

TERRITORIAL STRATEGY OF THE CITY OF KRUŠEVAC URBAN AREA



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Ministry of European Integration
REPUBLIC OF SERBIA

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THE EUROPEAN UNION FOR
LOCAL DEVELOPMENT

INTRODUCTORY SPEECH BY THE MAYOR OF THE CITY OF KRUŠEVAC

The territorial strategy of the city of Kruševac urban area is the result of the dedicated work of a multi-sector working body - the Development Council of the City of Kruševac Urban Area and the Working Group for the Development of the Territorial Strategy of the city of Kruševac Urban Area, all relevant institutions and civil society organisations that, although not part of the working group, made a significant contribution to the development of the strategy, as well as team of consultants who in a very professional and consistent manner guided the process of creating the document through the identification of innovative urban development solutions.



The Territorial Strategy of the City of Kruševac Urban Area is an important instrument for the planning, preparation and implementation of complex urban development management tasks, with the aim of improving the quality of life through accessibility to public spaces, improvement of social infrastructure and quality of the environment, improvement of communication and public participation, which are integrated into developmental goals and project ideas.

The process of drafting the Territorial Strategy of the City of Kruševac Urban Area included the wider local community through a survey available to all citizens to give their views on current topics and challenges of urban development. Our youngest fellow citizens also took part in the process in a creative way through an art competition My city in the future, and gave their vision of the city in the coming period. The workshops for the development of the Territorial Strategy of the City of Kruševac Urban Area were attended by a large number of participants who made a significant contribution to the development of the document.

In the coming period, all relevant actors, institutions and organisations of civil society will work on the process of implementing the Territorial strategy of the City of Kruševac Urban Area in an effort to jointly plan the future of the City of Kruševac through networking and partnerships and continuously improve the quality of life in the local community.

The Mayor of Kruševac

Ivan Manojlović

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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 strengthening the management of urban and territorial development, supporting economic growth and improving 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 (LSG), 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 competences 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 LSGs were selected through the Public Call for submission of applications for the development of territorial strategies.¹ 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 (survey,

¹ Urban areas of Bor, Kruševac, Leskovac, Loznica, Novi Pazar, Smederevo, Šabac; The urban area of the city of Kragujevac and the municipalities of Aranđelovac, 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 Svrljig; 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), v) 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 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 countryside, cultural and architectural heritage, natural heritage, sustainable tourism and strengthening of urban-rural connections;
- 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 development of the Territorial Strategy of the Urban Area 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 funding of urban development 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 Agenda 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), 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 management and application of various management 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 blending urban development funding 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 program. Integration has two main dimensions: territorial and thematic integration. The territorial dimension of integration, although it is important for all types of urban areas, is especially relevant for those who prepared strategies of integrated territorial investments (ITI), that is urban areas that cover more than one LSG.

The thematic aspect of the integrated approach is a key characteristic of territorial strategies, which implies an integrated approach among different sectoral policies. Strategies can cover a wide range of policies, from different types of infrastructure, to business support, social measures or environmental investments. The instruments tested in the EU PRO Plus programme apply a multisectoral approach that goes beyond traditional sectoral policies, 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 “a description of an integrated approach to address the identified development needs and potential of the area”². 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 System³. Namely, integration is a key dimension of Cohesion Policy in a broader sense, which implies not only integration between different governance levels (vertical) and different spatial levels and areas (territorial), but, most importantly, coordination between different policy areas (horizontal).

The intersectoral approach aims to overcome “silo structures”, i.e. the traditional division of functions according to sectors or policy areas, which is typically present in public administration. There are both horizontal and vertical dimensions of the intersectoral approach: horizontal refers to the relationship between departments in the same administration (e.g. in LSGs), and vertical refers to the relationship between departments in different administrations, state administration departments or other service providers. According to the Handbook of Sustainable Urban Development Strategies of the Joint Research Centre of the European

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

³ 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>

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, harmonizing priorities and time frames; and 2) cooperation between different departments at all levels, in order to jointly create policies⁴.

Just as in EU Cohesion Policy, the strategies developed in the context of EU PRO Plus programme are multi-sectoral, organized 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.⁵

2.2 DESCRIPTION OF INVOLVEMENT OF PARTNERS

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

Partners in territorial strategy

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

- **Authorities:** Local and national authorities are decisive 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 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.

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

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

- Academic and research institutions: Universities and research organisations contribute to intellectual capital by conducting studies, analyzing 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 best world 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 emphasizes 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 realization 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, analyzing 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 program have the opportunity to develop and implement high-quality territorial strategies that will lead to a sustainable and inclusive transformation of urban areas.

2.3 APPROACH TO STRATEGY DEVELOPMENT

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

The strategy starts from the topics contained in international and national policies of integrated and sustainable urban and territorial development, which are adapted to the local context of urban and territorial development in the Republic of Serbia. This was achieved by applying a participatory approach through public dialogue and inter and transdisciplinary cooperation of a wide range of actors from different sectors, professional fields and levels of administration. The applied participatory procedure is characterized 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 program periods of the European Union's Cohesion Policy), which is based on management instruments and oriented towards efficient and effective implementation;
- enable an open and flexible approach to urban and territorial development management topics in the local context, taking into account the administrative, legal, institutional framework, capacities, etc.;
- enable inter- and transdisciplinary discussion on cross-cutting urban development topics in order to overcome the limitations of the sectoral approach;
- ensure the participation of interested actors in solving key problems and challenges, identifying areas of intervention and prioritising urban development projects, as well as to enable the optimal combination of resources.

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

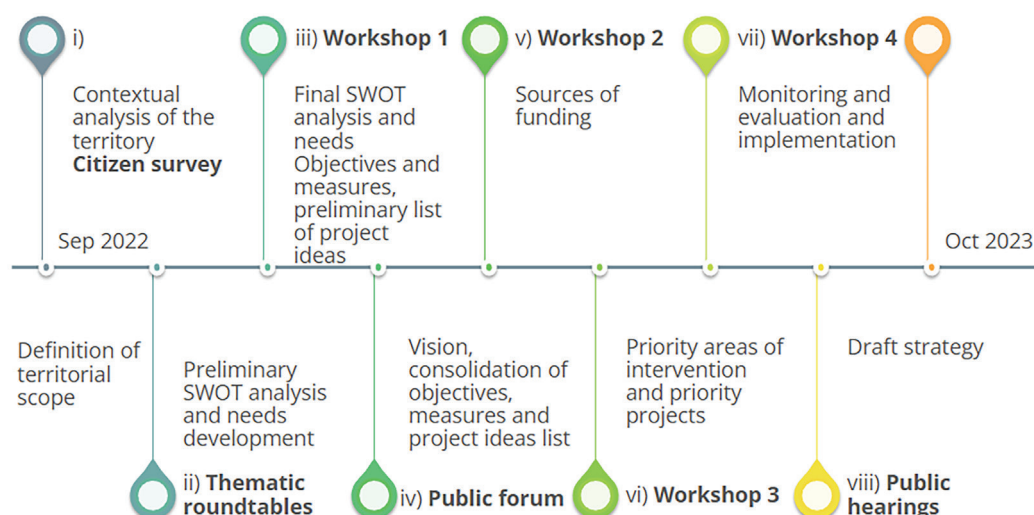
The organisation of the Strategy development process implies the coordination of cooperation between different sectors and levels of administration, facilitated communication with the participants of the planning process, the establishment of networks of administration and actors in the covered urban 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 planning i 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 joining the development of the Strategy, the Decision on the formation of the Council for the Development of the Urban Area and the Decision on the formation of the Working Group for the development of the strategy. The task was to assess needs, formulate vision, goals and measures, and to map areas of intervention and strategic projects within an intersectoral, transparent and participatory environment with actors from different sectors.

The steps in the process of creating the Strategy were as follows (Graphic representation 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, goals and measures;
- 4) Sources of funding;
- 5) Priority areas of intervention and strategic projects;
- 6) Monitoring, evaluation, implementation of strategies and governance mechanisms.



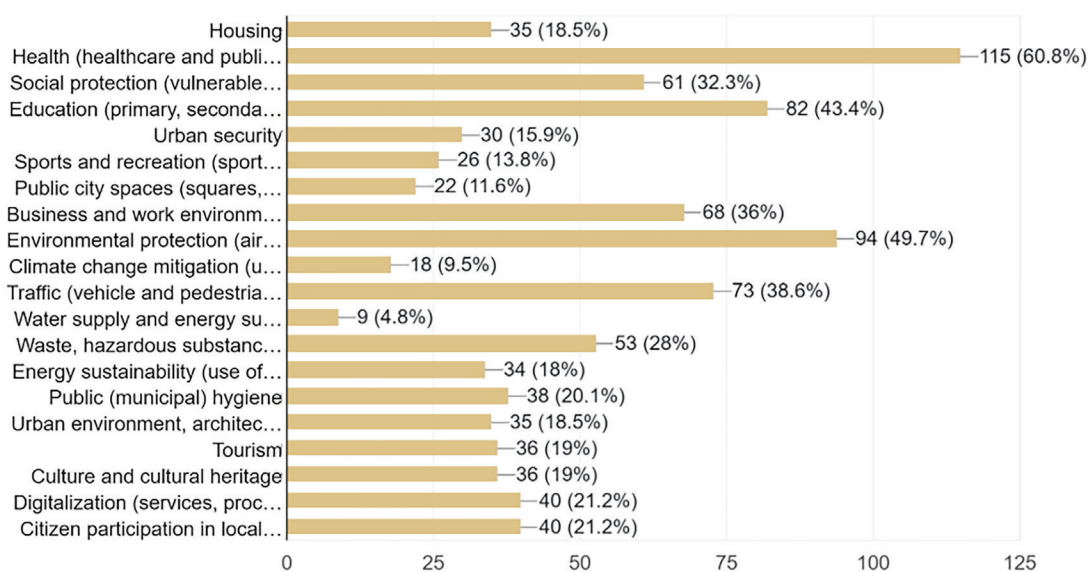
Graphic representation 1 Steps in the strategy development process

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, labor market, business environment, tourism and culture); c) Urban environment (quality of urban structures and public spaces, quality of urban environment, exposure to environmental risks and climate risks, primary infrastructure, infrastructure for mobility and internet connectivity, urban transport, urban development governance). The analysis of the situation was followed by an online survey of citizens, the results of which were separately presented at the thematic round tables (Appendix 1).

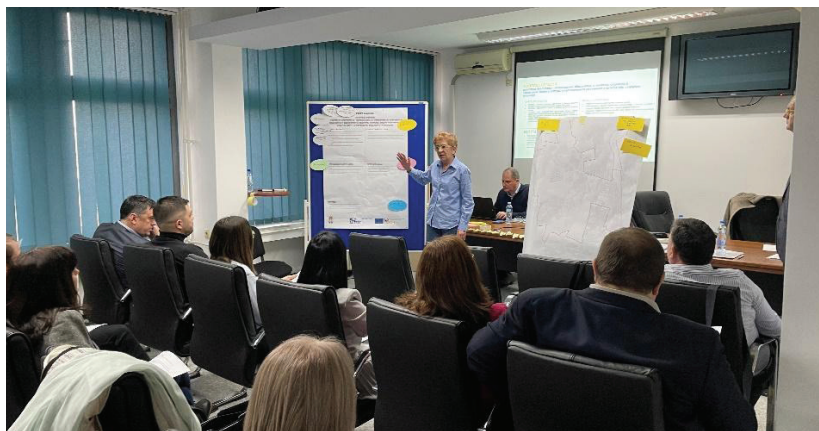
Appendix 1: Citizen survey results

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

189 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 welfare - 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 links 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, where the mapping technique was used.



Picture 1: *Thematic round tables, preliminary SWOT and contextual analysis, Regional Chamber of Commerce, Kruševac, 9 and 10 March 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 2, 3 and 4: *Workshop with members of the Development Council and Working Group - proposal of goals and measures, Regional Chamber of Commerce, Kruševac, 19 April 2023.*

The summarized 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 commemorative books.



Pictures 5 and 6: Forum of citizens: 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 of elementary school students on the topic "My city/territory in the future", National Theater, Kruševac, 6 June 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 program in all 99 LSGs.

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



Pictures 7 and 8: *Workshop priority areas of intervention and strategic projects, Centre for Professional Development in Education, Kruševac, 26 July 2023.*

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

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

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 Territorial Strategy aims to establish more effective and efficient funding 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 environmental impact assessment of the Spatial Plan of the Republic of Serbia from 2021 to 2035. Cities - centres of urban areas that can establish urban areas for the purposes of testing the application of the mechanism of integral 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 in 2035 and the report on the strategic environmental impact assessment of the Spatial Plan of the Republic of Serbia from 2021 to 2035,

and in the case of the wider territory:

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

2) in the case of a wider territory: common characteristics – important infrastructure corridors, geography, morphology, industrial capacities; endogenous potential; common needs, problems and challenges and common 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 governance mechanisms that will ensure the implementation of the territorial strategy.

4 TERRITORIAL CONTEXT

The town of Kruševac is located in central Serbia and is the administrative centre of the Rasina administrative district. According to the nomenclature of statistical territorial units, it belongs to the statistical region (NSTJ2) of Šumadija and Western Serbia. The LSG area is located between the municipalities of Varvarin, Čičevac and Ražanj in the north, the municipality of Aleksinac in the east, the town of Prokuplje and the municipalities of Blace and Brus in the south and the municipalities of Aleksandrovac and Trstenik in the west (Graphic view 2).

According to the Spatial Plan of the Republic of Serbia from 2010 to 2020⁶ Kruševac is classified as an urban centre of state importance on the secondary axis of development. According to the Draft Spatial Plan of the Republic of Serbia until 2035⁷ Kruševac is the urban centre of the agglomeration in the West Morava valley (with Uzice, Čačak and Kraljevo) with an influential area with over 500,000 inhabitants. The agglomeration is formed by morphologically and spatially - functionally connected urban centres with significant functional capacity, good traffic connections, but with a threatened demographic capacity due to the effect of the metropolitan area, which need better infrastructure equipment, as well as the expansion of the range of services, and the emphasis must be on the economy that needs highly educated and quality workforce, with the development of scientific research and technical - technological capacities.

Kruševac has traffic connections with significant urban centres in the vicinity: state road IB row no. 23 - Pojate - Kruševac - Kraljevo - Preljina - Čačak - Požega - Uzice - Čajetina - Nova Varoš - Prijepolje - state border with Montenegro (Gostun border crossing) and state road IB row no. 38 - Kruševac (Makreshane) - Blace - Beloljin. In addition to road traffic, railway traffic is represented on the territory of the LSG (regional railway Stalać - Kruševac - Kraljevo - Čačak - Požega) (Graphic representation 2).



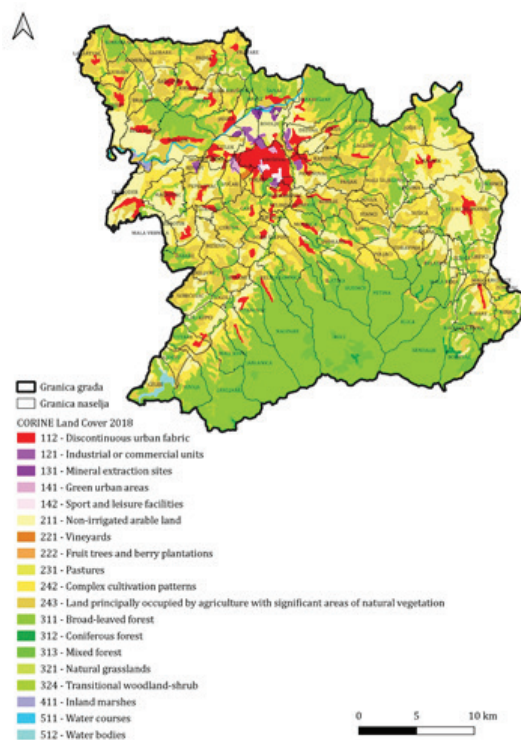
Graphic representation 2 Position and traffic connectivity Urban area of Kruševac
(Sources: Map of state roads, PE "Roads of Serbia", 2022; Register of spatial units)

The city of Kruševac covers an area of 854 km², which is physically and geographically differentiated into the Kruševac basin in the valley of Zapadna Morava and Rasina, and the mountainous regions of Mojsinjske mountains in the east, Jastrebac in the south, Goča, Željina and Kopaonik in the west, and Gledičke mountains and Juhor in the north. Used agricultural

6 Spatial plan of the Republic of Serbia from 2010 to 2020 ("Official Gazette of RS", number 88/2010).

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

land makes up 38.7% of the total area of the LSG, while overgrown forest areas occupy 32.1%. Arable land and gardens make up 71.3% (23,594 ha) of used agricultural land, 15.9% (5,260 ha) are meadows and pastures, orchards make up 6.2% (2,040 ha), while vineyards occupy 4% (1,336 ha, i.e. 6.5% of the total area under vineyards in Republic of Serbia). (Graphic representation 3).



Graphic representation 3 Detailed land use

(Source: Copernicus Land Monitoring Service, 2022; Republic Geodetic Authority, 2020)

According to the 2022 population census, Kruševac has 113,582 inhabitants, which is 15,170 less than the previous census from 2011, when Kruševac had 128,752 inhabitants (1.8% of the Republic's population, i.e. 53.2% of the population Rasina district), and 17,786 inhabitants less compared to the 2002 census.

The average population density in the territory of the city of Kruševac (in 2022) is 134 people/km², which is significantly above the average of the Republic (76 cent./km²), of the region of Šumadija and Western Serbia (69 st./km²) and Rasina district (78 st./km²). The city of Kruševac includes 101 settlements, of which only the urban settlement of Kruševac has the status of a city settlement. The majority of demographically important settlements (greater than 1,000 inhabitants) are located in the West Morava valley and the immediate surroundings of the city centre (Graphic representation 3). On the territory of urban and suburban settlements, a tendency towards morphological merging is noticeable.

On the territory of the town of Kruševac there are two protected natural assets: the Prokop Nature Reserve and the Osredak Special Nature Reserve, as well as the natural area around the Naupara Monastery. The protected habitat of Čelije is in the protection process. Ten immovable cultural properties (ICP) are protected, out of which: seven cultural monuments, two spatial cultural-historical units and one landmark. In the ICP category, the Church of Lazarica with the

town of Kruševac is of exceptional importance. The Greek Street (Grčki šor), the Memorial Complex “Slobodište”, the District Authorities Building (Zgrada Okružnog načelstva) and the House of Simić in Kruševac, and the Naupara Monastery in the Naupare settlement are classified in the category of ICP of great importance. Nine elements of intangible cultural heritage have been preserved in the area of the LSG.

In the structure of the economically active population of Kruševac according to activities, the following dominate: processing industry (28.4%); trade (15.1%) and health and social care (10.6%). Education (6.5%), construction (6.2%) and primary sector activities (5.7%) also participate to a greater extent in total employment. Compared to the economic structure at the level of the Republic, the participation of employees is higher in the following activities: agriculture (5.7% compared to 4%), industry (28.4% compared to 21.7%) and health and social care (10.6% compared to 7%).

5 CONTEXTUAL ANALYSIS

5.1 SOCIETY

5.1.1 Demographics

According to the 2022 population census, the city of Kruševac has 113,582 inhabitants (55,189 men and 58,393 women), which is 15,170 less than the previous census from 2011, when Kruševac had 128,752 inhabitants (1.8% of the population of the Republic, i.e. 53.2% of the population of the Rasina District), and 17,786 inhabitants less than in the 2002 census (when there were 131,368 inhabitants). In the period from 2012 to 2021, both components of the population movement were negative. In the mentioned period, 9,924 people were born and 19,100 people died (total natural change -9,176). The migration balance, viewed from the aspect of internal migration (without migration abroad), in the same period amounted to -2,523 inhabitants (14,303 inhabitants immigrated, while 16,826 emigrated).

The basic characteristics of the population (basic contingents of the population and average age), as well as the structure of the population according to economic activity, do not deviate to a greater extent from the average at the level of the Republic. The value of the population aging index is less favourable, which is 164 (the average for the Republic is 144.5). When it comes to the structure of the population according to economic activity, compared to the national average, in Kruševac the participation of the employed is lower, while the participation of the unemployed is higher. The economically active population makes up 39.8% of the total population of LSGs, of which 27.9% are employed (the average at the level of the Republic is 32.1%), and 12% are unemployed (the average at the level of the Republic is 9.3%). Among the unemployed population, 7.3% are those who used to work, while the percentage of those looking for their first job is 4.7%. 60.2% of the population is inactive, of which: 14.3% are children under the age of 15, 7.9% are pupils and students, 9% are housewives and 23.6% are pensioners. The educational structure of the population is characterized by the dominance of the population with secondary education (47%). The representation of the population without a school education is above the average for the Republic of Serbia (15.4% compared to 13.7%), while the representation of the highly educated population is below the average (15% compared to 16.2%). The structure of the population according to nationality is dominated by Serbs (93.50% of the population), and the most numerous national minority is the Roma (1.82% of the population).

Looking at the demographic data from 1961 to the present, one can see an increase in the population from 1961 to 1991, then stagnation until 2001, when the population began to decline more or less continuously. According to the 2022 population census, 113,582 inhabitants live in the territory of the City of Kruševac. Compared to the previous population census, the city has 15,170 fewer inhabitants than in 2011, 17,786 fewer inhabitants than in 2002, and 24,529 fewer inhabitants than in 1991, which is the result of a negative rate of natural increase that has become a general occurrence in the Republic of Serbia.

Another characteristic trend that can be observed is the increase of the elderly population in the territory of the City of Kruševac (over 60 years old) and the increasing percentage of the

share in the total population, namely: from 17.95% (1991), 22.58% (2002), 25.72 % (2011) to 31.28% (2022).

Women have slightly more, about 51%, compared to 49% of the male population. People aged 65 and over make up about 24.46% of the population. At the same time, the number of people over 80 is also increasing.

The ratio of men to women indicates a greater presence of women in the elderly population, which confirms the regularity of the longer life expectancy of women. The average length of life of women in the territory of the city is 77 years, and of men 73. The largest number of city residents is in the age group of 65-69 years. The average age of the population is 44.99 years, which is 0.3 years less than the national average (45.2). The average age of men is 43.48 years, while the average age of women is 46.42 years.

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 net salary paid in August 2022 in Kruševac is RSD 64,827, which is lower than the national average of RSD 75,282, but higher than the average salary in the Rasina District, which is RSD 61,540 for the same month.

The average net salary (without taxes and contributions) in 2021 in the territory of Kruševac, according to the data of the Statistical Office of the Republic of Serbia, amounted to RSD 56,542. A constant increase in the average salary can be observed, which in 2021 was more than RSD 13,500 higher than in 2018, which represents a nominal increase of over 30%. During the entire observed period, the average salary in Kruševac is at the level of the regional average, but it is constantly below the national level (during the period 2018-2021, the average salary in Kruševac is 13-16% lower than the average of the Republic).

Social assistance services

In 2021, there were 19,427 beneficiaries of one or more social and family-legal protection services on the active records of the Centre for Social Work of the City of Kruševac. The share of users in the total number of inhabitants (according to the estimate of the Statistical Office of the Republic of Serbia) is 16%. In 2022, the number of users is 15,561. It is evident that the number of users has decreased due to the provision of one-time services (issuance of certificates, one-time cash payments and giving opinions to institutions and organisations, etc.), that is, due to the passivisation of cases where no audit was done.

On the territory of the City of Kruševac, 4 social protection services are provided: Help at home, Child's personal companion, Daycare for children, youth and adults with intellectual disabilities and Family Education Centre (Youth Club and Counseling Centre). During 2023, the Daycare service for children and youth with behavioral problems was also licensed.

Waiting lists exist for the Home Help service used by adults and the elderly, as well as the Day Care service for children, young people and adults with intellectual disabilities.

Endangered zones

As zones with pronounced social problems - poverty, social exclusion, etc. Roma settlements on the territory of LSGs are singled out. Smaller or larger Roma settlements exist both in urban settlements and in suburban and rural settlements.

Roma live mainly in illegal and non-urbanized settlements whose key features are inadequate infrastructure, overcrowding, a small number of housing units, a poor environment and social isolation. Roma men and women living dispersedly among the general population, outside of Roma settlements, face poor housing conditions. Multigenerational poverty, very low incomes and low employment are additional obstacles for Roma men and women to work independently to improve the conditions in which they live, while housing costs (including costs in social housing apartments) are often so high that they threaten the satisfaction of other life needs or lead to high debts for electricity, utilities, heating, etc.

Security

In the Kruševac area in the period January - September 2022, the total crime rate is 26% lower compared to the same period last year, while the property crime rate is 34% lower compared to the comparative period of 2021. There are no zones in the urban settlement that stand out in terms of crime, nor are there connections with other social aspects.

When it comes to personal sense of safety in public space, based on security walks conducted in October 2022, Bagdala Public Park was identified as a space where residents feel unsafe. The lighting of the park and installation of 24/7 video surveillance have been proposed as measures to increase the sense of security.

5.1.3 Housing

Housing offer

The number of apartments in the urban settlement in Kruševac is growing - the number of apartments at the end of 2022 is 24,205, compared to 23,926 in 2017. More than half of the housing stock is in residential buildings with 3 or more apartments, while about 37% are family houses.

The largest number of apartments in residential buildings were built in the period 1971-1980. That decade recorded the largest number of built apartments in an otherwise very active period of construction that began immediately after the Second World War and ended in 1990. As expected, the crisis decade from 1991 - 2000 led to a significant reduction in construction, but a significant increase in the construction of residential buildings with 3 or more apartments is observed after 2000, while the construction of single-family houses in urban settlements is declining. Housing construction in Kruševac today is handled by the private sector, and it is market-oriented.

In the urban settlement, the largest number of existing apartments is in the 51m² - 60m² category, while there are the fewest apartments of 101m² - 120m². The average area of the apartment is 54m², and the average living space/inhabitant is 27.8m² (for the scope of the Strategy). Trends show that the average apartment size is decreasing, from 67.5 m² in 2011 to 60 m² in 2021, which indicates that housing is becoming less affordable for the population.

Given that the prices of apartments in new construction are increasing, their affordability for the population will continue to decrease. The price of newly built apartments per m² in 2021 was 85,073, and in 2022 it was 97,043 in RSD, with a price increase index of 112.9.

About 18% of the total housing stock is uninhabited.

There are only 63 social apartments under the jurisdiction of the LSG, of which 53 are in use.

Substandard settlements

On the territory of the City of Kruševac, there are several substandard settlements where the Roma population lives. The largest Roma settlement “Marko Orlović” is located in the first urban zone, and the second largest is the suburban settlement Panjevac. Roma also live in the rural settlements of Dedina, Naupare, Veliki Šiljegovac, Trebotin, Jasika, as well as in the suburban settlements of Čitluk, Mudrakovac and Ravnjak. In the urban area, Roma live in smaller settlements in Stara čaršija, behind the courthouse, as well as in Partizanskih kurira Street.

As a rule, Roma settlements are poorly equipped with infrastructure, and if it exists, the infrastructure is often used without obtaining the necessary permits. As a rule, there is no sewage network, regulated and asphalted streets and accompanying facilities. The lack of internal installations, toilets and bathrooms, insufficient number of rooms and overcrowding of the housing space also contribute to poor living conditions.

The largest number of Roma do not have adequate documentation on the ownership of their homes or land, while a larger part of the Roma population lives in other people’s buildings or land, most often city property, in public ownership.

Illegal construction

According to the records of the Ministry of Construction, Transport and Infrastructure, 50,341 illegally built buildings were registered on the territory of the City of Kruševac. In this number, there are mostly illegally built auxiliary buildings (61%), while residential buildings make up about 36.5% of the total number of illegal buildings. In the last three years, about 3,000 buildings were legalized, but the trend of illegal construction continues.

5.1.4 Social standard facilities

Social infrastructure

Social protection is organised within the Centre for Social Work, the Centre for Persons with Disabilities, the Home for Children and Youth “Jefimija” and the Gerontological Centre.

The Centre for Persons with Disabilities is a social protection institution, which deals with the provision of Day Care services for children, young people and adults with intellectual disabilities and which is financed from the city budget. The scope of the service is 20 users.

Home for children and youth “Jefimija” provides home accommodation services for children and young people up to the age of 26, i.e. until the end of schooling and work training. It also provides intervention accommodation for children and youth who are physically or emotionally abused, sexually abused, neglected or treated carelessly.⁸

⁸ <https://jefimija.org.rs/>

The Gerontological Centre accommodates elderly persons from the territory of the LSG (capacity 220 users), but also from the territory of other LSGs. The gerontological centre is under the jurisdiction of the Ministry of Labour, Employment, Veterans and Social Affairs.

Day care centres for the elderly do not exist, but the Home Help service is very well developed, which is financed from the LSG budget and a dedicated transfer in social protection, and which is provided in urban and rural areas. The scope of the service is 516 users.

The private sector is not involved in meeting the needs of the population in the mentioned area.

Organisations that provide services from the scope of social protection of the population are: Red Cross, Basic Organisation of the Deaf and Hard of Hearing, Inter-Municipal Organisation of the Blind and Visually Impaired, Society for Helping Mentally Underdeveloped Persons, Society for Cerebral Palsy, Dystrophy Association, Association for Helping People with Autism, Association multiple sclerosis, The Association of war veterans with disability, the Society for the fight against diabetes, the Association for the assistance and improvement of the position of children and young people with special needs "Osmeh na dlanu" and others.

As part of the social programmes of the Red Cross in Kruševac, humanitarian actions are organised throughout the year to collect aid for the most socially vulnerable categories of the population, and regular aid is distributed to extremely vulnerable beneficiaries. The existing network of volunteers and associates of the Kruševac Red Cross (more than 300 active volunteers) indicates a developed human infrastructure, which creates a prerequisite for the formation of a local volunteer service at the Kruševac Red Cross. The Soup Kitchen program operates throughout the year, with the support of the Kruševac LSG, and in cooperation with the Centre for Social Work and the Local Communities Service of the LSG, for 650 users, at 4 points where cooked meals are distributed six days a week.

Health infrastructure

Health institutions in the territory of the City of Kruševac are: Health Centre, General Hospital, Institute of Public Health Kruševac, Pharmacy Institution Kruševac (competent for LSGs Kruševac, Aleksandrovac, Brus, Varvarin, Trstenik and Čičevac) and Special Rehabilitation Hospital "Ribarska Banja" (for neurological diseases, rheumatic diseases and injuries and illnesses locomotor system). The network of primary health care facilities of the Kruševac Health Centre includes 34 health clinics in urban (8) and suburban and rural settlements (26).⁹

When it comes to health infrastructure facilities, there is no shortage of facilities.

The private sector is also represented and citizens who do not want to wait for an appointment opt to receive health services in a private practice.

There is no shortage of medical facilities, and transportation is extremely well organised.

The multifunctional premises of the Red Cross in Kruševac are used as a place for organising voluntary blood donation actions, in cooperation with the Institute for Blood Transfusion from

⁹ Health clinics in the settlements: Bela Voda, Velika Lomnica, Veliki Kupci, Veliki Šiljegovac, Globoder, Gornji Stepoš, Dvorane, Dedina, Đunis, Žabare, Zdravinje, Jablanica, Jasika, Kaonik, Konjuh, Kukljin, Lazarica, Padež, Pepeljevac, Ribarska Banja, Sušica, Čitluk, Šanac, Šašilovac.

Niš, and in accordance with the Law on Transfusion Medicine, which is a prerequisite for the smooth functioning of the health system. In addition, the same premises are also used as first aid training centres for volunteers, citizens, employees of labor organisations and future drivers.

Educational infrastructure

Preschool institution for education, upbringing and nutrition of children “Nata Veljković” has 13 kindergartens in the urban settlement and 44 groups of half-day stay of children for the preparatory preschool program at primary schools and kindergartens in LSG.¹⁰

There are 17 elementary schools, with 53 separate classes - four-grade schools in rural settlements. Seven elementary schools are in the urban settlement. In addition, the Elementary Music School “Stevan Hristić” and the School for Elementary and Secondary Education “Veselin Nikolić” (a school for children with developmental disabilities) operate in Kruševac. Elementary school “Vuk Karadžić” and the elementary music school do not meet the minimum standards for the area of the location of school facilities.

