



**EU**  
**PRO** EUROPEAN UNION SUPPORT  
TO MUNICIPAL DEVELOPMENT

# QUARTERLY REPORT

1 July - 30 September 2020



Republic of Serbia



**UNOPS**

Implementing partner



**Overall objective:** To contribute to a more balanced socio-economic development in Serbia

**Purpose:** To enhance competitiveness and social cohesion of the less developed areas by better market positioning and more competitive SMEs and developing/improving business enabling and social infrastructure

**Budget:** 25 million Euros

**Donor:** The European Union

**Start date:** 1 January 2018

**End date:** 30 June 2021

**Programme area:** The Regions of Šumadija and Western Serbia and the Southern and Eastern Serbia

**Implementing partner:** United Nations Office for Project Services (UNOPS)

**Report date:** 19 October 2020

**Period covered:** 1 July 2020 – 30 September 2020

**Prepared by:** UNOPS

## Acronyms

<b>AoR</b>	Area of Responsibility
<b>BSO</b>	Business Support Organisation
<b>CB</b>	Coordination Body for Preševo, Bujanovac, and Medveđa
<b>CFP</b>	Call for Proposals
<b>CIF</b>	Citizens' Involvement Fund
<b>CSO</b>	Civil Society Organisation
<b>DEU</b>	Delegation of the European Union
<b>DAS</b>	Development Agency of Serbia
<b>DoA</b>	Description of Action
<b>EU</b>	European Union
<b>FIDIC</b>	The International Federation of Consulting Engineers
<b>GEM</b>	Gender Equality Mechanism
<b>GG</b>	Good Governance
<b>HR</b>	Human Rights
<b>LSG</b>	Local Self-Government
<b>MCTI</b>	Ministry of Construction, Transport, and Infrastructure
<b>ME</b>	Ministry of Economy
<b>MEI</b>	Ministry of European Integration
<b>MSE</b>	Micro and Small Size Enterprises
<b>MSP</b>	Managing Successful Programmes
<b>NGO</b>	Non-governmental Organisation
<b>NMC</b>	National Minority Council
<b>OHCHR</b>	Office of the High Commissioner of Human Rights
<b>OSCE</b>	Organisation for Security and Cooperation in Europe
<b>PPF5</b>	Project Preparation Facility 5
<b>PRINCE 2</b>	PRojects IN Controlled Environments
<b>PSC</b>	Programme Steering Committee
<b>RDA</b>	Regional Development Agency
<b>RFP</b>	Request for Proposals
<b>RSPC</b>	Serbia Programme Centre
<b>SCTM</b>	Standing Conference of Towns and Municipalities
<b>SDC</b>	Swiss Agency for Development and Cooperation
<b>SME</b>	Small and Medium Sized Enterprise
<b>PIMO</b>	Public Investment Management Office
<b>SIPRU</b>	Social Inclusion and Poverty Reduction Unit
<b>ToR</b>	Terms of Reference

## Executive Summary

While efficiently addressing challenges caused by the global COVID-19 pandemic, the European Union Support to Municipal Development - EU PRO Programme maintained an intensive pace of implementation of activities in the third quarter of 2020. Twenty-six projects completed during the quarter contributed to completion of half of the Programme interventions, or 168 out of the 342 projects.

To accommodate delays caused by the pandemic, a six-month time extension was granted to the Programme allowing for reconceptualization of activities in line with the new reality, and their timely completion. The emergency procurement of the priority medical and non-medical equipment and items in support to the Government's efforts to respond to the ongoing pandemic conducted in the previous quarter has been formalised with the corresponding activity included in the Programme.

With completion of the three remaining projects awarded under the First Call for MSEs, a total of 94 MSE beneficiaries have concluded their interventions resulting in creation of 365 new jobs which, on average, increases their number of employees by 37 percent. While the **sustainability and competitiveness of MSEs is strengthened**, the local communities have benefited from the corporate social responsibility (CSR) interventions directly affecting 17,876 people, out of which 8,709 or 49 percent are women. The 109 projects awarded under the Second Call for MSEs will further contribute to improved competitiveness of businesses with promising results after the swift initiation of projects during the quarter.

EU PRO contribution to **better market positioning and more competitive SMEs is amplified** with wider outreach of interventions implemented by the Business Support Organisations (BSOs). Over 440 SMEs have benefited from BSO assistance in introduction of quality standards, enhanced marketing and export potentials, improved business operations, digitalisation and introduction of on-line sales. Furthermore, "Etno forum" Svrlijig who has finalised project activities during the quarter provided benefits for fifty entrepreneurs and small enterprises from Svrlijig, out of which one-third is owned by women, with establishment of affordable printing services for local businesses.

The greatest progress has been achieved under the infrastructure activities, with 15 projects completed during the quarter. With increased attractiveness of locations now that construction works are finalised, **infrastructure investments continued to materialise**. The four economic infrastructure projects completed during the quarter contribute to realisation of investments worth 15 million Euros, and create job opportunities for additional 705 jobs. These are a part of a pipeline for investment of 58 million Euros with potential creation of 2,580 new jobs.

In addition, technical documentation for reconstruction of the former factory 'Famid' in Bela Palanka produced at the beginning of the year already resulted in a reconstructed facility which was handed over to an Austrian investor who already employed 30 and plans to employ at least 100 more people in early 2021.

The ten local infrastructure projects completed during the quarter **improved living conditions for over 22,000 inhabitants** while the number of indirect beneficiaries is estimated at 258,000. The programme improved working and living conditions with equal access to socially vulnerable groups, but also by using sustainable energy sources, reduced the carbon footprint and decreased the operational costs. The effects of the local infrastructure projects are strengthened with enhancement of the good governance principles at the local level supported by the Swiss PRO Programme. During the quarter, six regulations

Programme is financed by the European Union, implemented by UNOPS in cooperation with the Government of the Republic of Serbia.

[www.eupro.org.rs](http://www.eupro.org.rs)

adopted in three municipalities mainly benefited Roma population and children with 2,000 Roma gaining access to the sewage system in Valjevo and Raška while approximately 900 children, out of which 133 Roma and 20 PWDs have better access to preschool education and sport facilities in Merošina.

Despite the delays in implementation caused by the COVID-19 crisis, the social cohesion activities are progressing, and half of the 22 awarded projects are completed. **Projects continue to create benefits for the excluded groups** and promote interethnic cooperation, contributing to enhanced social cohesion in the local communities. Further results related to the animation and inclusion of the economically inactive population in the labour market are achieved. Almost 50 women from passive rural areas, mostly low-qualified, are empowered in accessing the labour market through the realisation of a range of measures tailored to their needs.

In addition, two grants contributed directly to the social inclusion of over 200 Roma in Babušnica and Vladičin Han through the implementation of active measures in the five priority areas - housing, social protection, health, employment and education. In Vladičin Han, over 130 Roma received legal and other types of assistance in resolving issues related to the house legalisation, obtaining social welfare benefits. The medical nurse provided continued support and health information to 14 single Roma mothers with 44 children, while 15 Roma pupils improved their school achievement through the organisation of support classes and nine of them enrolled in secondary school. Twenty Roma families are equipped with greenhouses that will contribute to their economic empowerment in the long run.

**The Programme retained its visibility** throughout the quarter, mainly through promotion of the completed local infrastructure projects which generated 253 positive media reports out of which 79 or 31 percent are published in the national media. Moreover, five EU PRO projects are featured in the promotional materials produced by the EU Info Centre.

The Programme **addressed significant challenges** during the quarter. The ongoing pandemic reduced efficiency in implementation of Programme activities and endangered realisation of the planned results. In response, the Programme has re-evaluated feasibility of the planned activities and, as necessary, reconceptualised the approach with alternative interventions contributing to the same results. The activities which were affected the most, include those implemented by the CSOs and BSOs which mandatory foresee direct assistance to beneficiaries. In addition, changes in the governing structures in the post-election period have significantly delayed implementation of several activities as well as recent enactment of the Law on public procurement which slowed down the public procurement processes.

