

# THIRD QUARTERLY REPORT | 2015

July – September



**Overall objective:** To contribute to sustainable development of the South East and South West Serbia through improved coordination between national and local authorities, more favourable environment for employability, business and infrastructure growth, and enhanced good governance and social inclusion.

**Purpose:** Enhanced local governance, improved conditions for infrastructure development, better planning and management capacities, advanced business enabling environment, as well as supporting the development of social inclusion and employment policies.

**Total budget:** 17.46 million Euros

**Start date:** 7 May 2014

**End date:** 31 October 2017

**Programme coverage:** Novi Pazar, Ivanjica, Nova Varoš, Priboj, Prijepolje, Raška, Sjenica and Tutin, in the South West Serbia

Prokuplje, Blace, Žitорађа, Kuršumlija in Toplica District

Leskovac, Bojnik, Vlasotince, Lebane, Medveđa and Crna Trava in Jablanica District

Vranje, Bosilegrad, Bujanovac, Vladičin Han, Preševo, Surdulica and Trgoviste in Pčinja District

Brus in Rasinska District

Aleksinac, Gadžin Han, Doljevac, Merošina and Svrlijig in Niški District

Babušnica, Bela Palanka in Pirotski District

Knjaževac in Zaječarski District.

**Donors:** The European Union  
The Government of Switzerland  
The Government of the Republic of Serbia

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

**Report date:** 10 October 2015

**Period covered:** 01 July 2015 – 30 September 2015

## Acronyms

ACES	Association of Consulting Engineers of Serbia
AoR	Area of Responsibility
CAS	Citizens' Advisory Services
CFCU	Department for Contracting and Financing of EU Funded Programmes
CfP	Call for Proposal
CIF	Citizens' Involvement Fund
CSO	Civil Society Organisation
DEU	Delegation of the European Union
EU	European Union
FIDIC	The International Federation of Consulting Engineers
GEM	Gender Equality Mechanism
GG	Good Governance
GI	Geographical Indication
HR	Human Rights
LSG	Local Self Government
MSP	Managing Successful Programmes
NGO	Non-governmental Organisation
NMC	National Minority Council
OHCHR	Office of the High Commissioner of Human Rights
OSCE	Organisation for Security and Cooperation in Europe
OSS	One Stop Shop
PPF5	Project Preparation Facility 5
PPP	Public Private Partnership
PRINCE 2	PRojects IN Controlled Environment
PSC	Programme Steering Committee
RFP	Request for Proposals
RSPC	UNOPS Serbia Project Centre
SCTM	Standing Conference of Towns and Municipalities
SDC	Swiss Agency for Development and Cooperation
SEIO	European Integration Office of the Government of the Republic of Serbia
SIPRU	Social Inclusion and Poverty Reduction Unit
SME	Small and Medium Enterprise
ToR	Terms of Reference
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women

## Executive Summary

There was no summer hiatus for European PROGRES: first five projects were completed, 21 new grants were approved, two calls for proposals were closed and two other advertised, new projects being developed or approved, and, most importantly, there are indicators of initial outcomes.

The most significant achievement is completion of the construction and equipping of the building for the Bujanovac Department of the Subotica Faculty of Economics. This partnership effort of the European Union, the Government of Switzerland, the Government of Serbia, the Municipality of Bujanovac, and the Subotica Faculty of Economics enabled construction of the modern object that has six teaching halls, amphitheatre, student parliament rooms, and an administration block. The project worth over one million Euros was completed in just nine months and will be ready, by middle October 2015, to provide high quality conditions for education of over 400 current students.

Three projects that were funded through the Citizens' Involvement Fund were completed: in Raška, a project that supported the Association of People with Disabilities resulted in seven temporary employments; in Bosilegrad, ten unemployed people, including two Roma, started their honey production business; in Ivanjica, the Daily Centre "Sun" will be able to provide transportation services to children with disabilities.

Provision of technical assistance is ongoing: within development of capital investment plans and programme budgeting, assemblies of all 15 benefitting local self-governments (LSGs) approved criteria for selection of capital projects; two training sessions about the International Federation of Consulting Engineers (FIDIC) contract modality for the infrastructure projects was delivered to 101 participants from 34 LSGs; implementing partner for gender activities, UN Women, developed tailor made plans for strengthening capacities of Local Gender Equality Mechanisms for 21 municipalities, and assisted in adoption of two Local Gender Action Plans and four European Charters for Equality of Men and Women in the Local Communities.

The Good Governance Sector completed the Local Governance Assessment that provides basis for municipal governance reforms. The Memorandum of Understanding (MoU) for good governance interventions has been drafted and it provides formal framework for cooperation between European PROGRES and LSGs. Thirty one LSG confirmed interest to sign these MoUs.

The third quarter of 2015 quarter brought approval for development of 31 detailed regulation plans (DRPs) that have potential to facilitate economic development. The evaluation of calls for introduction of geographic information system and for women business start-ups was completed and recommendations will be presented at the October Programme Steering Committee (PSC) meeting. In addition, European PROGRES published calls for the provision of support for introduction of international quality or food safety standards in small and medium enterprises and for protection of produce geographic origin.

The Programme proved, once again, it can efficiently react to emergencies. In response of unprecedented influx of refugees and migrants to Serbia, especially from July 2015 onwards, and following the request from the donors and line national institutions, European PROGRES within a month procured beds, mattresses, linens, blankets, garbage containers, and water tank in order to improve sanitary hygienic conditions in two migrant and refugee centres in Preševo. The Programme also advertised tender for the purchase of garbage truck that should help the Preševo Public Utility Company to maintain the town clean.

Communications activities included organisation of the visit of the Head of Cooperation of the Delegation of the European Union to Bujanovac, Vranje, Novi Pazar, and Sjenica and of the Annual Programme Steering Committee in Gadžin Han. Support has been provided to the Bosilegrad Folklore Festival, Nušićijada in Ivanjica, and Blace Plum Festival. The second issue of the Programme Newsletter was distributed to close to 1,000 stakeholders. The Programme issued six press releases that contributed to generation of close to one hundred affirmative media reports, contributing to the visibility of the European Union, the Government of Switzerland, and the Government of Serbia.

Unlike previously, this period passed without too many political turbulences at the local level as only Medveđa underwent extraordinary elections and chose new leadership. However, there were other challenges. The Programme for the first time cancelled one grant due to failure of the implementer to provide financial reports and small financial irregularity. While implementation of projects is advancing, there are delays, especially related to grants for technical documentation. These delays could partially be attributed to inefficiency of municipalities or to recent changes in legislation, but also indicated that both the grantees and European PROGRES need to plan more realistically duration of projects, especially preparatory phase in which many prolongations are registered.

The PSC approved in principle two infrastructure projects that should be managed by the Department for Contracting and Financing of EU Funded Programmes (CFCU) of the Ministry of Finance: finishing construction of block of the Vranje Hospital and the construction and equipping of the building for emergency services in Novi Pazar Health Centre. This is a step forward for the part of European PROGRES that will be implemented through the CFCU and the Programme will initially review the available technical documentation and assist development of full applications. However, the additional delay of two months has been recorded in implementation of the CFCU managed grant scheme for the local infrastructure projects. Accumulated delays now exceed seven months and make some activities non-feasible within the current Programme end date.

The key indicators of the Programme Management performance were generally positive: the UNOPS Serbia Centre Quarterly Project Assurance for the quarter two (Q2) 2015 confirmed that European PROGRES performance was healthy as well as that concrete steps were made in terms of applying PRINCE2; financial delivery for 2015 at the end of Q3 reached 2.6 million Euros, which is 109% against set internal forecast for the first three quarters; stage work plans were delivered with estimated 80% and the Programme will have to be more rigour when setting these targets.

After the first year of implementation, while also factoring in consultations with the stakeholders and beneficiaries, the Programme team prepared a document which confirmed relevance of European PROGRES in the context of the national reforms and development needs, but also provided recommendations for addressing identified strategic risks and issues. For example, the document calls for stronger support to the SMEs, Roma community, and youth, as well as for granting flexibility to the Programme to respond to emerging development opportunities or challenges. There were no remarks by the PSC to this document and the Programme already has developed several smaller projects in line with the recommendations.

This Quarterly Report covers the period from 1 July 2015 until 30 September 2015 and provides an overview of progress and performance, update on the management and coordination issues, review of the key risks and issues, quality and sustainability considerations, insights into the key milestones for the next quarterly period, and a section on the lessons learnt. A number of annexes provide an in depth insight into particular actions taken by the Programme.

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# Review of progress and performance

## Policy and Programme Context

### Policies and legislation

The National Assembly of Serbia adopted the Law on Conversion of User Rights to Property Rights over the Construction Land on 16 July 2015, which defines conversion of the title deeds into ownership. This regulation should enable investors to obtain the building permits easier and should increase construction in the country.<sup>1</sup>

The National Assembly of Serbia adopted the changes in the Public Procurement Law on 31 July 2015. Transparency Serbia criticised the Government for proposing changes to the Assembly without public discussion but welcomed reduced administrative burden, clearer rules for emergency procurements, increased transparency of Portal for Public Procurements, and introduction of limitations to demands regarding financial capacities of bidders. Transparency negatively assessed intention to restrict submission of requests for protection of rights through clearer definition of stakeholder(s) that can exert this option.<sup>2</sup> LSGs from European PROGRES area of responsibility (AoR) have been reporting that the “request for protection of bidders’ rights” has been misused and there were cases within predecessor, EU PROGRES, where implementation was delayed due to prolonged procurements. Hence, from the Programme’s viewpoint, clarification of bidders’ rights may positively affect implementation of projects that include public procurements.

The Ministry of Finance is late with distribution of the Instructions for Development of Local Self-Governments’ Budget and the Fiscal Strategy.<sup>3</sup> The Programme’s assistance for programme budgeting and capital investment planning progresses in accordance with the plan but further delays in provision of the Instructions and the Fiscal Strategy could prolong this activity.

The Minister of Trade, Tourism, and Telecommunications, Rasim Ljajić, has formed a working group for revision of the Law on Public-Private Partnership and Concessions which should establish the central register of Public Private Partnership (PPP) projects in Serbia, and simplification of procedures. The 2011 Law proved ineffective as very few Public Private Partnership (PPP) projects have been implemented. The anticipated revisions are expected to positively impact the Programme interventions in this area.

