



**EU**

**PRO**

EUROPEAN UNION SUPPORT  
TO MUNICIPAL DEVELOPMENT

# ANNUAL REPORT

1 Jan – 31 Dec 2018



Republic of Serbia



Implementing partner



<b>Overall objective:</b>	To contribute to a more balanced socio-economic development in Serbia
<b>Purpose:</b>	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.
<b>Budget:</b>	25 million Euros
<b>Start date:</b>	1 January 2018
<b>Programme area:</b>	The Regions of Šumadija and Western Serbia and the Southern and Eastern Serbia
<b>Donor:</b>	The European Union
<b>Implementing partner:</b>	United Nations Office for Project Services (UNOPS)
<b>Report date:</b>	January 2019
<b>Period covered:</b>	1 January - 31 December 2018
<b>Prepared by:</b>	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>OSS</b>	One Stop Shop
<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>RSOC</b>	Serbia Operations 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 Enterprises
<b>PIMO</b>	Public Investment Management Office
<b>SIPRU</b>	Social Inclusion and Poverty Reduction Unit
<b>SME</b>	Small and Medium Enterprise
<b>TOR</b>	Terms of Reference

## Executive Summary

The European Union Support to Municipal Development – EU PRO completes the first year of implementation fully aligned with the programme and financial targets. Seventy-seven projects selected for funding through a transparent process are under implementation as a result of the four public calls, and as a result of the three more calls whose evaluation is underway, more than 100 projects will be granted in the following quarter. Considerable portion of the Programme funds is already disbursed, with financial delivery of 9.2 million Euros or 36.8% of the total Programme budget.

The four-month **inception period** was used to establish Programme governance framework, reassess the Action's relevance and feasibility, and confirm implementation approach. The focus of the inception period was on stakeholder engagement, with 26 meetings organised with key national institutions and international partners, ten info sessions that gathered 209 participants and implementation of two surveys designed to assess capacities and confirm communication channels for the business community with data gathered from over 300 respondents.

The Programme was successful in community mobilisation and **outreach to target beneficiaries**, which is confirmed by high response rates to the seven conducted Calls for Proposals. The four calls related to infrastructure development and land management attracted 94 project proposals, calls related to social cohesion materialised 99 applications from municipalities and civil society organisations, and 468 enterprises submitted project concept notes to the Programme.

The most significant progress is made related to **land management and infrastructure development** with 40 projects under implementation. The projects will create the pipeline of 20 million Euros for realisation of industry investments or business development initiatives through development of designs, while improvement of infrastructure in industrial and business zones will facilitate opening of at least 1,700 jobs. Development of 19 DRPs will contribute to creation of conditions to attract investments and develop new businesses, rehabilitate brownfield sites, and support urban renewal as well as regeneration, preservation and valorisation of natural and cultural heritage. In addition, the critical support for creation of back-up system for electronic issuing of construction permits will help prevent data loss and mitigate the risk of public authority holders missing legally set deadlines caused by the main system failure.

The Programme developed a comprehensive approach to identify projects which will contribute to **better market positioning and more competitive business sectors** with strong regards to social impact and contribution to local communities. Successful outreach campaign generated strong interest of the target enterprises registered in the Programme municipalities. The evaluation and selection process was set-up with respect to openness and transparency, responsiveness, ethical conduct, sound management, accountability and was conducted efficiently and effectively preserving validity of the business plans developed by the applicants. It is expected that over 100 enterprises will be awarded in the following quarter, immediately creating 250 new jobs with potential for 500 more jobs in the three-year period. In addition, almost 100 local communities will benefit from the corporate-social responsibility activities which will be implemented by supported enterprises, ranging from rehabilitation and equipping of public schools and kindergartens to provision of support to local organisations dealing with socially vulnerable groups.

The first project initiated by the Programme is a **social cohesion** activity for increasing knowledge of Serbian language among 750 Albanian school children which is expected to enhance their socio-economic integration in a longer perspective through better access to employment, institutions and services in Serbian language. In addition, 37 local infrastructure projects currently under implementation will directly affect quality of life of over 30,000 citizens through improved municipal infrastructure related to education, health, social care, environmental protection, culture, and sports. Moreover, the Programme is currently conducting evaluation of 53 project proposals submitted in response to the call for enhanced social cohesion which should contribute to implementation of the rights of national minorities, improvement of inter-ethnic relations, better integration of national minorities and addressing of specific needs of excluded groups in multi-ethnic communities.

The Programme continuously put efforts into **coordination of activities** and extensive consultations with the national stakeholders in preparation and implementation of activities. Relevant institutions were consulted during development of interventions, engaged in review and selection of beneficiaries and have provided full support to the Programme. For example, the Ministry of Economy institutionalised support of Regional Development Agencies by including EU PRO Calls into the Standardised Set of Services offered by the RDAs, thus enabling full support to municipalities and enterprises during project development phase.

EU PRO also collaborated with other development programmes, and primarily with the Swiss funded Swiss PRO Programme. With support from the Swiss PRO experts, this Programme ensured integration of good governance criteria into criteria for selection of projects as well as for enhancement of these elements during implementation. This approach is added value as it will enhance effectiveness and sustainability of interventions.

**Communication activities** were intensive. In cooperation with the Ministry of European Integration and the Delegation of the European Union, a complete visual identity, followed by Communications Strategy, interactive website and social media accounts were established. EU PRO launch event organised on 22 May 2018 attracted 400 attendees including the Minister of the European Integration and the Head of the Delegation of the European Union to Serbia. The Programme subsequently supported organisation of another four DEU visits to AoR. Key communication products include development of versatile website content - 99 Municipal Profiles, CFP Results Factsheets, Project tables, strategic Programme documents including Communication Strategy and Manual and 17 press releases in support of Programme activities. The provision of communication and media support resulted in the record 1,000 reports over the final quarter of the year totalling 1,800 positive media reports of which 36% in national media for the duration of 2018. Additionally, the Programme conducted an online Survey results of which now serve as an area precise baseline of public opinion related to European Integrations.

The Programme is well set for continued success in the second year of implementation, with over 150 projects in the pipeline for contracting in the first two quarters. The risks and challenges are continually assessed and addressed minimising opportunities for issues to transpire.

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

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## Review of progress and performance

### Policy and programme context

The Ministry of Economy has amended the **Regulation on establishment of a standard set of services for micro, small and medium-sized enterprises and entrepreneurs** in 2018 implemented by accredited regional development agencies<sup>1</sup> as per the Government decision of 6 July 2018. The amendments include support to development of full project proposals for the EU PRO Grant Scheme for SMEs.

A number of government institutions and donor programmes are supporting entrepreneurs and enterprises in areas similar to the EU PRO<sup>2</sup>. This confirms relevance of the Programme but also emphasises the need for close coordination of activities and possible funds leveraging.

**Adoption of the Law on National Spatial Data Infrastructure**<sup>3</sup> and the **Law on Planning System of Republic of Serbia**<sup>4</sup> in April 2018, are the most significant policy changes. The former regulates the establishment and maintenance of the geo-spatial data, and incorporates the European Union (EU) Directive - Infrastructure for Spatial Information in the European Community – INSPIRE, into the national regulations. The later aims to establish efficient, transparent, and coordinated system for planning of development which covers spatial, regional, social, and economic aspects. In addition, the **newly adopted Law on Electronic Government**<sup>5</sup> should facilitate simpler, more transparent, and more efficient communication of citizens, businesses, and civil society with the public administration. The **changes in the Planning and Building Law**<sup>6</sup> which came into force in November 2018, introduced the development of planning documents through the electronic procedures.

EU PRO considered these Laws when designing and implementing activities related to land management, primarily establishment of Geographic Information System and development of planning documentation, in order to ensure compliance with the new provisions, where relevant.

Regular **elections for National Minorities Councils (NMC)** were organised on 4 November 2018, when 467,545 registered voters had opportunity to elect their representatives for one of 18 NMCs in a direct elections, while four NMCs are selected via electronical assemblies. The results<sup>7</sup> of elections for five<sup>8</sup> NMCs relevant to EU PRO show a power shift in some of the Councils. The most noticeable redistribution happened in Roma NMC, where lists of two previous presidents, Vitomir Mihalović and Tefik Ramadanović, won minimum mandates, while the party "Pan-European Roma Movement" won majority of votes. In Bosniak NMC, leader Sulajeman Ugljanin had to enter into a coalition with a rival party of Rasim Ljajić in order to maintain control over the Council<sup>9</sup>. The coalition gathered around the

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<sup>1</sup> Srbija.gov [81st Government session, 6 July 2018](#)

<sup>2</sup> UNDP funded by Russian Federation, Development Agency of Serbia, Ministry of Agriculture, Forestry and Water Economy, Ministry of Economy, USAID funded programmes, EBRD, etc.

<sup>3</sup> The Law can be accessed at [Law on National Spatial Data Infrastructure](#)

<sup>4</sup> The Law can be accessed at [Law on Planning System of Republic of Serbia](#)

<sup>5</sup> The Law can be accessed at [Law on Electronic Government](#)

<sup>6</sup> The Law can be accessed at [Planning and Building Law](#)

<sup>7</sup> Republic Electoral Commission: [Republic Electoral Commission's First Regular Press Conference](#) 6 November 2018

<sup>8</sup> Roma, Albanian, Bosniak, Vlach and Bulgarian NMCs

<sup>9</sup> Blic.rs [Ugljanin hands Bosniak National Council over to Dzudzo](#) 23 November 2018

Mayor of Bujanovac elected<sup>10</sup> president of the Albanian NMC. There were no changes in election for Bulgarian and Vlach NMCs. The party of the Mayor of Bosilegrad won majority of votes in Bulgarian NMC and further consolidated position, while the party “Vlachs for Serbia” won most of the mandates in Vlach NMC.

