**

**From the RS budget, the Ministry finances the following program 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 programs of consumer associations and out-of-court settlement of consumer disputes - financing or co-financing of programs 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>97</sup>**

**From the RS budget, the Ministry finances the following program 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, organizations, public institutions, entrepreneurs, associations, funds, humanitarian organizations, 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>98</sup>**

**From the RS budget, the Ministry finances the following program 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 organizational models, building and strengthening the capacities of LGUs, development and improvement of inter-municipal cooperation through the Fund for Inter-Municipal Cooperation.

<sup>96</sup> <https://must.gov.rs/>

<sup>97</sup> <https://www.mpravde.gov.rs/>

<sup>98</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 Program 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 program budgeting in accordance with the methodology for program budgeting through the creation of instructional documents for the preparation of the program budget, the organization 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 organizations - competition for the allocation of funds from the Budget Fund for National Minorities for programs and projects from a specific priority area of funding.

**1.1.10 MINISTRY OF HUMAN AND MINORITY RIGHTS AND SOCIAL DIALOGUE<sup>99</sup>**

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

- The rights of national minorities to self-governance - strengthening of civil society organizations and business companies by announcing tenders for financing programs and projects of organizations 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 organizations in order to improve mutual cooperation.
- Public competition for financing programs of associations that contribute to greater involvement of civil society organizations in the creation of gender-responsive policies.
- Competition for civil society organizations, 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.
- Programs and projects by which Roma men and women are informed and educated on the topic of access to rights and preservation of identity.
- Training programs 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 program 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 programs to encourage the development and learning of children, as well as the development of parenting skills in the community.

<sup>99</sup> <https://www.minljmpdd.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 programs - IPA program funds. Providing financial support to associations and other civil society organizations for the implementation of projects previously approved by the European Union.

#### **1.1.11 MINISTRY OF EUROPEAN INTEGRATION<sup>100101</sup>**

**From the RS budget, the Ministry finances the following program 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) Program Bulgaria-Serbia 2021-2027.

#### **1.1.12 MINISTRY OF EDUCATION<sup>102</sup>**

**From the RS budget, the Ministry finances and co-finances the following program 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 program 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 programs 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 program, funds of the European Investment Bank;

<sup>100</sup> <https://www.mei.gov.rs/>

<sup>101</sup> <https://www.mei.gov.rs/srp/pozivi/165/detaljnije/w/0/raspisan-prvi-poziv-za-projektne-ideje-iz-teritorijalne-strategije/>

<sup>102</sup> <https://prosveta.gov.rs/>

- 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;
- 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 organizations, the innovative economy, as well as the Fund for Science and the Fund for Innovation Activities.

The SAIGE project provides support to the competitive programs 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 programs, the Special Program for Research on COVID-19 and IDEA.

Through the Program 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 program 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 programs 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 program.

Through this program 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 program 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 organizations 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. Program 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 Program of institutional financing of institutes of national importance for the Republic of Serbia.**

The programs 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 programs including the rights and obligations of researchers at accredited faculties regarding the establishment and duration of the employment relationship.

The aim of these programs 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>103</sup>**

From the RS budget, the Ministry finances the following program 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.
- 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 organization 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,
- Programs 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 program 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 program 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 program 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
- Program "Interreg" IPA Romania - Serbia 2021-2027.

<sup>103</sup> <https://www.zdravlje.gov.rs/>

**1.1.14 MINISTRY OF LABOR, EMPLOYMENT, VETERANS AND SOCIAL AFFAIRS<sup>104</sup>**

- From the RS budget, the Ministry finances the following program 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.
- 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 program 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 programs implemented by citizens' associations registered on the territory of the Republic of Serbia.
- Public competition for submitting program proposals to the Program 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 programs 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 programs, interests and activities

<sup>104</sup> <https://www.minrzs.gov.rs/sr>

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 program 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 Program.

#### **1.1.15 MINISTRY OF FAMILY CARE AND DEMOGRAPHY<sup>105</sup>**

**From the RS budget, the Ministry finances the following program 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 programs and activities of public interest in the field of family and child protection.
- Public call for submission of program 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 organizations for projects of family law protection, citizens, support for families and children.
- Public competition for submitting program 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 organizations for projects of family law protection of citizens, coordination and policy implementation in the field of demography.
- Public call for submission of program 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

<sup>105</sup> <https://minbpd.gov.rs/>

organizations for projects of family law protection of citizens, coordination and implementation of population policy.