The Ministry of Justice works on the preparation of a law that will establish systemic approach to the provision of free legal aid to vulnerable persons. The Law on Free Legal Aid, expected to be passed by the end of 2015, should provide for a wide range of free legal aid beneficiaries, as well as simplified access to justice for vulnerable groups, without imposing any additional requirements, especially with regard to exercising the right to birth registration/late birth registration in non-contentious proceedings. This legislation will also provide clear framework to European PROGRES to develop Citizens’ Advisory Service activity.<sup>4</sup>

The Ministry of Public Administration and Local Self Government has announced that according to the changes to the Law on Registry, employees of the public sector have the possibility (not liability) to state their nationality. This is a mechanism for gathering precise information on representation of

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<sup>1</sup> [Official Gazette of the Republic of Serbia No 64/15.](#)

<sup>2</sup> [National daily Politika](#)

<sup>3</sup> According to the Law on Budgetary System, the Government of Serbia is obliged to submit the draft Fiscal Strategy by 15 June and the Ministry of Finance is obliged to submit Instructions accordingly by 5 July to LSGs

<sup>4</sup> Operational Conclusions of the Social Inclusion Seminar on Roma Issues in the Republic of Serbia held on 11 June 2015

national minorities in public administration, according to which the government will be able to conduct the suitable policies in the public sector.<sup>5</sup>

### **European integration**

On 13 July the Government of the Republic of Serbia European Integration Office (SEIO) published the result of the public opinion poll "Serbian Citizens' Attitude towards the EU" conducted in mid-June 2015. The poll concluded that the number of those who support Serbia's EU membership has increased by five percent compared to the survey conducted in mid-December last year. Currently 49 percent of Serbian citizens are for, 28 percent against while 23 percent are ambiguous about joining the European Union. Over 20 percent of citizens believes that Russia is the largest donor, 15 percent opted for Japan, while China is in the fourth place with 12 percent.<sup>6</sup>

The Delegation of the European Union (DEU) in Serbia published the second edition of brochure "Negotiating Chapters – 35 Steps towards the EU".<sup>7</sup> The brochure has now been amended, providing contents of each of the chapters and overview of benefits brought to citizens. At the publication presentation the Head of Serbia EU Negotiating Team Tanja Mišćević stated that the issue of enlargement fatigue and the migrants are currently considered negative issues but could lead, as indicated by the EU history to date, to deeper integration.

### **Developments in the South East Serbia**

#### **Political**

On 7 July 2015, the Ministry of Public Administration and Local Self-Government and the Coordination Body for Preševo, Bujanovac, and Medveđa (Coordination Body) presented the results of population assessment that indicate that Preševo and Bujanovac had positive natural growth but due to migration from 2012 onwards the number of residents was reduced. By the assessment: Preševo has 29,600 usual residents (compared to 34,904 in 2002), Bujanovac has 38,300 (compared to 43,302 in 2002), and Medveđa has 7,442 (compared to 10,760 in 2002).

The ethnic Albanian leaders of the three municipalities rejected the assessment results.<sup>8</sup> The Deputy Prime Minister, and the Minister of Public Administration and Local Self-Government, Kori Udovički expressed her disappointment that this effort was not contributing to confidence building but added that the Government of Serbia nevertheless intends to use the results for future planning purposes.<sup>9</sup> Population results and consequent affirmative action will impact the local administrative systematisation. This includes the Municipal Court where the majority of ethnic Albanian posts have already been selected and all judiciary relevant activities were postponed for after the official recognition of the population count results.<sup>10</sup>

On 14 July 2015 Prime Minister (PM) of Serbia, Aleksandar Vučić visited Bujanovac and Preševo and assessed the visit as a confidence building exercise between the Serbs and ethnic Albanians.<sup>11</sup> The Mayor Ragmi Mustafa described the visit as "historical" being that this is the first time for a Serbian PM who visited Preševo<sup>12</sup>. Vučić paid a visit to the newly opened Maternity Ward in Preševo where

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<sup>5</sup> Radiostoplus.com [EU requires more minorities in public services](#) (4 August 2015)

<sup>6</sup> SEIO Opinion Poll June 2015

<sup>7</sup> [Negotiating Chapters - 35 Steps towards Europe](#)

<sup>8</sup> Titulli.com [E diela me më pak pritje në Konçul](#) (19 July 2014);

<sup>9</sup> Titulli.com [Albanian leaders reject the results of the Population Assessment](#) (8 July 2015);

<sup>10</sup> Rtv.rs [Judiciary issues in Preševo to be resolved after the Population Count](#) (02 July 2014);

<sup>11</sup> Dnevnik.rs [Vučić: Preševo Ward will remain open](#) (15 July 2015);

<sup>12</sup> Blic.rs [Historic Visit of Serbian PM to Preševo](#) (15 July 2015);

the European Union and the Government of Switzerland through EU PROGRES contributed 255,197 Euros for the medical equipment. On 29 July 2015 the first baby was born in the Ward.

Belgrade and Priština representatives signed an agreement<sup>13</sup> in Brussels on 26 August 2015, to establish the Association of Majority Serbian Municipalities in Kosovo. The Association will have broad powers and its own insignia and will decide on issues of healthcare, education, urban and rural planning and economic development. It is reported that the agreement states unambiguously as reported that Serbia has the right to fully finance the Association free of taxes and fees.<sup>14</sup>

In response, the ethnic Albanian leaders in Serbia expressed concern over the treatment of Albanian minority in Preševo, Bujanovac and Medveđa.<sup>15</sup> On 12 September 2015, 43 out of 74 Albanian councillors - representatives of five local ethnic Albanian parties, set up the Association of Preševo, Bujanovac and Medveđa<sup>16</sup> requesting the same rights guaranteed to the Serbs in Kosovo under the agreement signed in Brussels.

The President of Bujanovac Assembly and the Head of Albanian National Minority Council (ANMC), Jonuz Musliu, together with the Mayor of Preševo, Ragmi Mustafa and the Mayor of Bujanovac, Nagip Arifi supported the establishment of the Association while the Deputy Mayor of Preševo, Skender Destani stated that he was against ethnic associations. Riza Halimi, the member of the national Parliament and the leader of the Party for Democratic Action (PDA) did not participate in the meeting.<sup>17</sup>

The President of the Coordination Body, Zoran Stanković stated that the ethnic Albanian population of the three municipalities was never a subject of the Brussels discussions on normalisation of relations between Belgrade and Priština. The Head of the Serbian Government Office for Kosovo and Metohija, Marko Đurić stated that the Serbian authorities will not be responding to provocations, but will be concerned with the implementation of laws and the Constitution while protecting the human and ethnic rights of ethnic Albanians.<sup>18</sup>

The Head of the Delegation of the European Union in Serbia, Michael Davenport noted that the formation of the Association of Serbian Municipalities in Kosovo is a result of lengthy negotiations within the framework of dialogue between Belgrade and Priština. Conversely, while the formation of the Association of Albanian municipalities in southern Serbia is the right of the leading political parties in Bujanovac and Preševo, the initiative did not come out of discussions with the representatives of the European Union (EU).<sup>19</sup>

On 13 September 2015 early local elections<sup>20</sup> took place in Medveđa where 56 percent of eligible population voted for the 35 seats in the Municipal Assembly. The coalition of Serbian Progressive Party (SNS), the Socialistic Party of Serbia and the Party of United Pensioners won 22 seats with 60 percent of votes; the Group of Citizens For Upper Jablanica won 13 percent of votes and five councillors; Democratic Party of Nagip Arifi, Mayor of Bujanovac won 14 percent of votes and five councillors and Party for Democratic Action and Democratic Union of Albanians won nine percent of

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<sup>13</sup> [Association/Community of Serb majority municipalities in Kosovo general principles/main elements](#)

<sup>14</sup> Balkaninsight.com [Serbia and Kosovo reach key agreements](#) (26 August 2015);

<sup>15</sup> Titulli.com [Preševo Valley requires "autonomy"](#) (26 August 2015);

<sup>16</sup> Pravda.rs [Preševo Valley raises](#) (2 September 2015);

<sup>17</sup> Titulli.com [Albanians vote in favor of the establishment of the Association](#) (12 September 2015);

<sup>18</sup> Titulli.com [No parallels between northern Kosovo and southern Serbia](#) (12 September 2015); B92 [Ethnic Albanians set up association of municipalities](#) (14 September 2015);

<sup>19</sup> Nspm.rs [Davenport: the Association of ethnic Albanians is their right](#) (16 September 2015);

<sup>20</sup> Južnevesti.com [Medveđa: Coalition SNS-SPS-PUPS wins](#); Blic.rs [Successful elections in Medveđa](#); Studiob.rs [Medveđa elections completed](#) (14 September 2015);

votes and three councillors. The election concludes a ten month long political hiatus that followed the sudden death of Slobodan Drašković, the Municipality's long-time Mayor.

Vitomir Mihajlović and Srđan Šain both claim the presidency of the Roma National Minority Council (RNMC).<sup>21</sup> Over fifty percent of RNMC members, which is a legal quota needed to depose of the NMC president, voted Šain the new president at the meeting held on 2 September 2015 in Leskovac. The initiative comes after Mihajlović, who came to power in November 2014 during the regular NMC elections, was accused and promptly denied accusations of putting personal interest ahead of the interest of the RNMC. Claiming that the NMC procedures were not respected<sup>22</sup> Mihajlović scheduled but did not attend a regular RNMC session on 12 September thus preventing the legitimate voting. The issue has since been referred to the Ministry of Public Administration and Local Self-Government.

From the beginning of the year till September, approximately 90,000 displaced persons from the Middle East, Africa and Asia entered Serbia.<sup>23</sup> As a part of the response, two reception points were opened in the Municipality of Preševo in July and August.<sup>24</sup>

The end of August 2015 saw the Macedonian Government closing the borders and declaring the state of emergency<sup>25</sup> resulting in some 23,000 people entering Serbia in just two weeks comparing to approximately 600 migrants daily in the previous period.<sup>26</sup>

The new camp in Miratovac, Preševo, has been put in function but by far overstretching its 500 people capacity. Full medical support is provided to the people in the Preševo Refugee Centre and in Miratovac Camp.<sup>27</sup>

The Minister of Labour, Social and Veteran Affairs Aleksandar Vulin visited the Refugee Centre in Preševo several times and urged for more support from the EU, saying that the problem of refugees needs to be resolved jointly.<sup>28</sup> The Deputy Head of the DEU, Oskar Benedikt visited Preševo on 19 August 2015 and announced that the EU is allocating 3.2 million Euros in addition to 150,000 Euros in the emergency funds allocated through the Red Cross for food and hygiene items.<sup>29</sup> Meanwhile, 240,000 Euros in assistance was provided to the Centre by the EU and the Government of Switzerland through European PROGRES.