Activities planned for the following quarter include completion of at least 80 more projects. In addition, to ensure smooth transition and quick start of the planned successor Programme, the EU PRO will use some of the resources to conduct preparatory activities, including conclusion of surveys with LSGs and RDAs and initiation of the capacity building needs assessment with MEI, as well as initial introduction of the integrated territorial approach to LSGs.

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

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## Review of progress and performance

### Policy and programme context

**The ongoing COVID-19 pandemic continued to affect the economy and society in Serbia.** The pandemic reached the second peak in early July 2020<sup>1</sup> with so far the highest number of confirmed cases of infected and deceased. The escalating health situation resulted in the introduction of the State of Emergency and additional restrictions in the majority of local governments, while several Programme municipalities including Novi Pazar, Sjenica and Tutin were the most severely affected. Temporary hospitals were set up in the hotspot areas including Novi Pazar<sup>2</sup> to strengthen the capacities of the health system to accommodate the needs of the increasing numbers of infected.

Though the numbers of infected August and September started to decrease and the short term resilience of the economy and health system was displayed, the ultimate effects of the pandemic are uncertain. Thus far the Programme was able to absorb the effects of the pandemic with minor time extensions and reconceptualization of a limited number of activities leaving the achieved Programme results seemingly intact. However, the sustainability of jobs generated as a result of the Programme and materialization of the planned investments are still at risk.

The pandemic also confirmed the importance of the Programme interventions, including those targeting vulnerable groups and their economic empowerment. A number of reports indicate the severity of effects of the crisis on the informal economy, including the European Social Policy Network (ESPN) Flash Report for Serbia<sup>3</sup> which reflects on the positive impact of measures introduced by the Government with subsidies for employees' loss of income, however lacking support for persons employed in the non-standard jobs and the informal economy. Moreover, findings of the World Bank included in the COVID-19 Socio-Economic Impact Assessment produced by the United Nations in Serbia<sup>4</sup> indicate that the number of newly vulnerable people may grow<sup>5</sup>.

**The post-election period had a continued effect on the Programme** as the Government and Ministries were not yet constituted after the elections held on 21 June 2020. Similarly the majority of LSGs held the constitutional assemblies and elected the new municipal leaders but with a significant delay. The change of local leadership occurred in 37<sup>6</sup> out of 99 LSGs included in the Programme which had impact on the Programme activities implemented by the respective LSGs. Female leadership is now enhanced and present in eleven local self-governments included in the Programme area<sup>7</sup>. Out of the six LSGs in Rasinski District five<sup>8</sup> now have women Mayors while the cities of Niš and Užice record female leadership for the first time in their history. Additionally, municipalities of Bajina Bašta, Trgovište, Babušnica and Surdulica are also led by women.

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<sup>1</sup> According to WHO statistics, on 7 July 2020 Serbia registered 299 new cases in the 24-hour period with 13 reported associated deaths and on 26 July the number of registered cases was 462

<sup>2</sup> RS.N1info.com [Serbian military setting up field hospital in Novi Pazar](#) (3 July 2020)

<sup>3</sup> EC.Europa.eu [COVID-19: Socio-economic consequences and policy responses in 16 European countries](#) (18 August 2020)

<sup>4</sup> [COVID-19 Socio Economic Impact Assessment](#)

<sup>5</sup> The report states: The population currently considered vulnerable could increase from around 31% of the population pre-crisis to 33% or 35%, whereas the pre-crisis levels of 8% of poor workers in Serbia could go up to 12% or even 19% in the most affected sectors, such as wholesale and retail trade, accommodation, food services, real estate, administrative and support services, professional, and scientific and technical activities

<sup>6</sup> Valjevo, Osečina, Ljubovija, Vladimirci, Bogatić, Ivanjica, Paraćin, Despotovac, Čuprija, Trstenik, Brus, Varvarin, Čičevac, Knić, Kragujevac, Topola, Tutin, Užice, Arilje, Bajina Bašta, Prijepolje, Sjenica, Požarevac, Kučevo, Vlasotince, Niš, Svrlijig, Gadžin Han, Aleksinac, Merošina, Trgovište, Bujanovac, Babušnica, Smederevo, Prokuplje, Blace and Soko Banja

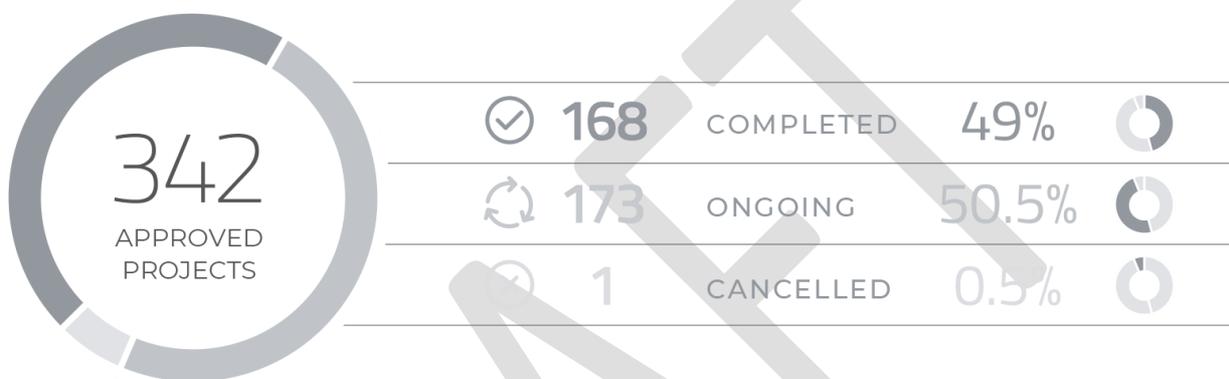
<sup>7</sup> Before the elections female mayors were in Kruševac, Surdulica, Babušnica, Merošina and Svrlijig. With the 2020 elections the eleven LSGs led by women are: Kruševac, Surdulica, Babušnica, Niš, Trgovište, Trstenik, Brus, Čičevac, Varvarin, Užice and Bajina Bašta

<sup>8</sup> Women Mayors in Brus, Trstenik, Varvarin and Čičevac in the Rasinski District

Finally, the updated policy related to public procurement affected the work of local governments and influenced dynamics of the Programme activities. Namely, the Law on Public Procurement entered into force on 1 January 2020 and has started with mandatory implementation on 1 July 2020. The Law enables the implementation of the public procurement procedures, including communication and exchange of data in public procurement procedures electronically, as well as submission and opening of bids. The adjustments of procedures at the local level to this improved framework have somewhat stalled implementation of related activities during the quarter, however increased efficiency is expected in the following period.

### Progress towards achieving objectives

During the quarter, activities on an additional 26 projects were completed contributing to a total number of 168 out of the 342 awarded projects. The Programme enters the final quarter of the year with 173 active projects, majority of which are finalised and at least half are expected to be completed by the end of the year.



Programme **contribution to better market positioning and more competitive SMEs advanced** with the extended outreach to SMEs through activities implemented by Business Support Organisations (BSOs). In addition to the 203 grants implemented by SMEs, 441 SMEs have directly benefited from training, mentoring and other types of assistance implemented by BSOs.

Moreover, 17,876 inhabitants of the underdeveloped areas, out of which 8,709 or 49 percent are women benefited from the corporate social responsibility (CSR) activities implemented by 94 SMEs whose activities concluded during the quarter. By investing over 216,000 Euros for CSR interventions, the SMEs predominantly supported organisations and institutions that cater for children and members of vulnerable societal groups in their local communities<sup>9</sup>. Finally, with employment of 365 people in total, the 94 beneficiary SMEs have increased the number of employees by 37 percent on average.

**Over 400 hectares of land has been equipped in the four industrial zones** in Bojnik, Užice, Smederevo and Šabac with works completed during the quarter contributing to implementation of the Strategy for support to SME development. In addition to 115 jobs already created, an additional 590 people are expected to be employed in the forthcoming period along with infrastructure investments valued at 15 million Euros<sup>10</sup>.