Considering that the launching of the CFP for Social Cohesion, which is focused on national minority issues, coincided with the elections, the Programme decided to postpone publishing of the CFP for one week in order to avoid greater overlap with the election.

The **Draft Law on Social Entrepreneurship** which has been in procedure for several years is announced to enter the parliamentary procedure for adoption by the end of the year following a public debate which lasted until end of November 2018. However, the Draft Law received a lot of complaints, particularly from the civil sector. They stated<sup>11</sup> that the proposed document is excluding most of the existing social enterprises from the future legislation, such as associations and cooperatives. The proposed concept is limited solely to “labour integration”, neglecting its social dimension, which is contrary to the practice in most European countries and to current practice in Serbia, and upgrading of the Draft Law is requested.

Bearing in mind that the CFP for Social Cohesion foresees support of social entrepreneurship activities, the Programme will consider adjusting of its further activities if there would be changes in legal framework, while it will seek opportunity to underline the shortcomings of the proposed document.

### Progress towards achieving objectives

Striving to **better market positioning and more competitive business sector** in the less developed areas, 191 entrepreneurs, micro and small enterprises whose concept notes were positively assessed have applied with full project proposals.<sup>12</sup> The expected results include enhanced competitiveness of beneficiary businesses through enhanced market potentials and increased value chain contribution, while local communities will benefit through opening of at least one new job per beneficiary, increased (local) tax incomes and specific corporate social responsibility activities.

Activities related to **infrastructure development and land management** progressed. Forty projects related to implementation and development of designs for economic infrastructure projects, and development of detailed regulation plans will enhance planning and technical conditions for realisation of investments and create the pipeline for investments estimated at 20 million Euros. Namely, the infrastructure related projects should create pre-conditions for realisation of industry investments and business development initiatives; enhance planning and technical conditions for realisation of investments; and enable expansion of existing businesses and valorisation of touristic and cultural heritage potentials, creating conditions for 1,700 new jobs. Thirty-seven projects for development of local infrastructure approved for funding will also address the social aspects and improve working conditions in schools, kindergartens, sports and cultural institutions and improve living conditions

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<sup>10</sup> N1.info [Ragmi Mustafa from the PDD president of the National Council of Albanians](#), 26 November 2018

<sup>11</sup> Solidarnaekonomija.rs [Draft law does not recognise enterprises that employ 10,000 employees](#), 14 November 2018

<sup>12</sup> As a result of evaluation of the 468 project concept note applications, the Programme shortlisted 215 MSEs out of which 191 submitted applications



through development of communal infrastructure. Over 52,000 citizens will directly benefit from these activities.

In addition the Programme provided direct support to Ministry of Construction, Transport and Infrastructure (MCTI) procuring the back-up **system for electronic issuing of construction permits**, which secures system stability resulting in provision of quality services to investors.

The Programme initiated CFP for **fostering social cohesion and inclusion** in 32 multi-ethnic municipalities by improving socio-economic position of the most vulnerable citizens and through better integration of national minorities. Having in mind the fact that some regions, inhabited predominantly by national minorities, remain among the most underdeveloped, it is expected that this initiative will in the long run contribute to reduction of the existing gaps, while targeting at least 3,000 direct beneficiaries.

Another social cohesion activity for increasing knowledge of Serbian language among 750 Albanian school children is expected to enhance their socio-economic integration in a longer perspective through better access to employment, institutions and services in Serbian language.

## Result 1

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

Preliminary results of the Call for Proposals for Procurement of Equipment and Provision of Services for MSEs<sup>13</sup> indicate immediate creation of over 250 new jobs and additional 500 in the three-year period. In addition, almost 100 local communities will benefit from the corporate-social responsibility activities which will be implemented by supported enterprises, ranging from rehabilitation and equipping of public schools and kindergartens to provision of support to local organisations dealing with socially vulnerable groups. For the beneficiary MSEs, the activity will contribute to improvement of the production processes and quality of products, which will make the enterprises more competitive both on the domestic and foreign markets. The projected annual increase in revenues is over 8.4 Million Euros (or 32% on average for the beneficiary MSEs). It is expected to enable export increase in at least in thirty enterprises as a result of the activity and projected overall increase in export for the three-year period is 6 million Euros, almost doubling the export registered in 2017. Furthermore, due to modernization of equipment, awareness and preconditions for introduction of international food safety and quality standards have been created.

## Activities

### 1.1 Grant scheme for SMEs

The CFP for Procurement of Equipment and Provision of Services for Micro and Small-sized Enterprises (MSEs) was developed in consultation with the Ministry of Economy (ME) and Development Agency of Serbia (RAS) and took into account other opportunities available for entrepreneurs and enterprises

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<sup>13</sup> The Call was conducted between May and October 2018 and is available at [Call for Proposals for Procurement of Equipment and Provision of Services for Entrepreneurs, Micro and Small Enterprises](#)

through development programmes. It is designed to enable support to entrepreneurs and enterprises during their second investment cycle (enterprises registered between 2013 and 2017), and is primarily targeted enterprises registered for production and smaller range of services.

Following the formal approval of the Programme Steering Committee on 19 May 2018, the two-stage application process was launched on 22 May. Within efforts to promote the CFP, the Programme organised 14 info sessions in June 2018. EU PRO also conducted information campaign that included development of promotional materials - printed materials including posters, leaflets, video and audio materials used for promotion of the CFP through communication channels of the ME, RAS, local self-governments (LSGs), Regional Development Agencies (RDAs) and other business support organisations (BSOs); placement of media adds on most popular web portals, national radio, local and regional TV stations; extensive Facebook campaign and direct distribution to 99 LSGs and ten RDAs.

The Grant Evaluation Committee was formed in line with UNOPS procedures and is consisted of ten voting members, including chairperson, three non-voting secretaries and four non-voting observers from the ME and RAS. The Committee conducted the evaluation process in line with Guidelines aligned with the evaluation criteria set by the CFP.

The evaluation of the 468 concept notes received from 79 LSGs in response to the CFP was finalised in August 2018. As a result of the screening process, 19 received applications were immediately disqualified – ten for late submission and nine for being incomplete. Thus, 449 applications underwent eligibility screening. The Phase I eligibility screening included assessment of information available at this stage, including: (1) registration location, (2) date of establishment, (3) ownership structure, (4) business activity (5) period of bank account blockage, if any and (6) net profit at the end of 2017. Forty-seven applications were assessed as non-eligible and the remaining 383 applications underwent technical evaluation, out of which 215 MSEs from 63 LSGs, who passed the set threshold, were recommended for the Phase II application process.

The Programme organised five workshops offered to the 215 shortlisted applicants, where the application process, documents and criteria for the second phase of CFP were explained in details. As the Ministry of Economy included support for the MSEs in preparing documentation for EU PRO Programme in the set of standardized services provided by RDAs, the Programme organised a one-day Orientation Meeting for RDA representatives on 17 September to enhance their capacities to provide assistance to enterprises.

A total of 191 full applications were received as a result of the Phase II process and are currently undergoing technical evaluation. The value of submitted proposals is 5.5 million Euros, of which 3.6 million is requested from the Programme. As a result of the eligibility screening, 11 applications have been confirmed to be ineligible<sup>14</sup>, while 66% passed the set threshold<sup>15</sup> for technical evaluation and therefore qualified for field visits, which were conducted in November and December 2018.

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<sup>14</sup> The main reasons for ineligibility were financial (negative equity and tax debts), legal (criminal conviction) or incomplete documentation

<sup>15</sup> The threshold set by the CFP for technical evaluation of the Full Application is 70 out of maximum 100 points. In line with the Guidelines for evaluation, two out of three evaluators conduct technical evaluation prior to the field visit and if results of at least one evaluators pass the score of 70, field visits to the applicants are conducted.

## 1.2 Support to Business Support Organisations (BSOs)

The EU PRO continued consultations with the stakeholders, mainly RDAs, but also Chamber of Commerce and other donor programmes in order to collect information for preparing the CFP for Business Support Organisations (BSOs). The consultations confirmed importance of building managerial and operational capacities of businesses through strategic planning, marketing, market research, human resources management and use of information and communication technology in business, networking with other businesses in the country and the region. The Programme will present the CFP to the PSC in Q1 2019.

### Result 2

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

The support provided to Ministry of Construction, Transport and Infrastructure (MCTI) to establish currently missing back-up server to electronic issuing of construction permits will help prevent data loss and mitigate the risk of public authority holders missing legally set deadlines caused by the main system failure. The provision of back-up server will also ensure the system remains operational if the main system is for any reason not functioning. This will eliminate the risk of the system shut downs for longer than four hours, which was the case in 2017 and 2018 on several occasions. The stable system for issuing of the building permits enables the government to respond efficiently to investor's requests thus contributing to increased competitiveness and investments.

The Programme LSGs showed satisfactory interest for the two CFPs for economic infrastructure, diminishing the need for new cycles after all available funds were exhausted. Evaluation of 61 project proposals received in response to the CFPs for development of detailed regulation plans (DRPs), designs execution and economic infrastructure, resulted in approval of 40 projects with total Programme contribution of 5,106,345 Euros. The projects will create the pipeline of 20 million Euros for realisation of industry investments or business development initiatives through development of designs, and enable expansion of existing and development of new businesses through improved infrastructure in the business zones.