It is necessary to ensure a more functional use and expansion of spatial capacities for children of preschool age in an urban settlement. There is a need to improve the quality of the work space for children of preschool and primary school age, especially related to the construction and adaptation of existing sanitary and hygiene spaces. It is necessary to improve the existing equipment of PU and schools in order to improve educational work.¹¹

Of the secondary education facilities in Kruševac, there are: Chemical - Technological School, Music School “Stevan Hristić”, Medical School, First Technical School, Economic - Trade School, Gymnasium and Polytechnic School “Milutin Milanković”. The school for primary and secondary education “Veselin Nikolić” also provides secondary education services. On the territory of the town of Kruševac, there is also the “Pane Đukić Limar” High School Students’ Dormitory (120 bed capacity).¹²

Of the higher education facilities in Kruševac, there are the Faculty of Agriculture in Kruševac of the University of Niš, the Chemical and Technological School of Vocational Studies¹³ and the Academy of Educational - Medical Vocational Studies (former Higher School for Educators). Higher education institutions lack the spaces and facilities needed to improve the quality of teaching. In the Academy for Educational - Medical Vocational Studies, the need for space appeared even after 2020, when the premises in the basement part of the building were flooded and completely destroyed. In addition, the private Higher Business School of Professional Studies “Prof. Dr. Radomir Bojković” operates in Kruševac.¹⁴

Cultural and scientific infrastructure

In Kruševac, the cultural infrastructure consists of a number of cultural institutions under the jurisdiction of LSGs: the National Museum, the National Library, the Historical Archive, the Kruševac Theater and the Cultural Centre. Most of these institutions have a need for

10 The development programme of the city of Kruševac for 2023 and programme projections for 2024 and 2025, 2022.

11 <https://krusevac.ls.gov.rs/obrazovanje/>

12 Ibid.

13 <https://www.vhts.edu.rs>

14 <https://visokaposlovnaskola.edu.rs/>

reconstruction or construction of their facilities. The private sector is not recognized as being able to meet part of the needs of cultural institutions.

The Kruševac Cultural Centre, which manages the KPZ Summer Scene facilities, the “Kruševac” cinema, the Milić od Mačva Gallery and the Children’s Centre, needs the reconstruction of these facilities in order to improve the cultural offer.

The construction of a new building for the Kruševac Theater is necessary, because the existing capacities do not meet the dual production - the performance of evening programmes for adults and children’s scenes, i.e. the preparation and performance of plays for children, but also other activities and programmes intended for that age group (acting school, workshops, manifestations, etc.).

The Kruševac Historical Archive operates at 3 location units, and a new facility needs to be provided that would unite both the archival material that the Kruševac Historical Archive owns, as well as the employees of this institution. Existing buildings - Administrative building in Majke Jugovića street no. 6, part of the building - part of the garage space, the ground floor and part of the first floor in the former administrative building of GP Jastrebac in Kruševac, Balkanska Street 63, and the basement space in the Trade Union House - meet the minimum or do not meet the conditions prescribed by the archive rules. The new facility should be built in accordance with the Law on archival materials and archival activity and the Rulebook on the conditions for providing appropriate space and equipment for the accommodation and protection of archival materials and documentary material as the creator and owner of archival materials and documentary material.

The facility of the National Library of Kruševac, which is the home library for the Rasina district with the legally entrusted duties of organising library and information activities in the Rasina district, as well as entrusted duties in the field of records and protection of old and rare library materials, is located in the building of the Trade Union House. The Library’s book collection includes over 173,000 monographic publications, and its services are used by more than 7,000 citizens.

In total, in the area of the city of Kruševac, there are about 1,184 m² in the network of public libraries, that is, 9.20 m² per thousand inhabitants, which is significantly below the average in the Republic of Serbia, which in 2017 was 13.88 m², i.e. below the average in Central Serbia, which in 2017 was 12.21 m². According to the Rulebook on national standards for performing library and information activities, about 2,000 m² is necessary for the organisation of all departments and services of the Kruševac Library. The current space represents only 50% of what is needed. The Library does not have a room for public gatherings, an adequate exhibition space, part of the fund is placed in closed display cases in the corridor, and the Library’s workspace is very modest and insufficient for the organisation of professional work under standard conditions.

The Kruševac National Museum needs a depot in the courtyard of the Museum, as well as a depot of the Art Gallery in the courtyard of the Art Gallery.

Of the exhibition and gallery spaces in Kruševac, the following stand out: the display of the Simić House, which shows family life in the town of Kruševac at the beginning of the 20th

century, the Art Gallery and the Milić od Mačve Gallery, which contains over a hundred of his paintings.

The Institute for Forage Crops is located in Kruševac. There are test plots at the location of the institute in Globoder, and a part of the complex in the area of “Bagdala Park” is still used for the function of the institute.¹⁵

The Centre for professional development in Kruševac (intended to improve the work of teaching staff) has a science club and cooperates with the Centre for the Promotion of Science and the Ministry of Education.¹⁶

Adaptation, reconstruction and extension of the old building of the County for the Regional Industrial Technology Park is underway, which will consist of three parts - an administrative building on an area of almost 5,000 m², a semi-open fairground at 1,451 m² and a modular hall of 4,003 m² with 14 modules. Future users will be able to use the planned capacities for production, if they need a production process, as well as for youth, women’s and family entrepreneurship, development of robotics and the like.

Sports infrastructure

The sports infrastructure in Kruševac consists of sports facilities managed by the Kruševac Sports Centre, gymnasiums and open fields within school facilities, as well as open fields in various local communities on the territory of the LSG.

When it comes to the facilities managed by the Sports Centre Kruševac, in Kruševac there is the City Football Stadium, the Sports Hall, the Soko Hall, indoor and outdoor swimming pools, tennis courts, a bowling alley, sand courts, an athletics-football block and a fitness studio, and there is no training hall for mini sports.

When it comes to the existing and planned sports hall and open sports fields within the school facilities, the construction of a sports field is needed in the elementary school “Strahinja Popović”, the village of Dvorane, the reconstruction of the sports hall in the elementary school “Vasa Pelagić”, the village of Padež, the third phase of the construction of the sports hall in Elementary School “Knez Lazar”, settlement Veliki Kupci, construction of a sports hall in Elementary School “Žabare”, settlement of Žabare, and construction of sports fields in Elementary School “Brana Pavlović” in Konjuh, a separate branch in Bela Voda.

5.2 ECONOMY

5.2.1 General economic trends and the labor market

Employment

Registered employment according to the place/municipality of labor in the territory of Kruševac LSG in 2021 was 35,165. Of this number, 3/4 are employed by the employer, and 1/5 are entrepreneurs and independent businesses (including persons employed by them); the share of registered agricultural producers is relatively small (less than 5%).

¹⁵ <https://www.ikbks.com/>

¹⁶ The development programme of the city of Kruševac for 2023 and programme projections for 2024 and 2025, 2022.

During the previous five-year period, a significant increase in registered employment was recorded for more than 4,600 persons, which represents an increase of 13.2%. It is above-average growth in registered employment, both in relation to the regional and in relation to the national level.

The economic activities in which the largest number of registered employees work in the territory of LSGs are processing industry and trade. Namely, in 2021, 28% of the total number of registered employees was engaged in the processing industry, and 15% in trade.

During the previous five-year period, there was a change in the structure of employment according to activities. Namely, although the number of registered employees increased in most industries, the largest increase was achieved primarily in the processing industry, as well as in the field of health and social protection and construction. As a result of such developments, the share of the mentioned activities in the total registered employment increased, while the share of most other activities decreased slightly. A more significant decrease in registered employment was recorded only among individual farmers.

In 2021, the number of registered employees residing in the territory of the LSG was 37,867. It can be seen that this number is higher than in the case of employment indicators according to the municipality of work. This deviation is characteristic of the majority of LSGs in central Serbia, and is a consequence of the fact that a certain number of employees have registered residence in one LSG, but are employed in the territory of another LSG. We are talking about people who live in Kruševac and travel to another municipality for work, but also about people who live and work in another LSG, but have registered residence in Kruševac. In the period 2017 - 2021, the number of registered employees by place of residence increased by 5,700 persons.

The participation of women in the total registered employment according to the municipality of residence in 2021 was 46.0%. The participation of women is slightly lower than the national level (at the level of the Republic, women make up 46.4% of total registered employment), but it is higher than the regional average (in the Region of Šumadija and Western Serbia, women make up 44.3% of total registered employment). In the previous period, the number of employed women increased more than the number of employed men, thanks to which the participation of women in registered employment increased compared to 2017 by slightly more than 1 percentage point.

The average net salary of employees residing in the territory of the Kruševac local authority was 56,542 dinars in 2021. A constant increase in the average salary can be observed, which in 2021 was RSD 13,500 higher than in 2018, which represents a nominal increase of over 30%. During the entire observed period, the average salary in Kruševac is at the level of the regional average, but it is constantly below the national level (during the period 2018-2021, the average salary in Kruševac is 13 - 16% lower than the average of the Republic).

The number of unemployed persons on the records of the National Employment Service in Kruševac Local Government Area has significantly decreased in the previous period. At the end of 2021, their number was close to 8,700 persons, and it was reduced by more than 1/3 compared to 2017. This tendency is directly correlated with the previously analyzed increase in registered employment.

The data show that about 71% of the unemployed on the records of the National Employment Service in Kruševac LSG are in the category of long-term unemployment (persons who have been on the unemployment records for longer than 12 months). Young people under the age of 30 make up 17% of the total number of unemployed.

There is a lack of suitable qualified workforce: truck drivers, construction workers (masons, carpenters, armourers, painters, plasterers), catering workers (cooks, waiters), electrical trades (electrical installers), woodworking - carpenters, mechanical and metal trades (welders, metal turners, metal cutters, locksmiths, car mechanics).

When it comes to a highly educated workforce, there is a need for the following educational profiles: IT engineers, licensed electrical engineers, and licensed civil engineers.

Employee mobility

For the needs of transportation to and from the workplace, in the area of the urban settlement of Kruševac, public city transportation is available, the departures of which take place in accordance with the needs of employees. An analysis of bus routes and timetables revealed that the timetable was formed according to the highest demand, i.e. the working hours of major employers. However, there are also cases of non-compliance with needs, such as the absence of night transport and very rare departures in other parts of the day.

Some of the companies in the area of the urban settlement and LSG organise their own bus transportation.

5.2.2 Economy and business environment

Business entities

The most important economic branches present in Kruševac are the chemical, metal processing, food, wood processing, textile and construction industries. In the 1970s and 1980s, Kruševac was a developed industrial centre with several economic (social) systems - corporations, and from the beginning of the 1990s, a growing trend in the sector of private entrepreneurship was noticeable. In recent years, the economic structure of Kruševac has been changing, with a noticeable growth of the private entrepreneurship sector. Small and medium-sized enterprises are gaining more and more importance in economic flows and their representation is 98.3% of the total number of enterprises, and the structure of entrepreneurs is dominated by trade and craft shops.

Entrepreneurial activity in Kruševac is slightly lower than the national average, but in line with the regional average. In 2021, there were 6,342 active economic entities on the territory of the City of Kruševac, of which 4,997 were entrepreneurs and 1,345 were business associations. The number of active companies per 1,000 inhabitants was 11, which is at the level of the average for the Region of Šumadija and Western Serbia (the regional average of the number of companies per 1,000 inhabitants is 12), but significantly lower than the national level (average number of companies per 1,000 inhabitants in the Republic of Serbia amounts to 19). The number of entrepreneurial businesses per 1,000 inhabitants, which is 42 for Kruševac, is in line with both the regional and national levels (the number of entrepreneurial businesses per 1,000 inhabitants in the Republic of Serbia is 41, and in the Region of Šumadija and Western

Serbia 43). Indicators on the ownership structure, including data on the representation of women, are not available.

The number of business entities recorded an increase during the previous period. This increase was primarily achieved thanks to the continuous growth of the number of entrepreneurial businesses, but since 2019, the number of active companies has also been increasing.

The rate of creation of new business entities generally follows the dynamics achieved at the regional and national level. The rate of creation of entrepreneurial activities in Kruševac LSG in 2021 was 12.8%; although there is a certain decrease compared to the previous period, the level is still slightly higher than the average of the Republic, and is in line with the regional average. The rate of creation of business companies in 2021 amounted to 6.7%, which is slightly lower than the national level, but higher than the regional average.

A positive tendency that can be observed during the previous period is that the number of newly established business entities is higher than the number of entities that were shut down or deleted. When it comes to entrepreneurs, data from the Agency for Business Registers show that between 500 and 700 new entrepreneurial businesses were founded every year in the period 2018 - 2021, while the number of those that were shut down or deleted was between 400 and 500. When it comes to business companies, there are larger oscillations, so that during the observed period between 80 and 120 new companies were founded each year, while the number of closed or deleted ones was mostly in the range between 45 and 85; The year 2019 is an exception, as 258 companies ceased operations then.

The business results of business entities in Kruševac in the period 2018 - 2020 are mostly satisfactory. Of the total number of companies that submitted financial reports to the Agency for Business Registers (which is more than 80% of active companies), about 2/3 of them made a profit during the observed period. Entrepreneurs were also predominantly profitable: about 3/4 of entrepreneurs who submitted financial reports in 2019 and 2020 (which was about 40% of the total number of active entrepreneurial businesses) operated with a profit. It should be mentioned that even in 2020, despite the Covid-19 pandemic, an increase in total business income and total profit of Kruševac business entities was recorded. Nevertheless, the number of companies operating at a loss is increasing from year to year, especially in 2020, when a little over 20% of companies and a little more than 18% of entrepreneurs made a loss. It is particularly worrisome that around 15% of economic entities realised a loss higher than the amount of capital.

The process of privatisation of companies from the territory of Kruševac LSG has not yet been completed. Namely, as of 1 September 2022, the portfolio of the former Privatisation Agency includes four economic entities from the territory of Kruševac Local Government Area, namely: "Trayal korporacija" a.d., "Trayalhem" d.o.o., Lubricant Factory – "FAM" a.d. which is from 19.10.2019. changed its name to "Hemofluid" a.d. and Special Hospital "Ribarska banja". In the case of "Trayal Corporation" and "FAM", the companies were initially privatised, but the privatisations proved to be unsuccessful, after which the contracts were terminated. "Hemofluid" a.d. and "Trayal corporation" a.d. are in the portfolio of the Ministry of Economy and are the subjects of privatisation. The special hospital "Ribarska banja" is one of the spas that cannot be privatised until the property dispute with the Pension and Disability Insurance

Fund is resolved. In addition to these four economic entities that are awaiting the completion of the privatisation process, there is a certain number of former state-owned enterprises that are now in the process of bankruptcy. First of all, the Industry of Machines and Components “14. oktobar” should be mentioned, for which bankruptcy proceedings were opened in 2016, while the Oil Factory has been in bankruptcy since 2015. The “Župa” Chemical Industry has been in bankruptcy since 2015, and in 2016, the privatisation process was completed by EUCOM, Belgrade, so the “Župa” Chemical Industry continued to work in the same business. Only the bankruptcy estate remains, which is managed by the Bankruptcy Supervision Agency as a new legal entity, the bankruptcy estate of Hemijska industrija “Župa” a.d. Kruševac.

Investments

There is a strong growth of investment activity in the territory of the city of Kruševac. In 2020, investments reached 16.7 billion dinars, which accounted for 1.8% of the total investments realised in the Republic of Serbia in the observed year. In 2020, Kruševac was therefore one of the leading LSGs in terms of investment level, behind Belgrade, Novi Sad, Bor and Pančevo.

When it comes to the structure according to the nature of the construction, the most represented are investments in the construction of new capacities: in 2020, this category of investments amounted to 11.5 billion dinars. During the period 2017 - 2020, investments in new capacities accounted for more than half of the total investments realised in the territory of Kruševac, while investments in reconstruction, modernisation, extension and expansion of capacities are also significant, with a participation higher than 40%.

According to the technical structure, investments in the procurement and installation of equipment dominate: in 2020, they amounted to RSD 13.3 billion, according to which Kruševac, after Belgrade and Novi Sad, was the leading LSG in Serbia. Equipment makes up more than 2/3 of the total investments realised in the period 2017 - 2020, while the remaining part is almost entirely related to construction works.

The purpose and character of investments in Kruševac in the period 2017 - 2020 deviate somewhat from the national and regional level. Looking at the nature of the construction, in Kruševac there is somewhat more investment in new capacities, and less in the maintenance of existing capacities, compared to the national and regional average. If the technical structure of investments is observed, the deviation is even more pronounced, because in Kruševac the share of equipment is significantly higher compared to the level of the Republic.

Investments in the territory of the city of Kruševac are predominantly oriented towards the processing industry sector, and in 2020 they reached RSD 14.3 billion. Investments in the capacities of the processing industry were also significant in the previous few years, so that almost 80% of the total investments realised in the period 2017 - 2020 were directed to this economic activity. The share of other economic activities was significantly lower.

Large companies are the biggest beneficiaries of regional development incentives in the territory of the city of Kruševac. According to the data of the Agency for Business Registers, in the period from 2018 to 2021, a total of RSD 6.0 billion in regional development incentives was realised in Kruševac, of which close to RSD 3.6 billion (59% of the total amount) was allocated to large companies. The share of all economic entities (including small and medium-

sized enterprises and entrepreneurs) amounted to more than 80%, while in second place in terms of importance are agricultural holdings, which were allocated 8% of the total funds in the observed period. Observed according to purpose, the incentives were predominantly spent on stimulating production (65% of the total allocated funds), as well as on encouraging employment (11%). From the total amount during the observed period, the largest part of the funds was allocated free of charge (more than 70% of the total amount), and the remaining amount refers to credit support.

When it comes to the potential for attracting investments, we should mention first of all the access to the transport infrastructure, namely the road and railway corridor X, as well as the corridor E-761 ("Moravian Corridor") which is under construction. The nearest airport ("Konstantin Veliki" in Niš) is 70 km away, the nearest port (Danube - River Corridor VII) is 150 km away, and the nearest border crossing to the European Union (Gradina) is 170 km away.

The most significant foreign direct investments in the City of Kruševac are:

- Privatisation of "Merima" in 2002 by the German company "Henkel GmbH", which made "Henkel Srbija" d.o.o. a factory engaged in the production of detergents and cleaning products,
- Privatisation of the passenger car tyre factory "Trayal Korporacija" a.d. by "Cooper Tire & Rubber Company", a factory engaged in the production of tires for passenger cars. During 2021, an acquisition was made by the world's leading company "Goodyear" in the production of passenger tires, and
- Greenfield investment by the German company "Kromberg & Schubert", which built a plant for the production of cables for the automotive industry in Kruševac, which covers an area of 23,000 m².

Commercial zones

There are two economic zones in the urban settlement of Kruševac:

- The North industrial zone, where small and medium-sized enterprises are mainly located, and
- Industrial zone East, where large companies are mostly located.

The plan is to expand the North industrial zone after the completion of the Moravian Corridor.

5.2.3 Tourism and culture

Tourist infrastructure

The total number of catering facilities in the territory of the city of Kruševac that provide accommodation services, categorized and uncategorized, is 768 accommodation units, 1,402 beds and 1,735 individual beds.

Based on the relevant data on tourist traffic (registration and deregistration of domestic and foreign tourists) in the absolute amount in 2022, an increase in the number of tourist arrivals was registered in the amount of 23,203, compared to the same period of the previous year when the total number of arrivals was 20,157. Also, the tourist traffic index of both domestic and foreign tourists increased by 2.3 compared to 2021. Numerous cultural events and numerous activities, vouchers for domestic tourists, promoted the tourist season.

There is a possibility for the development of new accommodation capacities in the narrow centre of the urban settlement, the use of existing facilities that can be repurposed for the provision of catering services, facilities of an entertainment and recreational character.

The most important recreational zone of value from the touristic/economic aspect is the Bagdala Park, which extends on the hill of the same name, not far from the centre of the urban settlement. The park is characterized by numerous sports and recreational facilities (two outdoor gyms, fitness track, indoor soccer field, basketball court, volleyball court...), numerous facilities for children and tourist attractions such as the Park of Miniatures. Next to the Church of St. John the Baptist, construction work is underway on the Church of the Holy Archangels. In the immediate vicinity of the Church of St. John the Baptist, there is the "Serbia" Miniature Park, which presents miniatures of the most important spiritual temples of our country. There is also a modern restaurant of the same name on Bagdala. Thanks to its features, Bagdala Park is a suitable space for holding various sports and recreational events, as well as manifestations such as the International Balloon Festival "Kruševac through the Clouds" organised by the Tourist Organisation of the town of Kruševac.

The tourist organisation of the city of Kruševac, with the aim of increasing the tourist attractiveness and branding of Kruševac as a tourist destination, organises numerous events such as the breaking of the "česnica" (Christmas bread), the Knights' battle in Lazar's Town, the International Balloon Festival "Kruševac Through the Clouds", the Imperial Festival "Lazar's Wine Routes", In the Heart Kruševac, the International Festival of Tourist Publications of Serbia "Kofer slova", "New Year's Magic", etc. The potential would be to establish a festival of actors.

There are potentials for the development of cultural tourism, religious tourism, city tourism, spa tourism, event tourism, and industrial tourism.

Cultural heritage

The urban settlement of Kruševac, as the medieval Serbian capital, has a rich cultural heritage on its territory.

The most important is the archaeological park Lazar's Town (Lazarev grad), a protected cultural asset of exceptional importance that includes:

- Lazarica Church, the court church of Prince Lazar built in the style of Moravian architecture,
- National Museum,
- Monument to Prince Lazar, the work of sculptor Nebojša Mitrić,
- Donžon Tower of the medieval fortress, i
- Remains of the Duke's Palace (Knežev dvor).

Protected cultural properties of great importance are the Greek Street, the "Slobodište" Memorial Complex, the District Authorities Building and the Simić's House in Kruševac. In Greek Street, the spatial cultural-historical complex of the Bey's house (Begova kuća) with family houses with the characteristics of folk architecture of the second half of the 19th century is protected. The District Authorities Building, which houses the City Administration, has 47 mosaics and 3 stained glass windows in the ceremonial Mosaic Hall, which describe Moravian Serbia. On the southern outskirts of the urban settlement is the "Slobodište"

Memorial Complex, a spatial cultural-historical complex at the place where hundreds of patriots were shot during the Second World War. At the entrance to the memorial complex, there is a Monument to fallen members of the army, police and reserve forces (1991 - 1999). It is necessary to programmatically organise the “Slobodište” memorial complex.

The declared immovable cultural properties are the Art Gallery Building (with exterior and interior neo-Renaissance and Art Nouveau features) and the Monument to the Heroes of Kosovo (the work of Đorđe Jovanović).

147 buildings enjoy previous protection, and 21 archaeological sites have been recognized in the area of the urban settlement.¹⁷

The five Kruševac fountains, which bear witness to ancient times, are an important part of the architectural heritage of Kruševac. Among them, the most famous is the fountain of Prince Lazar (under previous protection), in the suburbs of the former fortified Kruševac, in the immediate vicinity of which are the remains of a Turkish bath.

The modernist, socialist and industrial architectural heritage was not valued.

5.3 URBAN ENVIRONMENT

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

Prince Lazar built Kruševac as his capital in 1371. It was mentioned for the first time in 1387, in the charter by which Prince Lazar in his fortified capital confirmed the earlier trading privileges of the people of Dubrovnik. The city became the economic and cultural centre of medieval Serbia until the capital was moved to Belgrade at the time of the Despot Stefan.

During the Turkish rule, Kruševac was liberated several times and then conquered again by the Turks. Kruševac was finally liberated in 1833. After the liberation, the city began to rapidly develop and progress, and became one of the larger regional centres of Serbia at the time.

The architectural heritage of Kruševac (environmental and architectural units, traffic matrix) points to a long tradition of planning and construction of settlements. The first significant urban and architectural planning interventions were made in the first half of the 19th century, when the then Serbian state authorities demanded that merchants, artisans and the population move from the old bazaar to the newly formed main streets.

Kruševac was among the first cities and settlements, already in the first years after liberation from the Turks, to receive a regulation plan, which was drawn up by engineer Franz Janke. In less than two years, this plan was realised (from 1834 to 1836, “the bazaar was measured, narrowed and built...”) and the streets that intersect in the axis of the Monument to the Heroes of Kosovo have been preserved to this day.

During 1899, a plan was drawn up for the execution of the regulation of the town of Kruševac. The main focus of this plan was to complete the traffic network of the city, established in 1836, and place it in a more solid and logical framework.

¹⁷ General urban plan of the city of Kruševac 2025, 2015.

The increased volume of construction in the period between the First and Second World War highlights the need for a more complete plan, which, in addition to regulation, also contains a land use plan with a clear concept of the formation of residential blocks, so the regulatory plan of the town of Kruševac was drawn up in 1938.

After the Second World War, Kruševac developed rapidly, from a typical provincial settlement, becoming a modern and important economic centre, with a developed metal, chemical, wood-processing, food industry and trade. Workers' settlements (Kolonija) and large industrial complexes ("Merima", "14. oktobar", "Župa", "Savremeni dom") were built. In that period, in 1960, the Conceptual Urban Plan of Kruševac was adopted, by which the settlements of Bivolje, Malo Golovode and Lazarica and part of the settlement of Pakašnica were annexed to Kruševac.

A more intensive period in the spatial expansion of the city began with the adoption of the General Urban Plan of Kruševac in 1974, which, in addition to the previously expanded area of the city, also includes the suburbs of Čitluk, Begovo brdo, Dedina, Makrešane, Mudrakovac, Parunovac and Kapidžija, with a total area of about 7,400 ha. Amendments and additions to this plan were made in 1983 and 1990, without changing the scope of the construction area, when the construction of residential and residential-business complexes was intensified (Pejton, Rasadnik 1 and 2, Ujedinjene Nacije, Bagdala, Prnjavor 1 and 2, Šumice, etc.).

The current General Urban Plan Kruševac 2025 ("Official Gazette of the City of Kruševac", no. 3/2015) as a strategic planning document establishes long-term guidelines for the development and spatial arrangement of the urban settlement, organisation and protection of space. The border of the GUP includes Kruševac and 11 suburban settlements, with a total area of 7,537 ha. The area of the construction area is 3,610 ha or 48% of the total area of the urban area.

The GUP is a strategic document and is still being elaborated with general regulation plans, so that in the period from 2015 to 2018, 10 general regulation plans and dozens of detailed regulation plans covering the urban area were drawn up (Kruševac with 11 suburban settlements makes up about 9% of the total area territories LSG).

5.3.2 Urban area

Network of settlements

According to the Draft Spatial Plan of the Republic of Serbia until 2035¹⁸ Kruševac is the urban centre of the agglomeration in the West Morava valley (same as Užice, Čačak and Kraljevo) with an influential area with over 500,000 inhabitants. In the immediate influence zone of Kruševac are 11 suburban settlements (Bivolje, Begovo Brdo, Dedina, Malo Golovode, Mudrakovac, Makrešane, Pakašnica, Parunovac, Kapidžija, Lazarica and Čitluk) and 32 rural settlements (Globoder, Mačkovac, Koševi, Pepeljevac, Vučak, Lukavac, Mala Vrbnica, Trebotin, Žabare, Doljane, Meševo, Cerova, Gari, Donji Stepoš, Gornji Stepoš, Bukovica, Naupare, Šavrane, Buci, Slatina, Velika Lomnica, Trmčare, Modrica, Stanci, Bovan, Kobilje, Veliko Golovode, Pasjak, Gaglovo, Dobromir, Tekije and Mali Šiljegovac).

Secondary centres are the settlements: Veliki Šiljegovac (with the settlements of Bojince, Đunis, Kaonik, Jošje, Crkvina, Sušica, Pozlata, Zdravinje, Belasica, Zebica, Srndalje, Mala Reka

¹⁸ Draft Spatial Plan of the Republic of Serbia until 2035, Ministry of Construction, Transport and Infrastructure, 2023.

and Rlica, and the CZS Ribarska Banja gravitates towards it), Veliki Kupci (with the settlements of Mali Kupci, Jablanica, Grkljane, Suvaja, Čelije, Majdevo, Sebečevac, Štitari, Šogolj and Vitanovac), Konjuh (with the settlements of Brajkovac, Ljubava, Lazarevac and Komarane) and Jasika (with the settlements of Gavez, Šanac, Velika Kruševica, Srnje, Bela Voda and Kukljin, and CZS Padež gravitates toward it).

The centres of the settlement community are Padež (with the settlements of Vrtare, Krvavica, Globare, Kamenare and Šašilovac), Dvorane (with the settlements of Lovci, Poljaci, Petina and Sezemiće) and Ribarska Banja (with the settlements of Grevci, Malo Krušiniće, Veliko Krušiniće, Zubovac, Ribare, Rosica and Boljevac).

Among the listed settlements, eleven are in the category of villages with a developed centre that gravitate towards settlements of a higher hierarchical level. Ribarska Banja is also a spa town with specific tourist functions.¹⁹

Urban entities

The urban area is formed by the urban settlement of Kruševac with 11 suburban settlements, with a total area of 75.3 km² of which the construction area is 36.1 km², i.e. 47.9% of the total area, and the other areas are agricultural land, forests and water land.

The construction area of the urban settlement was formed as a compact unit around the central zone, in relation to the existing built and planned construction area. The construction area was extended to the north (up to the highway) in order to form a compact economic and working zone, as well as in the areas of suburban settlements where more intensive construction has begun and in the area of the Old Airport as a larger undeveloped area. This unit, planned as a mixed residential area with a significant centrality, is intensively arranged as a significant and attractive unit.

The central zone of the urban settlement is characterized by a variety of uses, where high and medium density housing is predominantly represented, a concentration of public functions (management and administration, education, cultural, health, social and child protection facilities, etc.), cultural - historical and ambient entities and commercial zones activities, which together generate the function of centrality.

The backbone of this central city zone consists of: Gazimestanski Square in the northwestern part, Kosovskih junaka Square as a narrower central zone and Kosturnica Square in the southeastern part, which together with the contact zones - Mladosti Square and Fontana Square, form a linear city centre. The squares are connected by primary city streets: Gazimestanska, Vidovdanska and Dositejeva. In this zone there is the largest number of city secondary and elementary schools, a sports and recreation centre and important communal facilities (green markets, cemetery).

The residential mixed zone was developed immediately next to the central zone, as production activities and needs for various contents (housing, commercial activities, production, services) developed.

In the northern part of this zone, next to the railway line, commercial activities have been developed, as a transition zone between the central contents in the south and economic

¹⁹ Spatial plan of the city of Kruševac, 2011.

activities that are concentrated within the industrial zone in the north, as well as a bus and train station.

The predominant purpose represented within this zone is housing of all types, from high-density multi-family to medium-density family. Multi-family housing in the southeastern part was realised in the 60s and 70s of the last century, with different quality of construction and living conditions.

Also, in this zone is the city stadium, special-purpose complexes, the Gerontological Centre, as well as parts of suburban settlements with family and multi-family housing (Rasadnik, Prnjavor, Ujedinjene nacije, Bivolje, Ravnjak, Mudrakovac) and the area of the Old Airport, which form residential secondary or local centres.

Large commercial complexes are represented in the northern part, within the North industrial zone, along Jasički put street, on the left and right ("14. oktobar" etc.), on the east next to the city park - DS SMITH PACKAGING, on the south Kromberg & Schubert and on the west side "Rubin".

The general urban plan of Kruševac from 2015 expanded the construction area by 918 ha (34%) to 3,759 ha.