EU PRO contributes directly to the implementation of two strategic documents relevant for the improvement of the position of national minorities in Serbia - Strategy of Social Inclusion of Roma and the Action Plan for the realisation of the rights of national minorities. Advancement of the position of Roma national minority is enabled through the implementation of active measures in the five priority areas stipulated by the Strategy. Over 200 Roma received assistance contributing to their improved position regarding housing, social protection, health, employment and/or education.

<sup>9</sup> More details are available in [Annex I Att.1.1 EPR CSR Activity](#)

<sup>10</sup> Full Impact of EIP is available in [Annex II Att.2.1 EPR Impact of the EU PRO economic infrastructure projects](#)

## Result 1

### Improved technological structure of SMEs and their ability to increase their market share

The enterprises supported under the First Call for MSEs remained fairly stable and generated additional employment increasing the total number of employees resulting from the assistance to 365, out of which 141 jobs are created in 2020. In addition, the enterprises supported through the Second Call for MSEs are already generating results in the first quarter of projects implementation, with 13 new jobs created in eight beneficiary SMEs.

The Programme continued to monitor the effects of the economic crisis caused by COVID-19 and conducted the third survey of enterprises in September. The survey confirms decreased production by 43% of the supported enterprises while 28% of enterprises increased their production compared to the same period last year.

Within 18 supported BSO projects, nineteen training and capacity building activities, for a total of 766 SMEs representatives, took place during the quarter. Thus far, 441 SMEs benefited from support provided by the BSOs. Equipment was delivered to six supported SMEs beneficiaries and two BSOs. Furthermore, "Etno forum" Svrljig has finalised project activities, including the establishment of affordable printing services for the local businesses, and various promotional activities and training. Fifty entrepreneurs and small enterprises from Svrljig benefited from project activities, one-third owned by women.

#### Activities

##### 1.1 Grant scheme for SMEs

With the delivery of equipment to the three remaining enterprises awarded under the First Call for MSEs, the operational activities for the 94 grants awarded under the first call are completed and the projects are being administratively closed.

Pursuant to the Programme Steering Committee (PSC) approval of award to 118 SMEs<sup>11</sup> under the Second Public Call for SMEs, nine SMEs have discontinued their participation in the Programme, mainly due to challenges caused by the COVID-19 pandemic. The remaining 109 grantees have signed contracts in July 2020 and the projects are under implementation. During the quarter all 109 grantees have opened the designated bank accounts for implementation of projects and transferred their cost share contribution for the projects. Forty-eight enterprises have completed procurement processes and signed contracts with the suppliers, out of which four have already received and installed the equipment. In addition, 40 SMEs have published the procurements and the remaining 21 are in the process of preparing tender documents.

Eight beneficiaries have already materialised the key project results and created new jobs. In addition, seven SMEs have conducted Corporate Social Responsibility (CSR) activities during the quarter. Most of the CSR interventions were directed towards children: "Cakemake" Valjevo donated equipment for cleaning and sterilisation of the central kitchen of the preschool institution "Milica Nožica"; "Roloplast" Valjevo reconstructed the windows at the primary school "Miloš Marković" in village Donji Taor, "S Box" Čačak equipped playground of the preschool institutions "Moje detinjstvo" and "Mali kapetan" in Čačak; "Stiva Dent" Niš supported modernisation of the teaching processes in primary school "Učitelj Tasa" in Niš with the donation of three projectors; "Urban Enter" Niš improved conditions for children and employees using the dormitory of the school for children with disabilities "Bubanji" in Niš by replacing joinery in the sanitary facilities. Furthermore, "Flamma systems" Niš donated funds to the Paragliding Sport Club in the city which

<sup>11</sup> 112 projects recommended for financing and an additional six on the reserve list

will be used for procurement of a van for this Niš - based sports society, and apparel producer “Flama Niš” donated uniforms for five hostesses of the Nišville Jazz Festival in Niš.

## 1.2 Support to Business Support Organisations (BSOs)

Restrictions caused by the COVID-19 pandemic have continued to influence the implementation of BSO projects, including the planned study visits, attendance at fairs and in-person B2B meetings. As a result, activities on eight out of the remaining 17 ongoing projects had to be adjusted during the quarter. Regardless, the vast majority of projects have entered the final phase of implementation and are expected to be concluded in the final quarter of the year.

In addition to the two BSO projects completed in the previous quarter, the women association “Etno forum” Svrlijg completed all project activities in July 2020. The key activities during the quarter included:

- Business Innovation Centre Kragujevac (BIC) finalised Quality Management System (QMS) training for 15 selected SMEs and selected five SMEs for implementation of ISO standards in phase two of this activity. In-house training for BIC staff is completed and the grantee also organised an online workshop for over 30 representatives of companies from the private and public sector on the importance of QMS.
- Regional Business Centre (RBC) Kragujevac selected 22 young professionals for a training and mentoring programme. The first version of the online platform [Talent hub](#) was prepared. One on one consultancy with selected SMEs continued, mainly focusing on marketing and digitalisation, and on the development of websites for beneficiary SMEs<sup>12</sup>. The last two BSO workshops were held in this quarter, which makes a total of four workshops to strengthen internal capacity on lean methodology, design thinking, innovative source of funding for SMEs, and export.
- Regional Development Agency Braničevo Podunavlje completed activity Standardisation & Marketing support that resulted in the procurement and delivery of equipment to six SMEs from the dairy sector. Grantee continued with the activity Design & Marketing services, working on the development of digital catalogues and social networks visibility for nine SMEs from the dairy sector.
- In July, Regional Development Agency Eastern Serbia (RARIS) completed the second part of a two-day training for 41 representatives of the selected SMEs with the goal to deliver the knowledge for the use of digital marketing in their SMEs. Upon training completion, participants developed marketing concepts for their businesses and initiated the implementation of their internet marketing campaigns with customised support from the RDA.
- Technical Faculty Bor completed the second and third cycle of workshops on finance, marketing, operations and business communication for 20 SMEs. These workshops were, due to the COVID-19 pandemic, postponed for September and held online.
- Timočki Omladinski Centar (TOC), Zaječar, actively continued mentorship programme for previously selected 10 SMEs, providing support in digital marketing, circular economy, design, packaging, etc.
- Regional Development Agency Podrinje, Podgorina and Rađevina published an [Export and internalisation Guide for SMEs](#)<sup>13</sup> focusing mainly on Hungary and EU markets.
- The RDA Centre for Development Leskovac conducted a public call promoted on two events in Vladičin Han and Leskovac gathering 61 participants in early July. Out of the 34 applications received,

<sup>12</sup> Some examples of the websites developed include [BeesyLife](#), [Iz moje baste](#), [Anina zimnica](#), [Šumadija Kragujevac](#)

<sup>13</sup> <http://rrappr.rs/wp-content/uploads/2020/07/Vodi%C4%8D-za-internacionalizaciju-tr%C5%BEI%C5%A1ta-i-izvoz-u-EU-HUN.pdf>

31 SMEs selected for the second phase of assistance including advanced training on branding, human resources management, marketing innovation and digital marketing. The beneficiaries were divided into teams tasked with developing specific marketing concepts that are being put to vote through the [web platform](#) developed for this purpose. A committee consisted of representatives of the RDA. Leskovac administration and Development Agency of Serbia will evaluate and select the ten most sustainable marketing concepts which will be supported with further mentoring support.