Development of 19 DRPs will contribute to creation of conditions to attract investments and develop new businesses, rehabilitate brownfield sites, and support urban renewal as well as regeneration, preservation and valorisation of natural and cultural heritage. The Programme support for the development of 12 designs will create technical conditions for the construction or reconstruction of public utility infrastructure in business areas, Greenfield and brownfield sites and construction or reconstruction of business support facilities. The nine economic infrastructure projects will enable or enhance functioning of the industrial zones, technology parks and business incubators and the infrastructure that contributes to development of tourism destinations, including spas.

The grants that will be issued through the CFP for development of Geographic Information System (GIS) will be aimed at supporting LSGs in digitisation and improvement of quality of the geospatial information and creation of mechanisms for advancement of institutional, technical and human resource capacities for development and management of geospatial data, which will in turn enable the LSGs to provide accurate information to businesses and investors about the possibilities for new

business developments. As a result, the beneficiary LSGs will be more efficient and effective and improve its evidence-based decision making.

## Activities

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

Based on the consultations with the Ministry of Construction, Transport and Infrastructure (MCTI) held during the Inception Period and Analysis of E-system for Issuing of Construction Permits<sup>16</sup>, the Programme developed the proposal for procurement of hardware and software components<sup>17</sup> to enable establishment of the currently non-existing back-up system for issuing of construction permits, in May 2018. After the PSC approved the proposal on 4 June<sup>18</sup>, the Programme advertised for the procurement of ICT equipment<sup>19</sup> on 29 June 2018. Estimated value of the equipment including installation was 265,000 Euros. In August 2018, the Programme contracted the company to provide the ICT equipment, hardware and software components. The total value of the equipment together with the installation and provision of licences was 217,000 Euros. The equipment was installed and handed over to the system operators in the MCTI in October 2018.

During the second quarter of 2018, in consultations with MCTI and based on the provisions in the Description of Action (DOA) which envisage the Programme's support to introduction of electronic system for development of planning documentation in Serbia, EU PRO developed the Concept Note with the Terms of Reference (ToR) for the preparation of the Study that will define the necessary conditions for establishment of such system and subsequently enable digitalisation of spatial planning processes<sup>20</sup>. The Study concept was presented to the PSC in September 2018. Pursuant to the PSC recommendation, the Programme used the time until the changes to the Law on Planning and Constructions were adopted in November 2018 to further develop the Study concept which will be re-submitted to PSC in January 2019.

EU PRO developed the CFP for GIS, while considering the provisions of the Law on National Spatial Data Infrastructure, during the second quarter of 2018. The PSC approved the Call for publishing in September 2018, and it remained open until 30 December. With the available funds of 1.2 million Euros, the Programme will provide support to Local Self-Governments (LSGs) in collecting and digitalisation of geospatial data, improvement of quality and increment of quantity of the geospatial information. Partnership projects with one or more LSGs are encouraged.

In order to promote the CFP, and to ensure better understanding of GIS, the Programme held eight regional information sessions and basic trainings on GIS for 99 Local Self-Governments (LSGs), from 20

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<sup>16</sup> The Analysis is conducted with support from the World Bank, and in partnership of the MCTI, Business Registers Agency (BRA), and National Alliance for Local Economic Development (NALED)

<sup>17</sup> The Concept Note for E-permitting is available with the Programme

<sup>18</sup> The proposals was in principle approved at the PSC held on 4 June, while the electronic review of additional documentation that was requested was completed on 27 June 2018. Since there were no further requests for clarifications, in line with the PSC decision, this proposal was considered finally approved.

<sup>19</sup> The tender is available at [Notice for eSourcing - Tender ITB/2018/5052](#)

<sup>20</sup> The Law on National Spatial Data Infrastructure which systematised the geospatial data in three groups serves as the basis for the development of the Study

November to 14 December 2018. The sessions combined with the trainings attracted 157 participants (57 female and 100 male) from 69 out of 99 LSGs and six out of ten invited RDAs. The info sessions were assessed as excellent or good by 91% of participants and the information received was perceived as relevant by all participants. For the basic GIS training sessions, the participants stated that obtained knowledge and skills during this training was very useful and its applicability will be of great use. This part of the info sessions received ranking score of 4.3 out of 5.0.<sup>21</sup>

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

The CFP for development of DRPs has been designed and approved by the PSC in April 2018. The CFP was advertised on 25 April 2018 and was open until 11 June 2018<sup>22</sup> with a total value of 750,000 Euros. In order to promote the CFP, the Programme held information sessions for 99 Local Self-Governments (LSGs), from 8 to 18 May 2018, which attracted 259 participants (160 female and 99 male) from 84 out of 99 LSGs and nine out of ten invited RDAs. The info sessions were assessed as excellent or good by 93% of participants and the information received was perceived as relevant by all participants.<sup>23</sup>

The Programme received 28 applications from Local Self Governments (LSGs). The Evaluation Committee, which included the representatives of the MCTI as observers, completed the evaluation in August 2018. As a result, nineteen project proposals recommended for were approved by the PSC on 13 September 2018. The total value of the projects is 345,590 Euros, out of which Programme share is 255,274 Euros (73%) and LSG cost-share 92,516 Euros (27%). Nine DRPs<sup>24</sup> will regulate industrial and production Greenfield or brownfield locations, four DRPs<sup>25</sup> will regulate protected natural and cultural locations while six DRPs<sup>26</sup> will regulate areas with tourist potential. The Programme signed the grant agreements with the awarded LSGs in October 2018 and the implementation is ongoing.

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

The CFP for Technical Documentation for Projects Contributing to Economic Development was drafted on the basis of DOA and following approval from the PSC, the CFP was advertised on 25 April 2018 with total value of 300,000 Euros. It was envisaged that the Call remains open for 12 months, with the first cut-off date for acknowledgment and evaluation of applications set for 11 June 2018.<sup>27</sup>

The Call was promoted together with the Calls for other infrastructure projects, during the joint info-sessions from 8 to 18 May 2018. Already at the first cut-off date the Programme received 18 applications and the Evaluation Committee completed the evaluation in August 2018. As a result, twelve project proposals recommend for funding were approved by the PSC on 13 September 2018. Six designs will be developed for infrastructure in industrial zones,<sup>28</sup> three designs for business

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<sup>21</sup> The Report from GIS call info sessions is available in the Annex II, Attachment 2.1 GIS Info Sessions Report

<sup>22</sup> The CFP is available at [Open Call for Proposals for Formulation of Detailed Regulation Plans](#).

<sup>23</sup> These information sessions were also used to promote other infrastructure related CFPs. The Report from infrastructure calls info sessions is available in the Annex II, Attachment 2.2 Infrastructure Calls Info Sessions Report

<sup>24</sup> Pirot, Vlasotince, Rača, Merošina, Raška, Topola, Dimitrovgrad, Kraljevo and Kučevo

<sup>25</sup> Majdanpek, Leskovac, Arandjelovac and Užice

<sup>26</sup> Velika Plana, Zaječar, Blace, Čajetina, Veliko Gradište and Surdulica

<sup>27</sup> The CFP is available at [Call for Proposals for Development of Execution Designs for Economic Infrastructure Projects](#)

<sup>28</sup> Bela Palanka, Kraljevo, Doljevac, Smederevo, Kragujevac and Vladičin Han

incubators, start-up centres and agricultural infrastructure (irrigation system)<sup>29</sup> and three designs for IT parks, expo and training centres.<sup>30</sup> The total value of the projects is 405,586 Euros, out of which Programme share is 274,695 Euros (68%) and the LSG contribution 130,891 Euros (32%). The approved projects have exhausted all available funds under the Call. The Programme signed the grant agreements with the awarded LSGs in October 2018 and the implementation is ongoing.

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

While considering Programme framework and inputs received from the DAS, ME, MEI and other stakeholders, EU PRO developed the CFP for Economic Infrastructure. Following the PSC approval, the Call was advertised on 25 April 2018, with total value of 3,700,000 Euros. It was envisaged that the Call remains open for 24 months, with the first cut-off date for acknowledgment and evaluation of applications set for 11 June 2018.<sup>31</sup>

The Call was promoted together with the Calls for other infrastructure projects, during the joint info-sessions from 8 to 18 May 2018. Already at the first cut-off date the Programme received 15 applications and the Evaluation Committee completed the evaluation in August 2018. As a result, nine project proposals were approved by the PSC on 13 September 2018. Eight projects relate to the construction in the industrial zones<sup>32</sup> while one project in Sokobanja will improve the conditions for the enhanced tourism offer. The total value of the projects is 5,481,771 Euros out of which Programme share is 4,576,380 Euros (83%) and LSG contribution 905,391 Euros (17%). The PSC approved exceeding of the allocated amount 3.7 million Euros in response to high interest of LSGs<sup>33</sup> and the number of positively assessed projects. The Programme signed the grant agreements with the awarded LSGs in November 2018 and the implementation has started.

### Result 3

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

As the result of the CFP for local infrastructure, 37 projects worth 4,494,303 Euros will be implemented to improve municipal infrastructure related to education, health, social care, environmental protection, culture, and sports and positively affect quality of life of citizens. The energy efficiency will be improved in six schools and kindergartens providing better education conditions for 2500 pupils, and in two health and social institutions, providing improved services to 9700 patients/users per year. Communal services: water, sanitation and street lighting for 21,000 citizens will be improved in ten LSGs. Nineteen projects will create better conditions in LSGs for sports and cultural activities as for example in Uzice, where the improved energy efficiency in the theatre building will enable this leading cultural institution in the western Serbia that hosts 40 events and has 20,000 visitors every year, to offer better conditions for the artists and the audience.