- Public call for submission of program 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 organizations for projects of family law protection of citizens, support for associations in the field of family protection.

#### **1.1.16 MINISTRY OF SPORTS<sup>106</sup>**

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

- Special programs in the field of sports - financing the activities of organizations 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 program 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 program 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>107</sup>**

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

- Support for improving the capacity of the cultural sector at the local level - Co-financing of the Cities in Focus program 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.

<sup>106</sup> <https://www.mos.gov.rs/>

<sup>107</sup> <https://www.kultura.gov.rs/>

- 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.
- 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 programs 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 program 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 programs 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 programs 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 programs 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>108</sup>**

**From the RS budget, the Ministry finances the following program 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 organization of events in the villages of the Republic of Serbia - a public competition for the implementation of the grant award program 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

<sup>108</sup> <https://www.mbs.gov.rs/>



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 organization of the event called “Miholjski susreti village”.

#### **1.1.19 MINISTRY OF SCIENCE, TECHNOLOGICAL DEVELOPMENT AND INNOVATION<sup>109</sup>**

**From the RS budget, the Ministry finances the following program 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 and the construction of innovative organizations for infrastructural support of innovation activities.
- Support for the digitization program 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 programs
- IPA 2019 - Competitiveness and Innovation

#### **1.1.20 MINISTRY OF TOURISM AND YOUTH<sup>110</sup>**

- From the RS budget, the Ministry finances the following program 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

<sup>109</sup> <https://nitra.gov.rs/>

<sup>110</sup> <https://www.mto.gov.rs/>

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.

- Programs and projects supporting young people in education, upbringing, safety, health and participation - funding or co-financing of programs 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.
- Programs 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.
- 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>111</sup>**

**From the RS budget, the Ministry finances the following program 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 organizations 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.

<sup>111</sup> <https://mit.gov.rs/>

- 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>112</sup>**

**From the RS budget, the Ministry finances the following program 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.
- 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>113</sup>**

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

- Public call for submission of project proposals to the Program 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 Program 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.

<sup>112</sup> <https://www.obnova.gov.rs/>

<sup>113</sup> <https://rnro.gov.rs/javni-konkursi/>

#### **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>114</sup>**

From the RS budget, the Cabinet of Ministers without portfolio finances the following program 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 organization of schools, camps (programs 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.

#### **1.1.25 CABINET OF THE MINISTER WITHOUT A PORTFOLIO IN CHARGE OF EVEN REGIONAL DEVELOPMENT<sup>115</sup>**

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

- Public call for applications for projects for the Regional Growth Promotion Program 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>116</sup>**

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

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

<sup>114</sup> <https://www.mbpdiijaspora.gov.rs/>

<sup>115</sup> <https://rrrz.gov.rs/extfile/sr/472/%D0%88avni%20poziv.pdf>

<sup>116</sup> <https://www.carina.rs/>

### 1.2.2 ADMINISTRATION FOR FREE ZONES<sup>117</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>118</sup>

**From the RS budget, the Directorate finances the following program 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 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 Program 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, Piroć, Leskovac, Paraćin, Knjaževac, Vrbas and Kikinda.

<sup>117</sup> <https://www.usz.gov.rs/>

<sup>118</sup> <https://rdvode.gov.rs/>

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

- Environment and climate - funds of the IPA Program, 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>119</sup>**

**From the RS budget, the Administration finances the following program 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 program 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 Program 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.

**1.2.5 ADMINISTRATION FOR AGRARIAN PAYMENTS<sup>120</sup>**

**From the RS budget, the Administration finances the following program 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 programs, in

<sup>119</sup> <https://upravazasume.gov.rs/>

<sup>120</sup> <https://uap.gov.rs/>



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>121</sup>**

**From the RS budget, the Administration finances the following program 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 programs, projects and study research works of importance for LGUs and the Republic of Serbia.

### **1.2.7 NATIONAL ACADEMY FOR PUBLIC ADMINISTRATION<sup>122</sup>**

**From the RS budget, the Academy finances the following program activities and projects:**

- Professional training in public administration - preparation, implementation and development of general professional training programs and training programs for managers and employees.
- Strengthening the professional capacities of civil servants in their positions.