- The RDA SEDA Novi Pazar conducted a call restricted to SMEs included in SEDA activities in the past five years and selected 43 SMEs to participate in advanced training on social media and online sales techniques. At the end of the training period, the participants will be tested and the 22 best scored SMEs will be further supported to develop digital marketing tools (website, Facebook profile/page, and Instagram profile/page) in October.
- The RDA Zlatibor recruited consultants for the development of SME internationalization toolkit and training on the access to finance for SMEs. Following the rescheduling of the international fair for sheet metal working industry EuroBLECH 2020 planned for October 2020 tentatively for March 2021, the RDA Zlatibor has developed, in consultation with the West Metal Group cluster members as final beneficiaries, a proposal for alternative activities achieving the set results. In case the COVID-19 related risks are prolonged, the RDA will develop a digital marketing platform, to achieve the planned results.
- Science and Technology Park Čačak organised two training sessions with 36 participants on the Digital revolution, Digital transformation and Digital leadership. In addition, four training sessions for staff on Innovations Ecosystems, Access to alternative sources of funding and Consulting Management were organised. The screening and expert analysis of eight selected SMEs is done and a personalised digital transformation plan for each has been developed.
- The consultants engaged by the Construction cluster “Dunder” Niš drafted two case studies using the Open House methodology<sup>14</sup>, for the Public building - Directorate for urbanism JP “Razvoj” Knjaževac and for a Residential building in Niš. These case studies will be used to promote the Open House methodology and increase its usage by civil engineers, architects and urban planners.
- Start-up Centre, Niš has completed the procurement of most of the planned gaming equipment. They held two successful online creative workshops with 358 participants on topics including virtual reality (VR) technology and internet protocol (IP) in gaming and protection software. To accommodate for the delays in procurement caused by the pandemic, a limited no-cost extension is being administered.
- ENECA conducted the majority of procurements, including the equipment which shall be delivered in October and mentoring services which were put on hold until September due to COVID-19 related restrictions. Mentoring support is underway with eight SME beneficiaries. In addition, the [food hub website](#) is developed featuring so far nine SMEs, in order to increase the visibility of their businesses and products.
- The NiCAT Cluster Niš held weekly coaching sessions for 19 representatives of 11 SME cluster members on access to new markets throughout the quarter, and finalised surveys of the American and Swiss IT markets. As a part of socially responsible activities, NiCAT organised two webinars, “NiCAT support to NGOs” and “Women in tech” with over 150 interested SME and NGO representatives.

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<sup>14</sup> The European methodology for assessing the sustainability of buildings

- Consultants engaged through the project with RDA Jug, Niš initiated research of the innovation potential of SMEs and the preparation and implementation of the training programs. The “RDA Jug” has completed the procurement of computer equipment for the “EN-INNO” laboratory and signed a contract with the supplier.
- The Niš Faculty of Electronics is finalising the development of the Manual for 3D prototyping with the usage of different processes which will promote the prototype factory ELPROFA established with the purchase of the 3D modelling equipment in the previous quarter.

## Result 2

Improved conditions for business operations through more efficient administrative service provision, better land management and specific small scale infrastructure investments

With an additional four projects completed during the quarter, a total of 29 out of the 60 projects contributing to the business environment are thus far completed.

The infrastructure investments continued. Technical documentation developed through EUPRO in the first quarter of 2020 enabled Bela Palanka to finalise the reconstruction of the former factory “Femid” with an investment of 725,000 Euros. The factory was handed over to an Austrian company producing wheels “TGM Services” who already employed 30 Bela Palanka inhabitants who underwent vocational training to prepare for the job. Employment for the initially planned 100 people is expected until April 2021.

Economic infrastructure projects (EIP) continue to contribute to economic growth and social sustainability. Four completed projects during this quarter in Smederevo, Užice, Šabac and Bojnik will create the opportunities for 705 new jobs, as a result of 15 million Euros of new investments realised or commenced during this quarter:

- The retail chain NEST constructed a shopping mall in the newly equipped business zone Krčagovo in Užice, facilitating the business for an additional ten domestic and international companies and creating 60 new jobs for the inhabitants of Užice.
- Three new companies decided to relocate their businesses in the North-West industrial zone in Šabac, equipped through the EUPRO, which will provide employment to 30 people. It is expected that this zone will generate 1.000 jobs at its full potential in the forthcoming period.
- Contribution to the improvement of conditions for doing business in the industrial zone in Smederevo, by improving the lighting of the area and video surveillance, significantly improved the overall safety and security in the zone. This already contributed to attractiveness of the zone to new investors and so far three new investors<sup>15</sup> started their business activities in the zone. By investing 5,8 million Euros in their facilities and the equipment, they already increased the number of generated jobs by 55 in the previous period, and the perspective is to create 620 more jobs. Another world known concrete equipment manufacturing company with a seat in Germany, Schwing Stetter, is constructing its facilities. The estimated value of an investment is 6.8 million Euros and it tends to employ 350 workers.
- Thus far only three local investors expressed interest in initiating their business in Agro business zone Kosanić in Bojnik, which is the first expression of interest for Bojnik agricultural zone. On 52 ha of the zone, Bojnik planned to create 150 job opportunities.

<sup>15</sup> Mayekawa SRB d.o.o. Smederevo (Japanese company producing cooling compressors), Tomi Trade d.o.o. Smederevo for river transport and Koepfer d.o.o. Smederevo (German company producing high-precision gear parts and transmission components)

## Activities

### 2.1.1 Enhancing land management through development of GIS and improved access to geospatial data

Development of Geographic Information Systems (GIS) is progressing under the 19 awarded projects. The open source GIS software or its upgrade is fully or partially operational within eleven projects<sup>16</sup> covering 19 LSGs and software development is initiated in Kruševac, Niš and Požarevac. In addition to the core procurement processes finalised by four leading LSGs<sup>17</sup> in the previous quarter, during the reporting period Zaječar, Sokobanja, Vranje, Požarevac, Loznica and Leskovac have completed GIS procurements.

The procurement processes for the remaining nine projects are underway and expected to be completed by the end of 2020. The challenges in procurement that occurred in Požarevac, related to re-advertised software upgrade procurement, are resolved and the software is successfully procured. In addition, Paraćin initiated an open procurement procedure. Delays with procurement processes are registered mainly due to reduced operational capacities of LSGs during the COVID-19 pandemic and the recent start of implementation of the Law on Public Procurement. For these reasons the vast majority of GIS projects will undergo a limited time extension for a couple of months, remaining within the boundaries of manageable delay.

### 2.1.2 Development of urban plans related to economic development

Twelve out of the 18 supported detailed regulation plans have been developed. In addition to the eleven plans developed in the previous quarter<sup>18</sup>, the plan for Zaječar was completed during the quarter and entered into the adoption procedure.

Activities on other projects also progressed. The plans for the industrial zone in Merošina and Dimitrovgrad completed public insight, while Majdanpek is entering it. The plan for Surdulica is being drafted but finalisation of the planning solution is pending the adoption of the higher-level planning document. Vlasotince and Raška are completing the draft phase. Upon obtaining all planning conditions they will be able to finalise the draft plans. In addition, The Programme prepared the poster for 29 International Urban Planners Exhibition<sup>19</sup>, while the preparation for submission of the Programme application is ongoing and will be completed in October.

### 2.1.3 Development of project technical documentation for projects contributing to economic development

With eight projects completed in the previous period, the development of technical documentation for the remaining four projects<sup>20</sup> is underway. During the quarter, technical design for Multimedia Business Centre in Vranje has been finalised and the issuance of the construction permit is expected in October; The City of Čačak is concluding tender procedure for the technical control of design for Science and Technology park; Technical documentation for the drainage system of the industrial zone Šeovac in Kraljevo is the final stages, pending issuance of conditions from the public enterprises, with the final one expected from the PE Roads of Serbia expected in October; With the tender launched in July failing to attract any offers, development of a technical design for the multifunctional expo centre in Niš is facing critical delays. The Programme assisted the City to adjust the tender documentation for the development of design in phases and re-advertise the

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<sup>16</sup> Čajetina, Kragujevac (in partnership with Knić and Rekovac), Leskovac (in partnership with Bojnik), Loznica (in partnership with Krupanj, Ljubovija and Mali Zvornik), Rača (in partnership with Batočina and Lapovo), Šabac, Sokobanja, Topola, Vranje, Zaječar and Žagubica

<sup>17</sup> Žagubica, Topola, Rača and Šabac

<sup>18</sup> Užice, Pirot, Čajetina, Veliko Gradište, Velika Plana, Topola, Arandelovac, Kraljevo, Kučevo, Leskovac and Rača

<sup>19</sup> [AnnexII Att2.3 IUPE Poster](#)

<sup>20</sup> Čačak, Niš, Kraljevo and Vranje

tender in early October. If successful, the Programme will consider a limited time extension to enable the completion of the design.