In 2015/16 academic year, Bujanovac Department of Subotica Faculty of Economics, the University of Novi Sad, enrolled 106 students for the three available programmes: Marketing, Finance, Banking and Insurance and Agro Economy and Business. Total of 69 students will be financed from the budget and 37 students will be paying their own tuition.

The Ministry of Education, Science, and Technological Development terminated the work of the Economic Faculty and the Faculty of Law departments of the University of Niš in Medveđa as they did not receive accreditation this year.<sup>30</sup>

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<sup>21</sup> RTS [One national council two presidents](#) (3 September 2015);

<sup>22</sup> Telegraf.rs [Leskovac session was not legitimate](#) (3 September 2015);

<sup>23</sup> Reuters [By boat and bus, Balkan states move migrants on](#), (3 September 2015);

<sup>24</sup> Tanjug [About 4000 migrants in Preševo, extra camp built](#) (3 September 2015);

<sup>25</sup> Blic.rs [Dramatic breakthrough of Macedonia borders](#) (21 August 2015);

<sup>26</sup> Reuters [By boat and bus, Balkan states move migrants on](#), (3 September 2015);

<sup>27</sup> Blic.rs [Dramatic breakthrough from Macedonia](#) (20 August 2015);

<sup>28</sup> Jugmedia.rs [Vulin: Migrants are a joint concern](#) (26 August 2015);

<sup>29</sup> Danas.rs [Oskar Benedikt: 3,2 million euros for migrants](#); (19 August 2015);

<sup>30</sup> Jugmedia.rs [Law and Economics departments in Medveđa abolished](#) (16 June 2015);

## Economic

The Coordination Body supports Small and Medium Enterprises (SMEs) and Agricultural Associations by co-financing, with up to 70%, the procurement of equipment and machinery. The selected projects which have the tendency of growth and new employment possibilities have access to RSD 18,090.750, RSD 20,502.850 and RSD 9,648.400 in Bujanovac, Preševo and Medveđa respectively.<sup>31</sup>

According to the Statistical Office of the Republic of Serbia the average salary in the southern municipalities is RSD 33,935 remaining significantly lower than the national average of RSD 45,583.<sup>32</sup>

On 27 August 2015 the Serbian Prime Minister Aleksandar Vučić, while attending the Western Balkans Summit in Vienna, stated that the construction of Niš - Priština - Durres highway is one of the most important projects presented at the event. The construction of a 77 kilometres long road is envisaged to link the Corridor 10 and the Corridor 8, and interconnect the region. Vučić stated that the Government was ready to allocate 350 million Euros out of the estimated at 600-650 million Euros required for the construction of the Serbian stretch of the highway while it will apply to the EU for the remaining funds.<sup>33</sup>

From January to June 2015 the companies from the Toplica District exported goods in the value of USD 61,721,422, which is a surplus of USD 16,708, The largest exporter in the first six months in Toplica District was company "Leoni" based in Prokuplje, which exported goods worth USD 49,136,482 and imported goods worth 38,453,042 USD.<sup>34</sup>

Surdulica is among five local self-governments (LSG) in Serbia praised for its successful cross-border cooperation through the Instrument for Pre-Accession Assistance (IPA). In the last seven years, Surdulica, in cooperation with Bulgarian LSGs, received over five million Euros to implement more than 20 projects intended to improve the life of its citizens.<sup>35</sup>

## Security

The Gendarmerie moved the memorial plaque from the predominantly Albanian populated Lučane village in Bujanovac to the yard of the "Saint Jovan" church in Bujanovačka Banja. The memorial plaque was erected in 2012 and was seen as a provocation by the local population as it honours 20 Serbian policemen who lost their lives during the armed confrontation with the so-called Preševo, Medveđa and Bujanovac Liberation Army (UCPMB). The Mayor of Bujanovac, Nagip Arifi saw this as a positive development towards mitigation of tensions in South Serbia.<sup>36</sup>

On 18 September 2015 the War Veteran Association of Preševo Liberation Army organised a protest against the Government discrimination towards Albanians. The protest, of approximately 200 people, was supported by the local Citizen's initiative and the Humanitarian Fund. The protesters gathered in front of the municipal building in Preševo and rallied against the current local government of and specifically against the Municipal Mayor, Ragmi Mustafa as he awarded the Prime Minister Aleksandar Vučić a plaque of gratitude when he visited the area in July 2015.<sup>37</sup>

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<sup>31</sup> Juznevesti.rs [Government supports Serbian business](#) (09 July 2015);

<sup>32</sup> Blic.rs [Income in Southern Serbia still bellow national average](#) (July 2015);

<sup>33</sup> Rtv.rs [The start of works on Niš Merdare road before 2016; Regional highway the crucial project](#) (27 August 2015);

<sup>34</sup> Jugmedia.rs [Leoni Toplica biggest exporter](#) (15 August 2015);

<sup>35</sup> Rts.rs [IPA projects for a better life in Surdulica](#) (4 August 2015);

<sup>36</sup> Akter.co.rs [Police removes the memorial plaque](#); Politika.rs [Gendarmes remove the plaque from Lučane](#) (5 July 2015);

<sup>37</sup> Akter.co.rs [Protest in Preševo](#) (18 September 2014);

## Developments in the South West Serbia

### Political

Novi Pazar Assembly adopted a resolution on Srebrenica and proclaimed 11 July as the Memorial Day of Srebrenica genocide victims.<sup>38</sup> On the occasion the SDA submitted Draft Resolution on the Genocide in Srebrenica adopted by the Bosniak National Council (BNC) to the Serbian National Assembly.

The Serbian Academy of Sciences and Arts (SANU) claim that the Bosnian language doesn't exist was sharply criticised by Bosniak institutions and individuals.<sup>39</sup> The Deputy President of the BNMC expressed his dissatisfaction with the process of pleading by the local students and their parents about official language in the local schools. The Minister of Education, Science and Technological Development, Srđan Verbić has ordered additional asserting by the end of September in all schools where the process was not was satisfactory or where it did not take place.<sup>40</sup> According to the BNMC, the lectures in Bosnian language were attended by 8,343 students in 333 classes in 33 different schools last year, while this year the number will be increased by 150.

The International University in Novi Pazar endorsed by the Mufti Muamer Zukorlić received accreditation for its Faculty of Philology.<sup>41</sup>

According to the Agency for Privatisation, the consortium of local entrepreneurs of Novi Pazar, headed by the Director of Regionalna TV who is loyal to the local ruling coalition, purchased Regional TV Novi Pazar for 89,350 Euros increasing the starting price of the bid by three Euros.<sup>42</sup>

Although the South Serbia is currently under huge influx of migrants from the Middle East and Asia, the Centres for Asylum Seekers in Sjenica and Tutin did not record many arrivals. However, the Commissariat for Refugees and Migration expects that decrease in temperatures and increased migrant influx will result in longer stopovers in Tutin and Sjenica and has increased the capacity of institutions by 50 persons each so that 200 beneficiaries can be accommodated per each shelter.

The City of Novi Pazar awarded over 25,000 Euros to 14 civil society organisations (CSOs) for the implementation of their projects this year. The largest grant is slightly over 5,000 Euros while the most received up to two thousand Euros.<sup>43</sup>

The Head of the OSCE Mission in Serbia, Peter Burkhard, stated that Sandžak is very important but neglected region. He emphasised that current OSCE activities are aimed to strengthen the City Safety as protection of citizen does not depend only on police system but is also a matters of safe traffic, environment and a strong health system.<sup>44</sup>

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<sup>38</sup> Radiostoplus.com [NP Assembly adopts Srebrenica resolution](#) (06 July 2015)

<sup>39</sup> Radiostoplus.com [Reactions to SANU conclusions on Bosniak language](#) (1 September 2015)

<sup>40</sup> Radiostoplus.com [Decision on Bosniak in schools by the end of September](#) (31 August 2015)

<sup>41</sup> news.uninp.edu.rs [Accreditation of the Faculty](#) (26 Jun 2015)

<sup>42</sup> Radiostoplus.com [RTV Novi Pazar sold](#) (14 August 2015)

<sup>43</sup> Radiostoplus.com [NGO projects supported](#) (3 June 2015)

<sup>44</sup> Radiostoplus.com [OSCE Sandžak important but overlooked](#) (23 September 2015)

## Economic

The average salary in the **South West Serbia** municipalities is RSD 33,935 and remains significantly lower than the Republic average of RSD 45,583.<sup>45</sup>

The Italian company “Moda Campania” opened a new textile factory in the village Bele Vode near Novi Pazar. The initial investment of 750,000 Euros is expected to increase to a total of 3.5 million Euros by the end of 2018. While it currently employs 50 staff the number is expected to gradually reach 330 employees by the end of 2017. The company did not receive any state subsidy and will be orientated towards exporting produced goods.<sup>46</sup>

The prolonged negotiations with the Finnish truck company “SISU auto” on privatisation of Priboj truck factory FAP have again been postponed after the September 2015 deadline for conclusion of agreement was not met.<sup>47</sup> Recently, both the Government and the President of Serbia announced additional potential partners of FAP – the Czech company Tatra and the Chinese Shaanxi Automobil Group citing difficult negotiations with the SISU Auto as a cause.

The Republic Directorate for the Property of the Republic of Serbia has signed a contract with local administration<sup>48</sup> transferring the ownership of FAP facilities to the Municipality of Priboj. The land which is run by the newly formed Public Enterprise “Industrijski Parkovi” has been fully legalised for adjustment into the industrial zone. The Government has agreed to equip the land with appropriate infrastructure for it to subsequently be leased to interested businesses.

## Progress towards achieving objectives

This period brought strong advancements despite summer. Out of 29 Programme activities, 23 or 79% have been progressing in accordance with the initial plan and 3 or 10% are moving forward with small but manageable delay.<sup>49</sup> By completing evaluation of applications received in response to the Calls for Proposals (CFPs) for Introduction and Development of Geographic Information Systems (GIS) and for Supporting Women Entrepreneurship with Start-up Grants, the number of conducted European PROGRES calls is eight.