Brownfield sites

Special purpose complexes in the Kruševac urban settlement are:

- Military complexes in the "prospective" status are necessary for functioning and represent special purpose complexes ("Ravnjak" and "Car Lazar" barracks).
- The Club of the Serbian Army (Dom vojske) is in the "Master Plan" status, for which further planning has defined another purpose (upon the regulation of property relations in accordance with the Law), in the field of culture. The area of the plot is 2,003m², and the gross area of the building is 2,600m².
- Industrial premises - brownfield locations are:
- "14. oktobar" - a complex of about 40 hectares in the northern part between the railway line and the streets of Železnička and Jasički put, in the part of the industrial zone North, with built complete infrastructure and facilities in the area of the metal processing industry.
- The zone of commercial activities, i.e. the area of the old "Merima", Uljara and "FAM", with an area of 5.85 ha south of Železnička Street, includes a complex of old industrial buildings, with business, production and storage facilities, which are not in operation. The transformation and reconstruction of this unit into a zone of commercial activities is planned, which requires special attention in the architectural design, reconstruction and construction of new buildings.

5.3.3 Natural environment

Natural assets

On the territory of the urban settlement of Kruševac there are the Natural Monument "Hrast Rasina" (*Quercus robur* L.), Decision on Proclamation of Protection of the Natural Monument "Hrast Rasina" (*Quercus robur* L.), ("Official Gazette of the City of Kruševac", No. 4/2010).

In 1990, the Institute for Nature Protection of Serbia prepared a proposal for the protection of the spatial cultural and historical complex of Lazarica - Lazar's Town.

The coasts of Western Morava and Rasina represent elements of the ecological network of the Republic of Serbia.

Green infrastructure

According to the data from the valid GUP of the city of Kruševac, greenery is represented, mainly, in the form of smaller parks, green areas of institutions, linear greenery, squares and squares, greenery for specific purposes and gardens. There are only two larger parks in the city (Pionirski Park and Park Bagdala), as well as two parks from the category of memorial parks (Slobodište and Lazar's Town). On the banks of the river Rasina, there are significant green areas. There is a lack of linear and protective greenery.

There is no protective belt of greenery towards the industrial zone. In the suburban settlements, although there are spatial possibilities and needs, there is no organised park area with the possibility of use for sports, recreation and rest.

Existing natural vegetation outside the construction area is mainly located in the southern and eastern part of the city area and is represented in the form of forests, thickets and meadows.

According to the current GUP of Kruševac, it is planned to increase the green infrastructure from 100 ha (3.6%) to 560 ha (15.6%) in the construction area (from 29 ha to 267 ha of parks, from 71 ha to 88 ha of forests and new 205 ha of protective greenery). Within the area of GUP there are about 11m²/inhabitant of greenery in public use, while the planned area should provide about 65m²/inhabitant (the European standard is 20 - 30 m²/inhabitant).

The valid planning documentation envisages the improvement of the system of green areas in Kruševac through the formation of actively used green areas (parks, squares, etc.) in residential and work zones; formation of green belts with a primarily sanitary and hygienic role (protective greenery) between work zones and residential zones, linear traffic greenery, around the source of pollution; increasing the share of greenery in suburban areas (larger area parks and neighborhood parks) and preserving and improving green corridors along river courses.

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

Air

The city of Kruševac has continuously monitored air quality since 2000 at 11 measuring points (mp) in the local network of measuring points and 2 measuring points (mp) in the network of the line ministry. The measurement of total sediments did not record elevated average monthly values of total sediments at any measuring point. The average annual values of total sediments did not exceed MAC at any measuring point.

Air pollution mainly occurs in the winter period, when there is an increased concentration of soot and total sediments during the heating season, due to the emission of city and individual fireplaces in households, and the use of low-quality fuel for heating, high traffic frequency and congestion also have a significant impact in the central zone, old age cars etc.

Also, for all types of pollution, major spills can occur in the event of a major environmental incident that may occur during production in factories located on the territory of the city of Kruševac, and the situation of transporting certain hazardous substances through the territory of the city should also be kept in mind.

Water

The most important watercourses on the territory of Kruševac are the Zapadna Morava river and its right tributary Rasina (Danube river basin). The Western Morava flows in the direction from west to east north of the urban settlement, and the Rasina in the direction from south to north along the eastern edge of the urban settlement, separating the residential zone on the west bank of the river from the industrial zone on the east bank. With the construction of a dam on the Rasina River near the village of Čelije, about 20 km upstream from Kruševac, a reservoir of the same name with a volume of over 50 million cubic meters was formed, the main function of which is to be a source of drinking water for the Kruševac, Aleksandrovac, Čičevac and Varvarin municipalities, with the potential to users in other surrounding municipalities also connect to this source.

According to monitoring data conducted by the Environmental Protection Agency in the period 2017-2019²⁰, the statuses of the Zapadna Morava and Rasina rivers on the territory of the LSG are:

- The status of the water body of the West Morava River at the measuring station near Maskar, immediately before the junction of the West and South Moravas in the municipality of Varvarin, 10 kilometers downstream from Kruševac, was assessed in the range from good to poor in terms of biological elements of quality (depending on the type of parameters), and the status in terms of physical - chemical and chemical elements which support biological elements are rated as moderate (physical - chemical parameters) and weak (specific polluting substances). As the overall status of the water body is defined by the weakest status of individual indicators, the overall status of the water body of the West Morava River near Maskar is assessed as weak.
- The status of the river Rasina, based on measurements on the profile of Bivolje, in the immediate vicinity of the urban settlement, in terms of biological quality elements was assessed in the range from good to poor (depending on the type of parameters), and the status in terms of physical-chemical parameters and specific polluting substances is rated as moderate. As the overall status of the water body is defined by the weakest status of certain indicators, the overall status of the water body of the Rasina River on the Bivolje profile is rated as weak.

In addition to the above, surface water quality monitoring since 2003 included: Čelije lake, Rasina - Majdevo, Jablanička river, Nauparska and Rasina - G. Stepoš and streams (Garski, Vučački, Dedinski, Srnski, Golovodski). Testing of the quality of the mentioned surface waters is carried out by the Kruševac Public Health Institute based on the Law on Water, the Regulation on emission limit values for pollutants in surface and underground waters and sediment and the deadlines for their reaching, and the Regulation on limit values of priority substances and priority hazardous substances polluting surface waters and the deadlines for their reaching and the appropriate standards.

²⁰ Status of surface waters of Serbia in the period 2017 - 2019, Environmental Protection Agency, Belgrade, 2021.

The most polluted streams are those with elevated values of the presence of phosphate, dissolved oxygen and total phosphorus, and values of ammonium ions, chemical and biochemical consumption of oxygen. The presence of total coliform bacteria, enterococci of faecal origin and faecal coliform bacteria, which is the highest in streams, was recorded in all water surfaces - Lake Ćelije, watercourses and streams. The biggest cause of water pollution is, first of all, the low level of implementation of measures to protect the accumulation - on the tributaries that flow into the Ćelije lake. The municipalities of Brus and Blace still do not have a wastewater treatment plant, but directly discharge it into Rasina, which flows into Lake Ćelije. Also, water pollution is contributed by the fact that the entire territory of the City of Kruševac is not covered by the sewer network, also as unplanned construction, illegal connections to the sewer network, etc.

Land

Kruševac LSG has been monitoring soil since 1991. Soil testing for dangerous (cadmium, lead, mercury, arsenic, chromium, nickel and fluorine) and harmful substances (copper, zinc and boron), as well as for the presence of atrazine and simazine (plant protection agents used to control weeds) is carried out Institute for Public Health Kruševac based on the Law on Agricultural Land and the Rulebook of permitted amounts of dangerous and harmful substances in the soil and irrigation water and their testing methods.

In the course of 2021, the Institute for Public Health from Kruševac carried out an examination of soil contamination with dangerous and harmful substances from 30 selected locations on the territory of Kruševac Local Government Area.

Increased concentrations of nickel were found in a large number of samples. High concentrations of nickel are found mainly in soils formed on rocks with a high natural content of this element. Earlier research in Serbia showed that the nickel in the Velika Morava valley is of geochemical origin and is slightly soluble. If the reaction of the soil is weakly acidic and nickel is in less accessible forms, the danger of environmental pollution with this metal is reduced.

In addition to nickel, chromium is also present and often accompanies nickel. It can occur on ultrabasic rocks in the form of separated minerals or as a result of anthropogenic influence, through the introduction of phosphorus fertilizer, near metallurgical plants. If we take into account the fact that different oxidation forms of chromium behave differently in the soil and that bioavailable chromium is relatively independent of its total content, there is a need for more detailed research into the dynamics of this element and its effect on the environment.

The main problems in land management stand out in the lack of education of agricultural producers, lack of consultation with experts and inadequate application of fertilizers, etc.

Noise

The city administration, through an authorized and accredited professional organisation, provides systematic monitoring of noise on the territory of the City of Kruševac.

During the measurement periods, the measured noise levels in the environment in the urban settlement of Kruševac, at the observed locations, had significantly higher values during the day and evening, primarily at locations located in the business-residential area, shopping-

residential area and children's playgrounds, as and in the school zone, while in the night terms, the exceedances were measured in all zones.

Noise in the environment at the observed points originates mainly from traffic (city transport buses, heavy trucks and light vehicles), especially at the observed points, which are actually main traffic routes, but also from the activities of citizens during the night measurement period.

The reasons for the increase in the level of communal noise are the high frequency of traffic and congestion in the central zone, the lack of green and other barriers along the main city roads and beyond, the inapplicability of certain provisions from existing city decisions due to non-compliance with the Environmental Noise Protection Act.

Heat islands

The heat island effect is felt in the summer in the narrowest centre of the urban settlement due to the density of buildings and the lack of green areas.

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

Earthquakes

According to the seismic hazard maps of the Seismological Institute of the Republic of Serbia, most of the territory of the City of Kruševac, including the urban settlement of Kruševac, is threatened by earthquakes of magnitude 8° to 9° MKS, but on the other hand, the probability of an earthquake of this magnitude is very small (return period 975 years). However, there are also seismic hazards for shorter return periods: earthquakes with a magnitude of 8° MKS for a return period of 475 years, or 7° MKS for a return period of 95 years.

Floods

Pursuant to the Decision on establishing the List of First Class Waters ("Official Gazette of RS", No. 83/2010), the Zapadna Morava, Rasina and Pepeljuša watercourses are first class waters. All other watercourses on the territory of the LSG are waters of the II order. Flood protection on first-order waters is under the jurisdiction of the Republic, while on other waters, the LSG is responsible. The Decree of the Government of the RS ("Official Gazette of the RS", number 18/2019) established the General Plan for flood defense for the period from 2019 to 2025. This plan defines the territorial organisation for flood defense, organisation, preventive measures, activities, coordination, management of flood defense, etc.

The flood defense of Kruševac is favorably influenced by the Čelije reservoir on Rasina, and the river bed is mainly regulated in the zone of the urban settlement (shoreline fortifications of minor beds and defensive embankments). The urban settlement itself is not seriously threatened by floods, due to the existence of defensive embankments along the river Rasina and the regulation of the streams (Košijski, Kožetinski, Garski, Vučacki potok) which are connected to underground atmospheric collectors in parts of the urban settlement. However, at high water levels in the Western Morava, there is a slowdown in the mentioned streams and the possibility of their spilling upstream. One part of the LSG area in the most downstream part of Rasina and next to Zapadna Morava is threatened by floods, and this concerns agricultural areas of high creditworthiness, as well as some of the more important industrial facilities.

The system of defense embankments and regulation of the bed of the West Morava and its tributaries has not yet been completed, and the exploitation of alluvium as a building material is insufficiently controlled.

Outside the urban area, there is a risk of flooding along certain smaller watercourses that have a pronounced torrential character.

Landslides and erosion

On the territory of the City of Kruševac, there are moderate risks of landslides, landslides and erosion. No zones have been identified that are particularly threatened by these phenomena.

Climate and climate change

Meteorological data is collected through the Kruševac Radar Centre and the network of meteorological stations, and hydrological data through the stations in Jasica and Bivolje, which are part of the Republic Hydrometeorological Institute of Serbia. The climate in Kruševac is moderate - continental with pronounced seasons, of which the first half of autumn is dry and warm, and the winters are relatively mild. The average annual air temperature is 10.80°S. The coldest month is January with an average temperature of -0.80°S, and the warmest is July with 20.70°S. Annual amounts of precipitation are relatively small and amount to 647.5 mm, but their monthly schedule is favourable, because most precipitation falls in the spring and summer months, that is, in the growing season (369.1 mm or 57% of the average annual precipitation). From the aspect of the mechanical effect of the wind, Kruševac is not exposed to destructive winds. There are moderate risks from extreme weather events, primarily hail, and blizzards, drifts, ice and cold waves.

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. The 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 temperature increase 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 data²¹, climate changes in Krušavac LSG that can be expected in the long term at the current level of knowledge are:

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

²¹ Observed climate changes in Serbia and projections of the future climate based on different scenarios of future emissions, UNDP Serbia, 2018

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

Risks of accidental pollution

There are a total of three SEVESO plants on the territory of the City of Kruševac (two of the higher order - "TRAYAL corporation" a.d. and "HI Župa" d.o.o. and one of the lower order - "Rubin" a.d.).²²

Waste management

Waste collection in Kruševac is under the jurisdiction of PUC "Kruševac" and is carried out from standardized containers (bins and containers) in three shifts, using specialized vehicles - garbage trucks and transported to the city landfill in Srnje, which is equipped with only the most basic infrastructure.

Organised waste collection is carried out from the territory of all inhabited places on the territory of Kruševac LSG. In all populated areas and city local communities where garbage is taken out with bins, the service is provided once a week according to the regular plan and programme, and once a day or several times during the day in parts of the urban settlement where garbage is taken out from containers (settlements with buildings for collective housing and central zone).

As part of the "Kruševac" PUC, there is also a Recycling Centre that collects and buys secondary raw materials that are baled and handed over to the operator. On the territory of the LSG, there are containers for the primary selection of recycling waste at the source of origin (containers for separating glass, plastic and PET packaging, paper and cardboard). In this way, small amounts of recycling waste are collected, mostly fellow citizens mix and dispose of mixed municipal waste in these containers in addition to the intended type of waste. All recycling containers located on the territory of the LSG are emptied once a week according to the established schedule, and from the territory of the central zone of the urban settlement once a day.

Although the service of organised removal of communal waste is carried out on the territory of the Kruševac LSG, and the provision of emergency garbage removal services related to the rental of 5m³ containers for the disposal of bulky waste, construction and other types of waste, communal and other waste is often disposed of in locations that are not intended for that purpose, and in this way wild landfills are created. The locations that are the most critical and where illegal landfills are created on the territory of urban and suburban settlements are: Rasadnik settlement near "H" building, Pakašnička forest, Panjevac, Slobodan Jovanović Street, swimming pool on Rasina in Mudrakovac. According to the orders of the municipal inspection, through projects of the Ministry of Environmental Protection, through public works and actions carried out by the City Administration of the city of Kruševac in cooperation with PUC "Kruševac", such as the Autumn action of cleaning the city, several times during the year the aforementioned illegal landfills are cleaned where they are mostly recreated.

²²Register of SEVESO facilities on the territory of the Republic of Serbia, Ministry of Environmental Protection, 2023. https://www.ekologija.gov.rs/sites/default/files/2023-01/registar_seveso_postrojena_na_teritoriji_republike_Serbia_0.pdf

5.3.5 Primary utility infrastructure

Plumbing and sewerage

The complete water supply of the Kruševac area is achieved from the central plant for the preparation of drinking water located in the populated place of Majdevo. The Majdevo plant processes water from the “Ćelije” reservoir, which was created by the construction of a dam on the Rasina River in 1980. In addition to Kruševac LSG, drinking water from the Majdevo plant is also supplied to settlements in Aleksandrovac, Ćićevac and Varvarin LSGs. In the past decades, a complex system of pipelines and pumping stations was built, which formed this regional drinking water supply system, which has as its backbone a regional source - the reservoir “Ćelije” and the Majdevo plant. The first phase of the Majdevo plant was built in 1984, and recently reconstruction, modernisation and expansion of the plant’s capacity were carried out. Today, the capacity of the Majdevo plant is 920 l/s of drinking water, which is absolutely sufficient for the long-term water supply of Kruševac, Aleksandrovac, Ćićevac and Varvarin.

There are 101 inhabited places on the territory of the City of Kruševac, and 73 inhabited places, or 92% of the population, are connected to the central public water supply system. For a number of populated places that are not yet connected to the public water supply, the implementation of projects to provide healthy drinking water for their residents is in progress. Water supply remains from local springs for the settlements in the Ribarska Reka valley, which accounts for about 4.8% of the total number of inhabitants, for whom work will be done on the reconstruction and extension of the existing water supply systems in the coming period. Today, 31,847 connections are connected to the Kruševac water supply network. The length of the water supply network is over 900 km. The total average consumption of drinking water in 2021 was about 410 l/s. In the total consumption, households participate with 65%, and the economy with 35%. On the complete water supply system, neither in the summer nor in any other period, there are no restrictions in water deliveries, although there have been observed cases of irrational and occasional unintended use of drinking water.

The quality of water in the public water supply system is monitored daily by taking samples at control points and processing them in the laboratories of PUC “Vodovod” and the Institute for Public Health in Kruševac. The quality of drinking water in the central public water supply can be rated as good. The current state of protection of the Ćelije reservoir is not satisfactory and there are risks for deterioration of the water quality in the reservoir. The reservoir is affected by untreated waste water from the Brus and Blace settlements, and the construction of fecal sewage collectors for Brus and Blace is currently being implemented, and the construction of the Brus and Blace wastewater treatment plant is planned for the near future, which will be financed from EU funds. Among the other important polluters of the reservoir, the following can be distinguished: built objects in the I zone of sanitary protection of the reservoir; the existence of leaching from agricultural areas in the vicinity of the reservoir with the introduction of substances that affect water quality. A study of the protected area of Lake Ćelije was done, but it was not adopted.

Waste water (sanitary, fecal, industrial) and stormwater drainage systems in Kruševac are separate. Households in the urban settlement and in the surrounding settlements are mostly

connected to the public sewage system for waste water. About 30% of the population is not connected to the public sewage system for waste water (observed in relation to the entire territory of the LSG). The construction of storm sewers lags behind sewage sewers, so that only about 50% of the urban settlement is covered by storm sewers. This results in part of the rainwater entering the sewage system, which can disrupt the operation of the sewage treatment plant. Further development of rainwater drainage and separation of rainwater from wastewater is planned. In rural areas, stormwater is collected through open channels.

Kruševac is one of the few urban centres in Serbia that has a functional modern wastewater treatment plant (WWTP). The construction of the WWTP in Kruševac started in 2018, and the plant was completed and received a use permit in 2022. The constructed WWTP includes a complete line of water and sludge with a capacity of 90,000 equivalent inhabitants (ES), which removes suspended, organic and nutritious substances (nutrients) from wastewater up to the prescribed limits. Purified waste water at the outlet of CWWTP into the Zapadna Morava River is controlled daily, and meets the conditions prescribed by national regulations. 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. Treated sludge is additionally dried using solar drying technology, which was applied for the first time in Serbia, and which enables a low moisture content in processed sludge, which facilitates its use as fuel.

Energy

The city of Kruševac appointed an energy manager in 2018. Spatial heat supply program 2022 - 2030 for the City of Kruševac and the Energy Efficiency Program of the city of Kruševac from 2022 to 2025 are adopted.

District heating system and gas pipeline

There is a district heating system on the territory of the urban settlement Kruševac, at four locations. All locations are under the aegis of PUC City Heating Plant Kruševac:

- CTI (Central heat source), with a capacity of 105 MW, where 7,023 users are connected,
- the Rasadnik boiler house, with a capacity of 9 MW, where 990 users are connected,
- the Prnjavor boiler house, with a capacity of 4.5 MW, where 444 users are connected and
- the Bare boiler house, with a capacity of 4 MW, where 163 users are connected.

The total number of users in the territory of the urban settlement who are connected to the distribution network at all four locations is 8,620 users.

Regarding district heating, PUC City Heating Plant uses three types of energy sources: coal, gas and fuel oil. CTI uses gas and coal for heating. The Rasadnik boiler house uses fuel oil for heating (it is planned that from next year gas will be the primary energy source, and fuel oil is an alternative), the Prnjavor boiler house uses gas (an alternative to fuel oil), and the Bare boiler house uses gas (an alternative to coal). As for the part of the urban settlement that is not connected to the district heating system, the main source of heat energy is gas, the rest is electricity and individual fireplaces, mostly with solid fuel wood, coal and pellets. According to the general urban plan of the city of Kruševac, gasification is planned for all parts of the urban

settlement where there is no district heating. The possibility of connecting users to the gas network is about 90%.

Electricity

The ratio of electricity consumption between the population and the economy is 47% for the household, 53% for the economy. The calculation was made based on the parameters for the month of September 2022. Currently, there are sufficient capacities for the distribution of electricity in LSGs.

The percentage of households that are not connected to the electricity distribution network is not known. The number of requests for connection that were rejected is very small, and the most common reason given is the lack of legally valid documentation on resolved property - legal relations.

Renewable energy sources

Currently, renewable energy sources in Kruševac are biomass and gas burners, individual solar panels and heat pumps (in private buildings).

There are certain potentials for the use of the following renewable energy sources on the territory of Kruševac LSG: biomass from forestry, urban waste, geothermal water, wind power. Solar energy represents the greatest potential, given that Kruševac is located in the zone of global radiation of about 4.0 kWh/m².

Energy efficiency

The City of Kruševac, according to the Law on Efficient Use of Energy, has an obligation to collect data on energy consumption for those facilities for which it bears the costs of energy and energy sources. There are 233 public facilities on the territory of Kruševac LSG, which are fully or partially financed from the budget of LSG. Most of these buildings are inefficient from the point of view of energy efficiency, with large energy losses due to the poor condition of the buildings and installations. Old equipment and heating installations are particularly problematic - in some schools, solid fuel boilers are more than 30 years old and are not efficient, and some schools use fuel oil for heating. A large number of buildings do not have thermal insulation, and the carpentry is in poor condition. Replacement of external carpentry was done on a small number of buildings. Institutions do not monitor and control their consumption, costs for energy and energy products are seen as a fixed and unchanging cost even though they exceed 10% of the value of the LSG budget, and there is no energy management in public facilities (appointed person(s) who will deal with consumption monitoring and by improving EE in the facility). Effective measures for the improvement of EE are not implemented due to the fact that budget funds are not used adequately (dispersed investment in several facilities), measures for the improvement of EE are not implemented in the right way.

When it comes to the energy efficiency of new buildings in private ownership, about 50 energy passports are issued annually, in accordance with current regulations.

5.3.6 Primary transport infrastructure and traffic

Kruševac is one of the first LSGs in Serbia that adopted the Sustainable Urban Mobility Plan (POUM). The Sustainable Urban Mobility Plan of the city of Kruševac 2017 - 2030 was adopted in 2017 and was made in accordance with the modern tendencies of urban mobility in urban settlements, putting first the needs of pedestrians, then cycling, public transport, and finally the sustainable use of private cars. The goal of POUM is that by 2030, in the total distribution of trips, sustainable modes of transport should be available with 80%, and the use of private cars with 20%.

Traffic network

In the urban settlement and in the immediate surroundings there are the following state roads: DP I B row number 23. Pojate - Kruševac - Kraljevo - Preljina - Čačak - Požega - Uzice - Čajetina - Nova Varoš - Prijepolje - state border with Montenegro (border crossing Gostun); DP I B row number 38. Kruševac (Makrešane) – Blace – Beloljin; DP II A row 183. Kragujevac - Gornja Sabanta - Rekovac - Belušić - Jasika - connection with state road 23; DP II A row number 207. Biljanovac – Jošanička spa – Grčak – Aleksandrovac – Kruševac (Koševi); DP II A row number 215. Kruševac – Đunis – Deligrad and DP II B row number 415. Kruševac – Veliki Jastrebac – Mala Plana – Prokuplje. Municipal roads on the territory of the urban settlement are: part of municipal road no. 13 (Pakašnica – Gari – Cerova – state road IIA row no. 207) to the border of GUP; municipal road no. 15 (former M5 – Čitluk – former M5); part of municipal road no. 16 (national road IIA order no. 207 – Vučak) to the border of the plan; municipal road no. 24 (Parunovac – Dedina); part of municipal road no. 25 (Kapidžija – Parunovac - V. Golovode); municipal road no. 26 (Dedina - Tekie - Kapidžija); part of municipal road no. 27 (national road IIA order no. 215 – Dobromir); part of municipal road no. 37 (M. Šiljegovac – Bovan – Pasjak – Parunovac).²³

The street road traffic network in the urban settlement is developed. The main and busiest traffic routes pass through the very centre of the urban settlement, and the lack of alternative roads and routes makes it impossible to relieve it.

Railway traffic is not developed, although it has great potential. The main shortcomings of the existing system are: the mismatch between the needs of the population and their migratory movements (arrival and departure of workers, as well as pupils and students). The existing timetable is characterized by a small number of departures for the needs of intercity connections. There is no direct rail transport for Niš, Belgrade and Kragujevac, as university centres. There are a total of two departures per direction during the day in the early morning hours.

The railway infrastructure represents unsafe points at the intersections of railways and roads. Some intersections are secured only by road vertical signaling, and some do not have a good visibility angle.

The location of the airport is about 5.5 km from the centre of Kruševac. A runway 900m long and a hangar were built, where further arrangement and construction is to come.

²³ General urban plan of Kruševac 2025, 2015.

There are no intermodal hubs. The planned construction of the highway and the reconstruction and electrification of the regional railway represent a significant potential for the planning and formation of freight transport, logistics and intermodal hubs within the northern industrial zone.

Public urban and suburban transport

In 2021, a public transport study in Kruševac was prepared, which analyzed the advantages and disadvantages of the existing system, and made suggestions for its improvement.

Public transportation in Kruševac is provided by the joint-stock company “Jugoprevoz Kruševac” as the Operator. The line network consists of urban and suburban lines. Their total length is 1,394.6 km, of which 144.6 kilometers are urban lines, and 1,250.0 kilometers are suburban lines.

The current network of lines developed around the basic skeleton by adding, over time, branches covering parts of the city’s territory according to its expansion. In this way, a multitude of lines were created, which for a large part of the route have a common branch that starts in the Centre (Monument) or from the Bus station.

Public city transport lines using the available street network spatially cover the largest part of the Kruševac urban settlement. Given that there are no special traffic lanes in Kruševac for the traffic of public transport vehicles (“yellow lanes”), public city transport only takes place in conditions of mixed traffic flow. The timetable is coordinated with the working hours of companies and schools, which is why on certain lines departures are held every hour, and on others even less often. In the urban area, there are canopies with timetables at bus stops. There are no GPS devices in the vehicles, which is a prerequisite for installing boards with real-time information at bus stops and creating an application. The main disadvantages are timetables that are not aligned with the needs of citizens, low frequency, vehicle size, fuel, vehicle accessibility. There are no night departures, as well as a circular city line.

Pedestrian zones

One of the problems is the present conflicts between road and pedestrian traffic in the centre of the urban settlement. The pedestrian crossing on Kosovo Heroes Square, in the very centre of the city, was identified as a black spot in 2021. In the central area of the city, there is a pedestrian zone and most of the roads are equipped with sidewalks, while outside the central area, many streets have no sidewalks or sidewalks of insufficient width. Maintenance of pedestrian areas is poor, and there are no or inadequate ramps at pedestrian crossings and fans. There are physical barriers to the movement of people with reduced mobility.

The urban settlement lacks permanent and occasional pedestrian streets, as well as their architectural arrangement. The formation of a pedestrian zone in the very centre of the city is prevented by the current traffic regime in which the main road routes pass through the very centre of the city, as well as by the fact that the main terminus of public city transport is also located there.

Slow traffic zones in the city are also missing. In accordance with the POUM, certain slow traffic zones in Veselin Nikolić St. and Brijanova St are not followed by an adequate construction solution for the road. When it comes to temporary pedestrian streets, since 2015, during the celebration of the European Mobility Week, the city of Kruševac has closed the main street

to traffic in the evenings. In the first year, for a period of one week, and in 2019, the measure lasted for 6 months and was well received by citizens.

Bicycle traffic

Infrastructure for bicycle traffic is under development. Currently, there are two bicycle paths, which have technical deficiencies, such as inadequately placed curbs. The paths are not connected to each other and we cannot speak of a network of bicycle paths. The primary task for the development of the bicycle network in the urban area is the formation of the main bicycle highway along the north-south direction, followed by the branching of the secondary network. The realization of this project has been going on for a long time.

Motor vehicles are parked on the marked bicycle lanes within the road surfaces, and the marked widths are minimal.

Parking

In the urban settlement there is mainly street parking that is charged, with an electronic payment system.

Many parts of the urban area lack underground or above-ground garages, the construction of which would enable the relocation of parking outside the street profile and the repurposing of part of the street profile. Also, the street profile does not allow for designated street parking, so entire blocks are full of illegally parked vehicles.

Passenger movement (mobility)

In the Plan of Sustainable Urban Mobility of the City of Kruševac, the following conclusions about the mobility of citizens were presented:

- Walking is the dominant form of movement, especially among young people (16 - 25 years old) and older than 65 years old.
- The reasons why the bicycle is used less are the lack of appropriate infrastructure, but also the fact that many see the bicycle only as a form of recreation and not as a form of transportation.
- Public transport is most often used to go to work and school, as the timetable is adapted for these purposes.
- The car is the most common choice of transportation for the 26-46 age group.
- The choice of mode of transportation can significantly affect the costs in the household budget.

Internet and digitalization

The application of IT and “smart” systems in traffic and urban mobility in Kruševac is just beginning. It is possible to pay electronically for zoned parking in the city. The vehicles of public transport operators are not equipped with GPS devices, so it is not possible to inform passengers about the movement of the vehicle. Electronic systems for purchasing tickets for transporting passengers are not enabled.

On Actors’ Square and on the plateau in front of the Court building, smart benches equipped with solar panels for wireless internet access have been installed. Free internet is also available in the park in Bagdala.

5.4 URBAN AND TERRITORIAL DEVELOPMENT GOVERNANCE

5.4.1 Access to governance

In the framework of sustainable and integrated urban development, management refers to the methods used by the administration and various relevant actors in planning, funding and managing the development and implementation of the strategy. The key aspects of urban development management are: 1) a multi-level management approach, which refers to the coordination and harmonization 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 management approach

In the practice so far, the City of Kruševac has participated in the implementation of projects supported by:

- EU funds
- international financial instruments
- national sources of funding.

The city of Kruševac has established working bodies of the City Assembly and the City Council.

Parliamentary working bodies are:

- Commission for Gender Equality
- Council for Finance and Economy
- Council for Urban Planning, Construction and Communal Activities
- Council for Environmental Protection
- Council for Social Activities
- Council for Agriculture, Forestry and Water Management
- Council for Social Affairs
- Health Council
- Youth Council.

The working bodies of the City Council are:

- Council for Social Inclusion of Roma and Romani Women in the City of Kruševac
- Council for Social Policy
- Committee for Monitoring the Implementation of the Local Action Plan for Children
- Commission for the Implementation of the Local Action Plan for the Youth of the City of Kruševac
- Commission for Implementation of the Local Environmental Protection Program
- Council for Road safety in the territory of the city of Kruševac
- Commission for Monitoring the Sustainable Urban Mobility Plan
- Commission for the Implementation of measures and activities of the population policy of the city of Kruševac.

A multi-stakeholder approach

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

Public sector/administration:

- The City Administration of the City of Kruševac

Public sector/enterprises:

- Preschool "Nata Veljković"
- Health Centre Kruševac
- Centre for Social Work Kruševac
- PUC "Kruševac"
- PUC "Vodovod" Kruševac
- Tourist Organisation Kruševac
- Business Incubator Kruševac

Civil sector

- Association of pedagogues and psychologists
- Citizens Association "Treehouse"

Partnerships and networks

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

Domestic partnerships:

- Preschool "Nata Veljković"
- Health centre Kruševac
- Centre for Social Work Kruševac
- Association of pedagogues and psychologists
- PUC Kruševac
- Citizens Association "Treehouse"

Networks:

Twinned cities: Pistoia (Italy), Trogir (Croatia), Travnik (BiH), Corfu (Greece), Saint Andrew (Hungary), Kiryat Gat (Israel), Râmnicu Vâlcea (Romania), Volgograd (Russia), Stara Zagora (Bulgaria), Ryazan (Russia), Žalec (Slovenia), Bijeljina (BiH), Odintsovo (Russia), Elektrostal (Russia), Eskisehir (Turkey), East Sarajevo (BiH), Kosovska Mitrovica (KiM); Stavros (Greece), Lipetsk (Russia), Novopolotsk (Belarus).