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<sup>29</sup> Kučevo, Knjaževac and Topola

<sup>30</sup> Čačak, Nič and Vranje

<sup>31</sup> The CFP is available at [Open Call for Proposals for Economic Infrastructure Projects](#)

<sup>32</sup> Smederevo, Bojnik, Paraćin, Šabac, Kragujevac, Svilajnac, Užice and Priboj

<sup>33</sup> Programme received 15 applications with requested value of over 6.8 million Euros in response to the Call

EU PRO activities related to enhanced social cohesion advanced. The Programme launched the CFP created to support the projects contributing to implementation of the rights of national minorities, improvement of inter-ethnic understanding and relations, better integration of national minorities and addressing of specific needs of excluded groups in multi-ethnic communities. This intervention should enable funding of up to 25 projects that will contribute to social cohesion, while in line with the EU PRO objective, economic empowerment will be one of key thematic areas to be addressed.

The project for enhancing learning of Serbian as non-mother tongue in elementary schools in Bujanovac and Preševo was initiated and advanced and it will enable 750 Albanian pupils to improve knowledge of Serbian language. This will facilitate their social integration and future business or higher educational prospects.

The activities related to social cohesion have important strategic dimension: through implementation of priority project at the local level, the Programme should contribute to Government's efforts to implement the Action Plan for Exercise of the Rights of National Minorities, the Strategy for Roma Inclusion and, more broadly, to the Action Plan for the negotiation Chapter 23.

## Activities

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

The CFP for Local Infrastructure Projects for improvement of education, health, social care, environmental protection, water and waste management, culture, and sports facilities has been drafted in March 2018, while incorporating the comments received from the Standing Conference of Towns and Municipalities (SCTM) and the Public Management Investment Office (PIMO). The Call was approved by the PSC, advertised on 25 April and closed on 29 June 2018.<sup>34</sup> The indicative value of the Call was 5,250,000 Euros. The Call was promoted together with the Calls for other infrastructure projects, during the joint info-sessions from 8 to 18 May 2018.

The Programme received 46 applications and the evaluation of proposals started in July 2018 and it was completed in September 2018. The representative of the Public Investment Management Office (PIMO) participated in the evaluation in the capacity of observer. Thirty-seven projects were approved by the PSC on 13 September 2018. The total value of the projects is 6,151,532 Euros, out of which 4,494,303 (73%) is Programme funding and 1,657,228 (27%) LSG contribution. Nineteen projects will create better conditions for sports and cultural activities<sup>35</sup> in LSGs, the communal infrastructure will be improved in ten,<sup>36</sup> six schools and kindergartens<sup>37</sup> will have better working conditions and improved energy efficiency while two social and health institutions<sup>38</sup> will have improved conditions for providing their services to citizens. The Programme signed the grant agreements with the awarded LSGs in October 2018 and the implementation is ongoing.

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<sup>34</sup> The CFP is available at [Call for Proposals for Economic Infrastructure Projects](#)

<sup>35</sup> Golubac, Vladičin Han, Bela Palanka, Prijepolje, Surdulica, Užice, Knjaževac, Babušnica, Dimitrovgrad, Šabac, Rekovac, Kraljevo, Kragujevac, Čajetina, Požega, Priboj, Ljubovija, Batočina and Svilajnac

<sup>36</sup> Raška, Aleksinac, Trgovište, Kuršumljija, Bosilegrad, Kučevo, Doljevac, Bujanovac, Valjevo and Boljevac

<sup>37</sup> Merošina, Leskovac, Sjenica, Prokuplje, Velika Plana and Smederevo.

<sup>38</sup> Žabari and Žagubica

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

EU PRO consulted the national partners to identify priority social cohesion projects. The Coordination Body (CB) for Preševo, Bujanovac and Medveđa confirmed that one of priorities for multi-ethnic communities in South Serbia was continuation **of the project for enhancing learning of Serbian as non-mother tongue among Albanian pupils**, which was supported through predecessor programme. The proposal for continuation of intervention was developed by EU PRO and the CB and approved by the PSC in June 2018.

The intervention envisages engagement of six teaching assistants in the school year 2018/2019 that are providing support to nine teachers in conduct of classes of Serbian as non-mother tongue in four elementary schools in Bujanovac and Preševo<sup>39</sup>. The project in the value of RSD 8,571,036 commenced implementation in August 2018 after selection of service provider<sup>40</sup> through a public tender procedure. The activity is progressing in line with the plan and covers 750 pupils. Baseline testing of pupils' understanding of Serbian language was organised in November<sup>41</sup>.

On the basis of the DOA and findings from consultations with the relevant institutions, including the CB, the Office for Human and Minorities Rights (OHMR) and the Ministry of Education, Science and Technological Development (MESTD), EU PRO developed **the CFP for Fostering Social Cohesion in Multi-Ethnic Municipalities**.

The CFP is created with the aim to contribute to implementation of the rights of national minorities, improvement of inter-ethnic understanding and relations, better integration of national minorities and addressing of specific needs of excluded groups in multi-ethnic communities. Based on the PSC's recommendation and followed by their approval in September 2018, the CFP included criteria in order to respond to the migration and refugees crises. The CFP is targeting 32 municipalities<sup>42</sup> which have multi-ethnic composition according to the Law on Local Self-Government<sup>43</sup> and relevant census data.

The CFP was published<sup>44</sup> on 22 October and opened until 05 December 2018, with the available funds of 400,000 Euros. In order to promote the Call, six info sessions were organised, reaching 170 (73

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<sup>39</sup> The Terms of Reference for Engagement and Monitoring of Assistants to Teachers of Serbian as Non-Mother Tongue in Selected Elementary Schools in Bujanovac and Preševo is available in the Annex III, Attachment 3.1 Language Learning ToR

<sup>40</sup> The NGO "Group 484"

<sup>41</sup> For more details please see the Annex III, Attachment 3.2 - Inception and Progress reports Group 484

<sup>42</sup> Babušnica, Bela Palanka, Bojnik, Boljevac, Bor, Bosilegrad, Bujanovac, Vladičin Han, Vranje, Golubac, Dimitrovgrad, Doljevac, Žagubica, Žitorađa, Koceljeva, Kučevo, Lajkovac, Lebane, Leskovac, Majdanpek, Medveđa, Merošina, Negotin, Novi Pazar, Petrovac na Mlavi, Požarevac, Preševo, Priboj, Prijepolje, Sjenica, Surdulica and Tutin

<sup>43</sup> The municipalities where one national community accounts for more than 5% of the total population or all national communities collectively account for more than 10% of the municipality's population according to the last census are considered to be nationally mixed.

<sup>44</sup> The CFP is available at [Open Call for Social Cohesion Projects](#)



female and 97 male) representatives of civil and public sectors<sup>45</sup> from 28<sup>46</sup> municipalities, and received very positive feedback from the participants.

A total of 53 project proposals were received, while the CFP envisages provision of up to 25 grants to CSOs and to LSGs, in the value up to 30,000 Euros for LOT 1 (inter-municipal projects) and up to 15,000 Euros for LOT 2 (individual municipality projects). Administrative screening of the applications is in process and it is expected to be finalised until end of the year, after which the project proposals evaluation will be initiated.

Development of the project proposal for improving inclusive education through globally recognised El Sistema methodology was initiated in April. Soon after, it is decided to put the project on hold after the main project partner, music school from Vranje, expressed concerns regarding continuation of the cooperation with the lead organisation, NGO Music Art Project, due to issues with their management.

## Management and coordination

### Programme Steering Committee

The Programme Steering Committee (PSC)<sup>47</sup> was established during the inception period and is composed from the representatives of:

- Ministry of European Integration (MEI), whose Assistant Minister chairs the Committee,
- Ministry of Economy (ME),
- Ministry of Construction, Transportation and Infrastructure (MCTI),
- Development Agency of Serbia (DAS),
- Public Investment Management Office (PIMO),
- Standing Conference of Towns and Municipalities (SCTM), and
- Delegation of the European Union (DEU).

This mechanism promotes national ownership over the Programme and enables relevant institutions to steer the implementation, monitor progress, and contribute to decision making.

Three PSC meetings were held: the first PSC meeting was organised on 29 March 2018; the second PSC meeting was held on 4 June 2018 and the third PSC meeting was held on 13 September 2018. In line with the Terms of Reference for the PSC, all meetings so far were held in Belgrade.

### Coordination

EU PRO puts efforts to coordinate its activities with the relevant stakeholders and other development interventions. The Programme engaged national institutions in selection of projects, and conducted

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<sup>45</sup> Coming from 83 CSOs and 20 LSGs

<sup>46</sup> Only municipalities of Merošina, Žitorađa, Doljevac and Dimitrovgrad did not send their representatives

<sup>47</sup> The Programme Steering Committee Terms of Reference is available in the Annex V, Attachment 5.1 PSC Terms of Reference

consultations related to specific projects to avoid overlaps. Participation of the ME, MCTI, PIMO, and DAS in evaluation processes related to EU PRO CFPs is also indicator of efforts to ensure coordination. Likewise, the national institutions were consulted in relation to CFPs under design.

EU PRO participates in events relevant for its scope of work. For example, the Programme attended the Fifth Social Innovation Forum, organised by Smart Kolektiv, which offered insight into the latest developments related to social impact and entrepreneurship, social finance, cross sector partnerships and other mechanisms of support for social entrepreneurs.

Also, it was ensured participation in the consultation meeting of the Working Group for development of the AP for Roma Inclusion for 2019-2020, organised by SIPRU, the Ministry of Labour, Employment, Veterans and Social Affairs and the CB for the Implementation of the Strategy for Social Inclusion of Roma. The aim of meeting was to obtain inputs from the relevant international organisations for development of the AP.