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<sup>45</sup> Radio Sto Plus (2015), [Blagi porast prosečnih zarada](#) (2 September 2015)

<sup>46</sup> Radiostoplus.com [New Moda company opened](#) (14 September 2015)

<sup>47</sup> Danas.rs [New partners for FAP](#) (2 September 2015)

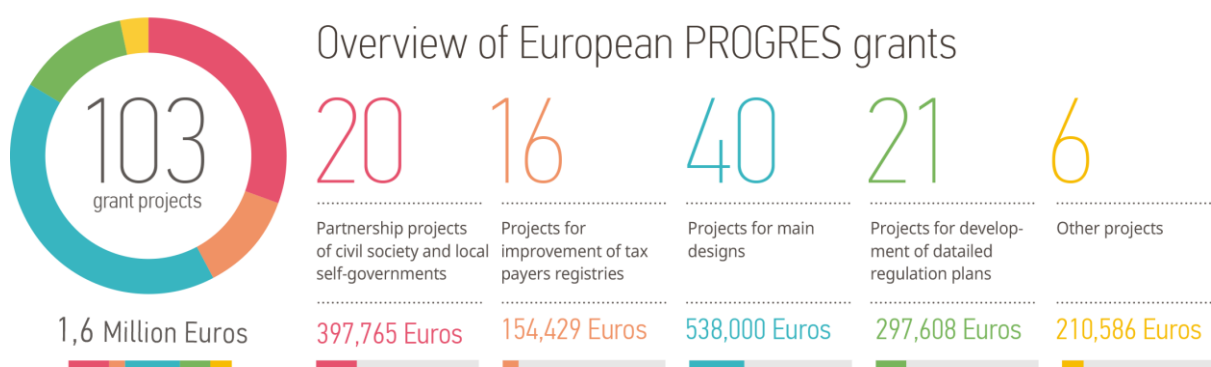
<sup>48</sup> Priboj033.com [Part of the FAP complex given to Priboj](#) (2 September 2015)

<sup>49</sup> Overview of European PROGRES performance against indicators in the Logical Framework Matrix is provided in the Annex VI, that is also integral part of this Report

## Status of European PROGRES Calls for Proposals

Call for Proposal	Applications	Municipalities	Approved projects	Approved funding
CIF: Partnership projects of the CSOs and LSGs	77	32	20	397,765 Euros
Development of Main Designs for Local Infrastructure	53	28	40	538,000 Euros
Improvement of the Tax Payers Registry	30	30	16	154,429 Euros
Provision of support to clusters	9	n/a	5	169,692 Euros
Capital Investment Planning and Programme Budgeting	15	15	15	Technical Assistance
Development of Detailed Regulation Plans	24	24	21	297,608 Euros
Women Entrepreneurship	134	27	pending PSC decision	pending PSC decision
Development of Geographic Information System	28	32	pending PSC decision	pending PSC decision
Average	46	27 (80%)	-	-

In addition, the July PSC approved 21 applications for planning documentation<sup>50</sup>, which will bring the total number of grants to 103.



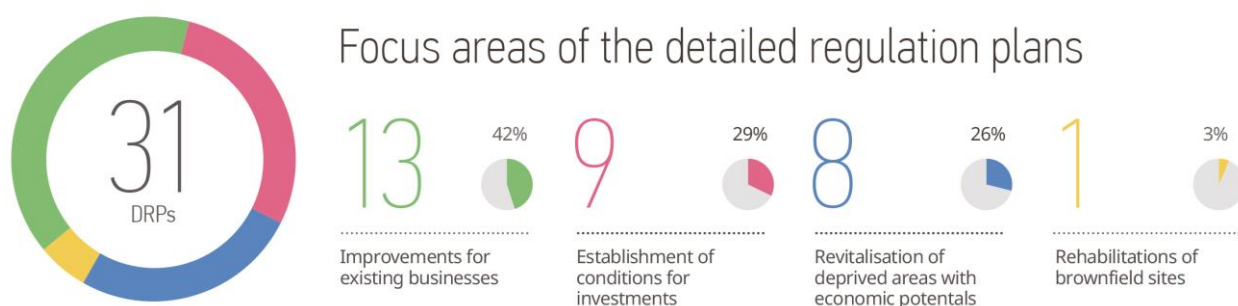
### Result 1

**Strengthened local governance, planning and management capacities through introduction of new, or improvement/elimination of existing procedures and processes in line with the principles of good governance**

<sup>50</sup> The European PROGRES PSC approved funding of 21 applications with 31 DRPs. If funding becomes available, the PSC supported funding of additional two applications with four DRPs

The following developments demonstrate initial effects of the Programme's efforts to strengthen local governance. First, it was confirmed that 16 grants for improvements of local taxpayers' registries led to registration of over 14,000 new taxpayers so far<sup>51</sup>. The current data indicate that the number of taxpayers will increase in majority of beneficiary LSGs on an average 17% while in several cases the increase may even reach 30% (e.g. Gadžin Han, Bosilegrad, Presevo and Vladičin Han).

All 31 detailed regulation plans (DRPs)<sup>52</sup> that will be developed have potential to stimulate economic growth: thirteen DRPs will contribute to improvement of working conditions in existing businesses; nine to establishment of conditions for investments; one to creation of conditions for rehabilitations of brownfield sites; and eight to revitalisation of deprived areas and activation of its economic potentials.



## Result 2

**Increased competitiveness of local economy through improved business environment and management/organizational capacities of small and medium enterprises/agricultural cooperatives**

Two results single out within the work on competitiveness and business environment. Completion of the construction and equipping of the building for the Bujanovac Department of the Subotica Faculty of Economics create conditions for 400 current students, half of which are approximately Albanian and half Serbian, with but also future generations, to obtain high education in a building that provides high educational standards, not only for the area but for the whole Serbia. This marks completion of priority project of the Government of Serbia for the south of the country that has potential to contribute to integration of Albanian minority and confidence building but to also offer better long term economic perspective for young people and the whole area through enhanced access to high education.

Considering evaluation results of the applications for start-up grants for women entrepreneurship, it is realistic to expect that targets of establishment of at least 40 new businesses owned by women, providing jobs to at least 80 people will be met.

## Result 3

**Improved access to employment, offering equal opportunities to both men and women, and social inclusion of most vulnerable and marginalised groups through development and implementation of local policies resulting in reduced migration from South East and South West Serbia**

The first three projects supported through the Citizens' Involvement Fund were completed: the project from Raška implemented by the Association for Helping People with Disabilities finished

<sup>51</sup> Overview of current results of projects for improvement of taxpayers' registry is available in Annex I, Attachment 1.1

<sup>52</sup> The list of Detailed Regulation Plans is available in the Annex I, Attachment 1.1

successfully, resulting in the temporary employment of seven people with disabilities on public works for souvenirs and wood items production, for the period of six months; ten unemployed people from Bosilegrad from vulnerable communities, including two Roma, have received equipment and bee hives to start honey production.

The Daily Centre “Sun” for children with disabilities in Ivanjica, run by the Cerebral Palsy Association, will expand the transportation service by 30% after procuring the vehicle. An estimated expansion of the service is 30% in the upcoming period. Within the same project, the grantee trained 18 persons in provision of assistance to the children with disabilities. Employment of the trainees is realistic as the Municipality of Ivanjica announced the need for 14 persons of such profile. In addition, one-year contract was signed with the Ivanjica Health Centre for providing speech therapy. Services are provided on the logopedic device that was donated to the Association through the previous Programme, EU PROGRES and since this is the only logopedic service in the region, users from four neighbouring municipalities will use it.

Thirty elderly persons from remote six villages in Babušnica were provided with home care through engagement of three unemployed women as their housekeepers. In total, ten persons have passed accredited training and received certificates for the provision of home help services, while the three most successful training-wise and most vulnerable women got the engagement.

#### Result 4

##### Effects of Serbia’s European accession communicated to general public

European PROGRES communication activities generated close to one hundred affirmative media reports about the Programme activities. In total, 678 media reports were registered from the start of European PROGRES.

### European PROGRES coverage in the media



678

Positive media reports  
generated

93

Media reports registered during the reporting period

## Activities and outputs

### Result 1

**Strengthened local governance, planning and management capacities through introduction of new, or improvement/elimination of existing procedures and processes in line with the principles of good governance**

#### 1.1 Support municipalities in development of their capacities for planning and execution of capital investments

European PROGRES organised 12 on-site workshops to assist development of PBs and CIPs<sup>53</sup>, four each month, that gathered representatives from all 15 municipal administrations and local public utility companies. In total, 322 people who attended the workshops, of which 143 or 44 % were women. The evaluation of workshops was very positive as 295 (91%) participants assessed them with excellent or very good while the overall rating was 4.85 (on a scale from one to five, five being excellent).<sup>54</sup>

The key milestones include: definition of criteria for capital investment projects (such as their value, length, or scope) and their endorsement by assemblies in each of 15 beneficiary LSGs, and review and revision of financial plans of the local budgetary users. To overcome delayed sending of instructions for development of local budgets by the Ministry of Finance, European PROGRES provides TA for on the basis of previous Fiscal Strategy and registered trends, and will adopt approach if necessary.

Implementation of grants for improvement of the taxpayers' registries in 16 LSGs is ongoing and started to produce the first results. Five grants have been annexed to allow extended time for the registration of (new) tax payers<sup>55</sup> whereas additional five projects are expected to do so in the upcoming period.<sup>56</sup>

#### 1.2 Assist municipalities in setting up urban planning conditions for infrastructure development

The PSC, by using electronic voting in early July, approved funding of 21 applications for development of 31 Detailed Regulation Plans (DRPs).<sup>57</sup> The total value of proposals is 395,011 Euros of which 297,608 Euros or 75% will be provided through European PROGRES. The Programme issued 20 grants, while signing of agreement with Brus is pending as this Municipality has to cancel the public procurement for DRP that was started before the approval of funds.

The Call for Proposals (CfP) for the introduction of Geographic Information System (GIS)<sup>58</sup> was open from 26 May until 13 August 2015. The interest from LSGs was high: 32 municipalities responded to the Call of which 24 submitted individual applications while eight developed four partnership proposals (each involving a lead LSG and a partner one). The total value of the submitted proposals is 2,952,749 Euros of which 2.569.533 Euros (87%) is requested from European PROGRES.

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<sup>53</sup> The twelve on-site workshops were hosted by: Bela Palanka, Medveđa, Sjenica and Vranje in July; Bujanovac, Vlasotince, Nova Varoš and Merošina in August; Novi Pazar, Preševo, Blace and Aleksinac in September

<sup>54</sup> Evaluation reports are available with European PROGRES

<sup>55</sup> Tutin, Bujanovac, Ivanjica, Trgoviste and Presevo have signed Grant Agreement Amendments to extend implementation period

<sup>56</sup> Grant Agreements with Crna Trava, Bela Palanka, Babušnica, Aleksinac and Gadžin Han are initially planned to end in 2015 but must be extended for 3-5 months

<sup>57</sup> The European PROGRES PSC approved funding of 21 applications with 31 DRPs. If funding becomes available, the PSC supported funding of additional two applications with four DRPs.