Participatory approach

Participatory approach is applied when creating public policies - planning or strategic documents. After the City Assembly makes a decision on joining the development of a strategic document, working groups are formed, which are made up of representatives of relevant institutions and civil society organisations. Focus groups are also organised, consisting of representatives of the public and the civil sector, who can give their suggestions and proposals.

Citizens' participation is present in the process of drafting planning documentation in all stages of drafting (early public review lasting 15 days, public review lasting 30 days, expert control), with the participation of public companies and institutions as holders of public authorizations that, on the basis of special authorizations, issue special conditions. Also, special public presentations, surveys, etc. are organised in the process of drafting planning and urban documentation.

Upon adoption, all planning and strategic documents are available for public inspection on the official website of the Kruševac local government.

During the preparation of the Decision on the budget, citizens are involved in the process of public discussion. The proposal is published on the LSG website, and citizens can attend the public presentation. The public hearing should be organised when the Department of Finance drafts the Decision and submits it to the executive body in accordance with the budget calendar on 1 November, however, in practice this does not happen, but is usually organised at the end of November and even at the beginning of December. So it is an established practice, and there is not enough time for a detailed analysis, which leads to the absence of a quality assessment of any change and additions.

LSG capacities for urban development governance

In the previous period, the city of Kruševac achieved a number of partnerships with organisations in order to increase the capacity of local self-government:

- In 2022, the City of Kruševac concluded a Cooperation Agreement with the Standing Conference of Towns and Municipalities (SCTM) for the implementation of a support package for the development plan. The support package includes professional support in all stages of developing the development plan and for the implementation of accompanying processes, namely through: establishing mechanisms, forming a LSG coordination team and harmonizing the approach to work on the development plan; preparing an overview and analysis of the current situation in LSGs (social - economic and functional analysis); establishment of a mechanism for the participation of the wider local community in the process of developing a development plan; drawing up a draft of the vision, goals and measures of the development plan; support for the implementation of consultative processes before the adoption of the draft development plan, for the implementation of a formal public debate on the draft, and for the finalization of the document before formal adoption; provision of advisory support as needed in connection with the development plan of LSG Kruševac, until the end of the Support Package.
- In 2022, the city of Kruševac concluded a Memorandum of Understanding with the United Nations Office for Project Services (UNOPS), which defines the technical support of the European Union Program for Local Development EU PRO Plus in the development and implementation of the Territorial Strategy of the city of Kruševac urban area.
- The Standing Conference of Towns and Municipalities (SCTM) within the Program "European Union Support for Roma Inclusion - Empowerment of Local Communities for Roma Inclusion" funded by the European Union, through a Public Call for Cities, chose Kruševac LSG to receive support in the development of a Local Action Plan for social inclusion of

Roma men and women. The goal is to improve the position of the Roma population in the fields of education, health, employment, housing and social protection. All relevant actors at the local level will participate in the process of drafting the document - representatives of institutions and civil society organisations with the aim of a comprehensive overview of the situation and priorities through a multi-sector approach.

- The city of Kruševac is one of the 50 LSGs in Serbia that, through the “Management of Human Resources in Local Self-Government - Phase 2” Program, received a support package related to the improvement of the human resources management function and the establishment of an efficient local government aimed at meeting the needs of citizens. The program “Management of human resources in local self-government - phase 2” is worth 4 million euros and is jointly financed by the European Union and the Council of Europe, and implemented by the Council of Europe in cooperation with the Ministry of State Administration and Local Self-Government and the Standing Conference of Towns and Municipalities. The introduction of a new system of professional development of civil servants and employees in local self-governments represents a significant step in the implementation of reforms in the field of human resource management and human resource development in state administration. The main idea of the project is to establish an integrated national professional training system based on a common framework and standards for identifying needs, developing programmes and evaluating results.

5.4.2 Sources of funding

The main sources of funding urban development are: the LSG budget, various ministries implementing programmes and tenders (development of industrial zones, traffic infrastructure, communal infrastructure, education, tourism, etc.), as well as funds from domestic, local investors and interested financiers.

Public-private partnerships for street maintenance and public lighting were achieved.

5.4.3 Transparency and information

When it comes to the local transparency index, Kruševac is in 12th place with 69 index points. Growth in 2022/2021 is 22, i.e. in percentage it is 46.8%.

The city of Kruševac is an example of good practice when it comes to publishing the Annual Plan for public tenders. The Public Procurement Plan, Budget Decision, Information on Work, etc. are published on the LSG website.

No data on donor programmes and projects are available on the website of the City of Kruševac.

When it comes to the use of modern electronic systems in management, the following systems are planned to be established in Kruševac:

- The CRM system - the office for IT and electronic administration will be installed within the Kruševac City Administration by the end of the year, which includes electronic communication between the administration and citizens.
- The geographic information system exists, but is not operational. By the end of the current year, the system will be fully functional.

6 SWOT ANALYSIS AND NEEDS

6.1 IDENTITY OF THE URBAN AREA

advantages/strengths

- Former medieval capital of Serbia
- Architecturally - urbanistically defined linear city centre consisting of Gazimestan Square in the northwestern part, Kosovo Heroes Square as the central city area and Kosturnica Square in the southeastern part, together with contact zones - Youth Square and Fountain Square; ambient units Obilićeva St, Kosačićeva St, Despota Stefana Square, Rebekino sokače (Kumanovska street), Cara Lazara and Vidovdanska streets, house of Nešić
- Protected cultural properties - of national importance "Lazar's Town" with the court church, the monument to the heroes of Kosovo, the Donjon tower, the remains of the Prince's palace, the National Museum and the monument to Prince Lazar, preserved units of cultural heritage - family houses with a characteristic of folk architecture of the second half of the 19th century in Greek Street and Bey's house (Milivojević's house) in Vuka Karadžića Street, Slobodište Memorial Complex
- Increase in the number of domestic and foreign tourists
- Developed event tourism - Crushing of Christmas bread, Knights' Fair in Lazar's Town, International Balloon Festival "Kruševac Through the Clouds", Imperial Festival "Lazar's Wine Routes", In the Heart of Kruševac, International Festival of Tourist Publications of Serbia, "Suitcase of Letters", "New Year's Magic", an international festival of humor and satire "Golden Helmet", Orthodox Film Festival, Rosetta - town and village competition, etc.
- Kruševac - the city of actors
- Contemporary works of art - the legacy and murals of Milić od Mačva, the mural of Lazar Vukalija, the Srbinović hall museum in the City Hall
- A long tradition of planning and construction of settlements, since 2017, the second city in the speed of issuing building permits
- Kruševac does not expand the urban area at the expense of agricultural and forest land

weaknesses/deficiencies

- Unused brownfield sites
- Deterioration of buildings under protection in private property
- Insufficiently recognizable tourist image and brand and unevenly developed and underutilized tourist potentials

potentials/possibilities

- Regeneration of brownfields - Dom Vojske planned for conversion into cultural facilities; the planned transformation of the zone of commercial activities, that is, the area of the old "Merima"

- Protection of cultural heritage - reconstruction of the “Slobodište” complex and conservation works on the figures in the complex, reconstruction and revitalisation of Lazar’s Town; National Council for Culture - Lazar’s Town
- Reconstruction and digitization of the “Kruševac” cinema as the largest multi-functional theater in the city
- There is a possibility for the development of new accommodation facilities in the narrow centre of the urban settlement
- There are potentials for the development of cultural, religious, urban, spa, event and industrial tourism
- Using the EU programmes of urban development and renewal, which are available to Serbia (URBACT IV; New Bauhaus; Cities in Focus)
- Use of national funds - Ministry of Culture for “Slobodište”; competition for subsidies
- Increased daily rural-urban migrations, strengthening of urban-rural connections

threats/risks

- Market regulation in the field of housing construction
- Permanent loss of agricultural land
- The modernist, socialist and industrial architectural heritage was not valued
- Endangerment of natural and cultural assets

needs

- Urban regeneration of city and settlement structures and the formation of a cultural axis
- Adequate transformation and reactivation of a brownfield site
- Program arrangement and renovation of the “Slobodište” complex
- Development of sustainable tourism
- Continuation of the planned regulation of the expansion of the continuously built urban area

6.2 GREEN AND ENERGY TRANSITION AND MOBILITY

advantages/strengths

- There is a district heating system, all parts of the urban settlement where there is no district heating have been gasified
- The possibility of connecting users to the gas network is about 90%
- Adopted district heating plans, energy efficiency plan, green roof action plan, environmental protection program, air protection action plan
- From 23/12/2022, PM 2.5 and PM 10 particles are measured
- Public lighting - led lighting
- There are significant green spaces in the urban area: Pionirski Park, Archaeological Park, Memorial Complex “Slobodište”, Forest Park on Bagdala and the banks of the Rasina River.
- 92% of the territory of the LSG is connected to the central water supply system
- The central facility for processing drinking water in the settlement of Majdevo has sufficient capacity

- Wastewater treatment plant put into operation in 2021
- Organised waste collection is carried out from the territory of the entire LSG
- On the territory of the urban settlement there are containers for the primary selection of recycling waste
- There is a Recycling Centre that collects and buys secondary raw materials
- The railway reconstruction project is under construction
- The Sustainable Urban Mobility Plan of the City of Kruševac 2017 - 2030 was adopted, which puts first the needs of pedestrians, then cycling, public transport, and finally the use of private cars in a sustainable manner
- Walking is the dominant form of movement, especially among young people (16 - 25 years old) and over 65 years old.
- Smart benches equipped with solar panels for wireless internet access have been installed in the centre of the urban settlement, free internet is also available in the park on Bagdala

weaknesses/deficiencies

- Lack of linear and protective greenery in an urban settlement
- There is no protective belt of greenery towards the industrial zone
- Unutilized forest complex "Slobodište"
- The cadastre of green areas is missing
- There are no organised park areas for recreation in suburban settlements
- The heat island effect is felt in the summer in the narrowest centre of the urban settlement due to the density of buildings and the lack of green areas
- Reduced visibility due to LED lighting (high number of traffic accidents)
- Air pollution in the winter due to emissions from city and individual fireplaces in households
- Polluted watercourses due to lack of coverage by the sewer network, unplanned construction and illegal connections to the sewer network
- Absence of alternative water supply sources, there is only one water supply source for the entire urban area ("Ćelije" reservoir)
- Endangered water source - Ćelije reservoir due to inflow of untreated water from Brus and Blace settlements, illegal construction in sanitary protection zones, washing of agricultural land
- Insufficient communal/infrastructural equipment (water supply, fecal and atmospheric sewage)
- Lack of potable and technical water
- About 30% of households are not connected to the sewage system
- Atmospheric sewerage exists in about 50% of urban settlements
- Increased concentrations of nickel and chromium in the soil
- Increase in communal noise level due to high frequency of traffic in the central zone of the urban settlement, lack of green and other barriers along the main city roads
- Insufficiently developed awareness of the population about the primary selection of waste, municipal waste is also disposed of in containers for the primary selection of recycling waste

- The existing landfill “Srnje” is equipped with only the most basic infrastructure
- There are wild landfills that are created again even after removal (Rasadnik settlement near H building, Pakašnička forest, Panjevac, Slobodana Jovanovića Sstreet, Rasina swimming pool in Mudrakovac)
- Insufficient funds to provide adequate infrastructure for primary selection and recycling
- Absence of implementation of waste disposal procedures and measures to sanction improper waste disposal
- The main and busiest traffic routes pass through the central zone of the urban settlement
- The car is the most common choice of transportation for the 26-46 age group
- Public city transport only takes place in conditions of mixed traffic flow
- The main system of JGP is timetables not aligned with citizens’ needs, low frequency, vehicle size, fuel, vehicle accessibility
- JGP vehicles are not equipped with GPS devices, the electronic ticket purchase system for transporting passengers is not enabled
- The railway infrastructure represents unsafe points in certain parts of the LSG, at the intersections of railways and roads
- Inadequate location of the bus and train station from the point of view of urbanism and safety, as well as for the storage of transported goods (railway)
- Permanent and occasional pedestrian streets are missing; many streets have not been built with sidewalks
- Existence of physical barriers for people with reduced mobility
- Lack of infrastructure for bicycle traffic (connected bicycle paths)
- There are no underground or above-ground garages, in order to enable the relocation of parking outside the street profile and the repurposing of part of the street profile
- In many neighborhoods, the street profile does not allow for designated street parking, so entire blocks are full of illegally parked vehicles.

potentials/possibilities

- There are potentials for using renewable energy sources
- The greatest potential and the most profitable is the use of solar energy, given that Kruševac is located in the zone of global radiation of about 4.0 kWh/m²
- Use of funds from the LS budget for energy efficiency
- The West Morava and Rasina coastal areas are elements of the ecological network of the Republic of Serbia
- In the area of GUP there are about 11m²/per inhabitant of greenery in public use
- The construction of the regional sanitary landfill “Srnje” and the Regional Centre for Waste Management is planned
- Construction of shelter for dogs
- The construction of the highway and the reconstruction and electrification of the regional railway are a significant potential for the formation of goods transport, logistics and intermodal hubs.
- There is potential for the development of passenger rail traffic, but it is necessary to harmonize the timetable with the needs of the population

- There is an airport with a 900m runway and a hangar
- Infrastructure for bicycle traffic is under development - there are two bicycle paths, but they are not connected to each other

threats/risks

- High dependence on external factors for the needs of providing energy and energy sources
- Unstable market/disruption of gas supply
- Underutilization of the potential of renewable energy sources
- Risk of an environmental incident during production in factories located on the territory of the city of Kruševac
- Risk of hazards when transporting hazardous materials through the territory of the LSG Kruševac
- Moderate risks from climate change and extreme weather events, primarily hail, and blizzards, drifts, ice, cold waves and droughts
- Inadequate prices of utility services to ensure development

needs

- Energy rehabilitation of public buildings
- Improvement of the system of green areas
- Protection and development of water infrastructure
- Improvement of traffic intermodality and traffic infrastructure

6.3 INNOVATIVE AND SMART ECONOMY

advantages/strengths

- A significant increase in the number of employees, especially in the processing industry
- Professional workforce
- Employment incentive for Kruševac LSG (action plan, financial support)
- Long industrial tradition and diversity of existing industrial capacities chemical, metal processing, food (e.g. export of edible fruit), wood processing, textile and construction industry
- Large representation of SMEs in the overall economic structure
- Strong growth in investment activity, one of the leading LSGs in terms of investment level
- The existence of two industrial zones - IZ North, IZ East and Free Zone Kruševac
- High degree of labor mobility - commuting
- Institutional support - Regional Development Agency of Rasina District and Chamber of Commerce, National Employment Service, City Administration - Department for Investments, Economy and Environmental Protection, Kruševac Businessmen's Club

weaknesses/deficiencies

- Insufficient connection between the economy and higher education and research
- Migration of young people and educational staff to larger republican centres
- Absence of free land intended for potential investors
- Lack of processing capacity
- There is not a single IT company
- Circular economy - lack of awareness about waste separation

potentials/possibilities

- Investments predominantly oriented to the sector of the processing industry
- Construction of traffic infrastructure - "Moravian Corridor" and completion of the airport
- Expansion of the industrial zone
- Regional industrial - technological park (possible funding by the EIB)
- Non-governmental organisations for employment support, development of social entrepreneurship

threats/risks

- Unfinished company privatisation procedure - "Trayal corporation" a.d., "Trayalhem" d.o.o. and Special Hospital "Ribarska banja"
- Unfavourable demographic trends
- Low level of implementation of public policies/projects

needs

- Ensuring conditions for a quality life to attract personnel of importance to LSGs - personnel scholarships, Rotterdam model of innovation, lower housing prices, quality of public spaces
- Improvement of infrastructure in order to attract new investments
- Improving the conditions for the development of entrepreneurship
- Connecting the economy and research - scientific educational institutions and the formation of universities/faculties in accordance with the needs of the economy
- Development of innovative and circular economy

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

- Existence of local strategic documents and local action plans in the field of development (Kruševac City Development Plan), social policy, youth, children, Roma inclusion
- Developed employment support - Office for Youth, Professional Training Centre, Employment Action Plan
- Existence of the Gerontological Centre and other social welfare institutions - Home for people with disabilities; formation of new services at the Red Cross
- Existence of a good health care infrastructure - a network of health centres and clinics (8 clinics in urban areas and 26 in rural areas)

- Good functional connection within the health system by levels of health care
- Developed educational infrastructure - a network of preschool institutions and primary schools, two minibuses are used to transport preschool children in rural areas (project funding), the School for Primary and Secondary Education "Veselin Nikolić" for the education of persons with disabilities, 8 secondary schools, a dormitory for high school students and higher education institutions (Faculty of Agriculture, College of Chemistry - technological school of vocational studies and the Academy of Educational - Medical Vocational Studies)
- Scientific infrastructure - Institute for forage crops
- Developed cultural infrastructure - National Museum, National Library, Historical Archive, Kruševac Theater and Cultural Centre
- Existence of good sports infrastructure - Sports centre and open fields in different local communities on the territory of the LSG

weaknesses/deficiencies

- Depopulation
- Insufficiently systematized social protection services
- Lack of warehouse space for the Red Cross
- Tramps and begging children - intervention care
- Inadequacy of health infrastructure facilities, in terms of space and services for the needs of disabled persons and persons with special needs
- Insufficient space and modernisation of the work of the Ambulance Service (from the aspect of organisation, equipment, space, innovation of knowledge) (from the aspect of organisation, equipment, space, innovation of knowledge)
- Insufficient space in the National Library
- Insufficient space of the Historical Archive (at 3 locations)
- Inadequate space for the depot of the National Museum

potentials/possibilities

- Development of the private sector in the domain of public services - homes for the elderly, clinics and health centres, secondary schools...
- Intersectoral cooperation in the field of emergency medical assistance
- Areas of local communities in villages
- Kruševac - the capital of culture
- Textile and paper conservation services at the National Museum

threats/risks

- Insufficient interest of members of the Roma minority in work and education
- Unaffordability of social and health care prices in the private sector
- Departure of trained health workers abroad and the private sector

needs

- Improvement of social protection services
- Improvement of educational infrastructure
- Improvement of health care
- Improvement of the network of facilities of cultural institutions
- Improvement of the network of facilities and availability of sports and recreation services

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

- Capacities in using different (EU, international and domestic) sources of project funding
- Experience in networking with domestic partners
- Good cooperation with various stakeholders (public sector enterprises, civil sector)
- Realised public-private partnerships (maintenance of streets and public lighting)
- Realised partnerships in order to increase the capacity of LSGs
- Good transparency of local self-government for 2022 (LTI 69, rank 12/145)
- Kruševac implements a “three-stage” public participation - in addition to early public inspection, public inspection and in the decision-making phase on the development of public policies, based on the Law on Local Self-Government
- Good involvement of the economy in projects that are implemented with republican institutions and the EU
- EBRD, SDS, SIDA - employment support
- Multisectoral working groups at the LSG level are functioning

weaknesses/deficiencies

- Multi-level governance: weak involvement of national, regional and local actors
- Insufficient involvement of the economy in the projects implemented by LSG Kruševac
- Formal participation of citizens through legally mandated public consultations and public inspection
- The GIS platform exists, but is not operational
- Lack of personnel in LSGs for urban development management; the problem of retaining personnel who have the knowledge to design and implement projects
- Lack of capacity in LSGs for the preparation of project proposals from EU funds
- Insufficient utilization of the civil sector in the planning process
- Insufficient application for the IPARD program by citizens

potentials/possibilities

- Development of mechanisms for active participation in decision-making and decision-making 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 fields: infrastructure, place branding, sustainable mobility and JGP, development of sustainable tourism

- Development of an electronic communication system between administration and citizens
- Possibility of inclusion in URBACT IV networks

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

needs

- Capacity building in the integrated management of urban development
- Information about programmes and funding sources (domestic, EU and international)
- Complementary application for international projects - greater involvement of international partners and funds
- Informing, educating and essential participation of citizens and interested parties in the planning process beyond formal forms for quality management of urban development
- Greater use of ICT tools for citizen and stakeholder participation

7 VISION, OBJECTIVES, SPECIFIC OBJECTIVES AND MEASURES

7.1 VISION

A CITY OF CULTURE AND ART, CUSTOMIZED AND OPEN TO EVERYONE.

A CARING CITY WHERE EVERYONE IS WELCOME.

A CITY OF SUSTAINABLE URBAN MOBILITY AND EFFICIENT PUBLIC TRANSPORT, CLEAN AND HEALTHY.

ECONOMICALLY PROSPEROUS ENTERPRISE CITY.

Kruševac is a city of culture and art, whose continuous identity is based on a rich history, but with a clear orientation towards the future and the needs of young people; an open and decentralized city of free and creative people, adapted and accessible equally to all citizens; a city with a developed social welfare network, which takes care of vulnerable groups; developed sustainable urban mobility and efficient public transport, a city without pollution and waste, climate resilient thanks to the developed green and blue infrastructure, Kruševac is a socially and ecologically responsible and economically prosperous entrepreneurial city.

7.2 THEMATIC OBJECTIVES, SPECIFIC OBJECTIVES AND MEASURES

The starting framework for formulating the goals, specific goals and measures of the urban area strategy (SUP) is the new legislation of the European Commission, which establishes common output and result indicators for the European Fund for Regional Investments (investments in jobs and growth and Interreg) and the European Cohesion Fund.²⁴ (EC, 2021). The goals 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, 2023²⁵; Sludge management programme in Serbia from 2023 to 2032²⁶ (Government of RS, 2023); Low-carbon development strategy of the Republic of Serbia

²⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2021:231:FULL&from=EN>

²⁵ <https://www.mei.gov.rs/srp/vesti/2811/detaljnije/w/0/nacrt-zakona-o-uspostavljanju-i-funkcionisanju-sistema-za-upravljanje-kohezijom-politikom-na-portalu-ekonsultacije/>

²⁶ <https://www.ekologija.gov.rs/lat/saopstenja/vesti/prvi-put-usvojen-vazan-planski-dokument-%E2%80%93-program-upravljanja-muljem-u-republici-srbiji>

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

for the period from 2023 to 2030 with projections until 2050²⁷; Strategy for young people in the Republic of Serbia for the period from 2022 to 2030²⁸ ("Official Gazette of RS", No. 9/2023); Strategy of deinstitutionalization and development of social protection services in the community for the period 2022-2026. year²⁹ ("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 plan³⁰ ("Official Gazette of RS", No. 140/2022); Circular economy development programme in the Republic of Serbia for the period 2022-2024. year³¹ ("Official Gazette of RS", no. 137/2022); Waste management programme in the Republic of Serbia for the period 2022-2031³² ("Official Gazette of RS", No. 12/2022); Programme of adaptation to changed climatic conditions with Action Plan, Draft³³; Spatial Plan of the Republic of Serbia from 2021 to 2035, Draft³⁴; Strategic priorities for the development of the culture of the Republic of Serbia from 2021-2025³⁵ (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 2050³⁶; Strategy for the development of information society and information security in the Republic of Serbia for the period from 2021 to 2026³⁷ ("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"³⁸ ("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 2025³⁹ ("Official Gazette of RS", number 125/2021); Industrial policy strategy of the Republic of Serbia from 2021 to 2030⁴⁰ ("Official Gazette of RS", No. 35/2020); Employment strategy in the Republic of Serbia for the period from 2021 to 2026⁴¹ ("Official Gazette of RS", no. 18/2021, 36/2021); Strategy for the development of education and upbringing in Serbia until 2030⁴² ("Official Gazette of RS", No. 107/2021); Strategy of smart specialization in the Republic of Serbia for the period 2020-2027. year⁴³ ("Official Gazette of RS", No. 21/2020); Strategy of sustainable urban development of the Republic of Serbia until 2030⁴⁴ ("Official Gazette of RS", No. 47/2019); Artificial intelligence development strategy in the Republic of Serbia for the period 2020-2025. year⁴⁵ ("Fig. Gazette of the RS", no. 96/2019); Public health strategy in

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

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

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

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

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

32 http://demo.paragraf.rs/demo/combined/Old/t/t2022_02/SG_012_2022_010.htm

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

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

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

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

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

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

39 http://demo.paragraf.rs/demo/combined/Old/t/t2021_12/SG_125_2021_011.htm

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

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

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

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

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

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

the Republic of Serbia 2018-2026. year⁴⁶ ("Official Gazette of the RS", No. 61/2018); Tourism development strategy of the Republic of Serbia for the period from 2016 to 2025⁴⁷ ("Official Gazette of RS", No. 98/2016); Strategy of agriculture and rural development of the Republic of Serbia for the period 2014-2024. year⁴⁸ ("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 2020⁴⁹ ("Official Gazette of RS", number 35/15).

By harmonizing the goals 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 goals:

- 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 and
- 5) Improvement of urban development governance.

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

Table 1: Thematic goals, specific goals and measures

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

O 1. Strengthening the urban identity and renewal of the urban area by encouraging sustainable and integrated development
SO 1.1 Improved and uniform quality of arrangement and accessibility of the urban area
M 1.1.1 Development, renovation and regeneration of underutilized buildings, zones and units, including the revitalisation of brownfield sites
M 1.1.2 Urban regeneration of parts of the settlement that are exposed to devastation processes, including inundation by internal waters and heat islands
M 1.1.3 Arrangement, preservation and connection of public spaces (surfaces and objects) in accordance with the concept of accessibility and the formation of new public spaces in accordance with the principle of inclusivity (use of inclusive urban furniture)
M 1.1.4 Establishing measures to improve management and maintenance, and raising the culture of housing in residential communities (multi-apartment buildings)

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

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

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

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

M 1.1.5 Improving security in urban settlements
SO 1.2 Encouraging the protection of cultural and architectural heritage
M 1.2.1 Active protection of cultural heritage and recommendations for the character and intensity of acceptable activities in urban development planning
M 1.2.2 Restoration and protection of architectural and urban heritage objects that are not protected cultural assets (traditional types, vernacular architecture, industrial buildings, architecture and urban planning after World War II, etc.)
M 1.2.3 Preservation of cultural landscape diversity
M 1.2.4. Formation of the cultural axis of the city
SO 1.3 Encouraging the development of sustainable tourism
M 1.3.1 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
M 1.3.2 Connecting urban and rural tourism
M 1.3.3 Improvement of tourist signage
SO 1.4 Encouraging an integrated and sustainable approach in remediation of illegal construction and its prevention
M 1.4.1 Prevention of uncontrolled expansion of construction land at the expense of agricultural, forest and water land
M 1.4.2 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
M 1.4.3 Removal of illegal structures in zones under protection regimes (sanitary protection of sources of drinking water, floodplains, wetlands, protected cultural and natural assets,...)

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

SO 2.1 Improvement of energy efficiency and reduction of greenhouse gas emissions
M 2.1.1 Establishment of sustainable energy by applying energy efficiency measures
M 2.1.2 Establishment of sustainable energy using renewable energy sources and application of standards and innovative materials for environmental protection and reduction of harmful effects on the climate
SO 2.2 Encouraging the use of renewable energy sources
M 2.2.1 Integration of the use of renewable energy sources (water, solar and wind energy)
M 2.2.2 Mapping and use of geothermal energy sources in accordance with planning documents
SO 2.3 Development of smart energy systems, networks and storage
M 2.3.1 Smart networks, advanced systems for energy storage and distribution, energy efficiency monitoring, development of smart cities, energy-efficient lighting, sustainable biomass production, etc.
SO 2.4 Adaptation to climate change and disaster risk prevention, strengthening resilience to climate change, taking into account an ecosystem-based approach
M 2.4.1 New or improved risk monitoring, preparedness, warning and response systems for natural disasters and natural hazards

M 2.4.2 Protection measures against natural disasters related to climate change (except floods and forest fires)
M 2.4.3 Protection against flooding by external waters (rivers and lakes)
M 2.4.4 Newly built or improved protection against landslides and landslides
M 2.4.5 Built or improved green infrastructure to adapt to climate change
M 2.4.6 Protection measures against forest fires
M 2.4.7 Inter-municipal and inter-regional cooperation in preventing disaster risk and increasing resilience
SO 2.5 Ensuring equal access to sanitation and water supply and promoting sustainable water management
M 2.5.1 New or improved systems to improve the quality of drinking water delivered to consumers in public water systems
M 2.5.2 New or improved public distribution water systems
M 2.5.3 New or improved public sewage collection systems
M 2.5.4 New or improved capacities for wastewater treatment and sewage sludge treatment
M 2.5.5 New or improved stormwater flood protection systems, including rainwater harvesting systems
SO 2.6 Improvement of waste management
M 2.6.1 Primary waste selection and support for incentive measures for households and the economy in urban areas
SO 2.7. Strengthening the protection and preservation of nature, biodiversity and green infrastructure, and reducing all forms of pollution
M 2.7.1 Green and blue infrastructure
M 2.7.2 Improving the biodiversity of green public spaces, improvement and development of green public areas and the formation of green ecological corridors
M 2.7.3 Identification of areas in preparation for NATURA 2000 networks and protection measures
M 2.7.4 Reclaimed land (for green areas, housing support, economic or other purposes)
M 2.7.5 Areas covered by the installation of air quality monitoring systems
M 2.7.6 Areas covered by the protection against major chemical accidents and the limitation of the consequences of those accidents on human health and the environment through the control of the Seveso plant/complex
SO 2.8 Encouraging sustainable multimodal urban mobility
M 2.8.1 Improvement of pedestrian infrastructure
M 2.8.2 Improvement of bicycle traffic (infrastructure, paths, bicycle rental system, inter-municipal cooperation)
M 2.8.3 Improvement of the public transport system (vehicles, optimization of lines, stops and passenger information systems, cargo bikes)
M 2.8.4 Discouraging the use of cars in the narrow urban area
M 2.8.5 Measures to promote sustainable urban mobility
M 2.8.6 CITY logistics
M 2.8.7 Improvement of microtransport (scooters)

M 2.8.8 Car sharing
M 2.8.9 Environmentally acceptable vehicles for collective public transport
M 2.8.10 Infrastructure for the supply of alternative fuels
SO 2.9 Development of a smart, safe, sustainable and intermodal transport network of international and national importance that is resistant to climate change
M 2.9.1 Inclusion of population impact assessment in technical and planning documentation
M 2.9.2 Harmonization of spatial and urban planning documents at the level of LSGs and urban areas with the development of the traffic network of international and national importance
SO 2.10 Development and strengthening of sustainable, smart and intermodal national, regional and local mobility that is resistant to climate change, including better access to the transport network of international and national importance and cross-border mobility
M 2.10.1 Improvement of the road network and road traffic
M 2.10.2 Improvement of the road traffic management system
M 2.10.3 Improvement of the railway network and railway traffic
M 2.10.4 New and modernised intermodal connections

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

SO 3.1 Development and strengthening of research and innovation capacities and application of advanced technologies
M 3.1.1 Supporting companies and creating jobs, strengthening innovation capacities and applying advanced technologies in micro, small, medium and large companies
M 3.1.2 Support to researchers and scientific research organisations participating in joint research projects
M 3.1.3 Increasing the number and support of companies cooperating with scientific research organisations
M 3.1.4 Encouraging interregional investment for innovation
M 3.1.5 Developing human resources competencies for the needs of innovation capacity development
M 3.1.6 Support through the provision of mentoring support
SO 3.2 Using the advantages of digitization for citizens, businesses, research institutions and public administration bodies
M 3.2.1 Improving citizens' digital knowledge and skills, raising the capacity of employees in the public and private sector to use new technologies and improving digital infrastructure in educational institutions
M 3.2.2 Digitization of services and business in the public and private sector
M 3.2.3 Improvement of information security of citizens, public administration and economy
M 3.2.4 Establishing adequate channels of communication
M 3.2.5 Improving the process of informing the local community about existing measures
SO 3.3 Strengthening the sustainable growth and competitiveness of SMEs and creating jobs
M 3.3.1 Improved operations and development of SMEs, improved business infrastructure, strengthening of innovation and stimulation of business association and creation of value chains