### **1.2.8 DEVELOPMENT AGENCY OF SERBIA<sup>123</sup>**

- Public call for participation in the competitiveness development support program - financing of projects to increase the level of use of standards in production and business organization, product certification, management systems and increase the use of other services in the field of quality infrastructure.
- Public call for participation in the Program 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.

<sup>121</sup> <https://upz.minpolj.gov.rs/sadrzaj/>

<sup>122</sup> <https://www.napa.gov.rs/>

<sup>123</sup> <https://ras.gov.rs/>

- 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>124</sup>

From the RS budget, the Academy finances the following program activities and projects:

- Public call within the cross-border and transnational cooperation program “Transnational Danube Program” (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>125</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.

### 1.3.2 FUND FOR INNOVATION ACTIVITY<sup>126</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 program in the 4S areas** - The “Innovation Vouchers” program 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 program in the areas of 4S** - aims to advance industrial research by encouraging private sector enterprises and public sector (majority state-owned) scientific research organizations to carry out joint research and development projects with the idea of creating new or improving existing commercially

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

<sup>125</sup> <https://fondzarazvoj.gov.rs/cir>

<sup>126</sup> <http://www.inovacionifond.rs/cir/>

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 organization, and may have a maximum of five members. Through this program, 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.

- **Program for financing development and innovation projects of companies in the areas of 4S** - the innovation co-financing program 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 program 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 subprogram intended for startups in the 4S area** - the program will consist of two components: one for the early stage (idea) and the other for companies 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 programs 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, program for researchers from scientific research organizations** - this measure is intended to support innovations from the earliest stages of development, created in scientific research organizations. This program provides financial and mentoring support to determine the emergence of a new product, process or technology with commercial potential. Thanks to this program, 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 Program** - 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>127</sup>

The primary goal of establishing the Science Fund of the Republic of Serbia, as a special organization, 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 organizations in the realization of scientific projects within the program announced by the Science Fund of the Republic of Serbia. Program activities of the Science Fund of the Republic of Serbia are implemented through the following published programs:

- **Program 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 program to support the development of projects in the field of artificial intelligence is designed to encourage 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 program 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 program** 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

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

research work, the strengthening of the professional capacities of researchers and the creation of new project teams.

All programs 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>128</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).

## **1.4 BANKS**

### **1.4.1 Erste Bank A.D.<sup>129</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 programs for small and medium-sized enterprises to open and maintain sustainable businesses.

### **1.4.2 UniCredit bank<sup>130</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.

<sup>128</sup> <https://www.cpn.edu.rs/>

<sup>129</sup> <https://www.erstebank.rs/sr/Pravna-lica>

<sup>130</sup> <https://www.unicreditbank.rs/rs/pi.html>

- The COSME program 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>131</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>132</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>133</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.
- Roma entrepreneurship promotion program, 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>134</sup>**

- Credits for energy efficiency.
- Business loans for solar panels.
- Grants for new machines.

<sup>131</sup> <https://www.bancaintesa.rs/>

<sup>132</sup> <https://www.nlbkb.rs/>

<sup>133</sup> <https://www.posted.co.rs/>

<sup>134</sup> <https://www.procreditbank.rs/>



## 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 strategic framework and the IPA III program framework, the readiness of projects / programs 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 program 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>135</sup>.

<sup>135</sup><https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ipa-instrument-za-pretpristupnu-pomoc/instrument-za-pretpristupnu-pomoc-2021-2027/>

### 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 PROGRAMS IN THE REPUBLIC OF SERBIA 2021-2027.

Territorial cooperation programs<sup>136</sup> or Interreg programs 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 program is a seven-year operational program or cooperation program that consists of an analysis of the territory covered by the program, the challenges faced by 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 program.

In the financial period 2021-2027. year, Serbia participates in ten programs 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 program, the Program for the Danube Region and the URBACT Program. Also, there is a possibility that additional territorial cooperation programs will be approved for Serbia during this financial perspective.

The following text shows the programs that are available to cities and municipalities of the EU PRO plus program (all except the Hungary-Serbia cross-border cooperation program).

[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>136</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)

**2.1.1.4.1 ROMANIA - SERBIA CROSS-BORDER COOPERATION PROGRAM**Support area<sup>137</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.

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 PROGRAM**Support area<sup>138</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.