<sup>58</sup> [Call for Proposals for Development of Geographic Information System](#)

Evaluation was conducted and preliminary results show that indicative funding of million Euros allocated for this CfP will be sufficient to support 11 best applications (involving 12 municipalities). Recommendations for funding of GIS proposals will be presented at the PSC that is planned for early October 2015.

#### 1.3 Technical assistance to municipalities to improve procedures and processes for contracting, contract management, monitoring and evaluation of infrastructure projects

Two sessions about the International Federation of Consulting Engineers (FIDIC) contract modality in implementation of infrastructure projects were organised in August 2015 for 101 participants, of which 40 were women (39.6%) from all 34 LSGs. These two trainings covered Module 2 that deals with the management of claims and disputes resolution under the FIDIC contracts.

#### 1.4 Support municipalities to enhance their good governance capacities and to introduce structural governance reforms

The Local Governance Assessment of 34 LSGs has been completed. The methodology was comprised out of 125 indicators, covering five Good Governance (GG) principles (accountability, transparency, efficiency, participation, and non-discrimination).<sup>59</sup> The findings from the Assessment provide inputs for the design of local governance reform plans that will be implemented in at least five beneficiary LSGs.

The Memorandum of Understanding for GG Interventions in the LSGs has been finalised and distributed to the mayors for their consideration. By the end of September, 31 municipalities confirmed their interest in signing the MoU. European PROGRES will organise the MoU signing ceremony and announce plans for the governance reforms in November 2015.

The training plan for the staff of the future Municipal Good Governance Competence Centres has been developed. The curriculum includes six three-day courses whereas through interactive work and exercises all of the five GG principles will be presented. The first workshop on the topic of accountability is scheduled for end-November.

The September Swiss Backstopping Mission has been organised, during which a plan for GG activities for the Q4 2015 has been agreed. In an effort to address recommendations voiced by the Backstoppers during May mission, European PROGRES started with reorganisation of its GG team to enable its core members to focus on strategic issues and transfer of GG knowledge to LSGs.

#### 1.5 Institutional development of local gender equality mechanisms

Tailor made plans for strengthening 21 local Gender Equality Mechanisms (GEMs) with low capacity, were developed on the basis of the Assessment of the Institutional Capacities of GEMs in 34 LSGs. Support will focus on supporting data collection of women's position that can be used for evidence based policy making.<sup>60</sup>

Activities on strengthening of the GEMs also included: re-addressing the local legal framework (e.g. GEM in Bela Palanka) and re-structuring the existing bodies to present better gender balance (e.g. GEM in Žitorađa); advocacy efforts lead to improved status and functioning of GEMs in Svrlijig (members of GEM are not from local government), in Bosilegrad (establishment of GEM as a

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<sup>59</sup> Local Governance Assessment Final Report is available in Annex I, Attachment 1.3

<sup>60</sup> Capacity building plans for development of 21 local GEMs is available in Annex I, Attachment 1.5

permanent body), and Doljevac (change the composition of GEM to include people that will be more active).

Out of 13 LSGs that do not have Local Action Plans on Gender Equality: Aleksinac and Crna Trava adopted plans in August and September; seven municipalities were provided with UN Women expert support and work on development of LAPs; Bujanovac and Brus prepared LAPs without support from UN Women; only Doljevac has neither made progress nor committed to develop the plan. However, it is expected that the remaining municipalities will adopt LAPs by the end of 2015.

Twenty-one municipalities have adopted the European Charter on the Equality of Women and Men at local level. Out of the remaining 13 municipalities, in six<sup>61</sup> the decisions are in the procedure of adoption. Five municipalities<sup>62</sup> are currently in the process of drafting the decisions whereas Medveđa and Doljevac have so far failed to demonstrate any respective progress.

UN Women will organise signing ceremony of the European Charter in early December, during which plaques will be awarded to all 34 municipalities for their contribution so far and participating in the implementation of the principle and policies of gender equality at local level.

A Call for Proposals for supporting local GEMs with small grants will be announced in 2016, after the local elections.

#### 1.6 Strengthening capacities and developing advocacy skills of LSGs' staff on Gender Equality

This activity is planned for after the local elections in 2016.

#### 1.7 Gender responsive budgeting

UN Women, the implementing partner for this activity, has been providing TA for introduction of Gender Sensitive Budgeting in ten LSGs. Outputs included development of the Guidelines for Gender Sensitive Consultations on Budgetary Priorities<sup>63</sup>, that among other provide tools for enhancing citizens' participation in defining gender responsive budget and for reviewing that women and girls' needs are properly reflected in the budget.<sup>64</sup>

Eight municipalities work on finalisation of their Gender Responsive Budgeting (GRB) proposals for 2016 budget. The GEMs from Vlasotince and Bujanovac have not been participating in trainings and have not been regularly providing requested feedback to UN Women. The Programme will provide additional support to these GEMs if they reconfirm interest and commitment.

With UN Women's assistance, Priboj's Board for Improvement of Gender Equality organised in September a round table to facilitate dialogue about development of local budgets, and in particular about implementation of the GRB methodology.

Individual mentorship and advocacy for improvement of GRB initiatives will continue in October. An overview of activity results in the field of gender equality is given in Annex I, Attachment 1.4.

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<sup>61</sup> Bujanovac, Vranje, Svrlijig, Bela Palanka, Blace, Trgoviste

<sup>62</sup> Crna Trava, Brus, Gadžin Han, Babušnica, Merošina

<sup>63</sup> Complementarity to the Manual for Participative Budgeting that was developed under EU PROGRES was ensured

<sup>64</sup> Guidelines for gender responsive budgeting are available in Annex I, Attachments 2.6 and 2.7

## Result 2

### Increased competitiveness of local economy through improved business environment and management/organizational capacities of small and medium enterprises/agricultural cooperatives

#### 2.1. Technical assistance for municipalities to improve business-enabling environment

The July PSC did not approve proposal for provision of assistance to LSGs for implementation of electronic building permit system that was developed by the National Alliance for Local Economic Development (NALED) and sponsored by the Ministry of Construction, Traffic and Infrastructure (MCTI). The Programme has changed the approach and will, in coordination with the MCTI, reconfirm the relevance of the activity and develop the Terms of Reference for the selection of implementing organisation through competitive process.

The Programme has (re)started work on update of baseline competitiveness data. The efforts included: reduction and rationalisation of the number of indicators needed for calculation of municipal competitiveness index from some 2,500 to less than 1,200 and development of concept for revision of Competitiveness Web Portal in order to make this tool more user friendly, functional, and effective. Ongoing efforts should enable the Programme to update competitiveness data will start in November 2016.

#### 2.2. Support preparation of technical documentation and tender packages for two selected inter-municipal and at least 35 local economic/social infrastructure projects

Implementation of 40 grants for the development of main designs is ongoing. All LSGs paid their co-funding. Until the end of September, 11 public procurements were completed and contracts for development of designs signed; 22 tenders for procurement of design services were advertised; seven municipalities still work on development of tender documentation. Despite progress, the Programme registered delays in the implementation of 15 grants. The following are the main causes of delays: the changes to the Public Procurement Law that came into force on 12 August 2015 introduced adjustments to the procurement procedure; some of the LSGs advertised tenders for the technical documentation for the first time since the new Law on Planning and Construction was adopted and hence the preparation took longer than planned; the opening of grant accounts and the transfer of co-funding was completed in early August 2015 which was two months later than planned.<sup>65</sup>

The Programme in the paper Focussing of Relevance, Outputs, and Potential Impact<sup>66</sup> recommended redirection of the remaining funds from this activity towards disaster risk and recovery projects. The document was shared with the PSC in early September and as there were no remarks, European PROGRES will develop projects in line with this recommendation.

The Grant to support operations of the Joint Technical Secretariat of the Instrument for Pre-Accession Assistance Cross-Border Programme Serbia-Montenegro was completed on July 31, 2015, and in that period the third CfP was launched as the most important activity. There were 141 applications in response to the CfP, which is an increase compared to calls from 2009 and 2011 that attracted 56 and 102 proposals respectively. The incline in the number of proposals is an indicator of increased capacities of LSGs in project management.

#### 2.3 Financially and technically support implementation of at least two projects contributing to the socio-economic development (at least one to be implemented by the Programme and one by CFCU each)

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<sup>65</sup> This issue with the transfer of donors' funding and municipal resources has been raised with the Ministry of Finance. The official opinion has still not been provided.

<sup>66</sup> The document is available in the Annex V, Attachment 5.4

The construction and the delivery of equipment for the building for the Bujanovac Department of the Faculty of Economics Subotica are completed within the contractual deadlines. The technical commissioning of works is ongoing, and the usage permit should be issued by mid October 2015.

The total value of this project was 121,079,635 Dinars: EU and the Government of Switzerland through the Programme provided 96,141,639 Dinars, the CB contributed with 20 million Dinars and Bujanovac 4,937,996 Dinars. The building will be ready to receive the first students in October.

The July PSC approved in principle the completion of the new block within Vranje General Hospital and the construction of Novi Pazar Emergency Ward projects. If ratified the projects will be contracted through the Department for Contracting and Financing of EU Funded Programmes of the Ministry of Finance (CFCU) while European PROGRES will provide TA for development of tender to be advertised by the CFCU in late January/early February 2016. Currently the Programme is providing TA, in coordination with the SEIO and the CFCU, the Ministry of Health, Vranje Hospital, and Novi Pazar on development of full project applications to be considered by the October PSC.

In August 2015, the CFCU provided the draft ToRs about role of European PROGRES in implementation of infrastructure projects. The documents are being considered and will be finalised between the SEIO, CFCU, and the donors, in October 2015, to allow smooth provision of TA to the beneficiary LSGs, CFCU, and SEIO.

#### 2.4 Technical assistance for implementation of grants for local infrastructure projects

The CFCU Evaluation Committee started the evaluation of concept notes for local infrastructure projects in August 2015 but the results are not being made public yet. This added additional two month delay to the activity and likely means that signing of grants that was planned for June 2016, may be prolonged to the second half of 2016. Having in mind the duration of further steps in realisation of the grant scheme, the implementation of local infrastructure projects will probably enter 2018, which is beyond the European PROGRES end date.<sup>67</sup>

#### 2.5 Support municipalities in development of local policies and/or administrative regulations

The Programme presented the methodology for “linking GG with infrastructure projects” to the CFCU and expressed the concerns in regard to the extended timeframe for implementation of local infrastructure.