## 2.2 Development/improvement of small-scale infrastructure with economic impact on local level

In addition to the four projects finalised in the previous period, Smederevo, Šabac, Bojnik and Užice finalised activities during the reporting period. Bojnik made the biggest progress during the quarter, with successful finalisation of a large scale of construction in the Agro business zone. A small portion of construction works remained with the economic infrastructure project in Sokobanja and will be completed in the final quarter of the year.

### Result 3

#### Better social cohesion and attractive living environment through improvement of small scale public infrastructure and social relations

The excluded groups and national minorities continued to benefit from the Programme's interventions focused on building social cohesion in local communities. During this quarter, the Programme improved living conditions for more than 22,000 people through ten completed local infrastructure projects, with an extended impact on the population of over 258,000 people in the local self-governments. The programme improved working and living conditions with equal access to socially vulnerable groups, but also by using sustainable energy sources, reduced the carbon footprint and decreased the operational costs.

Good governance activities, implemented in partnership with the Swiss PRO programme, are striving to build capacities of the municipalities for sustainable and transparent asset management, social inclusion and planning that would enable LSGs to allocate energy efficiency savings for further investments. That already generated results for the school in Merošina, reconstructed through EU PRO, with an increase of Roma children in the first grade (two-thirds of children are from the Roma population) and in the preschool preparatory group. Following good governance principles, with technical support of the Swiss PRO Programme, seventeen LSGs have adopted regulation related to the local infrastructure projects. In the case of the reconstructed Health Centre in Žagubica, built in 1954, energy savings will be invested in the provision of the health material. The principle of non-discrimination is included in the Rulebooks on the treatment of patients from vulnerable groups. In addition, a reconstructed heating and ventilation system will provide better working conditions for 100 employees, while around 9,600 patients, who annually need medical care in this centre, won't need to travel to Petrovac na Mlavi or Požarevac, but will have enhanced, quality health services in the municipality.

Three completed projects improved the quality of life for citizens of Roma settlement Bair in Valjevo, 27 families in Trgovište and 100 families from settlement Trnavska reka in Raška, out of which 30 are from Roma population. The newly constructed sewage in all three settlements will directly transport all waste waters to the waste water treatment factories. Two reconstructed kindergartens in Prokuplje and Smederevo will provide environmentally friendly and energy efficient facilities for 1500 kids and employees. What is more, the reconstructed central kitchen block in the kindergarten Radost in Prokuplje will supply four municipal kindergartens.

Reconstructed cultural centre in Kušiljevo, Svilajnac, improved conditions for 800 children and youth, 315 disabled persons, and over 750 residents over the age of 60 that will directly benefit from the project. The reconstructed cultural community centre in Rekovac improved cultural and business infrastructure and enhanced rural economic development and development of women entrepreneurship for 894 members of the entrepreneur association, of which 49% are women. Rehabilitation of the sports complex in Dimitrovgrad enhanced the quality of sports content in Dimitrovgrad community, thus contributing to better social cohesion and a more favourable living environment for 1088 direct beneficiaries. The same impact will have

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the reconstructed mini football field and children playground with new basketball and volleyball courts on 275 direct users in Batočina.

Two projects implemented by the CSOs directly contributed to the socio-economic empowerment of 47 unemployed women from passive rural areas in Lebane and Bor: two of them found temporary employment in Lebane, two women from Bor villages initiated registration of the association for the promotion of local tourism and traditional food and two more are planning registration of tourist households in Bor after they all gained skills in making handmade souvenirs, collection, drying and packing of herbs, fruits and vegetables and increased knowledge on registration and categorisation of tourist households, as well as promotion and advertisement of products using the internet and social networks.

Two grants contributed directly to the social inclusion of over 200 Roma in Babušnica and Vladičin Han through the implementation of active measures in the five priority areas - housing, social protection, health, employment and education. In Vladičin Han, over 130 Roma people received legal and other types of assistance in resolving issues related to the house legalisation, obtaining social welfare benefits. The medical nurse provided continued support and health information to 14 single Roma mothers with 44 children, while 15 Roma pupils improved their school achievement through the organisation of support classes and nine of them enrolled in secondary school. Twenty Roma families are equipped with greenhouses that will contribute to their economic empowerment in the long run.

The language learning project in four schools in Bujanovac and Preševo encouraged teachers to make a qualitative change in their teaching approach, by moving away from an ex-cathedra towards an interactive model and contributed to improved functional knowledge among Albanian pupils

## Activities

### 3.1 Supporting projects for improvement of the living conditions and quality of public infrastructure in municipalities

In addition to the 21 local infrastructure projects completed in the previous period, activities were finalised on an additional ten<sup>21</sup> projects during the quarter<sup>22</sup>. Minor delays were registered with the six remaining projects<sup>23</sup> and the Programme is closely monitoring the implementation of the revised plan of activities.

The works on the outdoors sports park in Zlatibor, managed by Čajetina municipality, have resumed after the suspension of activities in the previous period and the contractor has thus far implemented 95% of contracted works. These activities are closely monitored by the Programme and the site is monitored on a weekly basis and the beneficiary local government is supported to mitigate the risk of untimely completion. In Sjenica, the construction of the kindergarten is completed, while the electrical connection should be provided in the following months to allow the proper functioning of all systems.

Reconstruction of the National Theatre building in Užice is finalised, and minor interior works are pending completion in early October. The works on water supply systems in Kučevo and Bosilegrad are being finalised, and the projects are resuming with the revised plans and closely monitored by the Programme. Finally, the works on reconstruction of the Cultural Centre in Babušnica are finalised and the facility is being equipped.

### 3.2 Supporting projects enhancing inter – ethnic dialogue and cooperation, improving social cohesion and social integration in multi – ethnic communities

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<sup>21</sup> Valjevo, Trgovište, Batočina, Raška, Smederevo, Svilajnac, Žagubica, Dimitrovgrad, Prokuplje and Rekovac

<sup>22</sup> Status of all local and economical infrastructure projects is available in AnnexII\_Att.2.2\_EIPandLIPstatus

<sup>23</sup> Sjenica, Kučevo, Bosilegrad, Babušnica, Užice and Čajetina

During the quarter an additional six projects<sup>24</sup> were completed, bringing the total number of completed projects to eleven. Upon completion of the two-year activity on Serbian as a non-mother tongue in June, the “Group 484” submitted the final report<sup>25</sup> confirming its successful delivery.

The activities on the remaining eleven projects, temporarily suspended due to the COVID-19 pandemic, resumed in September with revised plans adjusted to restrictions related to the pandemic. During the quarter, nine projects have been extended and budgets revised for six projects.

Four grantees<sup>26</sup> with projects related to the school activities continued implementation and adjusted it to the new conditions. Three different online events were organised with over 90 participants: CSO “Women initiative” Priboj organised a conference instead of the study tour, where the representatives of the Municipality of Priboj and the City of Sombor exchanged experience and good practice examples in cultivating tradition and culture in multicultural communities; a round table promoting interculturalism “Do we live with each other or next to each other?” was organised by “Women forum” Prijepolje with representatives of the OSCE, the Bosniak National Council, media, cultural and educational institutions and interested citizens; an event, initially planned as a festival that promotes women’s rights in Tutin, was organised as a training for women activists from Vranje and Tutin and an online conference by CSO “Nexus” Vranje. The activists gained knowledge in the field of digital technologies to advocate for women and minority rights. In addition, the beneficiary women organised an online conference with citizens, representatives of the civil sector and schools from ten cities in Serbia.

Considering that the business sector, as well as excluded groups, are particularly affected by the COVID-19 crisis, two projects<sup>27</sup> that envisaged the establishment of business startups by Roma beneficiaries had to be adjusted in cooperation with the Programme to find an acceptable model for its finalisation. The beneficiaries who previously passed vocational training will be supported for income-generating activities through equipment provision and extended internship programme. They will be monitored further by the leading associations, to which the equipment will be formally handed over. Later on, the beneficiaries will have options for business to commence through business registration, cooperative establishment, etc.

### 3.3 Procurement of COVID-19 related medical equipment and items

The triage containers and devices for monitoring, ventilation and anesthesia procured in support to the Government’s efforts to respond to COVID-19 have been procured and delivered during the previous quarter.