<sup>137</sup> <https://www.romania-serbia.net/><sup>138</sup> <http://www.ipacbc-bgrs.eu/>

## 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 PROGRAM CROATIA - SERBIA

Support area<sup>139</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 program 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.

#### Priority 3: Coworking for a healthier and more inclusive program 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.

<sup>139</sup> [www.croatia-serbia.com](http://www.croatia-serbia.com)

## 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 PROGRAM SERBIA - BOSNIA AND HERZEGOVINA*Support area<sup>140</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 PROGRAM*Support area<sup>141</sup>

Priority 1: Encouraging employment, labor mobility and social and cultural inclusion in the program area

The specific objective within this thematic priority is:

- Improve the quality of public health and social services to include marginalized groups in the program area.

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

<sup>140</sup> <http://srb-bih.org/>

<sup>141</sup> [www.cbcsrb-mne.org](http://www.cbcsrb-mne.org)

*2.1.1.4.6 SERBIA - NORTH MACEDONIA CROSS-BORDER COOPERATION PROGRAM*

Support area<sup>142</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 PROGRAM*

Support area<sup>143</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
- 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.

<sup>142</sup> <https://eu.rs-mk.org/>

<sup>143</sup> [www.adrioninterreg.eu](http://www.adrioninterreg.eu)



## 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 program	160,810,017.65 euros

*2.1.1.4.8 TRANSNATIONAL PROGRAMS FOR THE DANUBE REGION*Support area<sup>144</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

## 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.

144 [www.interreg-danube.eu](http://www.interreg-danube.eu)

## 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 program	268,809,822.00 euros

*2.1.1.4.9 URBACT PROGRAM*

URBACT<sup>145</sup> is one of the programs of interregional cooperation. The goal of the program 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

*2.1.1.5 WESTERN BALKANS INVESTMENT FRAMEWORK (WBIF)*

Investment framework for the Western Balkans<sup>146</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

<sup>145</sup> <https://urbact.eu/>

<sup>146</sup> <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/>

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 Program for Energy Efficiency for the Western Balkans	2 investment grants in the amount of 28,765,972 euros

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 Program (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 Program IPARD III<sup>147</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 Program for the period 2021-2027. The governing body of IPARD submitted the final version of the IPARD III program 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 program. In relation to the IPARD II program 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 program, 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>148</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 Program Framework for 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 programs;
- support to regional structures and organizations i
- horizontal support to the common priorities of the beneficiaries from the region.

<sup>147</sup> <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ipa-instrument-za-pretpristupnu-pomoc/ipard-iii/>

<sup>148</sup> <https://www.mei.gov.rs/src/fondovi/fondovi-evropske-unije/ipa-instrument-za-pretpristupnu-pomoc/visekorisnicka-ipa/>

#### 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>149</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 programs 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 program documents for the implementation of KP, i
- 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 program for local development - EU PRO Plus<sup>150</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 program works on improved management of territorial development, economic growth and improved social infrastructure and social cohesion.

For this three-year program, 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 program is led by MEI, a implemented by the United Nations Office for Project Services (UNOPS).

The direct beneficiaries of the EU PRO Plus program are MEI, 99 local governments, local government structures, regional development agencies, other business support organizations, micro, small and medium enterprises (MSMEs) and civil society organizations (CSOs). The end users of the program 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 programs EU PROGRES, European PROGRES and EU PRO.

149 <https://www.mei.gov.rs/srp/fondovi/projekti-ministarstva-za-evropske-integracije/razvoj-sistema-za-upravljanje-kohezivnom-politikom-ipa-2015/>

150 <https://www.euproplus.org.rs/onama/o-programu>

### 2.1.2 PROGRAMS OF THE UNION

Union programs<sup>151</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 programs 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 programs on November 22, 2004. Participation in Union programs 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, organizations, offices - are responsible for the participation of the RS in Union programs, which have a mandate for this. The coordination of participation in each individual program 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 programs, 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 programs. In the previous period, the Republic of Serbia participated in thirteen programs of the Union, and from June 30, 2023. can also participate in the Digital Europe program:

#### 2.1.2.1 DIGITAL EUROPE

Digital Europe Program (DIGITAL)<sup>152</sup> is a new program 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 program for the period until 2027.<sup>153</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 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 program is estimated at 7.5 billion euros.