Furthermore, EU PRO attended the Annual Conference of Local Mechanisms for Gender Equality, organised by the governmental Coordination Body for GE and UN Women, which provided overview of the evaluation results on the implementation of the National Action Plan for GE 2016-2018, summarised the achievements of the local GE mechanisms, discussed challenges in their work and presented examples of good practice.

The Programme ensured that the cooperation with the relevant institutions is maintained related to preparation and implementation of the social cohesion activities. The OHMR, the CB for Preševo, Bujanovac and Medveđa and the MESTD were consulted during conceptualisation of the activities and their suggestion taken into consideration. Additionally, several national institutions supported promotion of the CFP for Social Cohesion by publishing it on their websites, while the CB put an extra effort and translated the CFP into Albanian language and shared it publicly.

Likewise, all relevant stakeholders are involved in implementation of the language learning project in the elementary schools in Bujanovac and Preševo: representative of the CB is included as a member of the project team in charge for the monitoring of the project, and regular meetings with the team are conducted; the MESTD is being briefed prior to the planned activities implementation and the information on the activities is passed to schools through the Ministry. Additionally, joint meetings with the schools' directors and the MESTD representative were organised in order to assure active participation of the schools in the project.

The Programme also ensured close cooperation with all relevant institutions for development of the Call for MSEs as well as other donor organisations who offer opportunities for MSEs, to avoid overlaps and ensure synergy. The Ministry of Economy and development Agency of Serbia extensively participated in creation of the Call for MSEs, and took part in the work of the grant evaluation committee in the capacity of observers<sup>48</sup>. In addition, the Programme organised regular meetings with USAID-funded Competitive Economy project focused on development of competitiveness.

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<sup>48</sup> All Grant Evaluation Committee Meetings for the CFP for MSEs were attended by ME and RAS representatives, and their representatives have joined the EU PRO team on several occasions during the field visits to MSEs which were an integral part of the selection process

Furthermore, the Programme maintains coordination with the other relevant projects managed by UNOPS. The most effective collaboration was established with the Swiss funded Swiss PRO Programme. During the evaluation of proposals for local infrastructure projects, Swiss PRO has provided expert support for assessment of good governance elements in applications. Also in line with the planned cooperation, Swiss PRO is coordinating good governance (GG) activities within the 37 local infrastructure grants. Swiss PRO team prepared an overview of preliminary GG interventions for each project with proposals of potential local regulations which should be improved or produced before official adoption along with the main GG principles. For seven projects the principle of accountability will be in focus, for ten projects, non-discrimination and/or participation principle will be considered while for 20 projects the intervention will focus on energy efficiency topics.

In September 2018, the coordination meeting with the Swiss and Norway-funded projects was organised to exchange the best practice examples and to ensure coordination of activities in which there may be overlapping in approach and beneficiaries.

## Finances

Pursuant to the aim to implement best practices in the area of accounting and financial reporting, UNOPS, including EU PRO, applies the International Public Sector Accounting Standards (IPSAS). These are a set of accounting standards issued for use by public sector entities around the world in the preparation of financial statements.

All EU PRO financial and administrative records are kept in accordance with the UNOPS financial rules and regulations. The tax exemption procedure for the Programme funds was established, allowing for the payment of invoices without the VAT. The Programme bank account was opened through the Treasury, enabling payments through local bank account.

EU PRO established a mechanism to plan and monitor five levels of the Programme budget: budget, expenditures, commitments, funds that are planned for the activities not yet approved by the PSC, and funds for activities that are approved by the PSC for implementation, but have not yet been contracted. These are monitored by the Programme personnel on daily, monthly, quarterly and yearly basis.

These are the key financial indicators<sup>49</sup> for the reporting period:

- The first instalment from the DEU was received in the amount of 12 Million Euros was received in December 2017
- The total delivery as of 31 December 2018 is 9,252,714.99 Euros or 37% of the total Programme budget and 77% of the first instalment

## Human resources

Based on the workforce planning and established recruitment plan, progressively during the year, the Programme engaged the core project team consisting of one international post and 19 regular Local Individual Contractors (LICAs). In addition, the Programme also recruited around 20 on-call

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<sup>49</sup> The final financial figures will be provided in certified financial reports but information provided in this Report provides insight into the spending trends

functions/pools engaged to support Programme with specific expertise and/or support services. The Programme strived to address gender equality in all of its recruitment processes and managed to reach 50% gender balance among regular LICAs.

The performance of Programme personnel is continuously assessed based on clear individual SMART performance objectives set as performance indicator for yearly performance cycle.

UNOPS RSOC continuously supports development of EU PRO personnel through investment in learning activities focusing particularly on specific project management, procurement, human resources skills as well as gender equality and human rights principles. In summary, following trainings have been addressed in 2018:

- Two team members completed PRINCE2 Foundation Examination
- Sector Manager for SMEs and BSOs completed Leading People at UNOPS Programme aimed to strengthen UNOPS leadership culture and develop further leadership skills
- Two senior managers completed Ethics and fraud prevention in procurement course
- Eight Programme personnel completed UNOPS mandatory courses Ethics and Integrity and UN Human Rights Responsibilities
- Six personnel completed Gender Equality in Sustainable Project Management
- Programme Associate for Social Cohesion completed Management Styles course
- Two personnel completed Mainstreaming Gender Equality in Infrastructure UNOPS mandatory course
- Deputy Programme Manager participated in Procurement Operations Training
- Five personnel attended Competency Based Interviewing Training

## Logistics

Logistics arrangements for the Programme are in place. The UNOPS Serbia Operations Centre (RSOC) Offices which facilitate Programme personnel with duty stations in Niš, Novi Pazar, Vranje and Belgrade provide complete working environment from the day one.

Travel plan that is in place on the level of RSOC compiles all UNOPS' projects in Serbia and as such enable planning, coordination and tracking of all travels. Programme activities are supported with the fleet of 12 Programme vehicles, based in all RSOC Offices, meeting the operational needs. During the year, three Programme vehicles, which were planned for disposal. Donated vehicles were replaced with four newly purchased Programme vehicles in order to enable smooth continuity of transportation operations. Programme vehicles made the total mileage of 105.000 Km, which is equivalent to the continuous trip around the globe for the two and a half times.

## Security

No security issues or threats for European PROGRES personnel or the implementation have been recorded during the reporting period.

- Security and Logistics briefings were provided by Security Focal Point (SFP) and Logistics Unit to all newly employed personnel during the induction briefing programme, with special emphasize on travel, road and premises safety;
- The UN Department for Safety and Security (UNDSS) Officers visited all RSOC Field Offices as part of the annual plan. No security issues were identified and compliance with security and safety standards were confirmed;
- Two mandatory security SMS Communication Test were performed with exemplary 100% success ratio by Programme personnel. Two satellite phone communication tests were also successfully conducted by Programme personnel from the Field Office in Nis;
- All personnel completed mandatory basic (BSITF) and advanced (ASITF) security trainings and took active steps to complete new mandatory security training - BSAFE, which is replacing the two existing ones. Since BSAFE is mandatory for all personnel which joined before 31 December 2018, goal is to comply with the security requirement and complete new mandatory course by 30 June 2019.

### Information Communications Technology

EU PRO personnel have UNOPS email accounts, complete ERP infrastructure and access to UNOPS Intranet, which facilitates internal and external communication. The following are the key ICT activities related to the reporting period:

- Purchase of 24 new laptop personal computers and 14 monitors has been conducted.
- High speed internet in UNOPS RSOC office (50/50Mbps) is available for programme staff based in Belgrade uses, while project offices have 20/2 Mbps internet in project offices.
- In accordance with the corporate strategy – Google G-Suite platform for use of cloud storage and cloud applications has been introduced for UNOPS in November 2018. The strategy predicts UNOPS RSOC corporate data together with EU PRO corporate data to be transferred to Cloud platform during 2019, which would significantly increase accessibility and ease of use of centralised data from distant locations. Users are instantly provided with the possibility to create shared drives and control access rights for users on project level. Mails are expected to be transferred to Google G-Suite platform in first half of 2019.
- Backup ICT support (On-call ICT Assistant) has been recruited for office in Belgrade in October 2018.
- EU PRO team members are using TELEKOM SRBIJA AD mobile telephony provider, in accordance with existing contract signed with UNOPS Serbia in early April 2015.
- Total of 23 new mobile telephone devices have been procured.
- New project website <https://eupro.org.rs> is active. Domain registration and web hosting services are reserved until Jan 2023.
- 23 active email accounts of programme staff are currently active within the project, with 1 generic account and two distribution lists

## Assets and inventory

Complete set of project assets and inventory have been transferred from European PROGRES project to EU PRO project. In line with the provision of four new project vehicles (Skoda OCTAVIA), three project vehicles have been disposed.

- One used vehicle PEUGEOT 301 has been transferred from currently suspended Common Crossing Project (CCP) to EU PRO project.
- One used vehicle HONDA CRV has been transferred from currently finished EU Support for the Reconstruction of Roads project to EU PRO project.
- Three used project vehicles Skoda YETI have been disposed through the donation to project stakeholders (Women's Association "Lužnica Handcrafts" from Babušnica, NGO "Sandžak Committee for Protection of Human Rights" from Novi Pazar and "Association of Muscular Dystrophy Patients of Jablanica District" from Leskovac. All three NGOs find the donated vehicles as great support for their further activities and expressed their high appreciation for the donation.