## Management and coordination

### Programme Steering Committee

The Programme Steering Committee (PSC) did not meet during the quarter, predominantly due to flexible working arrangements in response to the active COVID-19 pandemic. The next meeting is planned for November 2020.

### Coordination

Coordination with other UNOPS local development projects, primarily Swiss PRO and Norway for You continued and a regular coordination meeting was held in September.

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<sup>24</sup> Implemented by Women's Association “Rose”; Multiple Sclerosis Association of Pčinja District Vranje, Women's Initiative Priboj, Roma Intellectuals Vladičin Han, NGO “Kokoro” Bor and Sandžak Committee for Protection of Human Rights and Freedoms

<sup>25</sup> [Annex III Att.3.1 Group 484 Final Report 2018-20 Aug20](#)

<sup>26</sup> “Arka”, Lebane, “Šansa”, Požarevac, “Forum žena”, Prijepolje, “Kokoro”, Bor

<sup>27</sup> “OFER” Bujanovac and “Association of Roma Women” Bujanovac

Swiss PRO Programme continued to provide technical support to LSGs implementing local infrastructure projects in relation to application of good governance principles in infrastructure projects. The implementation of six adopted regulations within the three EU PRO infrastructure projects adopted during the quarter, mainly benefited Roma population and children as 2,000 Roma improved living conditions with the new connections to the sewage system while app. 900 children, out of which 133 Roma children and 20 PWDs have better access to preschool education and sport facilities. So far, 18 LSGs adopted 21 new regulations, from which directly benefited more than 14,000 people, mainly from excluded groups. Namely, the implementation of seven regulations ensure accountable and transparent use of premises of public institutions or sport terrains as well as equal access to those public properties with formalisation of non-discriminatory provisions related to vulnerable groups. Eight regulations determined management accountability for public goods, three regulations formalise subventions for particular vulnerable groups while two documents regulate further use and allocation of energy efficiency savings.

In September, the social cohesion team participated in the online conference “Social Innovations Forum 2020”, organised by the SMART Kolektiv in partnership with the Responsible Business Forum. The conference was focused on empowering social economy and social entrepreneurship, especially in times of crisis such as the COVID-19 pandemic. It included discussions with regional leaders on building partnerships that foster social innovation and the green economy, as well as a presentation of support, envisaged for the social enterprises by the new agenda for the social economy of the European Commission and the COVID Alliance.

## Finances

The following are the main financial indicators<sup>28</sup>:

- The total delivery as of 30 September 2020 was 20,397,867 Euros or 81.59% of the Programme budget;
- The forecast delivery for the next reporting period is 2,093,193 Euros.

## Human resources

As of mid-August, the position of Communications/Programme Assistant has been filled out of the UNOPS local pool of endorsed candidates. Furthermore, the recruitment processes for retainer positions for On-call Videographer and On-call Communications Officer for Editor and Animation are completed so the communication team is additionally reinforced with five specialists for filming and editing of the video content.

Programme personnel underwent a formal mid-year progress review of earlier set individual performance objectives and have duly recorded a summary of performance-related discussions in an online tool.

Two new UNOPS mandatory courses have been introduced during Q3 of 2020, so personnel are working towards completing them in the given deadlines. Twelve people have completed the Health and Safety UNOPS course intended to give an overview of occupational health and safety (HS), including relevant policy, high-level commitments, planning and monitoring efforts required for HS to be adequately addressed. Furthermore, five persons have completed Information Security Training aimed to learn how to protect themselves and the organisation from cyber threats.

## Procurement

Following the finalisation of the Terms of Reference for provision of services in support of EU PRO Communications activities, UNOPS completed the tendering process, selected and contracted a successful company.

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<sup>28</sup> While these figures provide quality insight into the Programme’s spending, the final figures are only provided in the Programme’s financial reports.

In addition, several procurements of lower value were conducted contributing to the improvement of working conditions and logistics support of the programme (provision of graphic design software, project signboards, regular maintenance and registration of the vehicles, the whitewashing of the office in Niš, car wash services, toners, and wooden pellet for the winter season in Novi Pazar).

### Grants administrative support

During the quarter, the Grant Administration Unit was predominantly focused to support the activities related to the Second Call for Proposals for Procurement of Equipment and Provision of Services for MSEs, including the administrative management of the grant support agreements (GSAs) issued in 2018 and 2019. Grant issuance processes conducted during July 2020 resulted in a total 111 new GSAs<sup>29</sup> for awarded MSEs. Furthermore, a total of 54 financial and procurement reports for EU PRO grant beneficiaries were verified, 47 requests for payments processed and 91 VAT-office registrations conducted. During the quarter, the COVID-19 epidemic in Serbia continued to influence project implementation, resulting in postponing or modification of the activities. In that regard, the Grant Administration Unit processed 34 amendments to the GSAs mainly requested in regard to a project time extension and budget revision. Finally, the Grant Administration Unit conducted administrative closure of 28 grant support agreements and 31 VAT-office project extensions.

### Reporting and monitoring

During the period, the quarterly report for 1 April - 30 June 2020 was developed by the Programme. The Programme also prepared monthly reports for UNOPS Serbia and these can be shared with the PSC upon request.

### Risks and issues

- *Still active COVID-19 pandemic affected the efficiency of the grant management teams.* The implementing partners are operating with reduced capacities. During the reporting period only, three LSG grant implementation teams<sup>30</sup> communicated inability to timely implement activities due to registered COVID-19 infected in the teams. With the time extension, the Programme has the flexibility to adjust implementation schedules for projects with justifiable delays and these are being closely monitored for timely reaction.
- *Realisation of planned results is affected by the ongoing pandemic.* Though the final economic effects are yet to be registered, the risks associated with the pandemic result in additional precautionary measures with the business community. During the reporting period, the planned effects of the two social cohesion grants that foresee establishment of business startups for Roma beneficiaries are postponed as registration of businesses at the moment presents high risk for sustainability. These activities are redefined and the project beneficiaries are offered with alternative models of income-generating activities as a risk mitigation measure.
- *Changes in governing structure in the post-election period cause delays with projects implemented by LSGs.* Local administrations are changed in 37 out of the 99 Programme LSGs, and for those with active projects an additional administrative steps<sup>31</sup> were required for continued implementation of awarded projects. In addition, many projects require strong leadership and support of the local administration. In combination with already reduced capacities associated with COVID-19 pandemic, these delays were

<sup>29</sup> Two grant beneficiaries have cancelled participation in the Programma upon issuance of the GSA

<sup>30</sup> Raška, Rača and Smederevo

<sup>31</sup> Assigned signatories for bank accounts designated for the projects needed to be changed in several LSGs

more significant. These resulted in delays in processing of second installments for 13 projects in total, six budget revisions and nine contract extensions, however only one with critical delay<sup>32</sup>.

- *Changes in processes resulting from the Law on public procurement in effect as of July affect efficiency of the local finance departments.* Though announced in 2019, the local administrations were not sufficiently prepared to adjust to the new legal requirements whose main change is e-based tendering procedure. Moreover, the bidders too are not accustomed to the new legislation also attributing to the need for additional time in conducting public procurement processes. This has resulted in delays in implementation of the GIS project in Paraćin.
- *Exchange rate fluctuations affect projects implemented by beneficiary SMEs.* Substantial variations in the exchange rates added additional costs for SME grant beneficiaries making them more vulnerable to negative cash flows. The EU RPO team is working closely with the SME beneficiaries to plan and implement grants in the new circumstances. Where applicable grantees are allowed to decrease their cost share up to the minimum defined in Call for proposals (20% for LOT 1 and 30% for LOT 2).

## Quality

The Programme monitors implementation of the quality management expectations throughout implementation of activities.

With strict regulatory framework for infrastructure works, the LSGs management team is supporting the quality control process to ensure works are delivered within time, quality and budget while EU PRO technical staff provides overall quality control of implementation mechanisms and supports the capacities of the LSG for creating their own quality management system, with technical support and regular site visits on weekly bases. With intensified implementation of construction works, over 40 field visits to construction sites were performed during the quarter at a pace dictated by complexity of works and associated risks. In this quarter six construction sites, for which the technical commissioning was mandatory, underwent the procedure which resulted with the positive technical commissioning report, recommending all for the issuance of the use permit, which five of them obtained.