#### 2.1.2.2 HORIZON EUROPE

Horizon 2020 is the EU's largest integrated program for research and innovation, bringing together all programs previously funded by the Competitiveness and Innovation Framework Program (CIP), the Seventh Framework Program for Research and Innovation (FP7) and the European Institute

<sup>151</sup> <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/programi-unije/>

<sup>152</sup> <https://digital-strategy.ec.europa.eu/en/activities/digital-programme>

<sup>153</sup> <https://www.srbija.gov.rs/vest/716373/potpisan-sporazum-o-ucescu-srbije-u-programu-digitalna-evropa.php>



for Innovation and Technology (EIT ). By bringing together innovation and research, the program seeks to make progress in three priority areas: Excellence in Science, Industry Leadership and Societal Challenges. The program 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 PROGRAM – COSME*

The program for the competitiveness of small and medium-sized enterprises is a program for the promotion of the competitiveness of small and medium-sized enterprises. The goals of the program 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 program include project writing trainings, activities that enable access to new markets, as well as the promotion of as many transnational partnerships as possible. The program also supports educational exchange between entrepreneurs (*Erasmus* for young entrepreneurs). As part of this program, 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 PROGRAM FOR EMPLOYMENT AND SOCIAL INNOVATIONS*

The program 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 program 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 program that provides funding for cooperation projects in three areas: education, youth and sports. In the broadest sense, the Erasmus program 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 program 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 organizations 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, organizations and institutions dealing with youth and non-governmental

organizations have been on exchanges in Erasmus member countries. It is responsible for the implementation and promotion of the Erasmus program in the RS Tempus Foundation.

#### *2.1.2.6 CREATIVE EUROPE*

Creative Europe is an EU program to support the culture and media sectors. The program consists of two sub-programs: Culture - for the promotion of the cultural sector and the Media program - for the support of the audiovisual sector.

Through the Culture sub-programme, the cooperation of cultural and creative organizations 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 programs for cultural and artistic works are also being established. The sub-program Culture includes four competitions: European cooperation projects, European platforms, European networks and Literary translation projects.

The Media Program 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 program aims to promote European identity and European citizenship. It is intended for citizens' associations, civil society organizations and local self-government units. The general objectives of the program 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 program 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 PROGRAM III*

The program is the main instrument used by the EC to implement the EU health strategy. The main goals of the program are to improve the health system and reduce inequality in providing/receiving health care. The program 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 program that deals with the exchange of information and experiences between the tax authorities of European countries. The goal of the program is to, in partnership with other European countries, develop a trans-European information system and build a network between users of national authorities. The program 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 program 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 program 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 programs are the successors of the previous programs, but changes, new programs, new rules for implementation, monitoring and reporting, as well as new criteria for participating in the programs 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 program 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>154</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>155</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

<sup>154</sup> <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/koheziona-politika/>

<sup>155</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 program 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 programs 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).

decisions (see 2.1.8). In addition, the “EU Program for Local Development - EU PRO Plus” is implemented, which 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>156</sup>.

#### 2.1.3.1 NEW COHESION POLICY 2021-2027 (ERDF, ESF, CF)

New cohesion policy of the EU<sup>157</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 program 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

<sup>156</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>157</sup> [https://ec.europa.eu/regional\\_policy/2021-2027\\_en](https://ec.europa.eu/regional_policy/2021-2027_en)

invested in priority projects that the cities themselves define based on the local strategy of sustainable urban development.

#### 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 programs 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 programs 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 program 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>158</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 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 Organization for Migration (IOM).

### 2.1.3.3 *EU SOLIDARITY FUND - FSEU*

The EU established the Solidarity Fund<sup>159</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>160</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>161</sup>.

158 <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ostali-fondovi/>

159 <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ostali-fondovi/>

160 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).

161 [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)

#### 2.1.3.4 REGIONAL HOUSING PROGRAM

Regional housing program<sup>162</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 program 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 program. These countries were the most affected by the war conflicts of the 1990s and therefore have a significant refugee population. In the RS, the Program 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 program, the implementation mechanism, the obligations of the participants in the program and the amount of funds that will be engaged. The Program is managed by the Development Bank of the Council of Europe, which administers a multi-donor fund formed for the purpose of implementing the Program. 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 program is under the jurisdiction of the Commissariat for Refugees and Migration of the RS. Through the Program, 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 Program 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>163</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>164</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

<sup>162</sup> <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ostali-fondovi/>