In September, the Programme also organised meeting between the Swiss Back Stoppers and the CFCU that was used to enhance mutual understanding about the framework for grant scheme for local infrastructure and about room for introduction of GG element into their implementation.

#### 2.6 Develop policies and/or administrative regulations addressing vertical coordination between the Government and local self-governments in cooperation with line ministries and stakeholders

The Programme, in consultations with the Standing Conference of Towns and Municipalities (SCTM) and Social Inclusion and Poverty Reduction Unit (SIPRU), developed a plan for organisation of two initial workshops on the vertical dimension of GG: the first one is scheduled for 22 and 23 October and will address applicability of environmental protection policy framework<sup>68</sup>; the second workshop is planned for end of January and will tackle implementation of social protection policies.

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<sup>67</sup> This development has also been covered in the Risks and Issues Section of the Report.

<sup>68</sup> Draft programme for the first workshop is available in the Annex II, Attachment 2.1

European PROGRES also met the Republic Secretariat for Public Policy in order to include this national institution in the vertical dimension of GG activity. The Secretariat positively assessed European PROGRES approach since they need to establish cooperation with LSGs when it comes to piloting their methodologies and concepts.

#### 2.7 Provide support for establishment of at least two PPP for exploitation of the municipally owned land or facilities

European PROGRES initially staged three sessions to raise awareness of senior municipal officials about public-private partnership (PPP) policy framework and concepts. The sessions attracted 79 participants (out of which 27 or 34% were women) from all 34 LSGs, including six mayors and 25 assistant mayors.

Further on, the Programme organised three two-day trainings about PPP with 24 LSGs represented by 57 participants (17 or 29% were women).<sup>69</sup> Over 20 projects with potential to be implemented through PPP have been identified at the workshops, majority of which address energy efficiency issues. Despite high interest, the activity continues to carry high risk due to very few successfully implemented projects in Serbia in this area. European PROGRES will assess maturity of identified project ideas before taking further steps.

#### 2.8 Facilitate establishment of the new SME clusters, and support existing SME clusters in common market approach and internationalization through introduction of international quality management

Following July PSC approval, the Call for Provision of Support for Introduction of International Quality or Food Safety Standards<sup>70</sup> was advertised on 10 September and will be open until 23 October. European PROGRES organised five info sessions<sup>71</sup> to present the CfP criteria but despite efforts to attract the SMEs<sup>72</sup> the turnout was lower than expected as in total 73 persons attended (of which 30% were women). In the first half of October European PROGRES will organise a series of follow up meetings with representatives of SMEs, with support from local partners, such as the Business Incubator Centre from Vranje, in order to generate further interest.<sup>73</sup>

Implementation of the five grant agreements with clusters is underway and in accordance with the plan. The clusters contracted planned consultancies, procured small scale equipment, and commenced with implementation of soft activities including joint product development and identification of tourism offer. Small delays occurred in the implementation of activities of the footwear cluster from Novi Pazar caused by prolonged procurement of special software for modelling.

#### 2.9 Support agricultural producers in reaching common markets through establishment of cooperatives, introduction of new production techniques, and international standards on food safety

The criteria for the CfP for Support for Protection of Geographic Origin<sup>74</sup> were approved by the PSC on 29 July. In order to ensure that sufficient number of applications is received the CfP was published on 10 September. The five info sessions about the CfP were held jointly with the ones promoting the Call for Introduction of Standards in SMEs. Although the interest for these sessions

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<sup>69</sup> Evaluation of training is conducted and documentation available with European PROGRES

<sup>70</sup> [Provision of Support for Introduction of International Quality or Food Safety Standards](#)

<sup>71</sup> Five info sessions were held on 15-18 and 25 September in Vranje, Leskovac, Novi Pazar, Prijepolje and Aleksinac respectively

<sup>72</sup> Efforts included sending of press advisories, usage of social networks, and dissemination of invitation through different channels (e.g. Chamber of Commerce, regional development agencies, and local economic development offices)

<sup>73</sup> The lower turn out by SMEs showed that there is a need to use/develop specific communication channels and tools to reach out to business community. This is lesson learned and the Programme will search for adequate responses.

<sup>74</sup> [The Call for Proposals for Support for Protection of Geographic Origin](#)

was lower than expected, a number of dairy and meat producers expressed interest for certification of products, including for “stelja”, “sjeničko jagnje”, and “sudžuk”. The producers have shown moderate interest for certification for authorised use of marks of protected geographic origin for seven products that already have it as this would require from them to (re)organise production in accordance with approved elaborate(s). European PROGRES will continue to promote the CfP through meetings with LSGs and relevant business associations. The CfP closes on 23 October.

#### 2.10 Support to women entrepreneurship

The CfP for Women-owned Start-up projects was closed at the end of July, with 134 project proposals received. The evaluation was finalised during August, and one-on-one interviews with 78 applicants recommended for the second phase of the evaluation were conducted in September. In addition to this, by the end of September, European PROGRES organised site assessments of 20 locations to make sure the premises would comply with specific regulatory requirements (e.g. food production).

Based on all the reviewed applications<sup>75</sup>, the candidates have expressed most interest in start-up businesses in textile industry (19), followed by processing and preservation of fruit, vegetables and herbs (17) and provision of hairdressing and beauty care services (15). The recommended project proposals will be presented for consideration at the October PSC.

### Result 3

**Improved access to employment, offering equal opportunities to both men and women, and social inclusion of most vulnerable and marginalised groups through development and implementation of local policies resulting in reduced migration from South East and South West Serbia**

#### 3.1 Citizens' Satisfaction Surveys conducted in the last year of programme implementation

The Citizens' Satisfaction Survey will be conducted in the last year of the Programme implementation, using the surveys prepared through European PROGRES' predecessor – EU PROGRES - in 2010 and 2013, as the baseline.

#### 3.2 Citizens' Advisory Services enable citizens to access their rights and entitlements

The assessment of the status of free legal aid (FLA) services in 34 LSGs was conducted in order to determine the need, interest and possibilities for realisation of this activity. Twenty-nine out of 34 municipalities responded to the initial enquiry. In total, 18 municipalities confirmed that they don't have FLA services, while some underlined that this service is being provided informally through other departments by the employees with legal education. Several municipalities pointed out that the current Government policy, which is restricting any new employments in the public sector, prevents them from organising this service for the vulnerable citizens.

The draft Law on Free Legal Aid is under consideration and expected by the end of the year.

#### 3.3 Develop and deliver vocational training programmes according to identified local economy needs

Implementation will be intensified in Q3 in 2015.

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<sup>75</sup> A comprehensive breakdown list will be provided to the PSC and considered at the October meeting

### 3.4 Support preparation and implementation of local strategies/action plans for employment and social inclusion

The implementation partner was selected in September and will be responsible for providing expert support to the municipalities in assessing the needs of vulnerable and marginalised groups, creation and revision of new and the existing relevant local policies of importance for these groups, as well as for building capacities of relevant local organisations/institution. It will also, in cooperation with the municipalities, pilot new policies, defined during the process, through small grants for vulnerable and marginalised, including Roma. These are to be awarded in 2016. An agreement with the implementation partner is to be signed in early October.

### 3.5 Promote active inclusion and improved integration of social and employment services in underdeveloped municipalities

This activity will share the implementation framework developed within the Activity 3.4.

### 3.6 Improved Technical Capacities of Local Medical Centres in Addressing Women Health

This activity will be initiated in Q4 2015 through meetings with representatives of municipalities and healthcare centres, to determine the needs for procurement of medical equipment for improvement of women's health. The procurement will begin in early 2016 and will be followed by activities pertaining to raising awareness of the public about the importance of prevention and improvement of reproductive health of women.

### 3.7 Improvement of working conditions and management of local cultural institutions in multi-ethnic municipalities

Several consultations were held with the representatives of the Coordination Body in an effort to agree the concept for the activity. Although it was agreed with the Coordination Body that it will submit a proposal for this activity during September, the deadline had to be extended upon its request for the beginning of October. The course of action will be decided after its proposal is submitted.

### 3.8 Two rounds of calls for proposals under Citizens' Involvement Fund (CIF) for partnership projects of civil society organisations and local government institutions

The implementation of CIF projects is on track: 75% of funds were disbursed, three projects out of 20 were successfully completed during August and September, while other projects are showing the first results.

The project granted to the NGO Local House of Development from Brus had to be cancelled due to the consecutive failures of the Project Manager to provide reports as well as due to small amount of unjustifiable spending. A notice on project cancellation was sent to the grantee in September and the procedure for reimbursement of funds was initiated.

So far, the European PROGRES supported the Roma community through five CIF projects that support education, economic empowerment and employment of Roma. In addition, the Programme will support projects for social inclusion of Roma children talented for music and enhancement of fire safety of Roma settlements in ten municipalities after addressing the comments made by PSC. European PROGRES is assessing validity of project for development of planning and technical documentation for Roma settlements while two activities - equipping of four RNMC offices is pending resolution of the RNMC leadership and confirmation of several technical aspects.

### 3.9 Support young people from Albanian community to learn Serbian language

The selection of six Teaching Assistants to Teachers of Serbian as a non-mother tongue has been conducted in August. The ToR for assistants was developed by the experts from Universities of Belgrade and Novi Sad, the Ministry of Education, Science and Technological Development and the

Coordination Body. Selected candidates started class work after three day language methodology training. The assistants are engaged in four biggest elementary schools attended by Albanian students and will be assisting 365 children of the fourth grade and 500 students of the seventh grade.

The procurement process for the students' textbooks from the fourth to the eighth grades, the teachers' manuals and education material for Serbian as non-mother tongue was completed in September. The delivery of the books and materials to 16 schools will be realised in October.