Another level of support to LSGs to deliver the products in the required quality, EU PRO team is providing through monitoring the process of provision of planning documentation and for the development of technical documentation. During the quarter, six detailed regulation plans developed in the previous reporting period were adopted by municipal assemblies in Velika Plana, Kučevo, Arandjelovac, Rača, Leskovac and Veliko Gradište.

Pursuant to the completion of the infrastructure works on reconstruction of the Health Centre in Žagubica and adoption of the Rulebook on Treatment with Patients from Vulnerable groups with support of the Swiss PRO Programme, the LSG surveyed health service beneficiaries. According to results of the survey which included 111 beneficiaries, 92% of respondents confirmed that medical workers conduct better prioritisation among vulnerable patients than before<sup>33</sup>.

## Sustainability

The implementation of the EU PRO Gender Action Plan (GAP)<sup>34</sup> is ongoing and its further contribution to the gender parity was recorded. At least 26% of the grants contain a strong gender equality component. In cooperation with the EU info centre, the Programme promoted good practice examples of economic empowerment of women from rural areas, achieved through the social cohesion activities. Furthermore, two

<sup>32</sup> Development of technical design for Expo Centre in Niš

<sup>33</sup> Source: Swiss PRO Programme

<sup>34</sup> Annex V\_Att.5.1\_EPR\_Gender Plan\_status\_Q320

more projects contributed to the socio-economic empowerment of almost 50 women from passive rural areas in the previous period, resulting in the direct employment of two women, while others gained skills for income-generating activities.

Infrastructure keeps addressing all three pillars of sustainable development while supporting the needs of the community. Local infrastructure projects continue to bring benefits to local communities, through improved working conditions in the public facilities. Through the good governance that is an integral part of each local infrastructure project, the key elements of sustainable management in support of transparency, accountability, social inclusion and cohesion are being addressed. Raised energy efficiency class to B of a reconstructed social centre in Žabari contributed to the improved conditions for 35 kids with special needs who spend their quality time there, while management and maintenance rights were transferred from municipality to the company “Ključ”. Newly constructed sewage collectors in Valjevo, Trgovište and Raška, besides bringing the health benefits, will substantially decrease the impact on nature as all waste waters will be evacuated to the appropriate waste water treatment factories.

Economic infrastructure projects substantially support economical sustainability. Thus far 4,2 million Euros invested in the economic growth raised 58 million Euros of new investments in businesses that should bring 2056 new jobs, while 524 people are already employed. Through schools that are adjusting their educational systems to meet the needs of the economy, the young people are educating themselves to fit into the businesses that are gravitating in the newly equipped zones.

## Lessons Learned

The Programme beneficiaries often pay little attention to the data collection of interest to the Programme monitoring needs. Outcomes, impacts and disaggregated data on a number of beneficiaries, men, women and vulnerable groups are not in the focus of the beneficiaries, though these categories are included in the reporting templates. For the future programmes, closer attention should be paid to the importance of data collection with regard to the Programme monitoring needs referencing benefits from their perspective, which may include contribution to realisation of a specific local or national strategy.

Despite the majority of LSGs using professional management and well operating the businesses zones equipped through the Programme, some less experienced local governments are failing to attract the businesses which is ultimately impacting the Programme indicators. Future projects should foresee some funding in the budget for a professional business consultancy which will guide the municipalities and ensure economic development of the targeted areas.

## Communications and Visibility

The Programme organised one field visit to the completed local infrastructure projects in Žabari and Žagubica for a newly appointed DEU Head of Operations II on 23 September 2020. In total nine Programme update documents were produced - one briefing document, four project overviews and four visit agendas.<sup>35</sup>

The Programme activities were promoted through five press releases and one media advisories, covering the DEU visit, and completion of local infrastructure projects in Rekovac, Dimitrovgrad, Priboj, and Valjevo. This generated substantial media coverage of a total of 253 positive media reports, out of which 79 or 31 per cent

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<sup>35</sup> The briefing document for the abovementioned visit, an overview of the EU funded sports-related projects and subsequently; the list of local infrastructure projects financed by the EU through the UNOPS since 2010 compiled per DEU request; the updates on the projects in Toplički district as well as the list of EU PRO infrastructure projects suitable for the visits and marking their completion developed as per MEI request; a draft agenda was developed for the potential visit of the French ambassador to Novi Pazar while three draft agendas were prepared for potential DEU visits to the field.

published in the national media. Infrastructure projects continue to attract most coverage with 167 media stories out of which as many as 119 focused on local infrastructure. One phone interview was organised for the Programme Manager for the local TV Caribrod to promote the local infrastructure projects in Dimitrovgrad.

The EU Info Centre was supported in preparing the success stories on the EU funded projects by sharing the video material, photos and providing project overviews. Two Programme related success stories (the social cohesion projects aimed at empowering rural women in Priboj<sup>36</sup> and SME project on an IT enterprise Ingsoftware, Niš) were published on DEU website and promoted via EUIC channels.<sup>37</sup> Additionally full texts and photos were prepared for the five<sup>38</sup> projects selected to be promoted during the European Week of Sport (23-30 September) through the EU network. Communication sector also directly supported 14 Programme beneficiaries in various visibility related tasks.

The Communication sector commenced the process of innovating its photo, video and briefing documentation archive to allow for easier access and sharing internally and externally. The Archive should be piloted internally by the end of November 2020 and subsequently fine-tuned in line with collected inputs. The procurement process for the Provision of services in support of EU PRO Communication activities was successfully finalised and the selected company should start the contract on 1 October.

During the reporting period, the Programme website remained the key source of information for all interested parties, generating a total of 6,355 visits from 4,201 unique visitors, most of whom were interested in the pages dedicated to Calls for Proposals and their results. Programme social media has maintained traffic in this quarter, with a total of 51 Facebook posts liked 334 times and reached 44,696 and 50 Tweets that received over 550 likes and were retweeted 195 times. The pages now stand at 18,421 followers on Facebook, and 1,063 followers on Twitter. The Web presence of the Programme was continually maintained and updated. The EU PRO website received 13,893 visits from 8,038 unique visitors, noting 17 and 13 percent decrease, respectively due to the reduced level of promotional activities.

The EU PRO YouTube Channel provides 177 selected videos<sup>39</sup> published by various media outlets, majority broadcasted by Radio Television of Serbia, while four new success stories and eleven new videos have been added to the Programme website bringing the numbers to 41 and 79 respectively.

The communication team also provided support to the preparation of UNOPS 2020 publication and material, by preparing five texts covering local territorial development and Programme relevant success stories.<sup>40</sup> In addition, the team provided relevant available photos, video material and established the contacts between the beneficiaries and the consultant.

## Work Plan<sup>41</sup>

### Result 1: Improved technological structure of SMEs and their ability to increase their market share

<sup>36</sup> EUinfo.rs [Traditional products of the women from the Western Serbia](#) (29 July 2020)

<sup>37</sup> Europa.rs [Ingsoftware – From Garage to the US Market](#) (9 July 2020)

<sup>38</sup> Europa.rs [EU for Athletes of Dimitrovgrad](#) (24 September 2020); Europa.rs [Šabac – New sports hall for new successes](#) (28 September 2020); [EUuSrbiji - reconstruction of Sokolski Dom in Šabac](#) (26 September 2020); Europa.rs [Sports Hall in the School 140 years old](#) (30 September 2020)

<sup>39</sup> [EU PRO YouTube](#)

<sup>40</sup> The included stories are a general UNOPS approach on the local development and the success stories on the Bujanovac faculty, the Raška river basin protection project, and text depicting a project implemented by Radanska Ruža, the Cerebral Palsy Association “Sunce” from Ivanjica and the story on woman entrepreneurship focused on the Aleksinac dentist.

<sup>41</sup> Quarterly Plan for Q3 of 2020 provided in [Annex V Att.5.2 EU PRO Quarterly Plan](#)

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**Activity 1.1** Implement 80% of procurements in grants awarded under Second Call for MSEs and transfer grants for at least 84 grantees. Implement at least 50 CSR projects. Complete activities in at least 50 grants.