<sup>163</sup> [www.regionalhousingprogramme.com](http://www.regionalhousingprogramme.com); [www.kirs.gov.rs](http://www.kirs.gov.rs)

<sup>164</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/>

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 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 programs 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>165</sup>**

Council of Europe Development Bank<sup>166</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 Program 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>167</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

<sup>165</sup> <https://www.mei.gov.rs/srp/fondovi/bilateralni-i-multilateralni-partneri/po-medjunarodnim-organizacijama/>

<sup>166</sup> [www.coebank.org](http://www.coebank.org)

<sup>167</sup> <http://www.eib.org/>

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 programs worth more than 25 million euros, while 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 programs 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>168</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.

<sup>168</sup> <http://www.ebrd.com/home>

- 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.

#### 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>169</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.

Program Green, living and resilient cities in Serbia<sup>170</sup>

In June 2021, the World Bank launched the Green, Living and Resilient Cities Program in Serbia, together with the Ministry of Construction, Transport and Infrastructure, to strengthen sustainable and resilient urban development<sup>171</sup>. This activity is part of the World Bank's Global Umbrella Program for Sustainable and Regional Development (SURGE) and is supported by the Swiss Confederation through the State Secretariat for Economic Affairs (SECO). The four-year

169 [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)

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

171 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 program for the next phase of urban development in Serbia. This program 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).



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 programs, 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 program aims to respond to existing gaps at the national level and to support selected cities to improve their capacities:

- 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>172</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>173</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.

<sup>172</sup> <https://nemackasaradnja.rs/kfw/>

<sup>173</sup> <https://rcf-wb6.org/sta-mi-radimo/?lang=me>

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 programs or the expansion and improvement of existing programs. 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:

- 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 program
- 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 PROGRAMS**

### **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>174</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 programs, 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;

<sup>174</sup> <https://serbia.un.org/sr/about/about-the-un>

- 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;
- 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>175</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 programs and projects<sup>176</sup> from the following areas:

- sustainable improvement of the economy and employment;
- good governance;
- environment.

<sup>175</sup> <https://nemackasaradnja.rs/giz/>

<sup>176</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)

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.

### 2.3.3 FRENCH DEVELOPMENT AGENCY AFD

French Development Agency<sup>177</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>178</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,

<sup>177</sup> <https://rs.ambafrance.org/AFD-4148>

<sup>178</sup> <https://www.mgsi.gov.rs/cir/projekti/razvoj-lokalne-infrastrukture-i-institucionalnog-jachanja-lokalnih-samouprava-republike>

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
- 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” program. 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 PROGRAMS

##### 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>179</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 program 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>180</sup> it is defined within a broader regional concept - the Danish Neighborhood Program for Eastern Europe. Since 2017, with the completion of two large programs financed by Danish bilateral grant aid in

<sup>179</sup> <https://www.jica.go.jp/balkan/english/office/index.html>

<sup>180</sup> <http://serbien.um.dk/en/danish-cooperation/danish-cooperation-with-serbia/>

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.

#### 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 Program, the Embassy’s Fund for Small Projects, as well as direct grants to civil society organizations<sup>181</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>182</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 programs - MATRA and the Human Rights Fund, which aim to help civil society organizations and the justice and internal affairs sectors, the Embassy of the Netherlands spent a total of 831,116 EUR. As part of the ORIO program, the project Collection and treatment of waste water in Leskovac is being implemented in the Republic of Serbia. The total budget of the ORIO program 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>183</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 programs 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

<sup>181</sup> <https://www.norway.no/en/serbia>

<sup>182</sup> <https://www.netherlandsworldwide.nl/countries/serbia>

<sup>183</sup> <http://www.swedenabroad.com/sr-Latn-RS/Embassies/Belgrad/>



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 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 Economic and Technical Cooperation between the Government of the RS and the Government of the People's Republic of China, which is signed annually.<sup>184</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>185</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 organizations. The Austrian Development Agency (ADA) as the implementing agency of the Republic of Austria applies European standards in the implementation of various EU programs/projects:

- Implementation of the EU program 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.

<sup>184</sup> <http://rs.chineseembassy.org/srp/>

<sup>185</sup> <http://www.entwicklung.at/en/>

- 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.