SO 3.4. 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)
M 3.4.1 Developing the competences of SMEs and institutional participants oriented towards innovation and entrepreneurship
M 3.4.2 Participation of SMEs and institutional participants in competitive calls
M 3.4.3 Connecting to a platform for the promotion of services, technologies and products in the areas of digital, innovative and creative activity
SO 3.5 Strengthening digital connectivity
M 3.5.1 Provision of broadband access with high data transmission capacity
SO 3.6 Encouraging and promoting the transition to a circular and resource-efficient economy
M 3.6.1 Education of business entities and connection with other actors in the process of transition to a circular economy as growth generators (new waste recycling capacity, investments in facilities for separate waste collection, waste processed for reuse)
SO 3.7 Encouraging and promoting the transition to a net zero carbon economy
M 3.7.1 Encouraging investments in low-carbon economy solutions as generators of growth, more efficient use of material resources and energy efficiency
M 3.7.2 Encouraging business entities and investments in order to solve and promote the low-carbon economy

O 4. Improvement of social wellbeing

SO 4.1 Improving the inclusiveness of the labor market and access to quality employment and dignified work and encouraging social entrepreneurship
M 4.1.1 Development of new or modernisation of existing employment services and encouragement of social entrepreneurship
M 4.1.2 Integration of the elderly in the function of social entrepreneurship
M 4.1.3 Creation of mechanisms to encourage social entrepreneurship
SO 4.2. Development of social infrastructure and services and encouragement of social inclusion and social innovation
M 4.2.1 Improved access and expansion of the network of social services and social innovations in the community
M 4.2.2 Creation of mechanisms for the integration of persons with disabilities, victims of violence, the homeless, children in begging
M 4.2.3 Development of new or modernisation of existing facilities for temporary reception and intervention care (homeless, begging children, victims of violence, migrants, etc.)
SO 4.3 Promoting socio-economic inclusion of marginalized communities, low-income households and disadvantaged social groups, including people with disabilities, through integrated action that includes housing and social services
M 4.3.1 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
SO 4.4 Improving equal access to inclusive and quality education services

M 4.4.1 Development of new or modernisation of existing child care services for preschool, primary and secondary education
M 4.4.2 Improvement of working conditions and safety of educational institutions
M 4.4.3 Investments in infrastructure, equipment and professional training of employees in educational institutions
M 4.4.4 Development of new or modernisation of existing lifelong education services (continuous education)
M 4.4.5 The opening of more faculties in the function of establishing the University
SO 4.5 Ensuring equal access to health care and fostering health system resilience
M 4.5.1 Development of new or modernisation of existing health and social care services
M 4.5.2 Provision of a building or location for the construction of an emergency medical service (SHMP) with appropriate infrastructure
M 4.5.3 Improvement of technical and spatial capacities (adequate parking and garages for medical vehicles, traffic logistics)
M 4.5.4 Improvement of technical equipment: medical equipment and equipped medical vehicles
M 4.5.5 Involvement and connection of all entities in the area of population health protection at the local level: local self-government, Ministry of Interior, fire service, Centre for Social Work, Red Cross
M 4.5.6 Increasing personnel capacity (number of health workers) and professional development
M 4.5.7 Organising a programme for training the population to provide emergency aid
SO 4.6 Ensuring equal access to cultural services, programmes and facilities
M 4.6.1 Development of spatial, technical, programmatic and professional capacities of cultural institutions
M 4.6.2 Connecting cultural institutions with marginalized social groups
M 4.6.3 City branding (City of actors)
SO 4.7 Ensuring equal access to sports and recreation services, programmes and facilities
M 4.7.1 Improvement of management and maintenance of sports and recreational infrastructure
M 4.7.2 Development of the network and improvement of the availability of sports and recreation facilities
SO 4.8 Creating a stimulating environment for youth initiatives and activities
M 4.8.1 Improvement of youth work
M 4.8.2 Creating conditions for offering programmes and content for young people
M 4.8.3 Development of the "Youth Club" model
M 4.8.4 Affordable housing for young talents and young staff
M 4.8.5 Affordable housing for residents of the "Jefimija" Home for Children and Youth after the age of 18

O 5. Improvement of urban development management
SO 5.1 Encouraging development management at multiple levels - local, national, international, EU, etc.
M 5.1.1 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
SO 5.2 Encouraging a multi-stakeholder approach - economy, education, science, public and civil sector
M 5.2.1 Application of the quadruple and quintuple helix model of innovation within the knowledge economy (Quadruple and quintuple Helix Model of innovation)
M 5.2.2 Formation of LAGs
M 5.2.3 Improving the implementation of public policies (plans, strategies, etc.), monitoring and evaluation
SO 5.3 Encouraging a participatory approach and community-led initiatives involving local actors
M 5.3.1 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
M 5.3.2 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 ⁵⁰ and standards of open administration
SO 5.4 Encouraging mixing (<i>blending</i>) urban development funding 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 the urban area strategy intervention
M 5.4.2 Application of EU Cohesion Policy instruments and others. - Integrated Territorial Investments (ITI), Sustainable Urban Development (SUD), Community Led Local Development (CLLD)
SO 5.5 Strengthening the transparency of decision-making at the level of the urban area
M 5.5.1 Development of information systems for the needs of territory development management (monitoring and evaluation of the implementation of the urban area strategy)
M 5.5.2 Establishment of registers (registries/records of public property and public goods, brownfield sites, underutilized sites and facilities, mapping of illegal construction, traffic monitoring, water management infrastructure, risk management, etc.)

50 ("Official Gazette of RS" - International agreements, number 8/2018-1)

8 PRIORITY AREAS OF INTERVENTION

8.1 STRATEGIC APPROACH AND SPATIAL DIMENSION

The central zones of cities and urban areas with different degrees of urbanization, 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 areas⁵¹. 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.⁵². 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 marginalization. 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 underutilized 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.

⁵¹ 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 urbanization as a kaleidoscope of characteristic places and situations.

⁵² 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. Furthermore, the sectoral distribution of funds usually takes place through established subsidy mechanisms, which can foster 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 mobilize 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 utilization of the potential of urban areas by adopting a “challenge-oriented” way of thinking. This approach includes the formulation of transformative processes within public action, together with the definition of relevant socio-spatial goals that can be achieved within a limited time frame, all based on social agreement and activities that unite the efforts and resources of stakeholders.

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

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

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

8.2 PRIORITY AREAS OF INTERVENTION - GRAPHIC REPRESENTATION



TERRITORIAL STRATEGY OF THE CITY OF KRUŠEVAC URBAN AREA

PRIORITY AREAS OF INTERVENTION

DEVELOPMENT GENERATORS



SMART SPECIALISATION CENTRE - FOOD FOR THE FUTURE

Faculty of Agriculture, Institute for forage crops , Agricultural expert service



INNOVATION CENTRE - Center for professional training and Science club,
Business incubator, Science and technology park, Regional development
agency, Chamber of commerce and industry



HEALTH SERVICES CENTRE - General hospital, COVID hospital



CULTURAL CENTRE - Theater, Cultural center, National museum,
National library, Historical Archive

PRIORITY AREAS



AXIS OF URBAN RENEWALL - The Cultural Path



TRANSFORMATION ZONE OF BROWNFIELDS AND UNUSED
BUILDINGS

PROTECTION AND DEVELOPMENT ZONES



GREEN INFRASTRUCTURE - Conservation zones of green areas



GREEN CORRIDORS AND LINKS - Connection of green areas



URBAN RENEWALL ZONE



CALM TRAFFIC ZONE

DEVELOPMENT ROUTES AND HUBS



PEDESTRIAN ZONES AND ROUTES



CYCLING PATHS AND ROUTES



PARKING GARAGE



PARK AND RIDE



RAILROAD

DEVELOPMENT NETWORKS



NATIONAL CULTURAL HERITAGE AND LANDMARKS - Kruševac Fortress,
Greek street



MEMORIALS - Slobodište



SOCIAL SERVICES INSTITUTIONS



HEALTH SERVICES INSTITUTIONS



SPORT CENTRES



BEACH



SMART SPECIALISATION NETWORK



GREEN AND INNOVATIVE ECONOMY NETWORK



SOCIAL WELL-BEING NETWORK

8.3 LIST OF STRATEGIC PROJECTS

8.3.1 Identity of the urban area

1. Revitalisation of brownfield locations Stara "Merima" and "14. oktobar", land revitalisation and conversion into multifunctional spaces
2. Reconstruction and revitalisation of Lazar's Town
3. Development of the "Cultural Path" and a unifying visual identity - mapping and connection of the cultural and heritage institutions of the city of Kruševac
4. Affirmation of the city of Kruševac as Serbian Capital of Culture, European Capital of Culture and the City of actors
5. Establishing the „Ecological corridor“ – transformation of Vidovdanska street with the reconstruction of facades and green roofs, connection of „Borići“ green area, „Pakašnička“ urban forest, Slobodište and the Botanical garden with eco-oasis on the road to Kopaonik and along the Rasina river; Connecting green areas in the city itself (Pioneer Park - Bagdala)
6. Conservation of authenticity and architectural renewal of socialist heritage ("Češalj" building and others)

8.3.2 Green and energy transition and urban mobility

1. Creation of green roof and green facades on building with flat roofs and development of urban gardening and beekeeping
2. Energy rehabilitation of private and public owned buildings
3. Establishing a Central Registry of Energy Passports – application of CREP system
4. Establishing a district heating system using thermal energy from the waste water factory
5. Establishment and implementation of the Cadastre of green areas
6. Design and Landscaping of free public areas - construction of new parks and recreation areas
7. Development of systems for adaptation to climate change and risk management
8. Revision of the "Sustainable Urban Mobility Plan" with the creation of the "Circulation Plan" and "Parking Plan" - pedestrian zones, slow traffic zones, park and ride systems, parking garages, bicycles and the introduction of an integrated ticket for transportation and parking, construction of infrastructure for electric vehicles

8.3.3. Innovative and smart economy

1. Development and application of the "Smart City" concept
2. Subsidizing projects that promote the development of circular and low-carbon economy (recycling)
3. Staff scholarship programme - providing conditions for a quality life to attract staff important to the city
4. Encouraging the application of the framework of the quadruple spiral of innovation in the metal and agricultural sector (industry, academia, public and civil sector)
5. Establishment of a goods transport centre

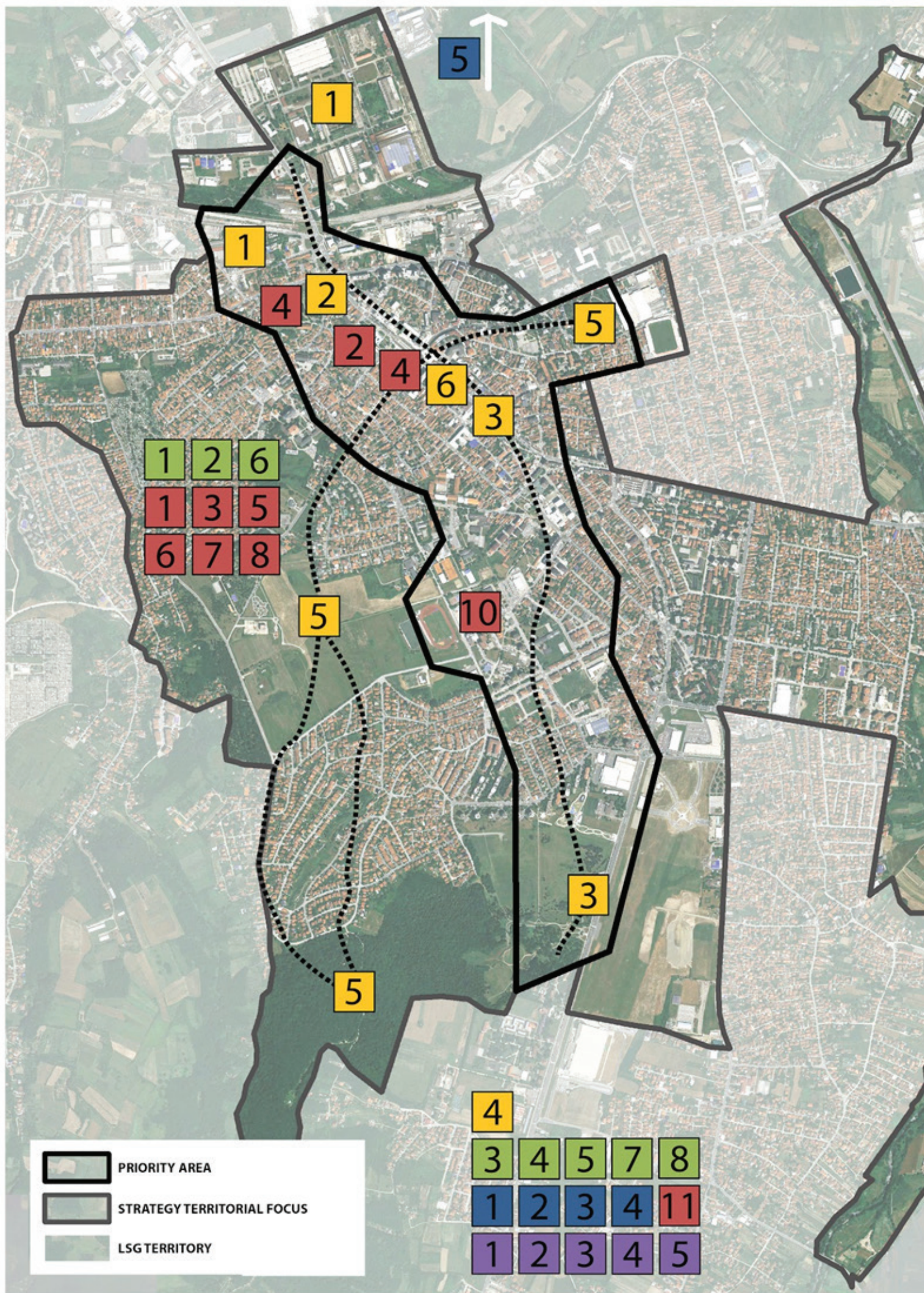
8.3.4 Social wellbeing

1. Construction of housing for talents and young families
2. Reconstruction and transformation of the Military cultural centre into a multifunctional building
3. Reconstruction and digitization of the cinema “Kruševac”, as the largest multi-functional theater in the city
4. Establishment of two new Faculties to achieve status of university centre
5. Creating adequate conditions for depositing and conservation (National Museum and Historical Archive)
6. Establishing the local Institute for protection of cultural heritage
7. Construction of a shelter for victims of violence and emergency treatment
8. Museum of books and letters, legacies
9. Establishment of a Children’s Museum
10. Construction of Emergency services facility with accompanying infrastructure
11. Reconstruction of indoor swimming pools
12. Establishment of social clubs for seniors and for people with disabilities

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 funding
3. Development of GIS in order to map and promote the cultural and historical heritage and establishing an e-register of public property and public goods, brownfields, underutilized sites and facilities
4. Establishing a platform for the participation of citizens, the private and civil sector in making important decisions
5. The project of inclusion in the URBACT network

8.4 STRATEGIC PROJECTS - GRAPHIC REPRESENTATION



PRIORITY AREA



STRATEGY TERRITORIAL FOCUS



LSG TERRITORY

4

3 4 5 7 8

1 2 3 4 11

1 2 3 4 5



TERRITORIAL STRATEGY OF THE CITY OF KRUŠEVAC URBAN AREA

STRATEGIC PROJECTS

URBAN AREA IDENTITY

- 1 Revitalization of brownfield locations „Stara Merima“ and „14. October“, land revitalization and conversion into multifunctional spaces
- 2 Reconstruction and revitalization of the Kruševac Fortress
- 3 Development of „The Cultural Path“ and a unifying visual identity – mapping and connection of cultural and heritage institutions of the City of Kruševac
- 4 Affirmation of the city of Kruševac as Serbian Capital of Culture, European Capital of Culture and the City of actors
- 5 Establishment of „Ecological corridor“ – transformation of Vidovdanska street with the reconstruction of facades and green roofs, connection of „Borići“ green area, „Pakašnička“ urban forest, Slobodište and the Botanical garden with eco-oasis on the road to Kopaonik and along the Rasina river
- 6 Conservation of authenticity and architectural renewal of socialist heritage („Comb“ buildings etc.)

GREEN AND ENERGY TRANSITION AND URBAN MOBILITY

- 1 Creation of green roof and green facades on building with flat roofs and development of urban gardening and beekeeping
- 2 Energy rehabilitation of private and public owned buildings
- 3 Establishing a Central Registry of Energy Passports – application of CREP system
- 4 Establishing a district heating system using thermal energy from the wastewater factory
- 5 Establishment and implementation of the Cadastre of green areas
- 6 Design and Landscaping of free public areas - construction of new parks and recreation areas
- 7 Development of systems for adaptation to climate changes and risk management
- 8 Revision of the Sustainable Urban Mobility Plan with the creation of the Circulation Plan and Parking Plan - pedestrian zones, calm traffic zones, park and ride systems, parking garages, bicycles, and the introduction of an integrated ticket for transportation and parking, construction of infrastructure for electric vehicles

INNOVATIVE AND SMART ECONOMY

- 1 Development and application of the Smart city concept
- 2 Subsidizing projects that promote the development of circular and low-carbon economy (recycling)
- 3 Staff scholarship program - providing conditions for a quality life to attract staff important to the city
- 4 Encouraging the application of the framework of quadruple spiral of innovation in the metal and agricultural sector (industry, academia, public and civil sector)
- 5 Establishment of a goods transport centre

SOCIAL WELL-BEING

- 1 Construction of housing for talents and young families
- 2 Reconstruction and transformation of the Military cultural centre into a multifunctional building
- 3 Establishment of two new Faculties to achieve status of university centre
- 4 Creating adequate conditions for depositing and conservation (National Museum and Historical Archive)
- 5 Establishing the local Institute for protection of cultural heritage
- 6 Construction of a shelter for victims of violence and emergency treatment
- 7 Museum of books and letters, legacies
- 8 Establishment of Children's Museum
- 9 Construction of Emergency services facility with accompanying infrastructure
- 10 Reconstruction of indoor swimming pools
- 11 Establishment of social clubs for seniors and disabled persons

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 Development of GIS in order to map and promote the cultural and historical heritage and establish an e-register of public property and public goods, brownfields, unused sites and facilities
- 4 Establishing a platform for the participation of citizens, private and civil sector in making important decisions
- 5 The project of inclusion in the URBACT network

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 funding are: funds, 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 Finance⁵³; Ministry of Economy⁵⁴; Ministry of Agriculture, Forestry and Water Management⁵⁵; Ministry of Environmental Protection⁵⁶; Ministry of Construction, Transport and Infrastructure⁵⁷; Ministry of Mining and Energy⁵⁸; Ministry of Internal and Foreign Trade⁵⁹; Ministry of Justice⁶⁰; Ministry of State Administration and Local Self-Government⁶¹; Ministry for Human and Minority Rights and Social Dialogue⁶²; Ministry for European Integration⁶³; Ministry of Education⁶⁴; Ministry of Health⁶⁵; Ministry of Labour, Employment, Veterans and Social Affairs⁶⁶; Ministry of Family Care and Demography⁶⁷; Ministry of Sports⁶⁸; Ministry of Culture⁶⁹; Ministry of Rural Care⁷⁰; Ministry of Science, Technological Development and Innovation⁷¹; Ministry of Tourism and Youth⁷²; Ministry of Information and Telecommunications⁷³; Ministry of Public

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Investments⁷⁴; The cabinet of the minister without portfolio in charge of improving the development of underdeveloped municipalities⁷⁵; 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 diaspora⁷⁶; Cabinet of the minister without portfolio in charge of balanced regional development⁷⁷), 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 Serbia⁷⁸; Port Management Agency⁷⁹) and funds (Development Fund of the Republic of Serbia⁸⁰; Fund for innovation activity⁸¹; Science Fund of the Republic of Serbia⁸²);

- The local budget, as well as loans from commercial banks (Erste Banka A.D.⁸³; UniCredit Banka⁸⁴; Banca Intesa⁸⁵; NLB Komercijalna banka⁸⁶; Banka Poštanska štedionica⁸⁷; ProCredit banka⁸⁸) 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 mobilizing funds from the following international funds and programmes:

- IPA - Instrument for pre-accession assistance⁸⁹ (2021-2027; 2014-2020; 2007-2013), Programmes of European territorial cooperation in the Republic of Serbia 2021-2027⁹⁰, Investment framework for the Western Balkans⁹¹ (Western Balkans Investment Framework - WBIF), IPARD III⁹², a multi-user IPA⁹³;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

90 https://www.mei.gov.rs/upload/documents/publikacije/Brosure%20nove/22/Programi_evropske_teritorijalne_saradnje_u_RS_2021-2027.pdf

91 <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/>

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

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

- EU programmes⁹⁴ (Digital Europe⁹⁵, HORIZON Europe, SME Competitiveness Programme - COSME, Employment and Social Innovation Program, 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 funds⁹⁶ (New Cohesion Policy 2021-2027, MADAD, EU Solidarity Fund, Regional Housing Programme) and the Green Agenda for the Western Balkans⁹⁷;
- International financial instruments - banks⁹⁸ (Council of Europe Development Bank - CEB, European Investment Bank - EIB, European Bank for Reconstruction and Development - EBRD, World Bank - WB⁹⁹, German Development Bank - KfW);
- Bilateral and multilateral cooperation, donor programmes (United Nations Team in Serbia¹⁰⁰, German Agency for Technical Cooperation - GIZ¹⁰¹, French Development Agency¹⁰², 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.

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

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

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

97 <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/>

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

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

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

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

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

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

NATIONAL SOURCES	NATIONAL AND REGIONAL SOURCES		
	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		
	BANKS		
	Erste Bank A.D.; UniCredit Bank; Banca Intesa; NLB Komercijalna banka; Bank Poštanska štedionica; ProCredit Bank		
INTERNATIONAL SOURCES	EUROPEAN UNION FUNDS		
	IPA – Instrument for pre-accession assistance	EU programmes	Cohesion policy and other EU funds
	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
	INTERNATIONAL FINANCIAL INSTRUMENTS-BANKS		
INTERNATIONAL FINANCIAL INSTRUMENTS-BANKS	Council of Europe Development Bank - CEB, European Investment Bank - EIB, European Bank for Reconstruction and Development - EBRD, World Bank - WB, German Development Bank - KfW		
	BILATERAL AND MULTILATERAL COOPERATION, DONOR PROGRAMMES		
	United Nations Team in Serbia, German Agency for Technical Cooperation - GIZ, French Development Agency, Japan, Denmark, Norway, Netherlands, Sweden, China, Austria, France, Greece, India, Korea, Poland, Singapore, Slovenia, Turkey, Germany, United States of America, Slovakia, United Kingdom, Switzerland		

The areas of activity for the establishment and operation of high-potential mechanisms for funding urban development at the local 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 funding large development projects that raise the value of real estate. This increase in value can be used as a source of income;
- Prices, regulation and standards - they are of particular importance for sectors characterized by smaller amounts of required investment funds and where consumer choices are key investment drivers, such as distributed production from renewable energy sources, electromobility and green construction;
- International investment vehicle - international financial instruments also have significant potential for movements in the field of sustainable urban development (raising), and have the potential to mix different sources in case domestic sources have limited capacity;
- Public-private partnerships - 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
Commercial and commercial zones and brownfield sites	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
Uncontrolled elemental expansion of urban settlements and degradation of rural areas	MGSI MDULSU Ministry of Public Investments	European Investment Bank UN SDGs
Endangered urban structures, urban matrices and central urban areas	Ministry of Culture MGSI PPP	Creative Europe European Investment Bank World Bank WB Green fund KfW UN SDGs GIZ/AMBERO EU PRO
Parts of urban settlements with a problem improvement of social standard or solving social problems	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
Settlements and parts of settlements exposed to problems environmental protection and climate change	Ministry of Mining and Energy Ministry of Public Investments	IPA European Bank for Reconstruction and Development GIZ + KfW UN SDGs bilateral cooperation
Entities with ICP and architectural heritage, important rappers cultural - historical development of urban settlements, grouping of urban settlements	Ministry of Culture Ministry of Tourism and Youth	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 fulfill a number of important functions:

- Efficiency and effectiveness of strategies: monitoring generates data and knowledge to track progress and provide 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 agreed objectives and makes data transparent to all actors, including local communities.
- Visibility and capacity: showing what has been achieved strengthens local mobilization 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 goals of the strategy;
- accepted - by employees and relevant actors;
- reliable - for non-experts, unambiguous and easy to interpret;
- easy - monitoring is possible at low costs and with an 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 output indicators (RCO) and common result indicators (RCR) defined in the context of the EU Cohesion Policy 2021 - 27. They are supplemented by the UN Sustainable Development Goals (SDG).

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

Objectives	Indicators	Unit of measure	Sources
Thematic objective 1			
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	m2	
	- Reclaimed land used for green areas, social (affordable) housing, economic or other purposes	m2	
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	SPRKS SDG 11 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 SRTRS 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/m2	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
Thematic objective 2			
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 CO2	
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/m2	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/m2	RCO 36 RCO 37 RCO 38 RCO 39 RCR 50 RCR 95 PPIKUAP PPRS PZVRS
	- The area of the Natura 2000 network covered by protection and restoration measures	ha/m2	
	- Area of restored land for which support was received	ha/m2	
	- Area covered by air pollution monitoring systems	ha/m2	
	- Population benefiting from air quality measures	Number of people	
	- A population that has access to new or improved green infrastructure	Number of people	
SO 2.8 Encouraging sustainable multimodal urban mobility	- Annual number of users of new or modernised public transport - Annual number of users of new or modernised 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 intermodal transport network of international and national importance that is resistant to climate change	- Annual number of users of newly built, renovated, improved or modernised 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 modernised railways	Increasing the number of users	
SO 2.10 Development and strengthening of sustainable, smart and intermodal national, regional and local mobility that is resilient to climate change, including better access to the transport network of international and national importance and cross-border mobility	- Freight rail transport	t	
	- Freight transport by inland waterways	t	
Thematic objective 3			
SO 3.1 Development and strengthening of research and innovation capacities and application of advanced technologies	- Companies that received support (of which: micro, small, medium, large)	Company number	RCO 01 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	The number of companies that survive on the market in the 2nd year 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)	<ul style="list-style-type: none">- 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	<ul style="list-style-type: none">- Residential buildings with a subscription to broadband access to a network of very high capacity	Number of apartments	RCR 53 RCR 54 SRIDIB SNTRRS
	<ul style="list-style-type: none">- 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	<ul style="list-style-type: none">- 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	<ul style="list-style-type: none">- Estimated greenhouse gas emissions	Reduction of t CO2	RCR 29 RCR 105 RCO 59 SNURRS SIPRS
	<ul style="list-style-type: none">- Estimated greenhouse gas emissions by boilers and heating systems converted from solid fossil fuels to gas	Reduction of t CO2	
	<ul style="list-style-type: none">- Infrastructure for alternative fuels (filling/refueling points)	Number of points	
	<ul style="list-style-type: none">- Afforestation	ha/m2	
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	<ul style="list-style-type: none">- Area of new or modernised facilities for employment services	m2	RCO 61 RCR 65 SZRS
	<ul style="list-style-type: none">- Annual number of users of new or modernised facilities for employment services	Number of users	
SO 4.2 Development of social infrastructure and services and encouragement of social inclusion and social innovation	<ul style="list-style-type: none">- Annual number of users of new or modernised 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	<ul style="list-style-type: none">- Annual number of users of new or modernised 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 modernised childcare facilities - Annual number of users of new or modernised 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 modernised e-healthcare services - Annual number of users of new or modernised 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 modernised cultural facilities	Number of users	SRKRS
SO 4.7 Ensuring equal access to sports and recreation services, contents and facilities	- Annual number of users of new or modernised sports and recreation facilities	Number of users	SMRS PPRS
SO 4.8 Creating a stimulating environment for youth initiatives and activities	- Annual number of beneficiaries of new or modernised youth initiatives and activities	Number of users	SMRS
Thematic objective 5			
SO 5.1 Encouraging development management at multiple levels - local, national, international, EU, etc.	- A project unit was established for the implementation of the Strategy	Yes/no	RCO 75 RCO 76 SOURRS
	- Integrated projects of territorial development that include local, national, international and EU level, and include the application of different 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 (blending) urban development funding from different types of funding (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 – common output indicators; RCR – common result indicators
Sustainable Development Goals (SDG), 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	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 Kruševac structures and institutions under pressure, even more so where coordination between multiple LSGs would be required. The City of Kruševac 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 Kruševac to implement this Strategy.

The current governance arrangements for the Strategy drafting process involve:

- Working Group (WG) which is effectively a stakeholder & sectoral partnership board
- 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 (or the Project Coordination and Inter-Municipal Cooperation Unit in the case of a wider territory) 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 Kruševac 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 Kruševac 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 Kruševac 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;¹⁰³

After project closing, the City of Kruševac 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 Kruševac 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.

¹⁰³ 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 THE DEVELOPMENT OF THE TERRITORIAL STRATEGY

На основу члана 12. Закона о планском систему ("Службени гласник Републике Србије", број 30/2018), члана 13. став 6 и члана 21. Закона о локалној самоуправи ("Службени гласник Републике Србије", број 129/2007, 83/2014 - др. закон, 101/2016 - др. закон, 47/2018, 111/2021 - др. закон), члана 20. Закона о територијалној организацији Републике Србије ("Сл.гласник РС", бр. 129/2007, 18/2016, 47/2018 и 9/2020 - др. закон), Правилника о смерницама добре праксе за остваривање учешћа јавности у припреми нацрта закона и других прописа и аката ("Службени гласник РС", број 51/2019), Стратегије одрживог урбаног развоја Републике Србије до 2030. године ("Службени гласник Републике Србије", број 47/2019), члана 22. Статута града Крушевца ("Службени лист града", број 15/18) и Меморандумом о разумевању између Канцеларије Уједињених нација за пројектне услуге (УНОПС) и града Крушевца, закљученог дана 20.05.2022. године под бројем 404-1133/2022, којим се дефинише техничка подршка Програма Европске уније за локални развој ЕУ ПРО Плус у изради и спровођењу Стратегије развоја урбаног подручја града Крушевца,

Скупштина града Крушевца на седници одржаној дана 09.06.2022.године донела је

ОДЛУКУ О ПРИСТУПАЊУ ИЗРАДИ СТРАТЕГИЈЕ РАЗВОЈА УРБАНОГ ПОДРУЧЈА ГРАДА КРУШЕВЦА

Члан 1.

Ради унапређења израде планског документа развоја града Крушевца, приступа се изради Стратегије развоја урбаног подручја града Крушевца заснованог на унапређењу просторних, социјалних, економских, културних и климатских аспеката и аспеката развоја животне средине развоја града.

Члан 2.

Градско веће града Крушевца образоваће посебним решењима Савет за развој урбаног подручја града Крушевца и Радну групу за израду Стратегије урбаног подручја града Крушевца.

Члан 3.

Стручне и административне послове Савета за развој урбаног подручја града Крушевца и Радне групе за израду Стратегије урбаног подручја града Крушевца ће обављати Одељење за урбанизам и грађевинарство градске управе града Крушевца.

Члан 4.

Ова Одлука ступа на снагу осмог дана од дана објављивања у "Службеном листу града Крушевца".