## Procurement

Procurement processes conducted in 2018 fully supported all activities related to achievement of Programme results. In order to support all activities related to improvement of MSE, conditions for business operations, specific infrastructure investments and social cohesion more than 30 info sessions were organized: two info sessions for EU PRO Programme, eight info sessions for EU PRO Infrastructure sector, ten info sessions for the EU PRO Call for MSEs, five info sessions for shortlisted MSEs, six info sessions for the promotion of the Call for Proposals for Social Cohesion, orientation meeting for RDAs and info sessions for GIS CFP and basic GIS training courses.

There were 31 purchases below USD 5,000.00 conducted for various goods and services in support to the Programme and 34 of medium and high level purchases of goods and services such as Provision of assistance to Teachers of Serbian in Bujanovac and Presevo elementary schools and Provision of ICT equipment for e-permitting backup system.

All procurement processes were conducted in compliance with UNOPS procurement policies<sup>50</sup> that ensure respect of the guiding procurement principles: best value for money; fairness, integrity and transparency; effective competition; and the best interest of UNOPS and its partners

## Grants

EU PRO will predominantly uses grant methodology which gives ownership over the projects to the grantees while the Programme maintains monitoring and advisory role. The grant methodology therefore is an important capacity building tool and contributes to sustainability. Pursuant to transparent selection process of the grantees, the Programme issued the following grants in the first year:

- Nineteen Grant Support Agreements for formulation of detailed regulation plans

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<sup>50</sup> UNOPS received the Chartered Institute of Procurement and Supply (CIPS) Corporate Certification in 2011, which endorses excellence in procurement policies, procedures and practices. It also has been awarded gold level in the Sustainable Procurement Review by the CIPS.

- Twelve Grant Support Agreements for development of execution designs for economic infrastructure projects
- Nine Grant Support Agreements for the economic infrastructure projects
- Thirty-seven Grant Support Agreements for the local infrastructure projects.

## Reporting and monitoring

EU PRO has the contractual obligation to produce the inception, the quarterly, the annual and the final reports. **The Inception Report**<sup>51</sup> was produced and covered the period from the day one, 1 January until 30 April 2018. It confirmed relevance of the Programme and provided details on the management structure, update on activities, and revised plans.

Two **quarterly reports** were produced for the period following the inception during the first year, each within ten working days of the end of each reporting period and both were unanimously adopted by the PSC. The Reports were presented to the key beneficiaries at the PSC meetings, and are available to general public at EU PRO website.<sup>52</sup> The First Quarterly Report covered the period from 1 May to 31 July 2018. With the objective to align the reporting period with the calendar year, the Second Quarterly Report covered the two-month period from 1 August to 30 September 2018. The quarterly reports provided overview of progress and performance, update on the management issues, review of the risks and issues, quality and sustainability considerations, insight into the key milestones for the next reporting period, and information about the lessons learned.

This is the first **Annual Report** and it covers the period from 1 January until 31 December 2018. It follows the structure of quarterly reports but includes a range of annexes that provide deeper insight into the Programme performance and the revised overall Work Plan.

EU PRO' personnel produces **monthly reports** and weekly updates. The Programme also prepares monthly reports for UNOPS Serbia and although not a contractual obligation these could be provided to the MEI and the donor upon request.

## Risks and issues

In line with the Risk Management Strategy based on UNOPS project management structure<sup>53</sup>, EU PRO identifies and assesses risks, and then plans and implements responses. This section provides insight into key risks and issued registered during the first year of Programme implementation.

In order to reduce risk that less developed municipalities are unable to compete for funding with larger LSGs, the Programme included “bonus” points for municipalities with lower development levels in Calls for proposals for infrastructure. Efforts were put to ensure high transparency of the CFPs and of evaluation criteria, which among other included well promoted info sessions and invitation of line national institutions to participate in the evaluation of applications in the capacity of observer.

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<sup>51</sup> [EU PRO Inception Report](#)

<sup>52</sup> [EU PRO Quarterly Reports](#)

<sup>53</sup> In 2018, UNOPS issued the Project Management Manual (PMM) documenting the minimum mandatory project management requirements that came into effect for all existing and new UNOPS engagements as of 1 January 2019.

It was estimated that lack of organisations suited for specific requirements of the tender for language learning project could lead to an insufficient number of valid offers and potential rerun of the process. To avoid potential risk, the Programme put additional efforts to identify all eligible organisations and encourage them to apply. Alternatively, grant issuing to appropriate government institution was also taken into consideration.

EU PRO coordinates closely with other UNOPS projects and provides continuous consultancy support to potential applicants in order to avoid overlaps and to address the risk of possible low response rate as a result of overburden of the target groups (LSGs and/or CSOs) being exposed to opportunities from a variety of projects and programmes.

To avoid reputational risk caused by smaller number of applicants that passed to the second phase of the Call for Procurement of Equipment and Provision of Services for MSEs with over 250 applicants not being endorsed to continue with the application process, the Programme emphasises transparency of the selection process and provides detailed information to all interested applicants. Likewise, a grant evaluation system was developed which included larger number of grant evaluation committee members for the evaluation of the applications to avoid bottlenecks in implementation.

As proven by lower success rates for young businesses, beneficiary MSEs may fail in implementation of awarded projects for reasons unrelated to investment supported by the Programme. To mitigate the risk EU PRO introduced rigorous technical evaluation system focused on quality which results in lower number of awarded grants.

## Quality

Programme approach to quality is regulated with the **Quality Management Strategy** adopted in April 2018. The Strategy describes quality management procedures to be used for quality planning, quality control, and quality assurance. It also defines responsibilities of personnel for achieving the required quality levels during the implementation of the Programme and outlines reporting requirements, quality records, and timing of key quality activities

UNOPS global project management methodology is compliant with PRINCE2 that means that the quality is one of the key themes for the management. For example, one of the mandatory UNOPS global mechanisms is **Assurance Tool** that captures information about the key aspects of projects' performance on quarterly basis and assures that they are performing in a way that is contributing to the objectives. If that is not the case it triggers development of remedial actions.

Monitoring and evaluating quality is embedded in implementation of Programme activities with continuous collection and evaluation of feedback received from the Programme stakeholders and beneficiaries. The following examples provide evidence for quality assurance of Programme interventions.

The info sessions for the Public Call for support to MSEs conducted in June 2018, attracted 651 participants (198 women and 453 men), indicating quality of the promotional campaign conducted for the Call. The sessions are positively evaluated - 96% of attendees indicated that they understand



conditions of the Call sufficiently or fully.<sup>54</sup> The five workshops<sup>55</sup> organised in support to the full application process conducted in September 2018 were attended by 284 participants (90 or 32% women and 194 or 68% men) representing 186 enterprises, ten regional development agencies (RDAs) and Development Agency of Serbia (DAS)<sup>56</sup>. The sessions were positively evaluated by participants – 96% of participants confirmed that the workshops were either useful or very useful.

The survey of LSGs' capacities and development needs<sup>57</sup>, conducted in Inception Phase of the Programme, confirmed relevance of the EU PRO intervention, given the wide range of needs identified in the local communities, that correspond with the EU PRO's activities, including need for investments into public infrastructure, investment facilitation, SMEs growth, assistance in the field of social protection, etc.

Informative sessions dedicated to the CFP for micro and small enterprises, the five infrastructure CFPs and the CFP for social cohesion have been evaluated on the basis of feedback from participants. The evaluations confirmed substantial interest in the sessions and the Calls, their effectiveness and relevance of the provided information.

The Programme will conduct variety of quality checks for the projects that are planned for support. In order to assure delivery of expected products each grant will be regularly monitored and supervised through continuous communication, field visits and site inspections, financial and administrative control and provided with a technical guidance, when required. In case of identified issues, the Programme will take appropriate actions.

The Programme established the quality requirements for the activities in the infrastructure grants and reached the common understanding with the grantees about the implementation methodology, Health and Safety requirements, reporting and grant financial management. The grant action plans include the quality control milestones, and the grant managers and teams are aware of their responsibilities.

## Sustainability

Striving to enhance gender equality in projects and establish gender sensitive indicators for monitoring and reporting as well as implement gender awareness activities wherever feasible, in May 2018 the Programme adopted the EU PRO Gender Action Plan (GAP)<sup>58</sup>, which provides framework for systematic address of gender equality issues by the Programme. Overall, the GAP is aiming to enhance gender equality in the projects, establish monitoring, evaluation and reporting of gender sensitive indicators, promote awareness on gender issues among all stakeholders and ensure gender balance in personnel. The GAP advanced in implementation. The gender equality (GE) considerations are integrated into criteria of all seven published CFPs and one RfPs for social cohesion project. The project proposals that are contributing to GE are provided with extra points. Additionally, the EU PRO's communication

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<sup>54</sup> The MSE Call Concept Note Info Sessions Report is available in the Annex I, Attachment 1.1 MSE Call Info Sessions Report

<sup>55</sup> The workshops were organized in Niš and Vrnjačka Banja during 19 – 26 September period

<sup>56</sup> The MSE Call Full Application Info Sessions Report is available in the Annex I, Attachment 1.2 MSE Call Phase Two Info Sessions Report

<sup>57</sup> Summary of the Survey findings is available in the Annex V, Attachment 5.2 Survey on LSG Capacities and Development Needs

<sup>58</sup> The Gender Action Plan is available in the Annex V, Attachment 5.3 Gender Action Plan

policies embed gender aspect and contributes to its promotion, both internally and externally. In cooperation with the Swiss PRO programme, EU PRO is currently working with the infrastructure Sector to reinforce GE components in at least four of selected infrastructure projects.

All Programme activities are aligned with the national policies and strategies, contributing to their sustainability, and factors contributing to sustainability are embedded in project selection criteria.