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 Program, 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 Program Loan for Public Policies “Urban Environments Resilient to Climate Change”. An integral part of the Program 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 program 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>186</sup>. The target sector of this aid program 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 Program (ITEC) is implemented by the Ministry of Foreign Affairs of the Government of India as a bilateral aid program of that country to friendly countries. This program 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>187</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 program (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 program 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 programs are implemented:

<sup>186</sup> <http://www.mfa.gr/serbia/sr/the-embassy/>

<sup>187</sup> [www.itecgoi.in](http://www.itecgoi.in)

- KOICA Fellowship programs - KOICA partner programs - The primary goal of this program is additional education for technical skills and knowledge, as well as capacity building for sustainable socio-economic development;
- Master's studies (KOICA Scholarship Program - 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

### Republic of Poland

Polish development cooperation in Serbia<sup>188</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 organizations and persons from the private sector. Partners in projects are usually local non-governmental organizations, 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 programs. These programs were brought under a unified framework when the Singapore Cooperation Program (SCP) was established in 1992. The cooperation program is a series of courses, programs, 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 programs can be civil servants - managers of narrower internal units in public administration institutions as well as civil servants in position, unless otherwise indicated.

<sup>188</sup> [www.belgrad.msz.gov.pl](http://www.belgrad.msz.gov.pl)

## Republic of Slovenia

Technical assistance activities<sup>189</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 organizational structures through the transfer of the experience of Slovenian institutions and organizations. 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.

## 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>190</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 program 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

<sup>189</sup> [www.belgrade.embassy.si](http://www.belgrade.embassy.si)

<sup>190</sup> <http://www.tika.gov.tr/en>

Agency<sup>191</sup> (GIZ). In the past period, German development aid funds in the RS were directed to the implementation of projects and programs 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 programs. Regional financial cooperation is 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 programs: 1) Open regional fund for Southeastern Europe; 2) Regional program 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>192</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>193</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*).

<sup>191</sup> <http://www.belgrad.diplo.de/> and [www.nemackasaradnja.rs](http://www.nemackasaradnja.rs)

<sup>192</sup> <https://www.usaid.gov/serbia/democracy-human-rights-and-governance>

<sup>193</sup> <https://www.usaid.gov/serbia/economic-growth-and-trade>



## Slovak Republic

Cooperation between the Slovak Republic and RS<sup>194</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).

## United Kingdom

Within the development cooperation between the RS and the United Kingdom<sup>195</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 program 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 organizations, 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

<sup>194</sup> <http://www.mzv.sk/belehrad>

<sup>195</sup> <https://www.gov.uk/world/organisations/british-embassy-belgrade.sr>

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 organizations 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 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.

Organization HELVETAS Swiss Intercooperation<sup>196</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>197</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

<sup>196</sup> <https://www.helvetas.org/en/eastern-europe/what-we-do/where-we-work/partner-countries/serbia>

<sup>197</sup> <https://n1info.rs/biznis/istrazivanje-gradjani-nedovoljno-ukljuceni-u-odluke-o-trosenju-novca-na-lokalu/>

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.

**ANNEX 5 - DECISION ON ADOPTION OF THE TERRITORIAL STRATEGY  
OF THE CITY OF LESKOVAC URBAN AREA**35/2024-01  
22.4.2024.

На основу чланова 12, 49. и 50. Закона о планском систему („Службени гласник РС“, број 30/18), чланова 20. и 32. Закона о локалној самоуправи („Службени гласник РС“, број 129/07, 83/14, 101/16 и др.закон, 47/18 и 111/21-др.закон), Стратегија одрживог урганог развоја Републике Србије до 2030. године („Службени гласник Републике Србије“, број 47/19, Меморандума о разумевању број 401-12/2022-IV од 20.05.2022. године и члана 39. Статута Града Лесковца („Службени гласник града Лесковца“, број 28/18), Скупштина Града Лесковца на 2. седници одржаној 11, 15, 16. и 17. априла 2024. године, дана 15. априла 2024. године, донела је

**ОДЛУКУ  
О УСВАЈАЊУ СТРАТЕГИЈЕ РАЗВОЈА УРБАНОГ ПОДРУЧЈА  
ГРАДА ЛЕСКОВЦА****Члан 1.**

Усваја се Стратегија развоја урбаног подручја града Лесковца за период 2024. – 2034. године.

**Члан 2.**

Саставни део ове Одлуке је Стратегија развоја урбаног подручја града Лесковца за период 2024. – 2034. године.