СКУПШТИНА ГРАДА КРУШЕВЦА

I бр.350-487/2022

ПРЕДСЕДНИК
Предраг Вукићевић, с.р

Тачност преписа оверава: Секретар

Маја Цупкић

ANNEX 2 - LIST OF PROJECT IDEAS

O 1. IDENTITY OF THE URBAN AREA	
1.	Reconstruction and revitalisation of Lazar's Town
2.	Transformation of the "Stara Merima" space into a multifunctional complex
3.	Transformation of the "14. oktobar" administrative building into a cultural facility (exhibition space)
4.	Closure and transformation of the atrium of the City Administration building
5.	Conversion/transformation of Vidovdanska Street into a pedestrian zone and a green oasis
6.	The project of transforming the streets of Karadžićeva, Miličina, Kumanovska into "Mala Skadarlija"
7.	The formation of ecological corridors from Borić to Pakašnica Forest and Slobodište
8.	Construction of an eco-village and connection with the urban centre
9.	Reconstruction of urban pockets
10.	Landscaping of free public areas, construction of new parks and spaces for recreation
11.	Promotion of Kruševac as a city of actors: museum of Kruševac actors, thematic museums, festivals, manifestations, murals (murals: Bata Paskaljević, Radmila Savićević, Čkalja, on actors' houses)
12.	Development of a mobile application for the presentation of cultural heritage "City of Knez Lazar" for the presentation of cultural heritage
13.	Development of a virtual reality application that would show the appearance and depiction of life in medieval Kruševac
14.	Botanical garden near Slobodiste - landscaped park, part of the green corridor
15.	Formation of a modern, contemporary city identity
O 2. GREEN AND ENERGY TRANSITION AND MOBILITY	
16.	Preparation of a traffic study and regulation of stationary traffic
17.	Revision of the Sustainable Urban Mobility Plan
18.	Development of mobility plans of public enterprises, institutions, companies
19.	Workshops to raise awareness on the promotion of sustainable urban mobility
20.	Construction of bicycle paths, installation of bicycle parking, bicycle rental system, scooters
21.	Subsidizing the purchase of a bicycle
22.	Construction of a slow traffic zone Wooneerf street
23.	Improvement of public transport (vehicles, stops, infrastructure)
24.	Electric chargers from renewable energy sources
25.	Establishment Car sharing
26.	Introduction of an integrated ticket for transport, parking

27.	Improving public transport by introducing green buses
28.	Construction of parking garages
29.	System introduction Park and ride
30.	Increase in parking prices - abolition of the monthly parking ticket for employees
31.	Promotion of traffic without emission of pollution
32.	Formation of green roofs and facades, combs (Dom sindikat) and on other buildings with flat roofs in the urban area
33.	The formation of a landscaped green area near Parunovac for the prevention/mitigation of urban floods
34.	Greening of street corridors
35.	Establishment and implementation of the cadastre of green areas
36.	The formation of an eco-oasis on the road to Kopaonik on the banks of Rasina, a former bathing area - eco-corridor
37.	Renovation of the Česalj building into a green building
38.	Installation of a green roof and an urban garden on the roof of the Alternative Cultural Centre "Gnezdo" in Bivolje
39.	Energy rehabilitation of buildings in private and public ownership
40.	Introduction of Eco facade
41.	Reconstruction of the House of Trade Union building into a smart building
42.	Establishment of a central register of energy passports - implementation of the CREP system
43.	Arrangement of school yards and kindergarten yards
44.	Urban gardening and beekeeping
45.	Development of disaster risk reduction system
46.	Development of volunteer firefighting and training
47.	Tidying up the Rasina River from the Church of the Virgin Mary to the Borčevo Stadium - canalization, pedestrian path, bicycle path
48.	Harsh penal policy for intentional pollution and defilement of public areas
49.	Change of fuel and reduction of pollution emissions in the city's heating plant
50.	Replacement of energy sources for dislocated boiler houses (fuel oil, coal)
51.	The project of using thermal energy from the waste water factory with a heat pump system to the city heating plant
52.	Installation of calorimeters at consumers connected to the district heating system
53.	Reconstruction of the existing and construction of a new sewage system
54.	Reduction of air pollution emissions from individual combustion plants, installation of fuel filters

55.	Installation of solar power plants on the roofs of buildings
56.	Introduction of mandatory primary waste selection in households
57.	Construction of the water supply network in the surrounding villages - Šiljegovac, Potočari
58.	Construction of sewerage network in surrounding villages - Kaonik, Đunis, Potočari
59.	Improvement of public lighting
60.	Public lighting and wi-fi network via solar energy
61.	Promoting climate-smart agriculture in an urban environment
62.	Prevention of natural disasters and weather climate changes in agriculture, vegetable growing and arable farming
O 3. INNOVATIVE AND SMART ECONOMY	
63.	Launching a mentoring point related to funds, as a form of business support, which are current in the Rasina district
64.	Timely and professional information of teams and young entrepreneurs about funds provided by the Government of the Republic of Serbia
65.	Construction of a centre for the education of preschool and school children
66.	Developing capacities for the use and development of digital services
67.	Subsidization of projects by LSGs for low-carbon and circular economy
68.	Establishing a portal between the public and private sectors for the exchange of essential information and data
69.	Establishing communication channels through a digital platform for business needs
70.	Promotion of cooperatives in the field of entrepreneurship development
71.	Education of business entities for writing projects in the field of green economy
72.	Training for the use of digital technologies
73.	Introduction of subsidies for civil society organisations dealing with recycling
74.	Adequate use, without abuse, of the natural resources of Kruševac and its surroundings
75.	Empowerment of eco-farms - move Lomnica, Buci, Jastrebac
O 4. SOCIAL WELLBEING	
76.	Construction of apartments for young parents
77.	Arrangement of school yards for the needs of children's play and education
78.	Reconstruction and greening of school yards
79.	Construction of three kindergartens
80.	Tidying up the yard of kindergartens and schools and adapting it to the needs of children
81.	Arrangement of school yards for play and education

82.	Construction of gymnasiums in schools that do not have them
83.	Workshops to talk with children about their needs, personalities and talents
84.	Networking of children and inclusion of their ideas and needs in development programmes
85.	Cultural, sports, artistic activities for children during the summer
86.	Arrangement of space for talented children (folklore, ballet)
87.	Institute for mental health of children and youth with a counseling centre for parents
88.	Establishment of an association of parents of children with disabilities
89.	Encouraging volunteerism among young people
90.	Establishment of two faculties
91.	Redistribution and regulation of social benefits for the local level
92.	Construction of a home for people with disabilities
93.	Expanding the capacity of the Centre for Persons with Disabilities
94.	Expanding the capacity of the gerontological centre for people with dementia
95.	Establishment of "Clubs for the third age" and for people with disabilities
96.	Arrangement of public areas (and green areas) with the needs of blind people (sound traffic lights, tactile paths)
97.	Singles dating content
98.	Establishing the service "Respite accommodation" for people with disabilities
99.	Construction of a shelter for settlement victims, emergency care
100.	Equipping a rural household for the residence of persons with disabilities in the function of social entrepreneurship
101.	Space for works, handicrafts for people with intellectual disabilities
102.	Construction of the National Library building in Kruševac
103.	Construction of the Archives building
104.	Construction of a storage and conservation facility, National Museum
105.	Increasing the accessibility of public institutions and public areas
106.	Introduction of elevators in public buildings for better accessibility
107.	Installation of ramps for entrances to state institutions and public institutions
108.	Establishment of the Institute for the Protection of Cultural Monuments in Kruševac
109.	Mapping of cultural contents and historical heritage from Slobodiste to Cara Lazara Street
110.	Transformation of the Dom Vojska into a multifunctional cultural facility
111.	Conversion/reconstruction of the Forage Crops Institute building into an object with cultural contents

112.	Construction of a summer scene in Bivolje on the meadow below the Alternative Cultural Centre "Gnezdo", decentralization of culture
113.	Reconstruction of the cinema "Kruševac"
114.	Creation of working conditions for independent artists in the form of city studios, intended for active creators
115.	Reaffirmation of the main square and Milica street for the needs of local associations and unestablished artists
116.	Introduction of culture street art, murals
117.	Summer scene
118.	Increasing the visibility of gallery spaces and cultural events
119.	A clearly designed visual identity and raising the level of presentation of art and cultural events
120.	Mapping visual identity, the trail of culture
121.	Provision of non-formal education in the arts for citizenship in a permanent form
122.	Reconstruction and adaptation of a part of the "14. oktobar" building into a modern educational centre for digital literacy of citizens
123.	Inclusive urban furniture
124.	Formation of Hubs for young people, facilities and spaces, youth culture
125.	Vidovdan poetry festival near the Lazarica church
126.	Organising a mobile unit with an all-terrain vehicle for conducting health examinations in the field
127.	Association of health care institutions and private practices to develop the offer of health tourism in the city of Kruševac
128.	Construction of the Student Polyclinic
129.	Intensification of cross-sectoral work on the affirmation of healthy habits - cycling, public transport, eco-transport, relocation of parking lots, walking
130.	Reconstruction of indoor swimming pools
131.	Construction of a youth centre
132.	Construction of a new sports hall, basketball courts and improvement of school sports
133.	Construction of sports fields for people with disabilities
134.	Introduction of free sports and artistic activities
135.	Promoting the concept of social entrepreneurship
136.	Organising a mobile unit with an all-terrain vehicle at the Red Cross Kruševac for the distribution of humanitarian aid on the ground and action in accidents

O 5. URBAN/TERRITORIAL DEVELOPMENT GOVERNANCE

137.	Further development of GIS, continuity of application of GIS in administration and use of programme for implementation of measures
138.	Inclusion in URBACT IV programme network
139.	Creation of IT infrastructure for development management
140.	More effective and visible use of scientific and educational institutions
141.	Training for digital business
142.	Establishing a network of parents for involvement in decision-making at the local level
143.	Establishment of civil - public partnership in the field of culture
144.	Trainings based on the PCM communication model, strengthening leaders and managers
145.	Work on the enhanced development of the capacities of employees in the city administration in the direction of writing, planning and implementing projects
146.	Establishment of sustainable inter-municipal cooperation
147.	Strengthening the capacity of the civil sector for the purpose of public advocacy
148.	Participation of citizens in the adoption of detailed regulation plans
149.	"Citizens in the first place" - strengthening citizen participation
150.	Formation of innovative solutions for tourism applications
151.	E-literacy through intergenerational connection
152.	Digital literacy of the population
153.	Increasing the fund for funding projects in order to strengthen the capacity of CSOs
154.	E - doctor, E - agrarian, E - cadastre
155.	Mapping of underutilized facilities in the city

ANNEX 3 – PARTICIPANTS IN STRATEGY DEVELOPMENT

Participants in the Strategy development process

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ANNEX 4 - NATIONAL AND INTERNATIONAL SOURCES OF FUNDING 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 SERBIA¹⁰⁴

1.1.1 MINISTRY OF FINANCE¹⁰⁵

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

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

1.1.2 MINISTRY OF ECONOMY¹⁰⁶

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

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

¹⁰⁴ <https://www.srbija.gov.rs/link/2497>

¹⁰⁵ <https://www.mfin.gov.rs/>

¹⁰⁶ <https://privreda.gov.rs/>

- Support programme for small businesses for the purchase of equipment - grants are awarded for investments in new production equipment to micro and small businesses, entrepreneurs and cooperatives for the purpose of strengthening their competitiveness, improving and improving their business and internationalization, as well as creating new jobs. The programme is a combination of grants from the budget (25%), loans from commercial banks and leasing companies (70%) and the client's own funds (5%);
- Programme to encourage the development of entrepreneurship through financial support for beginners in business - grants are awarded for financial support to newly founded entrepreneurs, micro and small businesses, which have been registered in the Agency for Economic Registers for the earliest two years in relation to the year of application submission. The support is a combination of 30% grants from the budget and 70% loans from the Development Fund, as well as non-financial support through a standardized set of services from accredited regional development agencies - education and assistance in creating a business plan;
- Support through a standardized set of services for MSMEs related to training, advisory services, as well as promotion of available types of support for small and medium at the local level, free of charge The programme is implemented by 17 accredited regional development agencies, with the coordination of the Development Agency of Serbia;
- Support for industrial development, industrial restructuring in the direction of approaching innovative and technology-intensive and moving away from labor-intensive sectors and improvement and digitization of business models of industrial production;
- Incentive programme to support the digital transformation of industry - Continuous co-financing of the implementation costs of approved projects proposed within the digital transformation strategy of individual economic entities (improvement/introduction of new business processes, business models, products, services);
- Incentives for industrial business entities for the development of innovative solutions through cooperation projects with the scientific and research community;
- Support programme for industrial economic entities for the procurement of first generation technological equipment;
- Infrastructure development support programme for the needs of industrial zones;
- Investments of special importance - allocation of funds to business entities that invest in fixed assets or create a large number of new jobs, in relation to the object of investment and the territorial concentration of certain economic branches and economic activities;
- Credit support to companies in the privatization process, which ensures the efficient continuation of the company's privatization process, i.e. the company's survival until the end of the process;
- The Podrinje Development Programme - a joint initiative of the governments of the Republic of Serbia and the Republic of Srpska, is predominantly of an economic nature, foresees the possibility of joint activities and cooperation in the implementation of projects in the field of economic development. The following LGUs are participating from the Republic of Serbia: Šid, Sremska Mitrovica, Bogatić, Šabac, Loznica, Mali Zvornik, Krupanj, Valjevo, Osečina, Ljubovija, Kosjerić, Bajina Bašta, Užice, Čajetina, Priboj and Koceljeva.

1.1.3 MINISTRY OF AGRICULTURE, FORESTRY AND WATER MANAGEMENT¹⁰⁷

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

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

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

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

¹⁰⁷ <http://www.minpolj.gov.rs/>

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

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

1.1.4 MINISTRY OF ENVIRONMENTAL PROTECTION¹⁰⁸

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

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

¹⁰⁸ <https://www.ekologija.gov.rs/>

in segments important for protecting air from pollution, through cooperation with local self-government units

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

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

From other funds, the Ministry realizes the following projects:

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

1.1.5 MINISTRY OF CONSTRUCTION, TRANSPORT AND INFRASTRUCTURE¹⁰⁹

- From the RS budget, the Ministry finances the following programme activities and projects:
- Road transport, roads and traffic safety - development of road transport reflected in easier access to the international transport market
- Railway and intermodal transport - improvement and development of railways (including cable cars) and intermodal transport through the arrangement of railway and intermodal transport systems.
- Realization of infrastructure projects of importance for the Republic of Serbia - and realization of construction and reconstruction projects of traffic infrastructure and infrastructure projects.
- Programme of integral development of Southwestern Serbia - financing of projects in the field of tourism, environment and infrastructure.
- Water supply and waste water treatment program in medium-sized municipalities in Serbia and Green Cities - construction of drinking water treatment plants and waste water treatment plants, as well as rehabilitation and expansion of the municipal water supply, waste water collection and disposal system.

¹⁰⁹ <https://www.mgsi.gov.rs/cir/projekti>

- Reconstruction of the railway line Nis - Dimitrovgrad.
- Programme of integrated solid waste management in Serbia - improvement of municipal infrastructure for efficient management of municipal solid waste in selected cities.
- 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 ENERGY¹¹⁰

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

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

From other funds, the Ministry realizes the following projects:

- Encouraging the use of renewable energy sources - development of the biomass market, funds from the German Development Bank KfW. The project is implemented in the relevant local self-government units that were included in previous justification

¹¹⁰ <https://www.mre.gov.rs/>

studies based on their own initiative, potential and previously taken steps in order to use biomass and geothermal energy.

- 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 TRADE¹¹¹

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

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

1.1.8 MINISTRY OF JUSTICE¹¹²

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

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

1.1.9 MINISTRY OF STATE ADMINISTRATION AND LOCAL SELF-GOVERNMENT¹¹³

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

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

¹¹¹ <https://must.gov.rs/>

¹¹² <https://www.mpravde.gov.rs/>

¹¹³ <https://mduls.gov.rs/category/projekti-i-programi/>

the capacities of LGUs, development and improvement of inter-municipal cooperation through the Fund for Inter-Municipal Cooperation.

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

1.1.10 MINISTRY OF HUMAN AND MINORITY RIGHTS AND SOCIAL DIALOGUE¹¹⁴

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

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

¹¹⁴ <https://www.minljpdd.gov.rs/>

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

From other funds, the Ministry realizes the following projects:

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

1.1.11 MINISTRY OF EUROPEAN INTEGRATION¹¹⁵¹¹⁶

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

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

1.1.12 MINISTRY OF EDUCATION¹¹⁷

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

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

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

- Dual Education Training Center, Council of Europe Development Bank funds;
- Associated schools in Serbia B, funds of the European Investment Bank;
- School modernization programme, funds of the European Investment Bank;

¹¹⁵ <https://www.mei.gov.rs/>

¹¹⁶ <https://www.mei.gov.rs/srp/pozivi/165/detaljnije/w/0/raspisan-prvi-poziv-za-projektne-ideje-iz-teritorijalne-strategije/>

¹¹⁷ <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 organisations, the innovative economy, as well as the Fund for Science and the Fund for Innovation Activities.

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

Project activities:

- Support for scientific research

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

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

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

- Empowerment of innovative startup companies

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

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

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

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

- Support for the reform of the science and research sector

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

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

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

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

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

1.1.13 MINISTRY OF HEALTH¹¹⁸

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

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

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

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

¹¹⁸ <https://www.zdravlje.gov.rs/>

1.1.14 MINISTRY OF LABOR, EMPLOYMENT, VETERANS AND SOCIAL AFFAIRS¹¹⁹

- From the RS budget, the Ministry finances the following programme activities and projects:
- Public call for the allocation of support packages to local self-government units for the improvement of social protection - support to local self-government units for the improvement of the social protection system at the local level and financial support in the form of grants for the establishment/expansion of at least one social protection service.
- Public call for project proposals in the field of veterans-disabled protection - funding of projects by citizens' associations to improve the position of veterans, disabled veterans, civilian war veterans and families of fallen veterans and to improve the area of nurturing the traditions of the liberation wars.
- Public call for project proposals for the investment maintenance of war memorials of importance for nurturing the traditions of Serbia's liberation wars - for the competent Institutes for the Protection of Cultural Monuments
- Public competition for submitting programme proposals to the permanently open competition for the improvement of the position of persons with disabilities in the Republic of Serbia in 2023 - financing of programmes implemented by citizens' associations registered on the territory of the Republic of Serbia.
- Public competition for submitting programme proposals to the Programme competition for the improvement of the position of persons with disabilities in the Republic of Serbia in 2023.
- Carrying out the activities of social welfare institutions - performing entrusted tasks in centers for social work and providing social welfare services in institutions founded by the Republic.
- Support for the work of foster parents - financing placement in foster families on the basis of the allowance for the maintenance of the beneficiary and the allowance for the work of the foster parent.
- Support for the work of social protection institutions - investments in facilities and equipment in institutions and provision of missing funds in order to smoothly carry out activities in cases where problems arise in the settlement of obligations based on the costs of communal services and energy sources, extraordinary and occasional costs based on judicial and administrative proceedings, decision of courts or authorities state bodies.
- Rights of users outside the network of social protection institutions - assistance for job training of asylum seekers, financial assistance for accommodation in special hospitals.
- Support to associations in the field of family and child protection - co-financing of citizens' associations to help children - grants to encourage programmes and activities of public interest in the field of family and child protection.
- Support to associations and local communities - financing of associations and local communities that include the affirmation of various activities aimed at improving social protection in the community.
- Support for associations in the field of veterans and disabled protection - financial support for projects of associations with various programmes, interests and activities

¹¹⁹ <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 programme proposals for the improvement of the position of persons with disabilities.
- Support for the development of social entrepreneurship - an incentive for the development of social entrepreneurship, which aims to increase the work activation of able-bodied persons who are in the social protection system, less employable unemployed persons in accordance with the regulations in the field of employment and other less employable persons from particularly sensitive categories.

From other funds, the Ministry realizes the following projects:

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

1.1.15 MINISTRY OF FAMILY CARE AND DEMOGRAPHY¹²⁰

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

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

¹²⁰ <https://minbpd.gov.rs/>

implementation of population policy - for the use of grants to non-governmental organisations for projects of family law protection of citizens, coordination and implementation of population policy.

- Public call for submission of programme proposals to the permanently open call for grants intended for projects of family law protection of citizens, support for associations in the field of family and child protection - for the use of grants to non-governmental organisations for projects of family law protection of citizens, support for associations in the field of family protection.

1.1.16 MINISTRY OF SPORTS¹²¹

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

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

1.1.17 MINISTRY OF CULTURE¹²²

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

- Support for improving the capacity of the cultural sector at the local level - Co-financing of the Cities in Focus programme through a public call that will improve the area of culture and art in local areas, encourage the development of creativity and recognize the specifics of cultural identity and sustainable development of local communities.
- Support for research, protection and preservation of immovable cultural heritage - competition in the field of protection, preservation and use of immovable - architectural and archaeological heritage. Supported projects include work on the preparation of technical project documentation, implementation of technical protection measures and conservation work on immovable cultural assets, research and protection of archaeological sites and work related to the presentation of architectural and archaeological cultural heritage, publication of materials as well as other activities on the protection of immovable inheritance.

¹²¹ <https://www.mos.gov.rs/>

¹²² <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 programmes for children and young people.
- Support for the work of the Institute for the Protection of Cultural Monuments and Historical Archives.
- Strengthening cultural production and artistic creativity - public competition for financing and co-financing of projects in all artistic fields / music, drama, dance, visual arts, literature, film, etc., and through cultural activities of sensitive groups/national minorities, persons with disabilities , children, young people. financing and co-financing of the work and programme activities of cultural institutions founded by the RS in the field of musical arts, performing arts /drama, opera, artistic dance and traditional folk art/, film art and audio-visual creativity, and through scientific research programmes in culture and art .
- Support for the development of literary creativity and publishing
- Support for the development of musical creativity - support and stimulation of projects and programmes in the field of musical art, their presentation and affirmation, continuous raising of the level of cultural needs of the population, institutions and engaged individuals.
- Support for the cultural activities of socially sensitive groups - support for projects that contribute to greater social cohesion, fostering intercultural dialogue, developing conditions for the diversity of cultural expressions and identities, and strengthening the availability of cultural content.
- Support for the development of artistic play - financing and co-financing of institutional and independent production, implementation of domestic and international exchange and professional development of artists (participation in conferences or masterclasses) in the field of artistic play.
- Support for the strengthening of theater art - financing and co-financing of institutional and independent productions, implementation of domestic and international exchange and professional development of artists (participation in conferences or masterclasses) in the field of theater art.

- The Capital of Culture of Serbia - strengthening the operational and professional capacities of local self-governments in the field of culture through the preparation of strategic documents for the development of culture (Strategy and Action Plan), support for the improvement of infrastructure, human resources and programmes with the aim of raising them to a higher level.
- Support for the work of institutions in the field of protection and preservation of cultural heritage - preparation of technical project documentation, implementation of technical protection measures and conservation work on immovable and movable cultural assets, research and protection of archaeological sites and work related to the presentation of architectural and archaeological cultural heritage.
- Digitization in the field of protection and preservation of cultural heritage - public tender for financing the work of institutions in the field of culture, for projects related to equipping laboratories for digitalization of cultural heritage, as well as projects related to the process of digitization of the cultural heritage of the Republic of Serbia and strengthening the infrastructure capacities of institutions.
- Public call for the allocation of incentives to an investor to produce an audiovisual work in the Republic of Serbia.
- Competition for financing or co-financing of projects in the field of protection of old traditional crafts and their modern application.
- Competition for financing and co-financing of projects in cinematography for 2023 in the category: pre-digitalization and digitalization of cinema.

1.1.18 MINISTRY OF RURAL CARE¹²³

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

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

¹²³ <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 organisation of the event called “Miholjski susreti village”.

1.1.19 MINISTRY OF SCIENCE, TECHNOLOGICAL DEVELOPMENT AND INNOVATION¹²⁴

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

- Support for the realization of interests in innovation activity - providing support for the development or significant modification of existing innovative products, technologies, processes and services, in order to encourage the application and commercialization of scientific research results, as well as providing support for the use of modern technologies and the construction of innovative organisations for infrastructural support of innovation activities.
- Support for the digitization programme in the area of the national scientific research system - equipping and maintaining the software resources needed for keeping electronic records.
- Support for the work of NTP Niš.
- Support for education and training of young talents - awarding high school students for the results achieved in national and international competitions and providing scholarships to students for studies in the country and abroad.
- Research and development in the public sector - adaptation of existing buildings and laboratories, construction of science and technology parks in Belgrade, Novi Sad, Niš; construction of residential buildings for rent to young scientists in Belgrade, Novi Sad, Niš and Kragujevac, construction of centers of excellence in priority areas (stem cells, nano-sciences, agricultural-biology center, biomedicine), procurement of new capital equipment for research, construction of science centers .

From other funds, the Ministry realizes the following projects:

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

1.1.20 MINISTRY OF TOURISM AND YOUTH¹²⁵

- From the RS budget, the Ministry finances the following programme activities and projects:
- Support of LGUs in the implementation of youth policy - cooperation with local self-governments in the development of an institutional framework for the improvement of youth policy at the local level, providing support for the formation of youth offices, local youth councils, the development and implementation of local action plans for

¹²⁴ <https://nitra.gov.rs/>

¹²⁵ <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.

- Programmes and projects supporting young people in education, upbringing, safety, health and participation - funding or co-financing of programmes and projects aimed at providing support for youth networking and improving the conditions for participation in decision-making through a sustainable institutional framework, based on the needs of young people and in partnership with to young people, raising the awareness of young people about healthy lifestyles, safety and environment.
- Programmes and projects to support youth in employment - financing or co-financing of programs and projects to encourage and stimulate various forms of employment, self-employment and entrepreneurship of young people, developing services and mechanisms that promote employability and employment of young people through intersectoral cooperation and empowering young people to acquire skills for active, responsible and efficient career management.
- 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 TELECOMMUNICATIONS¹²⁶

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

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

¹²⁶ <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 INVESTMENTS¹²⁷

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

- Restoration and construction of public purpose buildings and remediation of the consequences of natural disasters - restoration and renovation of public purpose buildings in public ownership.
- Renovation and construction of public facilities in the field of healthcare.
- 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 MUNICIPALITIES¹²⁸

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

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

¹²⁷ <https://www.obnova.gov.rs/>

¹²⁸ <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 DIASPORA¹²⁹

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

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

1.1.25 CABINET OF THE MINISTER WITHOUT A PORTFOLIO IN CHARGE OF EVEN REGIONAL DEVELOPMENT¹³⁰

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

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

1.2 AUTHORITIES OF THE REPUBLIC OF SERBIA

1.2.1 CUSTOMS ADMINISTRATION¹³¹

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

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

¹²⁹ <https://www.mbpdiijaspora.gov.rs/>

¹³⁰ <https://rrrz.gov.rs/extfile/sr/472/%D0%88avni%20poziv.pdf>

¹³¹ <https://www.carina.rs/>

1.2.2 ADMINISTRATION FOR FREE ZONES¹³²

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 DIRECTORATE¹³³

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

- Arrangement and use of water - construction, reconstruction of water facilities for the supply of drinking water and sanitary hygiene needs, plants for the preparation of drinking water, main pipelines and reservoirs, in order to provide healthy drinking water in sufficient quantity for settlements and industry in municipalities and cities.
- Protection of water from pollution - protection and improvement of the quality of surface and underground water, which enables the protection of the environment and human health through the reduced risk of water epidemics, as well as the protection of water sources through the construction and reconstruction of water facilities for the collection, removal and purification of waste water.
- Regulation of watercourses and protection from the harmful effects of water - protection from flooding by external and internal waters and from ice, protection from erosion and torrents and elimination of the consequences of such water effects and risk management from the harmful effects of water.
- Electrification of the irrigation system - construction of the missing power facilities, in order to create the conditions for the connection of facilities of agricultural producers.
- Project of Integrated Development of the Sava and Drina Corridor - financing of flood protection, investment in environmental management, dams and related activities in selected priority areas along the Sava and Drina River Corridor and providing support for the implementation of waterway improvements by demining the right bank of the Sava and Drina River Corridor.
- Construction of irrigation systems - construction, reconstruction, arrangement and rehabilitation of water facilities and irrigation systems, on regional irrigation hydrosystems and dual-purpose systems in the area of Srem, Bačka and Banat and hydromelioration systems in the area of Šabac, Čačak, Pančevački Rit and Topola.
- Completion of the existing network for public water supply in settlements, with its extension to suburban areas - Implementation of the Programme for the Improvement of the Water Supply System in the Cities and Municipalities of Sombor, Vršac, Šabac, Pančevo, Sremska Mitrovica, Loznica, Smederevo, Kraljevo, Jagodina, Trstenik, Aleksinac, Vranje, Piroć Leskovac, Paraćin, Knjaževac, Vrbas and Kikinda.

¹³² <https://www.usz.gov.rs/>

¹³³ <https://rdvode.gov.rs/>

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

- Environment and climate - funds of the IPA Programme, protection and improvement of the quality of surface and underground water through the construction of a wastewater treatment plant for the agglomeration of Loznica.

1.2.4 ADMINISTRATION FOR FORESTS¹³⁴

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

- Sustainable development and improvement of forestry - forest protection, planting of forest trees in autumn of the current year and spring of the following year, forest care, construction of forest roads, production of forest seeds and production of forest planting material.
- Competition for the allocation of funds under the Annual programme of the use of funds for sustainable development and improvement of forestry - the right to the allocation of funds belongs to the owner, that is, the user of forests and forest land, a legal entity and entrepreneur, and a scientific research institution.
- Competition for the allocation of funds under the Annual Programme for the Construction and Reconstruction of Forest Roads - the right to the allocation of funds belongs to the owner, that is, the user of forests and forest land, a legal entity and an entrepreneur.
- Competition for the allocation and use of funds for the sustainable development and improvement of hunting for subsidies in the field of hunting.

1.2.5 ADMINISTRATION FOR AGRARIAN PAYMENTS¹³⁵

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

- Direct payments - payments that are directly awarded to producers through certain support measures, namely through the milk premium, incentives for crop and livestock production and the realization of recourse.
- Measures of rural development - increase in competitiveness (including reaching a higher level of added value and quality standards, as well as risk management), improvement of the environment, diversification of income and improvement of the quality of life in rural territories.
- Public call for submission of applications for exercising the right to incentives in agriculture and rural development.
- Credit support in agriculture - through subsidizing a part of the interest rate for approved loans in the field of agricultural production, intended for the development of animal husbandry, farming, fruit growing, viticulture, vegetable growing and flower growing, as well as various forms of investments and procurement of agricultural machinery and equipment.
- Special incentives - incentives for the production of planting material and certification and clonal selection, incentives for the implementation of breeding programmes, in order to

¹³⁴ <https://upravazasume.gov.rs/>

¹³⁵ <https://uap.gov.rs/>

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 ADMINISTRATION¹³⁶

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

- Support for the development of agricultural land - financial support through tenders for the performance of works in the area of development of agricultural land through: melioration of meadows and pastures, cultivation of agricultural land, construction of irrigation systems, construction of drainage systems.
- Competition for the distribution of funds for the execution of works on the protection, arrangement and use of agricultural land.
- Support for the protection and use of agricultural land - financial support through tenders to local self-government units and scientific institutions for the development of programmes, projects and study research works of importance for LGUs and the Republic of Serbia.

1.2.7 NATIONAL ACADEMY FOR PUBLIC ADMINISTRATION¹³⁷

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

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

1.2.8 DEVELOPMENT AGENCY OF SERBIA¹³⁸

- Public call for participation in the competitiveness development support programme - financing of projects to increase the level of use of standards in production and business organisation, product certification, management systems and increase the use of other services in the field of quality infrastructure.
- Public call for participation in the Programme for the Improvement of Cooperation and Capacity Building at the Regional and Local Level - financing of projects for the improvement of economic and regional development through the strengthening of inter-institutional cooperation and the capacity of accredited regional development agencies and local self-government units.