For example, under the Public Call for support to MSEs, sustainability is assessed through the applicant's ability to use and maintain the equipment and achieve the set targets in a post project period. More specifically, 10% of the total weight in evaluation of Full Project Proposals is awarded based on the assessment of the applicant's technical expertise to maintain equipment operational and in use, its financial capacities to maintain the equipment and cover other costs deriving from its use and impact on environment. In addition, sustainability of the activity is ensured through mandatory minimum cost-share contribution ranging from 20% for LOT1 applicants (registered in 2016 and 2017) and 30% for LOT2 applicants (registered in 2013, 2014 and 2015).

Design and reconstruction activities abide by the principles of environmental protection, energy efficiency and local sustainable development. Predominant use of local natural materials for the construction and reconstruction of social and economic infrastructure will minimise the negative effect on the ecosystems and communities, thus contributing to environmental sustainability. In addition, gender equality, social inclusion, and good governance, as cross cutting themes, will be addressed through activities. Proposals of potential local regulations which should be improved or produced will be discussed with the beneficiaries and stakeholders in 37 LSGs that were awarded local infrastructure projects. In seven projects the principle of accountability will be in focus, ten projects will consider non-discrimination and/or participation principles while 20 projects with mainly energy efficiency topics will concentrate on environment benefits.

The CFPs for infrastructure projects included financial, institutional and environmental sustainability of the projects as the key criteria. All activities within the grants will be performed respecting the national legislations, thus ensuring national ownership.

Within the CFP for social cohesion, sustainability is one of criteria for the selection of the projects for support. It is assessed through applicant's capacity to secure financial and institutional continuity of the proposed action once the project is completed, or through ability to achieve viability at a policy level. Moreover, the CFP is developed in line with relevant policies and strategies and foresees that project proposals must relate to legislative framework. It foresees support for the projects with a strong social dimension, considering its focus on excluded groups living in multi-ethnic communities. Furthermore, it is expected that the projects will generate new jobs for the marginalised and vulnerable groups and contribute to their socio-economic empowerment on a long-term prospect.

## Lessons learned

With support to enterprises being the most challenging activity in the first year of Programme implementation, the Programme adapted its procedures and processes to facilitate collection process of the so far largest number of applications and minimise risks. It also tested the revised approach and confirmed its validity. Several lessons emerged:

On-line registration of info sessions participants was introduced and was very useful as it contributed not only to better accuracy in anticipated numbers of attendants, but also in creation of contact database which shall serve as future communication channel. However, the system can be improved by adding a time buffer between the application deadline for info-session attendance and the event itself, as large number of participants confirmed participation at the day of the event.

The two-fold evaluation process for the CFP for MSEs has proven effective for calls expected to result with large number of applications. Moreover, division of responsibilities between ten Grant Evaluation Committee members, with each application having to be reviewed by three individuals has significantly reduced the time needed for the evaluation.

Communication channels with potential applicants can be improved with simplification of the assigned email addresses (currently [rsoc.clarifications@unops.org](mailto:rsoc.clarifications@unops.org)) to, for example, [pitanja@unops.org](mailto:pitanja@unops.org) and by introducing regular updates of the Questions and Answers web-page on the Programme website. In addition, the Programme also posted video materials filmed during the info sessions enabling equal access to information to the target audience.

Similarly, at the level of the entire Programme, the procedure for the CFPs can be improved through assigning of separate email addresses for each CFP. Currently, one email addresses is used for all UNOPS' CFPs. This would simplify and speed up administrative processing of the applications, especially in cases when more than one CFP is advertised.

## Communications and Visibility

After the development and endorsement of the **EU PRO visual identity** the Programme's **Communication Strategy** was prepared and subsequently approved by the Delegation of the European Union and the Ministry of European Integration. Templates for all EU PRO office and promotion materials were created and promotional material produced throughout the year.

**Communication and Visibility Guidelines (CVG)** were established as a set of standards for EU PRO beneficiary projects to adhere to, in order to regulate and ensure visibility of the European Union (EU) in each individual project. Both were duly distributed to external partners and, for monitoring purposes, internally to Programme personnel. As a result, at the end of 2018, 40 out of 52 EU PRO fund recipient municipalities feature EU PRO logo on their websites. Use of web banners on partner's respective web pages is the only attainable provision listed in CVG in the stage prior to the project implementation.

**Opinion Survey of the European Union (EU) integrations in EU PRO Programme Area of Responsibility (AoR)**, a 26-item questionnaire conducted via Survey Monkey platform, was developed by EU PRO to obtain insights from the citizens living in the Programme area on their knowledge and attitudes in relation to the EU support to Serbia's development and the process of the EU integrations in general. The resulting statistics, based on 766 responses collected from citizens of 95 AoR localities, amongst other, show that local and regional development was assessed as the reform with the most positive effect on everyday life. Environmental and infrastructure sector are seen as the greatest benefactor of the accession.

The continuity of the Programmes and intense visibility activities over the past decade can be seen as 93 percent of people have heard about the EU financed project in Serbia and feel that their effect contributes to better living standard of Serbia's citizens. Infrastructure related projects, especially those related to education and health facilities, roads and communal infrastructure were seen as most beneficial. The EU was seen as the most prolific donor, while EU PRO, European PROGRES, EU PROGRES were mentioned in 14% of answers. Similarly EU PRO, European PROGRES, EU PROGRES visible identities were identified by 323 (74%), 316 (72%), 284 (65%) respectively amongst 437 selected choices<sup>59</sup>.

**Five high level events took place of which four were attended by DEU** - EU PRO promotional event, which included EU Project Fair and Ambassadorial Lunch have been organised in Aranđelovac on 22 May. Close to 400 attendees included the Minister of the European Integration, the Head of the Delegation of the European Union to Serbia, representatives of 15 EU member countries of which ten ambassadors, representatives of local self-governments including 17 mayors, representatives of regional development agencies, Standing Conference of Town and Municipalities and other EU funded projects in Serbia. In addition to this, DEU visit to Novi Pazar and Sjenica took place on 21-22 June while on 14 November 2018 in Kragujevac the EU Ambassador participated in the Certificate Award Ceremony for 40 projects aimed at improving business environment that gathered representatives of 32 (out of 34 awarded) local self-governments, including 12 mayors and directors of seven regional development agencies. On 16 October 2018, the DEU Head of Operations II visited Lebane and the Haemodialysis Centre funded through predecessor programme European PROGRES. Finally a Calendar Competition was organised in Kraljevo on 18 December 2018 in the presence of DEU and MEI representatives. In addition to this three Programme Steering Committee meetings were organised in Belgrade on 29 March, on 4 June, and on 13 September 2018.

**Twelve briefing notes and three project overviews** were prepared upon the Delegation of the European Union (DEU) and Ministry of European Integration (MEI) request for various purposes<sup>60</sup>.

A major effort was undertaken to **promote public orientated Calls for Proposals – Call for Procurement of Equipment and Provision of Services for Entrepreneurs, Micro and Small Enterprises the Call for Fostering Social Cohesion in Multi Ethnic Municipalities**, including development of visual identities, social-media campaign, media support and printed material.

The campaign in support of Competency sector included creation of visual identity ("Enko i Oli") and subsequent production and distribution of audio/video, web and print content through social and traditional media campaigns. Selection of all paid promotional interventions was based on communication placement data collected through the online survey, evaluation sheets from info sessions and in the later stage of CFP by the Sector identified need for more information in Valjevo, Pirot, Knjaževac, Požarevac and Čačak. For promotional purposes 1,300 posters and 12,000 pamphlets were printed and distributed, while electronic versions of the materials was shared through different databases including European PROGRES newsletter and media database that contains close to 1,000 relevant emails.

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<sup>59</sup> The Survey Results are available in the Annex IV, Attachment 4.2

<sup>60</sup> The Overview of communications work is available in the Annex IV, Attachment 4.1 Overview of Communications

Each of the 14 info sessions organised by the Sector was announced and covered with a media presence which resulted in 267 media reports. The Programme's promotional event and the visit to Novi Pazar and Sjenica of the Head of DEU were also used to promote the CFP leading to a total of 400 positive media reports on the topic. In addition to the local and regional media, Deputy Programme Manager and SME and BSO Sector Manager promoted the CFP on national Radio Television of Serbia, Radio Belgrade and Radio S2.

Major outreach was conducted through two pronged paid media campaigns as well. Paid social media campaign through Facebook and Instagram targeted relevant audiences in 99 Programme municipalities through three different ads timely promoting information sessions resulted in nearly 500,000 appearances in newsfeeds of the targeted audiences, 14,000 clicks on the post and generated close to 10,000 direct positive engagements – shares, comments and reactions. Correspondingly the Direct media placement started with prominent positioning of the web banner on Blic.rs, from 31 May to 14 June, and from 15 -27 June, on Ekapija.com, Bizlife.rs, Južnevesti.com and Kolubarske.rs. The media placement on four latter portals, for the data available, resulted in total impressions of 410,879 and 400 clicks.

The TV spot was broadcasted 196 times between 18-24 June on seven TV stations, while the radio spot was aired 484 times, four times a day on national Radio S2 and Naxi National Radio and 15 regional radio stations, including Novi Pazar Radio Sto Plus, Radio Požarevac Boom 93, and Užice Radio Luna.

The visual identity was also developed for the **Call for Proposals for Enhancing Social Cohesion in Multi Ethnic Municipalities campaign** and it was promoted through print material (500 flyers and 50 poster), social media and 71 media reports covering the announcement of the call and the six following info sessions.