### 3.10 Design and implement targeted measures to reduce migration from South, South East and South West Serbia

Serbia registered an unprecedented influx of displaced population from the Middle East, Africa and South-Central Asia. The increased population flow prompted the donors to revise this activity and enable the Programme to respond to the massive crisis unfolding in one of its municipalities (Preševo). The Programme accommodated the request from the donors and procured the specific items from the Government and the Municipality's list of the most needed items, including beds, pillows, bed linen, mobile sanitation facilities, personal hygiene products etc.<sup>76</sup>

## Result 4

### Effects of Serbia's European accession communicated to general public

#### 4.1 Communicate actions, results and impact of the programme activities with the link to Serbia's overall European integration efforts

##### Visits and events

Two high profile visits took place over the quarter. The DEU Head of Cooperation Sector and the Head of the Third Sector of Operations visited Bujanovac and Preševo on 8 September 2015 to survey the final phases of the building for the Bujanovac Department of Subotica Faculty of Economics and to assess the further needs of the collective reception centre for migrants in Preševo and Miratovac. On 10 September 2015 the two officials travelled to Novi Pazar and Sjenica where they visited two EU PROGRS projects - one of the nine dams on the River Raška and the Regional Centre for the Development of Agriculture. The two visits received a dozen positive media reports in both local and national media.

The First Annual Programme Steering Committee (PSC)<sup>77</sup> has been organised in Gadžin Han on 29 July 2015 with the presence of over 80 representatives of the donors, Government, LSGs, civil society and the media, including ten mayors and six deputy mayors. The event attracted 20 positive media reports.

Three festivals were supported - The Bosilegrad Folklore Festival (27 July-2 August), Nušićijada Festival in Ivanjica (28-30 August) and Blace Plum Festival (21-23 August). The high visibility standards set for the Festivals were fully respected and the EU/SDC/Programme emblems were featured on the promotional material including 15 billboards, three stage banners and various print and video materials. The donors received an honorary mention during the opening events and at numerous relevant activities such as an award ceremony for the best women entrepreneur in the field of plum production. All three festivals presented the letters of gratitude to European PROGRES.

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<sup>76</sup> The table providing overview of procured items to support Government's response to migrant crisis is available in the Annex III, Attachment 3.1.

<sup>77</sup> The Minutes of the Programme Steering Committee are available on [European PROGRES website](#), in Serbian and English.

## Media

Six press releases have been circulated and close to one hundred affirmative media reports were registered about the Programme activities. The national media coverage was higher than usual and predominantly focussed on the support provided to the Preševo Migration Centre. The Radio Television of Serbia, dailies Politika, Danas, Večernje Novosti, Kurir and Blic as well as Beta and FoNet news agencies reported extensively on this portion of assistance. All major regional media such as JugMedia, Jugpress, RTV Vranje, Topličke vesti, Radio Sto Plus and OK Radio have been regularly covering the Programme developments. The European Union and the Government of Switzerland funding support to the Programme has been accurately noted in reports.

The digital media engagement is steadily on the raise. European PROGRES website attracted average 2,626 unique visitors per month, with the total of 14,017 registered visits. The portal underwent a thorough text, document, and link checks and is regularly updated with the relevant content. While during the quarter six press releases were published the Tenders and Public Calls remains the most visited page on the website.

## Number of visits to the Programme website



43,421\*

\* Since the launch of the website on 8 December 2014

14,017

Registered visits during the reporting period

Social media presence has significantly improved and the Programme is now regularly using Facebook and Twitter accounts for the promotion of the activities. Since May, when the two accounts were established, the number of followers has reached 295 and 46 per portal respectively. In the past three months 13 Facebook posts were seen by 3,716 people while 16 Tweets directly promoted the European Union and the Government of Switzerland's support to the Programme areas.<sup>78</sup> The second issue of the Programme Newsletter was published and distributed to close to 1,000 stakeholders in the government, media and non-government sector. In addition, the Programme news are promoted on UNOPS Serbia Twitter account.

## Tools and visuals

The Programme has re-produced the set of promotional materials: 2,000 notebooks, 2,000 folders, 2,000 plastic pens, 500 hard folders and Fast Fact one pagers with basic information about the Programme (500 in Serbian and 500 in English language). Two commemorative plaques are also produced for the Bujanovac Department of Subotica Faculty of Economics building.

### 4.2 Implementation of advocacy/awareness campaigns in partnership with civil society with attention to European values

The four eligible proposals received for the first Bringing European Integrations Closer to the People in the South East and South West Serbia campaign were evaluated and rejected due to major weaknesses in all. The new process of selection is pending altering the existing ToR to more precisely define the focus of the campaign.

<sup>78</sup> A spreadsheet detailing all channels of media coverage is available in the Annex IV, Attachment 4.1

# Management and coordination

## Programme Steering Committee

The PSC meeting was held in Gadžin Han on 29 July and, among other, resulted in the approval of the Annual Report and criteria for the CfP for introduction of international quality or food safety standards and quality mark for SMEs and CfP for provision of support for protection of geographic origin. The PSC also approved in principle finishing of the construction of a new block within Vranje Hospital and the construction and equipping of the building for emergency services in Novi Pazar Health Centre. The next PSC meeting is planned for October 2015.

In addition, the PSC used electronic voting procedure<sup>79</sup> to consider and approve proposals for funding of DRPs that was organised from 1 until 10 July.

## Finance

The following are the key indicators of European PROGRES financial performance:

- The delivery for Q3 was 1,287,636.00 Euros
- The delivery for the period Q1-Q3 2105 was 2,630,287.00 Euros, which is 117.44% against the internal Programme target of 2,239,649 Euros
- The total delivery as of 30 September 2015 is 3,719.844.00 Euros or 21.30 % of the Programme budget
- The forecast delivery for the Q4 2015 is 1,336,500 Euros
- The third instalment of 680,000.00 Euros from the SDC received was in July 2015. The request for the second payment was submitted to the DEU in August 2015.<sup>80</sup>

## Procurement

The key procurement activities included advertisement of: six tenders above USD 50,000; 23 tenders between USD 5,000 to USD 50,000; and ten shopping procedures (below USD 5,000). There have been no formal complaints on any of the conducted procurement processes.

The following are the key signed contracts for:

- Provision of security services for the Programme offices in Belgrade and Niš;
- Provision of services on providing assistants to teachers in elementary schools in Preševo and Bujanovac teaching Serbian as non-mother language;
- Procurement of furniture for the Bujanovac Faculty Department Building;
- Provision of Technical Commissioning Services for Bujanovac Faculty Department Building;
- Provision of educational material for learning Serbian as non-mother-language in 16 primary schools in Preševo, Bujanovac and Medveđa signed;
- Provision of media clipping services;
- Renting of mobile toilets for Preševo Migration Centre;
- Purchase of beds and mattresses for Preševo Migration Centre;

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<sup>79</sup> Envisaged in the Terms of Reference for the work of the Programme Steering Committee

<sup>80</sup> The final figures on financial performance are provided by separate, UNOPS certified financial reports. The figures in the Report, however, provide good quality insight into financial trends.

- Purchase of pillows, blankets and bed linen for Preševo Migration;
- Purchase of folding beds for Preševo Migration Centre.

The following is the status of other advertised tenders for:

- Provision of services on supporting municipalities in improving social inclusion through employment of vulnerable and marginalised is in contracting stage;
- Purchase of garbage truck for Preševo Municipality is ongoing.

Nineteen Grant Support Agreements (GSA) were signed for Development of Detailed Regulation Plans.

## Human Resources

The workforce planning remained in focus throughout Q3 2015 and recruitment processes were conducted in response to the Programme's work plans. In particular, the Programme hired consultants in the field of competitiveness analyses, population assessment, and variety of engineering profiles. Furthermore, the Programme entered into restructuring of its communications team by hiring the Communications Manager and initiating recruitment for Communications Associate position that remained vacant in the meantime. The Programme's activities in South and South-West of the country are further supported by the Programme Associate recruited in September 2015. For the first time, the European PROGRES engaged one intern aiming in this way to promote knowledge and best practises among young talents.

Continued attention was given to performance evaluation where the Programme personnel underwent mid-year discussions of previously set objectives. Their engagement, contribution, results achieved and constraints encountered were addressed during the exercise and formally recorded.

UNOPS RSOC continues to support professional development of European PROGRES personnel through learning. The following trainings have taken place:

- Two team members completed Harvard Business Publishing School Leadership Course
- The Sector Manager for Governance and Social Inclusion completed UNOPS Foundation Project Management Course
- Operations Manager, Finance, Procurement and HR Officers attended training for Business Improvement and Innovation Programme (BIIP) that is to be introduced by UNOPS globally as from 1 January 2016
- The Programme personnel underwent Standard of Conduct Workshop that addresses ethical standards and compliances with ethics
- In-house Good Governance related training was attended by the Communications Manager and the Programme Intern.

## Office Locations and Security

No security issues or threats to the Programme's personnel, assets or premises were recorded. Recently appointed UN Department for Safety and Security (UNDSS) Adviser for Serbia and UNDSS Security Adviser Assistant visited the Programme's Niš and Vranje offices.

No specific threats to the Programme's personnel or facilities was identified in Vranje, while a briefing was provided on the situation regarding migrants on the South Serbia border. Niš office was assessed safe.

In addition, the Programme Security Focal Point visited Novi Pazar Office. While the office is assessed safe, it was agreed to enhance security of the main entrance gate.

## Logistics

The organisation of the following events was supported:

- Handover of grants to clusters in Novi Pazar;
- Bosilegrad Folklore Festival;
- Steering Committee meeting in Gadžin Han;
- Blace Plum Festival;
- Nušićijada Festival;
- Three info-sessions on private-public partnership;
- Five info-sessions on standards and geographic indication;
- Training for Teachers of Serbian as Non Mother Tongue and their Teaching Assistance in Bujanovac.

European PROGRES personnel have made 125 official travels and travelled 92,052 km.

## Information Communications Technology

- Three small servers, 22 laptop PCs, six desktop PCs and one backup device have been purchased. Replacement of equipment ongoing;
- New software licenses for office applications have been installed for users (Project management software, PDF editing software and system software);
- Reserve Internet backup option speed has been upgraded;
- ICT supporting services contracted on maintenance of ICT hardware equipment, maintenance of network infrastructure and maintenance of copiers.

## Risks and Issues

European PROGRES continues to systematically manage the risks and issues that occur during its implementation.

The following new risks were identified:

- Reduced visibility - The Programme's current design mainly encompasses technical assistance (TA), while a limited number of projects will be visible to the general public. In addition, the implementation of local infrastructure projects will not start before 2017. Hence, the objective of communicating the European values and partnership of the Government of Serbia, the European Union, and the Government of Switzerland may only be partially successful. In order to respond to this risk, European PROGRES should consider ways to support implementation of visible, tangible projects, especially during 2016.