¹³⁶ <https://upz.minpolj.gov.rs/sadrzaj/>

¹³⁷ <https://www.napa.gov.rs/>

¹³⁸ <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 AGENCY¹³⁹

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

- Public call within the cross-border and transnational cooperation programme “Transnational Danube Programme” (INTERREG) for financing coordination projects for priority areas within the EU strategy for the Danube region.

1.3 FUNDS

1.3.1 DEVELOPMENT FUND OF THE REPUBLIC OF SERBIA¹⁴⁰

- 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 ACTIVITY¹⁴¹

The Fund supports the development of innovations through appropriate instruments of financial, technical and advisory support, with the aim of empowering innovative companies and strengthening the connection between research and development on the one hand and the business sector on the other, respecting the highest ethical, financial and business standards and practices.

- **Voucher programme in the 4S areas** - The “Innovation Vouchers” programme is a simple financial mechanism that enables small and medium-sized enterprises to, using the services of the scientific research sector, raise the level of innovation of their products and become more competitive on the market. The maximum amount approved for the innovation voucher is up to 800,000 dinars, that is, the innovation voucher covers up to 60% of the total costs of the service. Innovation vouchers are awarded on the basis of a public call.
- **Science and business cooperation programme in the areas of 4S** - aims to advance industrial research by encouraging private sector enterprises and public sector (majority state-owned) scientific research organisations to carry out joint research and

¹³⁹ <https://www.aul.gov.rs/>

¹⁴⁰ <https://fondzarazvoj.gov.rs/cir>

¹⁴¹ <http://www.inovacionifond.rs/cir/>

development projects with the idea of creating new or improving existing commercially viable products and services, like and innovative technologies with significant impact on future development and market potential. Beneficiaries of the funds are consortia developing new commercially applicable technologies, services and products in the priority areas of smart specialization. Consortia must be composed of at least one private company and one public scientific research organisation, and may have a maximum of five members. Through this programme, the Fund for Innovation Activities awards co-financing in the maximum amount of up to 300,000 euros per project, i.e. a maximum of 70% of the total project budget, with mandatory co-financing of the consortium in the amount of at least 30% of the total project budget, when the main member of the consortium is a micro or small company.

- **Programme for financing development and innovation projects of companies in the areas of 4S** - the innovation co-financing programme is intended for companies from the 4S area that need significant financial resources for the realization of the development cycle of technological innovations and covering the high costs for the transfer of research into a commercially viable product. The applicants are micro, small and medium-sized private companies established in the Republic of Serbia, which develop a technological innovation for which there is a market need and have the potential to create new intellectual property, as well as a competitive position in the global and domestic environment. The amount allocated by the Fund cannot exceed the amount of 300,000 euros, and the implementation of the projects can last no longer than 24 months. The funds allocated by the Fund for Innovation Activities within this programme cover a maximum of 60% of the total approved project budget, while at least 40% must be provided by the applicant (enterprise) from other private sources, independent of the Fund.
- **Accelerator and subprogramme intended for startups in the 4S area** - the programme will consist of two components: one for the early stage (idea) and the other for companies in the scale-up stage (increasing the volume of business). Each component will include 20 companies (teams of two founders) per year, selected on a competitive basis by participating investors (including business angels, early-stage venture capital funds, etc.). Each component will have intensive training and mentoring programmes lasting two to three months. The program will be implemented with the support of the World Bank in the amount of 8,000,000 dollars.
- **Proof of concept, programme for researchers from scientific research organisations** - this measure is intended to support innovations from the earliest stages of development, created in scientific research organisations. This program provides financial and mentoring support to determine the emergence of a new product, process or technology with commercial potential. Thanks to this programme, project teams that have been approved for funding will have a mentor at their disposal for product definition, business model development and future development.
- **Early Development Programme** - is intended for private companies that develop a technological innovation for which there is a need on the market and that have the potential to create new intellectual property. The goal is to provide financing for the development of innovative technologies, products and services with market application

to encourage innovative entrepreneurship and enable business survival during the critical phase of research and development. The applicant can be a private micro or small company owned by a Serbian majority, established in the Republic of Serbia and no older than five years at the time of application, as well as a team consisting of a maximum of five members. The allocated funds can cover a maximum of 70% of the total approved project budget, while the amount of funding from the Fund for Innovation Activity cannot exceed 80,000 euros for projects lasting up to one year. At least 30% of the total approved project budget must be provided by the applicant (enterprise) from other private sources, independent of the Fund.

1.3.3 FUND FOR SCIENCE OF THE REPUBLIC OF SERBIA¹⁴²

The primary goal of establishing the Science Fund of the Republic of Serbia, as a special organisation, is to provide support for scientific research activities and development activities in the Republic of Serbia, management and provision of financial resources, as well as providing professional support to researchers from accredited scientific research organisations in the realization of scientific projects within the programme announced by the Science Fund of the Republic of Serbia. Programme activities of the Science Fund of the Republic of Serbia are implemented through the following published programmes:

- **Programme for excellent projects of young researchers (PROMIS)** aims to involve young researchers in scientific research work, to strengthen the professional capacities of young researchers, to train young PhDs in project management, to train young researchers to apply for other research projects, especially in the European Union, to create new project teams, as well as to provide support for excellent ideas and scientific research work that will affect society and the economy. The programme to support the development of projects in the field of artificial intelligence is designed to encourage the excellence and relevance of scientific research in the Republic of Serbia in the field of artificial intelligence, to encourage the application of the results of scientific research in the field of artificial intelligence in the development of the economy of the Republic of Serbia, to promote the excellence and development of human resources in the field of artificial intelligence for science and economy of the Republic of Serbia and promotes international cooperation in the subject domain of science and innovation.
- **Serbian science cooperation programme with the diaspora** - vouchers for knowledge exchange, aims to enable the establishment of scientific cooperation with the diaspora for the purpose of improving and exchanging knowledge, establishing or improving scientific cooperation, joint work on scientific research and research and development problems and challenges, publication of joint works and patents, support for the development of new services, product commercialization, technology transfer, network expansion and cooperation with the diaspora, as well as the preparation of proposals for joint projects for applying to foreign funds.
- **IDEA programme** aims to finance projects based on excellent ideas that may in the future have a significant impact on the development of science and research, the economy and/or society as a whole, the involvement of excellent researchers in

¹⁴² <https://fondzanauku.gov.rs/>

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

All programmes implemented by the Science Fund of the Republic of Serbia through public calls should ensure a high scientific level, innovative results, competitiveness at the international level and relevance in relation to the challenges of society as a whole. Funds for the work of the Science Fund of the Republic of Serbia are provided from the budget of the Republic of Serbia, and additional funds are provided through an international agreement with the World Bank.

1.3.4 CENTER FOR THE PROMOTION OF SCIENCE (CPN) ¹⁴³

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 clubs⁵⁸ at regional centers for professional training (1,855 million dinars).

1.4 BANKS

1.4.1 Erste Bank A.D.¹⁴⁴

- Financing of the public sector - local self-government and public enterprises.
- Financing of renewable energy projects.
- Financing of investment projects based on the principles of project financing.
- Support programmes for small and medium-sized enterprises to open and maintain sustainable businesses.

1.4.2 UniCredit bank¹⁴⁵

- 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.

¹⁴³ <https://www.cpn.edu.rs/>

¹⁴⁴ <https://www.erstebank.rs/sr/Pravna-lica>

¹⁴⁵ <https://www.unicreditbank.rs/rs/pi.html>

- The COSME programme is intended for small and medium-sized enterprises, according to the EU segmentation, with the aim of supporting the strategy for sustainable and comprehensive growth.

1.4.3 Banca Intesa¹⁴⁶

- 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 banka¹⁴⁷

- 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 štedionica¹⁴⁸

- 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 programme, loans to small and medium-sized companies whose founders are residents of Roma nationality, as well as to entrepreneurs of Roma nationality.

1.4.6 ProCredit bank¹⁴⁹

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

¹⁴⁶ <https://www.bancaintesa.rs/>

¹⁴⁷ <https://www.nlbkb.rs/>

¹⁴⁸ <https://www.posted.co.rs/>

¹⁴⁹ <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 programme framework, the readiness of projects / programmes for implementation and their expected impact and progress in the process of European integration with special attention to the rule of law. , fundamental rights and good governance.

The existing IPA structures should serve as a basis for the efficient use of this instrument as well as other potential sources of EU funds. In this way, as well as the implementation of the IPA programme based on the model of indirect management, the strengthening of capacities necessary for the transition to the use of Cohesion Policy funds will continue. The main partners in the planning and programming process of the IPA III instrument will be, as before, the National IPA Coordinator and the EU Delegation¹⁵⁰.

¹⁵⁰<https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ipa-instrument-za-pretpristupnu-pomoc/instru->

2.1.1.2 IPA II - INSTRUMENT FOR PRE-ACCESSION ASSISTANCE 2014 - 2020

IPA II represents the framework for EU pre-accession support for the period 2014-2020. One of the changes in the programming and implementation of the IPA II instrument in relation to IPA I in the period 2007-2013. refers to the structure of the IPA II program, in which instead of the 5 components, which were characteristic of IPA I, policy areas were introduced (*"policy areas"*). The policy areas within IPA II are: reforms as part of preparations for EU membership and building institutions and capacities; socio-economic and regional development; employment, social policies, education, promotion of gender equality and development of human resources; agriculture and rural development, and regional and territorial cooperation.

About 200 million euros of non-reimbursed aid was intended for Serbia from the IPA 2015, from which projects in the fields of energy and transport, rule of law, state administration reform and agriculture would be financed. For the period 2014-2020, pre-accession aid in Serbia had two main pillars: Democracy and the rule of law and Competitiveness and development.

2.1.1.3 INSTRUMENT FOR PRE-ACCESSION ASSISTANCE IPA 2007-2013.

Implementation of IPA 2007-13. was intended to provide financial assistance through five channels (known as *"components"*): transition assistance and institution building; cross-border cooperation (*"Cross border cooperation"*- CBC); regional development; human resource development and rural development.

2.1.1.4 EUROPEAN TERRITORIAL COOPERATION PROGRAMMES IN THE REPUBLIC OF SERBIA 2021-2027

Territorial cooperation programmes¹⁵¹ or Interreg programmes represent financial support for the cooperation of border territories of neighboring states (cross-border cooperation) or the cooperation of parts or whole states (transnational and interregional cooperation) to solve issues of common interest - environmental protection, waste management, provision of services in various sectors, cultural and economic cooperation, tourism, traffic, etc. The basis for implementing the programme is a seven-year operational programme or cooperation programme that consists of an analysis of the territory covered by the programme, the challenges faced by that territory and an analysis of which of those challenges can be overcome through cooperation with institutions from other parts of the country covered by the programme.

In the financial period 2021-2027. year, Serbia participates in ten programmes of European territorial cooperation, namely: Hungary-Serbia, Romania-Serbia, Bulgaria-Serbia, Croatia-Serbia, Serbia-Bosnia and Herzegovina, Serbia-Montenegro, Serbia-North Macedonia, IPA Adriatic-Ionian programme, the Programme for the Danube Region and the URBACT Programme. Also, there is a possibility that additional territorial cooperation programmes will be approved for Serbia during this financial perspective.

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

ment-za-pretpriustupnu-pomoc-2021-2027/

https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/overview-instrument-pre-accession-assistance/how-does-it-work_en

151 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 PROGRAMMESupport area¹⁵²

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 PROGRAMMESupport area¹⁵³

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.

152 <https://www.romania-serbia.net/>153 <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 PROGRAMME CROATIA - SERBIA

Support area¹⁵⁴

Priority 1: working for a smarter programming area

The specific goal within this thematic priority is:

- development and improvement of research and innovation capacities and adoption of advanced technologies.

Priority 2: working for a greener programme area that is resistant to climate change

Specific goals within this thematic priority are:

- Promotion of renewable energy in accordance with the directive on renewable energy (EU) 2018/2001, including the sustainability criteria specified therein;
- Promoting climate change adaptation and disaster risk prevention, resilience, taking into account ecosystem-based approaches.

Priority 3: Coworking for a healthier and more inclusive programme area

The specific goal within this thematic priority is:

- Ensuring equal access to health care and fostering the resilience of health systems, including primary care, and promoting the transition from institutional to family- and community-based care.

Priority 4: Coworking for more sustainable and socially innovative tourism and culture

The specific goal within this thematic priority is:

- Highlighting the role of culture and sustainable tourism in economic development, social inclusion and social innovation.

¹⁵⁴ 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 PROGRAMME SERBIA - BOSNIA AND HERZEGOVINA*Support area¹⁵⁵

Priority 1: Encouraging tourism and cultural and natural heritage

The specific objective within this thematic priority is:

- Develop and promote joint tourist offers based on cultural and natural heritage

Priority 2: Investing in youth, education and skills

The specific objectives within this thematic priority are:

- Improve youth activism and youth socio-economic participation
- Increase the employability of certain groups by providing new skills.

Financial sources

IPA	14,000,000.00 euros
Total (IPA + co-financing)	16,223,529.41 euros

*2.1.1.4.5 SERBIA - MONTENEGRO CROSS-BORDER COOPERATION PROGRAMME*Support area¹⁵⁶

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

The specific objective within this thematic priority is:

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

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

¹⁵⁵ <http://srb-bih.org/>

¹⁵⁶ www.cbcsrb-mne.org

2.1.1.4.6 SERBIA - NORTH MACEDONIA CROSS-BORDER COOPERATION PROGRAMMESupport area¹⁵⁷

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 PROGRAMMESupport area¹⁵⁸

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.

¹⁵⁷ <https://eu.rs-mk.org/>¹⁵⁸ 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 programme	160,810,017.65 euros

*2.1.1.4.8 TRANSNATIONAL PROGRAMMES FOR THE DUNAVIS REGION*Support area¹⁵⁹

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.

159 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 programme	268,809,822.00 euros

2.1.1.4.9 URBACT PROGRAMME

URBACT¹⁶⁰ is one of the programmes of interregional cooperation. The goal of the programme is to encourage sustainable integral urban development in cities across Europe, and the projects are implemented by municipal administrations in partnership forming cooperation networks. URBACT's mission is to enable cities to work together and develop integral solutions to urban challenges, by networking, learning from each other's experiences, drawing lessons and identifying good practices to improve urban policies.

Support area

Priority: Promoting integral sustainable urban development through cooperation

- Specific objective: Improving the institutional capacity of local government, especially those who have a mandate to manage a certain territory, as well as other interested parties.

Financial sources

ERDF (EU Member States)	79,769,799.00 euros
IPA	5,000,000.00 euros
Total IPA	5,160,000.00 euros

2.1.1.5 WESTERN BALKANS INVESTMENT FRAMEWORK (WBIF)

Investment framework for the Western Balkans¹⁶¹ (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

¹⁶⁰ <https://urbact.eu/>

¹⁶¹ <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

	Traffic	Investment amount. grant
1	Modernization of the railway line Nis-Dimitrovgrad-border with Bulgaria section: Sićevo-Staničenje-Dimitrovgrad	43,730,000 euros
2	Modernization of the Niš-Dimitrovgrad railway - border with Bulgaria - electrification and signaling	27,770,000 euros
3	Construction of the highway route E80 Niš-Medare (Phase I Niš-Pločnik)	40,600,000 euros
	Environment	
4	Makiš - extension of the drinking water processing plant	2.940865 euros
	Energy	
5	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
6	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
7/ 8	2 regional projects - part of the Regional Programme for Energy Efficiency for the Western Balkans	2 investment grants in the amount of 28,765,972 euros

In 2021, a document titled “Strategic Orientation of the WBIF for the Western Balkans (EFSD+)” was presented. This document includes: policy context, legal basis and instruments, including the new EU connectivity strategy called “Global Gateway”, guiding principles and a description of the areas of intervention that will be supported through the European Fund for Sustainable Development plus (eng: The European Fund for Sustainable Development Plus EFSD+ and budget guarantees as well as combining loans and grants for the public and private sectors. Recommendations of the so-called of informal expert working groups (NRG) for accelerating the implementation of WBIF projects, the Green Agenda and socially responsible public procurement, information was provided on the addition of the Regional Energy Efficiency Programme (REEP+) in the amount of over 100 million euros, information on priorities for support in the following period, rates of co-financing of projects with EU investment grant funds.

2.1.1.6 IPARD III

Within the instrument for pre-accession assistance IPA III period 2021-2027, which applies from January 1, 2021, there is also a special Programme IPARD III¹⁶² for support in the field of rural development. The EC has established a budget in the amount of 288,000,000 euros for this Programme for the period 2021-2027. The governing body of IPARD submitted the final version of the IPARD III programme to the European Commission on January 21, 2022. Of the 13 measures offered by the EC to the candidate countries for EU membership, the Republic of Serbia decided to implement seven measures within the IPARD III programme. In relation to the IPARD II programme and measures accredited so far, the following measures will be available to users:

- Measure 4 - Agroecology - climate and organic agriculture;
- Measure 5 - Implementation of local rural development strategies - LEADER approach;
- Measure 6 - Investments in rural public infrastructure.

It is planned to introduce new sectors through the IPARD III programme, such as the fishing sector, the sector for the processing of grains and industrial plants, and within Measure 7, in addition to the rural tourism sector, new sectors are planned, namely: Direct sale of agricultural and local products and service sector in rural areas.

2.1.1.7 MULTI-USER IPA

The development of regional cooperation is one of the important prerequisites in the EU accession process, and at numerous summits between the EU and the Western Balkans, it was confirmed that the rapprochement of the EU will go hand in hand with the development of regional cooperation. In addition to individually supporting candidate countries and potential candidates for membership, the EU provides financial and technical support with the aim of realizing common (regional) priorities of the beneficiaries of the IPA II instrument. This support is provided from the Multi-user IPA instrument¹⁶³ (Multy Beneficiary IPA), whose goal is to improve regional cooperation and solve issues of general interest for all IPA beneficiaries. In accordance with the relevant EU procedure, the main guidelines in the process of defining regional projects/actions are presented in the document EU Programme Framework for IPA III, which defines the general priorities, measures and areas that will be financially supported as part of this instrument in the period 2021- in 2027 The support provided under this IPA III component is focused on four priority areas:

- support for regional investments;
- support for territorial cooperation through the implementation of cross-border and transnational cooperation programmes;
- support to regional structures and organisations and
- horizontal support to the common priorities of the beneficiaries from the region.

¹⁶² <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ipa-instrument-za-pretpristupnu-pomoc/ipard-iii/>

¹⁶³ <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”¹⁶⁴ is financed with EU funds through the IPA for 2015 in the amount of almost 2.7 million euros. It aims to prepare the state administration of the RS for the effective implementation of the Cohesion Policy (KP) of the EU. The basic purpose of the project is to improve the capacities of institutions in the RS at the national and sub-national level for efficient preparation, implementation, monitoring and evaluation of programmes and projects financed from structural funds and the cohesion fund of the European Union. It consists of three basic components:

- establishing a legislative and institutional framework for the implementation of KP;
- preparation of relevant planning and programme documents for the implementation of KP, 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 programme for local development - EU PRO Plus¹⁶⁵ contributes to a more balanced socio-economic development of 99 local governments in two regions: Šumadija and Western Serbia and Southern and Eastern Serbia. The programme works on improved management of territorial development, economic growth and improved social infrastructure and social cohesion.

For this three-year programme, which began in January 2021, the EU has allocated funds in the total amount of 40 million euros, initially 30 million for contracted development activities and an additional ten million aimed at supporting local governments, small businesses and the health system in recovery from the consequences caused by the covid 19 pandemic. The programme is led by MEI, a implemented by the United Nations Office for Project Services (UNOPS).

The direct beneficiaries of the EU PRO Plus programme are MEI, 99 local governments, local government structures, regional development agencies, other business support organisations, micro, small and medium enterprises (MSMEs) and civil society organisations (CSOs). The end users of the programme are residents of 99 cities and municipalities.

EU PRO Plus is based on the National Priorities for International Aid in the RS until 2025 (NAD), crucial for economic and social development and the EU integration process, while it especially contributes to the preparation for meeting the requirements from Chapter 22 of the EU acquis - Regional Policy and coordination of structural instruments. EU PRO relies on the good practices and achieved results of its predecessors, the development programmes EU PROGRES, European PROGRES and EU PRO.

¹⁶⁴ <https://www.mei.gov.rs/srp/fondovi/projekti-ministarstva-za-evropske-integracije/razvoj-sistema-za-upravljanje-kohezivnom-politikom-ipa-2015/>

¹⁶⁵ <https://www.euproplus.org.rs/onama/o-programu>

2.1.2 PROGRAMMES OF THE UNION

Union programmes¹⁶⁶ represent a series of integrated measures that are intended to strengthen cooperation between the member states of the European Union and candidate states in various fields. The programmes of the Union are financed from the common budget of the EU, with funds intended for the development of various priority areas: environmental protection, energy, transport, development of entrepreneurship, competitiveness, culture, education, etc.

The Republic of Serbia signed the Framework Agreement on participation in European Union programmes on November 22, 2004. Participation in Union programmes is an opportunity for the RS to become familiar with EU policies, European institutions, laws and their application in practice, as well as value systems and EU functioning mechanisms. According to EC rules, competent domestic institutions - ministries, associations, organisations, offices - are responsible for the participation of the RS in Union programmes, which have a mandate for this. The coordination of participation in each individual programme of the Union for which the Republic of Serbia has paid a financial contribution to the general budget of the EU is entrusted to the national contact points from the respective national institutions. MEI coordinates the process of European integration in the Republic of Serbia, which includes cooperation with relevant ministries regarding negotiations for appropriate negotiation chapters as well as in the management of EU programmes, from which it follows that MEI is responsible for reporting to the Government and informing the public about all international development assistance, including and Union programmes. In the previous period, the Republic of Serbia participated in thirteen programmes of the Union, and from June 30, 2023. can also participate in the Digital Europe programme:

2.1.2.1 DIGITAL EUROPE

Digital Europe Programme (DIGITAL)¹⁶⁷ is a new programme financed by the EU and aimed at connecting digital technologies to business, citizens and public administration. In June 2023, the Agreement between the European Union and the Republic of Serbia was signed on Serbia's participation in the European Union's Digital Europe programme for the period until 2027.¹⁶⁸ 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 programme is estimated at 7.5 billion euros.

2.1.2.2 HORIZON EUROPE

Horizon 2020 is the EU's largest integrated programme for research and innovation, bringing together all programmes previously funded by the Competitiveness and Innovation Framework Programme (CIP), the Seventh Framework Programme for Research and Innovation (FP7) and

¹⁶⁶ <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/programi-unije/>

¹⁶⁷ <https://digital-strategy.ec.europa.eu/en/activities/digital-programme>

¹⁶⁸ <https://www.srbija.gov.rs/vest/716373/potpisan-sporazum-o-ucescu-srbije-u-programu-digitalna-evropa.php>

the European Institute for Innovation and Technology (EIT). By bringing together innovation and research, the programme seeks to make progress in three priority areas: Excellence in Science, Industry Leadership and Societal Challenges. The programme is intended to build a society and economy in the EU based on knowledge and innovation. It is planned that - through the mobilization of additional funds for research, development and innovation, including the allocation of 3% of GDP for research and development throughout the EU by 2020 - the goals related to research and development will be achieved. The ultimate goal of this financial instrument is to create an innovative Union - by supporting the development of world science, removing barriers to innovation and making it easier for the public and private sectors to work together.

2.1.2.3 SME COMPETITIVENESS PROGRAMME – COSME

The programme for the competitiveness of small and medium-sized enterprises is a programme for the promotion of the competitiveness of small and medium-sized enterprises. The goals of the programme are: strengthening the competitiveness and sustainability of enterprises, especially small and medium-sized enterprises, encouraging entrepreneurial culture and promoting the establishment and growth of small and medium-sized enterprises. Measures also supported by this programme include project writing trainings, activities that enable access to new markets, as well as the promotion of as many transnational partnerships as possible. The programme also supports educational exchange between entrepreneurs (*Erasmus* for young entrepreneurs). As part of this programme, 1.4 billion euros were allocated from the budget for companies, so that they could access loans more easily. This objective is implemented through direct financing or by providing loan guarantees.

2.1.2.4 PROGRAMME FOR EMPLOYMENT AND SOCIAL INNOVATIONS

The programme for employment and social innovation aims to reach a high level of quality and sustainable employment, while ensuring adequate social protection and social inclusion. Also, the programme helps to prevent and reduce poverty, as well as to improve working conditions in the period from 2014 to 2020.

2.1.2.5 ERASMUS

Erasmus is a European Union programme that provides funding for cooperation projects in three areas: education, youth and sports. In the broadest sense, the Erasmus programme in the field of education has the following priorities: to promote and support the development of all levels of education, to strengthen the links between formal, non-formal and informal learning, to strengthen the connection between education and the world of work, to create additional values for the European area of education, to connect member countries in defining educational policies. The focus of the Erasmus programme is to strengthen the potential of young people for active participation in civil society, the development of leadership skills, solidarity and understanding between cultures. From 2014 until now, educational institutions and youth organisations from Serbia have been coordinators or partners in projects with a total value of over 83 million euros. So far, according to available data, 7,644 individuals from educational institutions, organisations and institutions dealing with youth and non-governmental

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

2.1.2.6 CREATIVE EUROPE

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

Through the Culture sub-programme, the cooperation of cultural and creative organisations between different countries is promoted, initiatives are supported to translate and promote literary works throughout the European Union, as well as to develop networks that enable the competitiveness and international activity of the cultural and creative sector. Platforms for the promotion of new artists and the encouragement of European programmes for cultural and artistic works are also being established. The sub-programme Culture includes four competitions: European cooperation projects, European platforms, European networks and Literary translation projects.

The Media Programme finances activities that include: the development of the European audiovisual sector, respecting and presenting the European cultural identity and heritage, the promotion of European audiovisual works within and outside the borders of the EU, strengthening the competitiveness of the audiovisual sector, facilitating access to financing and the promotion of the use of digital technologies. This fund will finance the European Capital of Culture and the European Heritage Label, as well as European awards for literature, architecture, heritage protection, film art and pop and rock music.

2.1.2.7 EUROPE FOR CITIZENS

The Europe for Citizens programme aims to promote European identity and European citizenship. It is intended for citizens' associations, civil society organisations and local self-government units. The general objectives of the programme are the financing of projects aimed at a better understanding of the EU, its history and diversity, as well as the promotion of European citizenship and the improvement of civic and democratic participation at the EU level. The Europe for Citizens programme is divided into two areas: European memory and democratic engagement, and civic participation. The goal of the first area is awareness of historical continuity, common European values and goals. The purpose of the second area is to support the democratic participation of citizens in life and development in Europe.

2.1.2.8 EUROPEAN HEALTH PROGRAMME III

The programme is the main instrument used by the EC to implement the EU health strategy. The main goals of the programme are to improve the health system and reduce inequality in providing/receiving health care. The programme provides support in four areas: 1) Health promotion, healthy lifestyle and disease prevention; 2) Protect EU citizens from serious cross-border threats to health; 3) Contribution to the creation of innovative, efficient and sustainable healthcare systems and 4) Easier access to better and safer healthcare for EU citizens.

2.1.2.9 FISCALIS 2020

Fiskalis 2020 is a programme that deals with the exchange of information and experiences between the tax authorities of European countries. The goal of the programme is to, in partnership with other European countries, develop a trans-European information system and build a network between users of national authorities. The programme supports the fight against tax evasion and avoidance, the planning of tax policy and the implementation of EU legislation in the field of taxation. This is achieved through the exchange of information, support for administrative cooperation and the increase of the administrative capacities of the participating countries, with the aim of reducing the administrative burden of tax authorities and harmonizing costs for taxpayers.

2.1.2.10 CUSTOMS 2020.

Customs 2020 is a programme that supports the cooperation of customs authorities between EU member states and candidate countries. The goal is to improve their efficiency, by achieving better cohesion, in order to avoid damaging the Customs Union. The programme supports the following measures: joint actions, seminars and workshops, project groups, teams of experts, building administrative capacities in customs administrations, studies, information campaigns, development of IT skills, training for developing the necessary professional skills and knowledge in the field of customs.

2.1.2.11 CIVIL PROTECTION MECHANISM OF THE EUROPEAN UNION

The aim of EU activities in the field of civil protection is to support efforts to prevent disasters and ensure the readiness of civil protection units to act in cases of disasters - at the national, regional and local levels. The EU Civil Protection Mechanism offers RS numerous opportunities for cooperation: application of tools for monitoring and early warning systems, participation in joint trainings and exercises, exchange of experts, participation in disaster prevention projects, direct communication with other civil protection authorities, exchange of information and best practices, etc.

In the new financial perspective from 2021 to 2027, most of the Union's programmes are the successors of the previous programmes, but changes, new programmes, new rules for implementation, monitoring and reporting, as well as new criteria for participating in the programmes have also been introduced.

2.1.2.12 INSTRUMENT FOR CONNECTING EUROPE

The Connecting Europe Facility (CEF) aims to support the achievement of EU policy objectives in the transport, energy and digital sectors, and in relation to trans-European networks, enabling or accelerating investments in projects of common interest, as well as supporting cross-border cooperation in the production of renewable energy. It aims to maximize synergies between the sectors covered by the CEF and other EU programmes.

2.1.2.13 RIGHTS, EQUALITY AND CITIZENSHIP

The overall goal is to contribute to the creation of an area in which the rights of persons contained in the Treaty on the Functioning of the European Union and the Charter of Fundamental Rights of the European Union are promoted and protected. Specifically, this programme should promote the rights deriving from European citizenship, the principles of non-discrimination and equality between women and men, the right to the protection of personal data, the rights of the child, the rights deriving from the consumer legislation of the Union and from the freedom of doing business in the internal market.

2.1.2.14 EUROPEAN INSTRUMENT FOR DEMOCRACY AND HUMAN RIGHTS

The European Instrument for Democracy and Human Rights (EIDHR) aims to support the promotion of democracy and human rights in non-EU countries. The key objectives are: improving respect for human rights and fundamental freedoms, strengthening the role of civil society in promoting human rights and democratic reforms, supporting and strengthening the international and regional framework for the protection of human rights, justice, the rule of law and the promotion of democracy, building trust and increasing reliability and transparency of democratic elections process, especially through the monitoring of election processes, etc.

2.1.3 COHESION POLICY AND OTHER FUNDS

Cohesion policy¹⁶⁹ (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 22¹⁷⁰. 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

¹⁶⁹ <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/koheziona-politika/>

¹⁷⁰ The key decisions and/or activities within Chapter 22 for the next period are: 1) Preparation of the negotiating position that will also reflect the new legal framework for the KP EU (first unofficial draft prepared); 2) Preparation and adoption of a law that will create a legal basis for the establishment of a system for the management of KP EU funds and the preparation of programme documents (a working group was formed, a draft of the structure of the law was prepared); 3) Identification of institutions that will be the main bearers of tasks and responsibilities in the context of the management of cohesion policy funds in Serbia - management and intermediary bodies for the first goal of the KP "Investments for jobs and growth" (an option document for establishing an institutional framework for management has been prepared KP funds for the purpose of "Investments for jobs and growth"); 4) Making a decision on the number and structure of programmes that Serbia will prepare for the European Fund for Regional Development, the European Social Fund+ and the Cohesion Fund; 5) Continuation of investment in capacities at the local and regional level, in cooperation with regional development agencies (in continuity).

decisions (see 2.1.8). In addition, the “EU Programme 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 funds¹⁷¹.

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

New cohesion policy of the EU¹⁷² contributes to the strengthening of economic, social and territorial cohesion in the EU. It aims to correct imbalances between countries and regions. It fulfills the political priorities of the Union, especially the green and digital transition. In relation to the previous programme period, novelties were introduced. The new EU Cohesion Policy for the period 2021-2027 strengthens the urban dimension (EC, New Cohesion Policy, 2021-27). The adopted five policy objectives focus on the following topics:

- 1) competitive and smart Europe (with a focus on innovation, digitalization, economic transformation and support for small and medium-sized enterprises);
- 2) green Europe (with the implementation of the Paris Agreement and investment in the energy, low-carbon transition towards an economy with net zero carbon emissions, renewable energy sources and the fight against climate change);
- 3) connected Europe (equipment with strategic transport and digital networks);
- 4) inclusive Europe (achieving social rights and supporting quality employment, education, skills acquisition, social inclusion and equal access to health and social care), and
- 5) Europe closer to the citizens (with support for the development of local strategies and sustainable urban development).