EU PRO **Calendar art competition** invited high school students from 99 cities and municipalities to submit artworks themed *"What could Serbia bring to the EU"* was completed on 15 November. Facebook promotional campaign for the Competition was approved on 19 October and has since reached 109,049 people and had 668,318 impressions. Additionally all 259 schools in the Programme coverage area have been informed about the competition via email, post and through Ministry of Education and National Youth Council's networks. Promotional poster for the competition has been distributed by MEI at the 2018 Belgrade Book Fair - School day. As a result the submissions were received from 60 high schools which submitted 230 artworks – an expected 150% increase in participation comparing to the last competition held through European PROGRES, due to larger Programme AoR. Out of 41 Municipalities that participated, 20 submissions came from the new Municipalities. Twelve winning artworks, selected via online voting by a jury made of the representatives of MEI, DEU, EU PRO, a designer and a photographer, are featured on the EU PRO 2019 Calendar printed in 2,000 copies and distributed to partners and beneficiaries across AoR. Calendar Competition award ceremony was held on 18 December in Kraljevo and attended by over 60 people including over 50 students and representatives of DEU and MEI.

**Transparency of all selection processes following CFPs** was supported through the development and publishing of six result info sheets.

Additionally, all activities results were promoted through social and traditional media. **Seventeen press releases** and nine media announcements were issued generating 1,832 media reports. Due to

the number of projects and funds allocated for their realisation, by far the largest number of the reports, namely 690 media stories, focused on the support to infrastructure and the projects approved within the four public calls. The great interest, as always, was attracted by the visit of the Head of DEU to Programme Areas and high level events, resulting in 400 media reports, while the same number of reports (400) featured the CFP for Procurement of Equipment and Provision of Services for MSEs.

Out of overall 1,832 generated positive media reports, 657 or 36 percent were in the national media, while almost a half of all published stories (i.e. 45 percent) used the Programme press releases verbatim.

Additionally, **five media interviews** were organised, out of which four were broadcasted on national TV and radio stations, namely Radio Television of Serbia, Radio Belgrade and Radio S, while the interview given to the regional news agency Jugpress was also published in the national news agency Fonet and Danas daily. Furthermore, there were seven statements organised on the both national and regional media inquiries on various Programme related topics.

The **EU PRO website**, approved by the EU and MEI, was open to public on 22 May 2018, and has since been regularly updated and **visited** 55,652 times by 36,489 unique visitors of which 6,696 were transferred from Facebook. Accordingly, by far the most visited page on the Programme website was Public Calls that received 20,292 visitors. After generating information highlighted by the PSC members as crucial for the Programme, **99 Municipal profiles** were developed and published on EU PRO website.

The **Programme Facebook and Twitter accounts are inherited from the predecessor Programme - European PROGRES**. Unfortunately, so far four requests to change the name of the existing Facebook page from European PROGRES to EU PRO have been rejected by Facebook team.

Over the initial implementation year followership has grown – starting at 9,086 and 830 and reaching 9,858 and 858 by December 2018, for Facebook and the Twitter accounts respectively. The Facebook remains most efficient communication channel for the Programme, reaching 68,545 people and attracting 775 post likes. Three consecutive, paid, promotional campaigns for the CFP MSE generated unparalleled post engagement and attracted 834 new page likes. Additionally the page was used to promote Programmes annual drawing competition successfully reaching 125,595 beneficiaries. The Twitter page gathered over 83,383 impressions for 173 Programme related tweets.

The Programme has produced the set of promotional material: 1,500 notebooks, 1,000 folders, 2,000 promotional pens, four roll-up banners, one pop-up banner and one back media wall with two sets of visuals, 500 paper bags, ten office wall maps, 500 organisers, business cards, 500 promotional USB flashes, 200 planners with mousepad and 200 power banks for mobiles, 200 ceramic mugs and Fast Fact as one pager with basic information about the Programme (total of 2,000, 1,000 in Serbian and 1,000 in English). In December 2018, the Programme produced seasons' greetings cards and VIP New Year's package which will be distributed to 200 partners from the EU Delegation, the Government, LSGs, and other development stakeholders over the holiday season. The electronic version of the card has been sent to close to 1,000 email addresses.

Additionally Communication Section Programme retainers and services have been engaged - Media Clipping service Provider Company, Communication and Programme Assistant, Programme photographers and Translators have been enlisted.

## Work plan

According to the EU PRO Work Plan<sup>61</sup> for the period from 1 January to 30 March 2019, the key milestones are:

### Result 1

Activity 1.1 – Finalise the evaluation process, recommend final beneficiaries to the PSC, award Grant Agreements and initiate implementation of activities;

Activity 1.2 – Finalise CFP for BSOs and submit to the PSC for consideration;

### Result 2

Activity 2.1.1 – Complete the evaluation of CFP for GIS and obtain PSC approval for awards

Activity 2.1.2 - Monitor implementation of Grant Agreements signed with the 19 awarded LSGs for the CFP for DRPs; Send the Concept Note for the Study for Introduction of Spatial Planning Information System and Electronic Procedure for Formulation of the Planning Documents for PSC approval

Activity 2.1.3 – Monitor implementation of Grant Agreements signed with the 12 awarded LSGs for the CFP for Designs for Economic Infrastructure;

Activity 2.2 – Monitor implementation of Grant Agreements signed with the nine awarded LSGs for the CFP for Economic Infrastructure;

### Result 3

Activity 3.1 – Monitor implementation of Grant Agreements signed with the 37 awarded LSGs for the CFP for Local Infrastructure;

Activity 3.2 - Complete evaluation for the CFP for enhancing social cohesion in multi-ethnic municipalities and submit results to PSC for consideration; Regular monitoring of the project for enhancing learning of Serbian language among Albanian pupils and submission of second progress report by the implementing partner.

## LFM – progress against indicators

### Legend<sup>62</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

<sup>61</sup> The 2019 Q1 Work Plan is available in the Annex V, Attachment 5.4

<sup>62</sup> Colour the boxes in the table as appropriate

Objectively verifiable indicators	Progress during the reporting period	Overall status
<p><b>Overall objective:</b> To contribute to a more balanced socio-economic development in Serbia.</p>	<p>77 grants for projects contributing to overall objective were signed.. The process for collection and selection of additional projects contributing to the Programme objective under the Calls for social inclusion, MSEs and GIS is underway.</p>	<p>The Programme grant schemes for economic infrastructure and execution designs, and for development of detailed regulation plans for areas that have potential to generate economic activity create foundation to facilitate significant investments into infrastructure development and industries, which would in turn contribute to generation of jobs. EU PRO scheme for SMEs should also help local businesses to enhance competitiveness, win new markets, and increase export, while the local community would benefit from direct opening of at least 300 jobs.</p>
<p><b>Project purpose:</b> 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.</p>		
<p><b>RESULT 1</b> Improved technological structure of SMEs and their ability to increase their market share</p>		
<p>Activity 1.1 Grant scheme for SMEs</p>	<p>Evaluation of the 468 submitted Concept Notes is completed and 215 applications have been endorsed for the second phase. Five workshops for applicants and one workshop for RDAs in support to second phase application process conducted.</p>	<p>The CFP was developed, approved and advertised. The Phase I evaluation process was concluded and the Phase II process is underway.</p>
<p>Activity 1.2 Support to Business Support Organisations (BSOs)</p>	<p>Further consultations with the stakeholders, mainly RRAs, conducted.</p>	<p>The CFP is under development.</p>
<p><b>RESULT 2</b> Improved conditions for business operations through more efficient administrative service provision, better land management and specific small scale infrastructure investments</p>		
<p>Activity 2.1.1 Enhancing land management through development of GIS and improved access to geospatial data</p>	<p>The contract for the back-up system for electronic permitting is signed with the provider and the installation of the equipment will be completed in October 2018. The PSC approved the CFP for development of GIS on 13 September and the Call was advertised, with the closing date set for 30 December 2018</p>	<p>The technical specifications for the back-up system for electronic permitting agreed with the Ministry of Construction, Transport and Infrastructure. PSC approved the project on 4 June, procurement advertised on 29 June and contract for the implementation signed in August. Delivery and installation of equipment was completed in October 2018. In consultations with the MCTI, the Programme developed the Concept for the Study for the Establishment of Electronic Preparation of Planning Documents, PSC approval pending t . The PSC approved the CFP for development of GIS and the Call was advertised, closing on 30 December 2018</p>



<p>Activity 2.1.2 Development of urban plans related to economic development</p>		<p>The CFP was advertised in April 2018 and closed on 11 June. 28 applications received, Programme recommended and the PSC held on 13 September approved 19 projects for funding. Grants signed in October 2018.</p>
<p>Activity 2.1.3 Development of project technical documentation for projects contributing to economic development</p>		<p>The CFP was advertised in April 2018 and closed on 11 June. 18 applications received, Programme recommended and the PSC held on 13 September approved 12 projects for funding. Grants signed in October 2018.</p>
<p>Activity 2.2 Development/improvement of small-scale infrastructure with economic impact on local level</p>		<p>The CFP was advertised in April 2018 and closed on 11 June. 15 applications received, Programme recommended and the PSC held on 13 September approved nine projects for funding. Grants signed in November 2018.</p>
<p><b>RESULT 3</b> <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 CFP was advertised in April 2018 and closed on 29 June. 46 applications received, Programme recommended and the PSC held on 13 September approved 37 projects for funding. Grants signed in October 2018.</p>
<p>Activity 3.2 Supporting projects enhancing inter – ethnic dialogue and cooperation, improving social cohesion and social integration in multi – ethnic communities</p>	<p>The project for improving knowledge of Serbian language among Albanian school children started. The CFP for social cohesion project approved by the PSC and set for launching.</p>	<p>Activity progressing in accordance with the plan</p>