**Activity 1.2** Monitor and support implementation of the grants awarded to Business Support Organizations. Finalise at least 10 out of 17 remaining active grants.

**Result 2: Improved conditions for business operations through more efficient administrative service provision, better land management and specific small scale infrastructure investments**

**Activity 2.1.1** Monitor activities related to the implementation of 19 Grant Support Agreements (GSA) for the development of the GIS. Ensuring all potential delays are timely addressed.

**Activity 2.1.2** Monitor activities related to the implementation of 6 GSAs for the development of DRPs, ensure successful administrative closure of the completed grants. Monitor outcomes and impacts of completed grants. Ensuring completion of three DRP grants in Q4.

**Activity 2.1.3** Monitor activities related to four remaining technical documentation projects and ensure closure of all finalised. Ensuring completion of one technical documentation project in Q4. Monitoring outcomes and impacts of produced technical documentation projects to the local economy.

**Activity 2.2** Monitor activities related to the implementation of one remaining economic infrastructure project and ensure its completion in Q4. Following up on the closure of all finalised projects. Monitoring outcomes and impacts of completed economical infrastructure projects to the local economy.

**Result 3: Better social cohesion and attractive living environment through improvement of small scale public infrastructure and social relations**

**Activity 3.1** Monitoring of implementation of 6 GSA for the development of local infrastructure projects. Follow up on the closure process of completed GSAs. Ensuring completion of 3 GSA in Q4. Monitor outcomes and impacts with regard to the beneficiary data for the completed projects.

**Activity 3.2** Follow up on the closing process for five completed social cohesion grants, monitoring and evaluating realisation of 11 ongoing grants. Response to all the issues imposed by the COVID-19 crisis.

**Other.** In preparation for the successor Programme, a survey of Regional Development Agencies will be concluded and a survey of LSGs will be conducted. In addition, training needs assessment will be initiated and target LSGs introduced to integrated territorial approach.

## LFM – progress against indicators

### Legend<sup>42</sup>

	Activity completed, outputs delivered in accordance with the set targets
	Activity progressing in accordance with the plan
	Activity progresses with manageable delay
	Activity is critical

Objectively verifiable indicators	Progress during the reporting period	Overall status
<p><b>Overall objective:</b></p> <p>To contribute to a more balanced socio-economic development in Serbia.</p>	<p>Activities on an additional 26 projects have been completed. Grant support agreements signed for an additional 109 projects.</p>	<p>The Programme awarded 342 projects in total, out of which 168 are completed.</p>
<p><b>Project purpose:</b></p> <p>To enhance competitiveness and social cohesion of the less developed areas by better market positioning and more competitive SMEs and developing/improving the business enabling and social infrastructure.</p>	<p>Through activities implemented by BSOs, 441 SMEs were provided with assistance to improve their competitiveness.</p> <p>58 new jobs are created in beneficiary SMEs.</p> <p>The four completed economic infrastructure projects created a pipeline for investments of over 15 million Euros.</p> <p>Over 22,000 citizens have directly benefited from the Programme interventions in strengthening social infrastructure, while an additional 17,876 benefited from the corporate-social responsibility activities implemented by beneficiary SMEs.</p>	<p>Over 600 SMEs are supported, out of which 203 directly and an additional 441 through activities implemented by BSOs. At least 2000 more jobs in beneficiary SMEs are expected to be created in the following months.</p> <p>The Programme directly contributed to creation of 378 jobs in beneficiary SMEs while additional 524 have been created as a result of the economic infrastructure projects, with potential for creation of 2,580 more in the future.</p> <p>The Programme contributed to a pipeline of investments valued at 58 million Euros.</p> <p>Over 50,000 citizens have directly benefited from the Programme interventions.</p>
<p><b>RESULT 1</b></p> <p><b>Improved technological structure of SMEs and their ability to increase their market share</b></p>		
<p>Activity 1.1</p> <p>Grant scheme for SMEs</p>	<p>All activities related to the First Call for MSEs are completed.</p>	<p>Two public calls for MSEs have been conducted and a total of 203 projects awarded.</p> <p>378 new jobs are created in beneficiary SMEs. At least 200 more are expected in the following months.</p>

<sup>42</sup> Colour the boxes in the table as appropriate

	<p>Employment generated for 378 people, with 44% of jobs held by women.</p> <p>As a result of the Second Call for MSEs, 109 new grants are awarded and projects initiated.</p>	<p>17,876 citizens benefited from the corporate-social responsibility activities implemented by beneficiary SMEs.</p>
<p>Activity 1.2 Support to Business Support Organisations (BSOs)</p>	<p>One project completed during the quarter. Capacity building activities continued targeting 441 SMEs in total.</p>	<p>Twenty grants to BSOs awarded and thus far activities on three are completed.</p> <p>441 SMEs directly benefited from activities implemented by BBSOs.</p>
<p><b>RESULT 2</b></p> <p><b>Improved conditions for business operations through more efficient administrative service provision, better land management and specific small scale infrastructure investments</b></p>		
<p>Activity 2.1.1 Enhancing land management through the development of GIS and improved access to geospatial data</p>	<p>Implementation of nineteen grant agreements is underway. procurements were completed in Zaječar, Sokobanja, Vranje, Požarevac, Loznica and Leskovac.</p>	<p>A back-up system for electronic permitting has been procured following PSC approval and installed in October 2018.</p> <p>Out of the 19 awarded grant agreements, procurement of the GIS equipment processed in 18 LSGs.</p>
<p>Activity 2.1.2 Development of urban plans related to economic development</p>	<p>One DRP completed during the quarter. The remaining six are finalised.</p>	<p>12 DRPs completed and one cancelled. The implementation of six is underway.</p>
<p>Activity 2.1.3 Development of project technical documentation for projects contributing to economic development</p>	<p>Three projects finalised during the quarter and one faces critical delay.</p>	<p>Out of twelve projects, eight have finalised their activities and implementation of four is underway.</p>
<p>Activity 2.2 Development/improvement of small-scale infrastructure with an economic impact on the local level</p>	<p>The implementation of nine GSA is underway. Four completed in the reporting period, while the EUPRO team is recording a significant impact of the completed GSAs.</p>	<p>Out of nine GSA, eight completed all activities. Implementation of the remaining one is underway.</p>
<p><b>RESULT 3</b></p> <p><b>Better social cohesion and attractive living environment through improvement of small scale public infrastructure and social relations</b></p>		
<p>Activity 3.1 Supporting projects for improvement of the living conditions and quality of public infrastructure in municipalities</p>	<p>The implementation of 37 GSA is underway. Ten GSA finalised all activities on grant implementation in Q3 2020.</p>	<p>Out of 37 GSA, 31 completed all activities. Implementation of the remaining six is underway.</p>
<p>Activity 3.2 Supporting projects enhancing inter-ethnic dialogue and cooperation, improving social cohesion and social</p>	<p>The final Report is submitted under the language learning project, confirming its successful delivery.</p>	<p>Despite the significant delay caused by the COVID-19 crisis, the social cohesion activities are progressing and 50% of the projects are</p>

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<p>integration in multi-ethnic communities</p>	<p>One social cohesion grant is closed, and six more are completed in Q3. A total of 11 grants remain on-going in Q4.</p>	<p>completed. They continue to create benefits for the vulnerable groups and foster social cohesion at the local level by improving the position of national minority groups.</p>
<p>Activity 3.3 Procurement of COVID-19 related medical equipment and items</p>	<p>The priority medical and non medical items are procured and delivered.</p>	<p>Pursuant to reprogramming of the Programme funds, UNOPS has activated its emergency procurement procedures to adequately respond to the pandemic and conduct procurements of the necessary medical equipment and supplies in line with the request and priority list of the Government of Serbia.</p> <p>With EU PRO funding, 25 devices for monitoring, ventilation and anaesthesia, 20 triage containers with medical equipment and 263 infra-red thermometers were procured. The equipped triage containers were delivered and installed in front of the health centres while medical equipment was delivered to the National Health Insurance Fund for further distribution.</p>