The new goal of “Europe closer to citizens” was introduced into the main political framework as an increased commitment to integral territorial development and includes the encouragement of sustainable urban development. Local actors are given opportunities to take the lead in recognizing and solving various challenges, but above all, to use their endogenous (locally specific) development potentials.

Through these goals, significant investments in urban areas are mobilized. At least 8% of the funds of the European Regional Development Fund (ERDF) in each member state will be

¹⁷¹ 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.

¹⁷² 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 programmes have 2 additional policy objectives at their disposal (Article 14 of the Interreg Regulation): “Better cooperation in development management” and “A safer and more secure Europe”.

The basic instruments through which support is implemented and directed to specific programmes and operations are:

EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF)

It provides support to EU member states and their regions with the aim of eliminating major regional inequalities and achieving self-sustaining growth. First of all, it is aimed at strengthening the competitiveness of the economy - through investments in research, development and innovation, investments in production and infrastructure, urban and local development, improving the competitiveness of small and medium-sized enterprises and supporting the transition to an economy based on low carbon dioxide emissions in all sectors.

EUROPEAN SOCIAL FUND (ESF)

It provides support to EU member states and their regions in achieving employment policy goals. It is aimed at investing in human resources through supporting the employment of as many people as possible, encouraging equal access and equal opportunities for everyone, encouraging entrepreneurship and activation on the labor market, integrating immigrants, ensuring gender equality, fighting poverty, strengthening social inclusion, improvement of education and lifelong learning. Through the Youth Employment Initiative from the ESF, activities aimed at people under the age of 25, who are not employed, are supported in education or training.

COHESION FUND (CF)

It provides support to the least developed EU member states whose GNI per capita does not exceed 90% of the EU-27 average. Large projects in the field of transport infrastructure and environmental protection are financed from this fund. In the programme period 2014-2020, it provides support to the following member states: Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

2.1.3.2 HELP

In 2014, the EC established the EU Regional Trust Fund in response to the crisis in Syria - the Madad Fund¹⁷³ (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 Organisation for Migration (IOM).

2.1.3.3 EU SOLIDARITY FUND - FSEU

The EU established the Solidarity Fund¹⁷⁴ (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 2014.¹⁷⁵ 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 application¹⁷⁶.

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

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

175 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).

176 http://www.obnova.gov.rs/uploads/useruploads/Documents/Solidarnost_na_delu_preview.pdf

2.1.3.4 REGIONAL HOUSING PROGRAMME

Regional housing programme¹⁷⁷ is a joint initiative of four countries - Serbia, Bosnia and Herzegovina, Croatia and Montenegro - which aims to provide permanent housing solutions for the 27,000 most vulnerable refugee families (74,000 individuals) in the region. Of these, 16,780 families (about 45,000 individuals) are in Serbia. The programme is implemented as part of the "Sarajevo Process", based on the "Belgrade Declaration", which was signed in 2011 by the ministers of foreign affairs of the four beneficiary countries of the programme. These countries were the most affected by the war conflicts of the 1990s and therefore have a significant refugee population. In the RS, the Programme is implemented on the basis of the Framework Agreement, concluded on October 25, 2013, between the RS and the Development Bank of the Council of Europe. The agreement regulates the basic settings of the programme, the implementation mechanism, the obligations of the participants in the programme and the amount of funds that will be engaged. The Programme is managed by the Development Bank of the Council of Europe, which administers a multi-donor fund formed for the purpose of implementing the Programme. The largest donor of this fund is the EU, which provides the largest part of the funds through the multi-user and national IPA. The total announced contribution to the EU fund is 235 million euros. Other donors are USA, Switzerland, Germany, Denmark, Italy, Norway, Turkey, Cyprus, Hungary, etc. The entire programme is under the jurisdiction of the Commissariat for Refugees and Migration of the RS. Through the Programme, a large number of different housing solutions are provided: the allocation of building material packages, the construction of prefabricated houses, the purchase of rural houses and the construction of residential buildings. In this way, it is ensured that refugee families solve their housing issue in the way that suits them best in their current place of residence, bearing in mind that the Programme is implemented in over 120 municipalities in the Republic of Serbia. The donation agreement for the first subproject in the amount of 2,212,500 euros was signed in 2014. The following 8 donation contracts and associated amendments in the total value of EUR 169,930,645 (of which EUR 137,398,681 are donations from the Fund) were signed by the national IPA coordinator. These agreements collectively foresee the provision of a total of over 7,700 housing solutions¹⁷⁸.

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 Agenda¹⁷⁹, 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

¹⁷⁷ <https://www.mei.gov.rs/srp/fondovi/fondovi-evropske-unije/ostali-fondovi/>

¹⁷⁸ www.regionalhousingprogramme.com; www.kirs.gov.rs

¹⁷⁹ <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 programmes to combat energy poverty.

The segment of the circular economy implies that by 2023 at the latest, strategies will be developed that will encompass the entire product life cycle. Governments have pledged to raise awareness of waste prevention and separation and sustainable consumption.

On the pollution cleanup front, measures include the ratification of the Convention on Long-range Transboundary Air Pollution and its protocols by 2025. The implementation of air quality strategies and the construction of the necessary infrastructure for the processing of waste water by 2030 at the latest are also planned.

As for sustainable agriculture, the indicative time frame sets 2026 as the horizon for adopting standards on food safety, plant and animal health and welfare, and waste management, as

well as supporting organic and pollution-free food cultivation and reducing the amount of synthetic chemicals products in food production. Among the measures in agriculture will have to be the use of renewable energy sources and the reduction of emissions.

The countries of the region have taken responsibility for the preparation of plans for the restoration of the forested landscape until 2024, including a financial component.

2.2 INTERNATIONAL FINANCIAL INSTRUMENTS-BANKS

2.2.1 DEVELOPMENT BANK OF THE COUNCIL OF EUROPE CEB¹⁸⁰

Council of Europe Development Bank¹⁸¹ (BSE) is a multilateral development bank with a social orientation. It was founded in 1956 in order to solve the problems of refugees, and later expanded the range of activities to the entire field of social development. RS joined this international bank in 2004. BSE provides concessional (favorable) loans and consulting services for socially oriented investment projects in the areas of:

- Sustainable and inclusive growth;
- Integration of refugees, displaced persons and migrants i
- Environmental protection.

Cooperation between RS and BSE is achieved primarily through projects financed through favorable loans such as: improvement of educational and scientific infrastructure and provision of accommodation for young researchers, reconstruction of housing infrastructure (landslides), construction of housing units for families affected by the earthquake in Kraljevo, construction and equipment new ones prison capacities in Pančevo and Kragujevac, etc. In addition to its own funds intended for lending, BSE also has funds entrusted to it for management by other donors. In this sense, as part of the response to the migrant crisis, the RS made available the “Fund for Migrants and Refugees”, through which the most urgent needs of migrant centers in Šid, Kanjiža and Preševo and other places are financed. In addition, the bank participates in the Investment Framework for the Western Balkans (see 2.1.1.5) and in this sense is responsible for part of the grants granted to the RS from this instrument, and is also in charge of managing the Regional Housing Care Programme intended to solve the housing problem of refugees (see 2.1.3.4), whose biggest user is the RS.

2.2.2 EUROPEAN INVESTMENT BANK EIB

European Investment Bank¹⁸² (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

¹⁸⁰ <https://www.mei.gov.rs/srp/fondovi/bilateralni-i-multilateralni-partneri/po-medjunarodnim-organizacijama/>

¹⁸¹ www.coebank.org

¹⁸² <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 programmes 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 programmes or projects worth up to 25 million euros. Loans are approved to support projects that are economically justified in the areas of transport, energy, environmental protection, industry and services, health and education, research and development, information and communication technology.

Currently, current projects in the Republic of Serbia financed by the EIB are:

- Construction of the Niš - Pristina highway. So far, the Republic of Serbia, with the support of the EIB, has received about 5 million through the Investment Framework for the Western Balkans. euros of grants.
- Modernization of the railway line Nis - Dimitrovgrad. Thanks to the support of the EIB, 44 mil. EUR of grants from WBIF, while in December 2017 another 28 million was approved. euros for the second phase of this project.

2.2.3 EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT EBRD

European Bank for Reconstruction and Development¹⁸³ (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.

¹⁸³ <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 projects¹⁸⁴ у периоду 2021-2023 cy: Catalyzing Long Term Finance through Capital Markets, Improving public financial management for the green transition, First Serbia Green Transition Programmatic Development Policy Loan, Scaling-Up Residential Clean Energy (SURCE) Project, Serbia Local Infrastructure and Institutional Development Project, Public Sector Efficiency and Green Recovery DPL.

Programme Green, living and resilient cities in Serbia¹⁸⁵

In June 2021, the World Bank launched the Green, Living and Resilient Cities Programme in Serbia, together with the Ministry of Construction, Transport and Infrastructure, to strengthen sustainable and resilient urban development¹⁸⁶. This activity is part of the World Bank's Global Umbrella Programme for Sustainable and Regional Development (SURGE) and is supported by the Swiss Confederation through the State Secretariat for Economic Affairs (SECO). The

184 https://projects.worldbank.org/en/projects-operations/projects-summary?lang=en&countrycode_exact=YF

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

186 Serbian cities are of vital importance for national economic growth. However, in order to become drivers of regional development and poverty reduction, they need to be better managed in order to increase their ability to live and the quality of life of their citizens. Improved strategic urban development and management can help cities in Serbia to fully utilize their potential and play a key role in supporting the country's green transition. The Government of Serbia recognizes the importance of cities for the national economy. In 2019, the Sustainable Urban Development Strategy (SOUR) was adopted, followed by an action plan in March 2021, establishing a comprehensive and integral programme for the next phase of urban development in Serbia. This programme provides Serbia with a unique opportunity to advance towards the green transition at the sub-national/municipal level, foreseen by the EU Green Deal. It also fits with the World Bank's strategic direction for post-COVID-19 recovery in line with the World Bank's Green, Resilient Inclusive Development (GRID).

four-year technical assistance began in 2022 and will support selected cities in Serbia in the planning and implementation of sustainable, low-carbon and resilient urban development programmes, while providing national level policy recommendations and proposed actions to facilitate the implementation of the RS Sustainable Urban Development Strategy. A detailed analysis will also help to identify challenges in the municipal solid waste management sector. The programme aims to respond to existing gaps at the national level and to support selected cities to improve their capacities:

- 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 bank¹⁸⁷. 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 Challenges¹⁸⁸ (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.

¹⁸⁷ <https://nemackasaradnja.rs/kfw/>

¹⁸⁸ <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 programmes or the expansion and improvement of existing programmes. Grants are awarded to consortia that have successfully passed the two-phase selection process.

RCF provides financial and follow-up support to selected consortia for:

- Infrastructural works and equipment for facilities within institutions for vocational training and training
- Training of teachers from vocational training institutions, trainers in companies and coordinators for cooperative education and training (in vocational training institutions and in companies), required for the implementation of the funded training programme
- Advisory support during project planning and implementation

More than 1,500 training places will be offered through the supported projects. Up to 19,776,650 euros will be invested in projects implemented by institutes and companies for professional training. Each project will be supported by grants from EUR 150,000 to EUR 600,000.

2.3 BILATERAL AND MULTILATERAL COOPERATION, DONOR PROGRAMMES

2.3.1 UNITED NATIONS TEAM IN SERBIA

The United Nations (UN) has been present in the Republic of Serbia (former Yugoslavia) since the beginning of the crisis in the region, in the early 1990s. The United Nations team in Serbia¹⁸⁹ has been cooperating with the Government of the RS since the beginning of the 2000s. The UN team in Serbia currently includes 20 agencies, funds and programmes, both resident and non-resident, who work together to improve national development priorities in accordance with the 2030 Agenda and 17 Sustainable Development Goals. The team is coordinated by the permanent coordinator of the UN, and works according to the principles of the Framework for cooperation of UN nations for sustainable development with the RS 2021-2025, signed between the Government of the RS and the UN Team in Serbia. The framework represents a path towards three strategic priorities:

- 1) Serbia uses the full potential of a green, sustainable and inclusive economy - Increasing opportunities for all and risk management;
- 2) Well-being, social justice and human potential are at the heart of systems, policies and practices - Everyone has equal opportunities, throughout life, to realize their full potential;
- 3) Building trust and mutual responsibility through the rule of law and respect for human rights and obligations - Encouraging transparency, fairness and effectiveness

Milestones:

- Serbia adopts and implements strategies to combat climate change and protect the environment, which increase the community's resilience, reduce the carbon footprint and enhance the positive effects of investments at the national level;

¹⁸⁹ <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 Serbia¹⁹⁰ started immediately after the democratic changes in 2000. Since then, GIZ has been present in Serbia with one central office in Belgrade and a larger number of project offices. By order of the Federal Ministry for Economic Cooperation and Development (BMZ), GIZ provides support to Serbia in the process of approaching the European Union, strengthening the efficiency of the economy and strengthening democratic structures. GIZ implements programmes and projects¹⁹¹ from the following areas:

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

¹⁹⁰ <https://nemackasaradnja.rs/giz/>

¹⁹¹ 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 Agency¹⁹² 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 holder¹⁹³ 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,

¹⁹² <https://rs.ambafrance.org/AFD-4148>

¹⁹³ <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” programme. AFD also supports the RISE project, which provides support to young entrepreneurs from the Western Balkans, in cooperation with the Regional Office for Youth Cooperation (RYCO).

2.3.4 DONATION PROGRAMMES

Japan

The strategic framework of development cooperation with the RS is defined in the Japanese Development Cooperation Charter of February 2015. Priority areas of Japan’s bilateral development assistance to the RS¹⁹⁴ are:

- Environmental protection,
- Health and social protection and education i
- Entrepreneurship and support to small and medium enterprises.

Some of the examples of assistance that Japan provides to the RS are: non-project donations in the form of Japanese products, projects for the basic needs of the population (POPOS projects) which include one-time assistance such as the reconstruction of school buildings and kindergartens, the delivery of medical equipment and ambulances, garbage collection vehicles and containers, tanks, special vehicles for transporting people with special needs, etc., but also consulting assistance from Japanese experts since 2009 through the volunteer programme of the Government of Japan. Japan also provides concessional loans (yen loans), so the project “Construction of a desulfurization system at the Nikola Tesla Thermal Power Plant” will be realized from the funds of one of the loans.

Kingdom of Denmark

Denmark provides its development assistance to beneficiaries in most cases bilaterally, but also multilaterally mainly through the UN, EU institutions and the World Bank. Development cooperation strategy of the Kingdom of Denmark with the Republic of Serbia¹⁹⁵ it is defined within a broader regional concept - the Danish Neighborhood Programme for Eastern Europe. Since 2017, with the completion of two large programmes financed by Danish bilateral grant aid in the

¹⁹⁴ <https://www.jica.go.jp/balkan/english/office/index.html>

¹⁹⁵ <http://serbien.um.dk/en/danish-cooperation/danish-cooperation-with-serbia/>

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 Programme, the Embassy’s Fund for Small Projects, as well as direct grants to civil society organisations¹⁹⁶. 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 Serbia¹⁹⁷ has in the past years been focused on supporting the development of the agricultural sector, environmental protection, the private sector, employment, the rule of law, assistance to refugees and internally displaced persons, and the building of institutional capacities. During 2019 and 2020, no new projects were contracted, and within two programmes - MATRA and the Human Rights Fund, which aim to help civil society organisations and the justice and internal affairs sectors, the Embassy of the Netherlands spent a total of 831,116 EUR. As part of the ORIO programme, the project Collection and treatment of waste water in Leskovac is being implemented in the Republic of Serbia. The total budget of the ORIO programme for the project in Leskovac is EUR 7.91 million.

Kingdom of Sweden

Sweden has adopted a new Strategy for supporting reforms in Serbia, the Western Balkans and Turkey 2021-2027¹⁹⁸. Financial support according to the new strategy for 2021-2027 amounts to 560 million euros, of which 500 million are distributed to the Western Balkans and 60 million to Turkey. Sweden’s total grant so far amounts to around 283 million euros. Sweden will continue with the trend of supporting the financing of programmes and projects in the RS in the amount of 12 million euros annually. The largest amount of non-reimbursed aid per sector in the period from 2000 to today was allocated by Sweden to the environmental protection sector in the total value of around 43 million euros. Among the ongoing projects, the following stand out:

- The PEID project (Priority Environmental Infrastructure for Development), through which support to the environmental protection sector continues - providing technical

¹⁹⁶ <https://www.norway.no/en/serbia>

¹⁹⁷ <https://www.netherlandsworldwide.nl/countries/serbia>

¹⁹⁸ <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 t of the People's Republic of China, which is signed annually.¹⁹⁹. 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 accession²⁰⁰. Projects were implemented in the areas of regional development, education, environmental protection, agriculture, health, entrepreneurship development, social protection, strengthening of management capacity at the local level, as well as support for civil society organisations. The Austrian Development Agency (ADA) as the implementing agency of the Republic of Austria applies European standards in the implementation of various EU programmes/projects:

- Implementation of the EU programme entitled "Socio-economic development of the Danube region in the Republic of Serbia", financed from EU funds - The project consists of several components, including the construction and renovation of infrastructure, such as the construction of a water supply system in the municipality of Veliko Gradište, as well as rehabilitation Golubac Fortress, for which the Republic Austria provided 1,800,000 euros in grants.
- Regional project to support the implementation of the Green Agenda for the Western

¹⁹⁹ <http://rs.chineseembassy.org/srp/>

²⁰⁰ <http://www.entwicklung.at/en/>

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 PROPARCO signed in 2019, the AFD office in Belgrade functions as a regional office for the Western Balkans and has been fully operational since 2019. In accordance with the aforementioned Agreement, AFD Group provides financial support, such as grants and guarantees for long-term loans to the state, local governments, public and private companies and financial institutions, as well as subsidies, in accordance with the rules of foreign exchange operations of the RS. The areas of cooperation are:

- Development of the metro system in the city of Belgrade - At the end of November 2020, an agreement was signed between the governments of Serbia and France on cooperation in the field of priority infrastructure projects, investment value of 581 million euros, which foresees that 454 million will be invested in the construction of the first line of the Belgrade metro euros. It is envisaged that French companies will provide the metro compositions and carry out work on the “electromechanical part”, while Chinese companies will carry out construction work. The official start of works on the development of the metro system began in 2021, with the execution of preparatory works and works on filling the ground, construction of collectors at the location of the planned Depot (terminal) in Makiško polje.
- In the energy sector, an amount of up to 127,000,000 euros is foreseen. for the automation of the medium voltage electrical distribution network
- Within the Programme, the so-called “green development loans” RS has at its disposal a credit arrangement of 300 million US dollars from the World Bank, KfW and AfD group. The estimated funds of the AfD group are in the amount of 90 million US dollars.
- In the field of environmental protection, the city of Belgrade chose the company BeoČistaEnergija d.o.o. (consisting of a consortium consisting of the French company “SUEZ” and the Japanese company “ITOCHU”) as a partner within the Public-Private Partnership, for the project of construction and financing of a waste-to-energy plant in Vinci. The Vinca project includes rehabilitation of the existing landfill, construction of a new storage center according to European standards and an incineration unit with the production of electricity and heat (incinerator).
- In the third quarter of 2021, the law was adopted on the confirmation of the Loan

Agreement in the amount of 50,000,000 euros, between the AFD Group and the RS for the implementation of reforms aimed at the so-called “green recovery” through the Programme Loan for Public Policies “Urban Environments Resilient to Climate Change”. An integral part of the Programme is a grant in the amount of 500,000 euros for the needs of technical support to the Government of Serbia, which includes the development of a Road Map for climate activities at the national and local self-government levels (Smederevo and Užice). Support was provided for the drafting of by-laws of the Law on Climate Change and the assessment of capacity building.

Republic of Greece

The Hellenic Plan for the Economic Reconstruction of the Balkans (HiPERB) is a programme of Greek development assistance within the framework of which the Government of the Republic of Greece has designated grants for six Balkan countries - the Federal Republic of Yugoslavia, Romania, Bulgaria, Macedonia, Bosnia and Herzegovina and Albania²⁰¹. The target sector of this aid programme is infrastructure modernization, especially in the transport sector. Two extremely important projects for Serbia that are supported by the HiPERB plan are the construction of Corridor 10.

Republic of India

The Indian Technical and Economic Cooperation Programme (ITEC) is implemented by the Ministry of Foreign Affairs of the Government of India as a bilateral aid programme of that country to friendly countries. This programme mainly targets developing countries, including RS, which are offered free training courses in India for various technical and professional occupations, as well as the possibility of faster and easier adaptation to an increasingly globalized world.²⁰². In the period from 2013 to the end of 2019, approximately 80 civil servants of the RS attended ITEC courses (from 2008 to today there are about 167 experts, representatives of the government and private sector) in various fields and scientific disciplines, including information and communication technologies, expenditure management, entrepreneurship, the WTO area, banking and finance, renewable energy sources, issues related to climate change, legislation, improving the English language, etc.

Republic of Korea

The Knowledge sharing programme (KSP) is implemented in cooperation with the Korea Development Institute (KDI) and aims at institutional development and strengthening the capacities of employees in state administration bodies of partner countries. The programme provides consultations focused on the needs of partner countries, which are carried out through a series of joint research works, trainings, consultations, which are held alternately in Korea and partner countries. This is how the following programmes are implemented:

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

202 www.itecgoi.in

- KOICA Fellowship programmes - KOICA partner programmes - The primary goal of this programme is additional education for technical skills and knowledge, as well as capacity building for sustainable socio-economic development;
- Master's studies (KOICA Scholarship Programme - Master's Degrees) - postgraduate (master's) studies;
- Serbian-Korean IT Access Center (SKIP Center) - opened in Belgrade in 2017, and a second SKIP center is planned in Niš, intended for free IT training for citizens, civil servants and start-up companies

Republic of Poland

Polish development cooperation in Serbia²⁰³ implemented through small development projects, which are implemented by the Embassy of the Republic of Poland with local partners. The main goal is to implement projects that will improve the living standards of the local population. Within the framework of the system of small grants, the initiatives of small development projects that bring positive effects on the daily life of local communities are carried out. Bilateral aid can be used by institutions from the public finance sector, research institutes, non-governmental organisations and persons from the private sector. Partners in projects are usually local non-governmental organisations, public institutions or local governments. The projects implemented in Serbia in the period 2007-2020 had a total value of 253,856 euros. At the third session of the "Belgrade Conference" held in Warsaw in 2019, three parallel panels took place: environmental protection, judicial system and communication in the field of European integration.

Republic of Singapore

During the 1970s, Singapore began to share its experiences with partner countries around the world through various programmes. These programmes were brought under a unified framework when the Singapore Cooperation Programme (SCP) was established in 1992. The cooperation programme is a series of courses, programmes, seminars, workshops, consultations, as well as study visits in a number of areas organized by the Government of Singapore and aims to share with partner countries Singapore's experience in acquiring important technical skills and knowledge that are of vital importance for the economic and social progress of a country. SCP training areas include education, environment (climate change, environmental protection...), transport and infrastructure, economy and economy, social issues (social entrepreneurship and innovation, social cohesion, empowerment of people with disabilities and special needs...), health, cyber security, sustainable development (renewable energy, sustainable cities, energy efficiency and emission reduction), state administration and digital government. Candidates for training programmes can be civil servants - managers of narrower internal units in public administration institutions as well as civil servants in position, unless otherwise indicated.

²⁰³ www.belgrad.msz.gov.pl

Republic of Slovenia

Technical assistance activities²⁰⁴ are focused on supporting the institutions of the Republic of Serbia in the process of European integration, including support in harmonizing regulations, harmonizing procedures in the work of our institutions with EU standards, improving the quality of services, improving organisational structures through the transfer of the experience of Slovenian institutions and organisations. The amount of funds allocated for development aid is determined annually by the Development Plan of the Republic of Slovenia. Currently, a project called “Help in preventing corruption” is being implemented, which aims to improve the conditions for ensuring transparency and accountability in the functioning of public sector institutions in the RS, as well as strengthening the capacity for effective implementation of legal competences of institutions in the fight against corruption. The project holder is the Anti-Corruption Agency, and the total value is 95,580 euros.

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 cooperation²⁰⁵ from 2009. With its signing, the Turkish Agency for Cooperation and Coordination in the RS (TIKA) officially began its work, through which cooperation with the institutions of the RS is directed and achieved. Priority areas that are supported through the programme of development cooperation with education, health, agriculture, culture, historical heritage and tourism. The total estimate of the realization of the development assistance funds of the Republic of Turkey amounts to over 37 million euros.

Important examples of support through donor funds are: the reconstruction and equipping of the General Hospital in Novi Pazar, the Center for the Protection of Children, Infants and Youth “Zvečanska”, the reconstruction of the High Court building in Novi Pazar, works on the restoration of Ram Fortress near Veliko Gradište, works on to the restoration of the “Sultanija” Mosque Valide” in Sjenica, construction and reconstruction of several elementary schools in Novi Pazar. During 2020 and 2021, most donor funds were directed through projects in the field of health, environmental protection, media, education, culture, sports, humanitarian aid, cultural and historical heritage, as well as support in the fight against the COVID-19 pandemic.

Federal Republic of Germany

Bilateral development cooperation between the Federal Republic of Germany and the RS has been ongoing since 2000. The Republic of Serbia was granted over 1.8 billion euros in development aid from the funds of the German Ministry for Cooperation and Development (BMZ), the funds of the Ministry of the Environment, the Stability Pact and others in the form of grants and soft loans. Financial support projects are implemented by the German Development Bank (KfW), while technical assistance projects are implemented by the German Cooperation Agency²⁰⁶ (GIZ). In the past period, German development aid funds in the RS

204 www.belgrade.embassy.si

205 <http://www.tika.gov.tr/en>

206 <http://www.belgrad.diplo.de/> and www.nemackasaradnja.rs

were directed to the implementation of projects and programmes in three priority areas: 1) public infrastructure (energy and water) - electricity and thermal energy supply, water supply, sewage infrastructure (wastewater management); 2) sustainable economic development and employment - improvement of legal frameworks in the field of finance and economy, development of the financial sector, support for small and medium-sized enterprises, support for secondary vocational education and training reforms and 3) democracy, state administration, civil society - support for the development of decentralized administration, efficient and results-oriented, especially in the domain of improving transparency, the rule of law, the justice system and balancing the forces of different parts of the state administration, as well as helping in the preparation for accession negotiations and supporting the EU accession process over the last few years. In terms of the volume of approved funds and the significance of the achieved results, the Federal Republic of Germany undoubtedly represents the most important bilateral development partner of the Republic of Serbia.

In addition to projects implemented at the national level, FR Germany provides both financial and technical assistance to regional projects and programmes. Regional financial cooperation is implemented through the following cooperation instruments: 1) Regional instrument for support of renewable energy sources and energy efficiency; 2) European Fund for Southeast Europe and 3) Green Fund for the Development of Southeast Europe. Regional technical cooperation is implemented through three regional programmes: 1) Open regional fund for Southeastern Europe; 2) Regional programme for the establishment of the Danube Center of Competence to strengthen the region of the lower reaches of the Danube and 3) Cross-border cooperation in the field of social inclusion of persons who are victims of human trafficking.

United States of America

Development cooperation with the United States of America (USA) is implemented through the United States Agency for International Development (USAID). The legal basis for cooperation is the assistance agreements between the RS and the USA for better functioning of the administration and a more competitive market economy. Priority areas of development cooperation between the RS and the USA include the development of local self-governments, development of small and medium-sized enterprises, institution building, rule of law, European integration and strengthening of the civil sector. Significant projects within the framework of better functioning of the administration²⁰⁷ 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 economy²⁰⁸ 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*).

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

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

Slovak Republic

Cooperation between the Slovak Republic and RS²⁰⁹ 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 Kingdom²¹⁰, representatives of the British Embassy in RS play an active role in the process of coordinating development aid. The Good Governance Fund (GGF) is a multi-year programme and part of this fund is available to Serbia to support reforms in the following areas: rule of law (judiciary, fight against corruption, human and minority rights, etc.), public administration, economy and business environment, strengthening freedom of expression. The Good Governance Fund operates through three channels: 1) The Strategic Support Fund (SSF), which targets pilot projects and civil society organisations, through the provision of direct grants. Supported projects focused on priority areas of the GGF Fund: from improving the business environment to strengthening government accountability and freedom of expression; 2) International Financial Institutions (IFIs) channel, which is designed to support reforms through cooperation with international financial institutions. The most significant resources are focused on the development of e-Government (the project “Digital transformation” and the project “Open Data”), implemented with the help of UNDP and the Office for Information Technologies and Electronic Administration of the Government of the RS, and 3) the Management Fund (MOF), which managed by a consortium led by PricewaterhouseCoopers (PwC), and includes technical assistance for projects developed in cooperation with state institutions.

Swiss Confederation

The state of Switzerland has been present in Serbia since 1991. So far, financial support amounts to 350 million euros. The Government of the Swiss Confederation has two institutions in its composition that are responsible for development aid. Swiss agency for Development and Cooperation (SDC, engl. *Swiss Development Agency, SDC*) is attached to the Swiss Ministry of Foreign Affairs and is in charge of development assistance related to the support of capacity building projects, technical assistance, i.e. the so-called “soft” projects aimed at reforming

209 <http://www.mzv.sk/belehrad>

210 <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 organisations and citizens in order to increase their participation and ensure a voice in the decision-making process;
- In the area of economic development and employment, support in the amount of 45 million euros it is intended to improve the macroeconomic framework, business environment and inclusive policies to overcome inequality. Attention will be focused on local economic development, trade promotion, youth employment, dual education and private sector development with the aim of sustainable development and quality employment, especially in rural areas;
- In the area of self-sustainable energy and resilient cities, support in the amount of 14 million euros it is intended to strengthen the exploitation of renewable energy sources, the application of energy efficiency measures and the strengthening of capacities for management and planning of infrastructural activities. Additionally, support in this area will be extended to activities that will contribute to the development of self-sustainable cities, with the aim of reaching national goals of energy efficiency and renewable energy sources. Switzerland provided support in strengthening capacities for migration management, improving capacities for reception, registration of asylum seekers and approval of an innovative housing model for migrants on the territory of Serbia in the amount of 2 million euros.

Organisation HELVETAS Swiss Intercooperation²¹¹ 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.²¹² 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

²¹¹ <https://www.helvetas.org/en/eastern-europe/what-we-do/where-we-work/partner-countries/serbia>

²¹² <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

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 - др. закон, 101/16 - др. закон, 47/18 и 111/21 - др. закон), Стратегије одрживог урбаног развоја Републике Србије до 2030. године ("Службени гласник Републике Србије", број 47/19), Меморандума о разумевању између Канцеларије Уједињених нација за пројектне услуге (УНОПС) и града Крушевца број 404-1133/2022 од 20.05.2022. године и члана 22. Статута града Крушевца ("Службени лист града Крушевца", број 15/18),

Скупштина града Крушевца на седници одржаној 12.марта 2024. године донела је

О Д Л У К У
О УСВАЈАЊУ СТРАТЕГИЈЕ РАЗВОЈА УРБАНОГ ПОДРУЧЈА ГРАДА
КРУШЕВЦА ЗА ПЕРИОД 2024 - 2034. ГОДИНЕ

I Усваја се Стратегија развоја урбаног подручја града Крушевца за период 2024-2034. године.

II Одлуку и Стратегију развоја урбаног подручја града Крушевца за период 2024-2034. године објавити у "Службеном листу града Крушевца".

СКУПШТИНА ГРАДА КРУШЕВЦА

I број 350-166/2024

ПРЕДСЕДНИЦА

 Драгана Баришић



Ministry of European Integration
REPUBLIC OF SERBIA

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