**Члан 3.**

Ова Одлука ступа на снагу осмог дана од дана објављивања у „Службеном гласнику града Лесковца“.

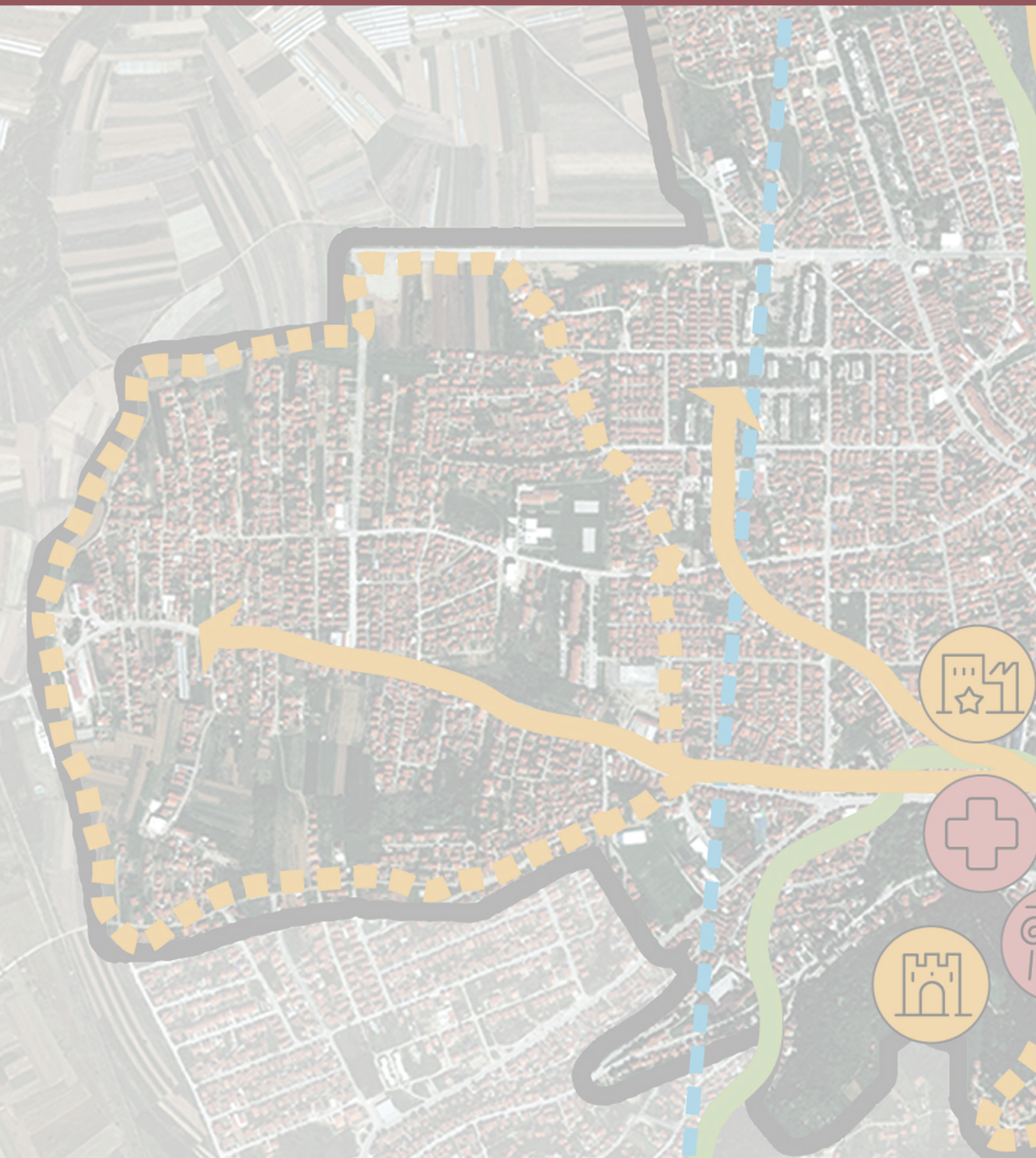
Број: 060-13/24-I  
У Лесковцу, 15. априла 2024. године

**СКУПШТИНА ГРАДА ЛЕСКОВЦА**

ПРЕДСЕДНИК  
Александар Ђуровић







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