In addition, the Programme encountered the following issues:

- One of the key European PROGRES' risks in terms of magnitude of impact – delay in implementation of the CFCU managed grant scheme for local infrastructure proposals – is still active. Additional delay of two months was registered as the CFCU did not provide feedback on concept notes to the municipalities in August 2015. Accumulated delays make some activities non-feasible within the current Programme end date, as described in the Activity 2.4. The Programme's monitoring role will be negatively affected while planned evaluation of infrastructure projects is not feasible any longer in the current format. This is an issue that has to be considered by the donors and the PSC.
- There were changes in the municipal management in Medveđa. Efforts were put to (re)establish relations with the newly appointed officials and raise their awareness of the Programme and their obligations. As a result, the new political leadership is eager to continue with cooperation with the Programme.
- It is possible to identify signals of reduced interest by some stakeholders and beneficiaries. For example, the average mayors' turn out at the PSC sessions in EU PROGRES was over 60%, while in this Programme at an average twelve mayors attend the meetings, which is 35%. This issue also calls for inclusion of more tangible projects and more flexibility in European PROGRES.
- Delays in implementation of grants were recorded, especially with projects related to technical documentation and update of taxpayers' registries. These delays could partially be attributed to inefficiency of municipalities or to recent changes in legislation, but also indicated that both the grantees and European PROGRES need to plan duration of projects more realistically. For example, grants' action plans usually envisage one month for preparatory phase (establishment of grant team, co-funding, payments etc.) but in practice this takes between two and three months (European PROGRES has also internal procedures that need to be followed and require time). Although this lesson has been actioned already, was identified earlier it has not been properly actioned so attention in this respect must be more rigorous – more time will be allocated for preparatory phase while European PROGRES will organise meeting with the grantee if delay reaches a month.

- Consultations with the Programme stakeholders and beneficiaries, including the PSC members, indicated there was a need to provide stronger support to the Small and Medium Enterprises (SMEs), Roma and youth.

On the basis of the Programme's assessment after the first year of implementation, while also factoring in consultations held with the PSC and other relevant stakeholders and beneficiaries, European PROGRES prepared the analysis Focussing on Relevance, Outputs, and Potential Impact.<sup>81</sup> This document provides overview of some key risks and issues and includes recommendations for remedial action. It has been circulated to the PSC in early September and since there were no remarks by the given deadline, the Programme will implement recommendations.

The Risks and Issues Register<sup>82</sup> includes both initial and newly identified risks, as well as the information on the planned responses and their status. It also contains all the issues that have emerged so far as well as the status of actions done in response to these issues.

## Quality and Sustainability

European PROGRES continues to be implemented in accordance with the corporate standards of the implementing partner UNOPS as well as within the quality framework established by the UNOPS Serbia Operations Centre. The Programme has been using the following methods to ensure quality of its products:

- Visit to the project beneficiaries that include review of project progress and financial performance, and provision of recommendations for possible corrective actions
- Reviews of documentation that is prepared by grantees for projects' procurements
- Continuous efforts are put to provide quality technical assistance to LSGs in development of proposals. In the case of CfP for GIS, having in mind complexity of the action, European PROGRES have been trying to take tailor made approach for each LSGs, which in practise meant that weaker municipalities had stronger support. This facilitated high response and good overall quality of applications.
- Regular building inspections for Bujanovac Faculty Department Project.

All European PROGRES' key products, such as reports, project fact sheets, or ToRs, are reviewed by the Project Management Office (PMO) Supervisor and this is another layer of quality control. The Programme also regularly seeks and receives advice from the PMO Supervisor about a range of project management matters.

The Programme has undergone Internal Quarterly Project Assurance for Q2 2015 on 3 July. The exercise confirmed that European PROGRES performance was healthy as well as that the Programme made concrete steps in terms of applying PRINCE2 project management method. The Assurance for Q3 2015 is scheduled for 5 October.

The Programme continued to apply principles that are the foundation of sustainability:

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<sup>81</sup> The document Focussing on Relevance, Outputs, and Potential Impact is available in Annex V, Attachment 5.4

<sup>82</sup> The Risk and Issues Register is available in Annex V, attachment 5.1

- Grant methodology that gives ownership over the activities to the beneficiaries remains the Programme's approach
- Activities are embedded into relevant national and local development policies and this will remain the approach throughout the implementation
- The Programme continues to mainstream gender issues wherever appropriate
- On 30 July, UNOPS Serbia promulgated the Green Office Memorandum that is designed to reduce the use of natural resources and increase energy efficiency. The document provides instructions for recycling, heating and cooling, lighting, use of computers and mobiles, organisation of transport etc. European PROGRES put effort to implement the instructions and the PMO positively assessed initial steps. European PROGRES office in Niš was praised by the UNOPS Serbia Senior Management for taking swift and adequate action to implement the Memorandum.

## Lessons Learned

The following are the key identified lessons during this period:

- European PROGRES experiences have shown that internal coordination among local institutions is often insufficient and hence can cause issues and delays in implementation of projects. Therefore, the Programme will invest further efforts to ensure that relevant municipal departments have necessary information and are adequately included in the implementation of the particular project or activity, from the very beginning. In some cases, it is necessary to enable or advocate for participation of the civil society and the business community. The Programme should also consider to facilitate coordination, when appropriate and needed.
- The Programme should not rely entirely on Evaluation Questionnaires when assessing its events' effectiveness, as they are often filled out mechanically, with unvarying answers. A mechanism should be developed in order to improve the Evaluation Questionnaires' effectiveness while leaving them to be filled in anonymously. For example, the Programme will strive to conduct informal interviews with the selected participants in order to obtain better insight into events' effectiveness.
- Formal written warnings to grantees regarding delay in implementation proved to be effective mechanism. Usually, the grantees respond and improve performance or it becomes clear that they do not have capacity or commitment to implement the project. Hence, European PROGRES will use this practice. In order to systematise its approach, when a project is delayed for a month, the Programme will organise a meeting with the objective to resolve the potential issues and agree remedial plan. For delays of two months, European PROGRES will send formal warning letter to the grantee, setting deadlines for corrective actions. If no progress is achieved, the grant will be recommended for cancellation or immediately terminated in cases where contractual obligations are clearly disrespected.
- European PROGRES includes a broad spectrum of activities, including those that involve serious risks or are relatively new for the AoR and the whole country, such as the establishment of PPPs. When developing concept for such activities, it proved useful to initially organise brainstorming sessions that will involve a range of team members, with

different backgrounds, experience and expertise. This approach is generally more effective than the one that is based on work of individual or only few team members. When there is no in-house experience and expertise to develop activity, the Programme should consider hiring of a consultant.

There are examples of implementation of previously learned lessons:

- Efforts put to enhance planning showed some results as the financial targets for the Q3 2015 were exceeded and this was the first such case in 2015. Unlike previous periods, the Programme allows time in plans for the PSC's decisions enabling further progress. It, however, remains necessary to introduce more formal planning techniques.
- Another example is the Programme's work on formalisation of relationship in cases when European PROGRES is to provide the TA but beneficiaries also have to provide significant contribution. Examples for this are the MoU about GG activities that are being prepared and the work on definition of the ToR for the Programme's assistance for implementation of infrastructure projects.

The European PROGRES Lessons Log is available in the Annex V, Attachment 5.2.

## Work Plan

European PROGRES Work Plan for the period from 1 October - 31 December 2015 is available in the Annex V, Attachment 5.3. The following are the key milestones for the upcoming reporting period:

### Result 1

**Strengthening local governance, planning and management capacities through introduction of new or improvement of existing procedures and processes respecting principles of good governance**

- Activity 1.2 Signing of grants for development of Geographic Information System
- Activity 1.3 Finalise Module 2 and start Module 3 of FIDIC trainings
- Activity 1.3 Contract company for PRAG and Public Procurement training
- Activity 1.4 Organise ceremony for signing the MoU about GG Interventions in LSGs
- Activity 1.4 Deliver the first training on the topic of accountability and develop GG Reform Plans
- Activity 1.5 Continued support to the municipalities in developing gender capacities

### Result 2

**Competitiveness of local economy increased through improved business environment and management/organisational capacities of SMEs/agricultural producers**

- Activity 2.1 Conduct needs assessment for implementation of the Law on Planning and Construction; Revise the Competitiveness Portal and initiate competitiveness data collection
- Activity 2.2 Obtain approval for two inter-municipal projects for technical documentation
- Activity 2.3 Hand over the building for the Bujanovac Faculty Department
- Activity 2.3 Develop tender dossiers for construction for Vranje Hospital and Novi Pazar Emergency Ward regional infrastructure projects (through the CFCU)
- Activity 2.4 Assist LSGs in preparation of full applications for the CFCU call
- Activity 2.6 Organise the initial workshop on environment protection within vertical dimension of GG
- Activity 2.7 Conduct the call for selection of PPP projects for technical assistance

- Activities 2.8 and 2.9 Selection of beneficiaries for introduction of quality standards and geographic origin certification
- Activity 2.10 Obtain approval for women business start-up grants

### Result 3

**Access to employment, offering equal opportunities to both men and women, and social inclusion of most vulnerable and marginalised groups**

- Activity 3.4-3.5 Sign an agreement with the implementation partner and start activities
- Activity 3.10 Procure items in response to migrant and refugee crisis

### Result 4

**Effects of Serbia's European accession communicated to general public**

Activity 4.1 Organise the seventh PSC in SWS





Organisation of the visibility event for the opening of the Bujanovac Faculty Department building

Preparation of Municipal Profiles

Organise Art Competition for European PROGRES Calendar 2016

Produce new set of promotional material

## Annex VI - Progress against indicators in logical framework matrix

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

Objectively verifiable indicators	Progress during the reporting period	Overall status
<b>Overall objective</b> <b>To contribute to sustainable development of underdeveloped areas of Serbia by creating more favourable environment for business and infrastructure development, integrating good governance principles, thus increasing employability and social inclusion.</b>		
Serbia's ranking in the World Bank's Doing Business Report improves for at least five places  Serbia's ranking in the Global Competitiveness Report improved for at least five places	Serbia was ranked 91 out of 189 countries in World Bank's Doing Business Report for 2015. This is improvement by two places compared to 2014. The Report identified construction permitting and tax system as key problems. In addition, the World Economic Forum's Assessment of the competitiveness index in 2015, that included satisfaction of the businesspeople for doing business in Serbia, reported that Serbia has retained 94 <sup>th</sup> place among a total of 140 countries. The Serbian businesspeople are not satisfied with infrastructure, business operations and financial markets, and see improvements in the health system	

	care, primary education and the macroeconomic environment.	
<b>Programme purpose</b> <b>To improve local governance, and the conditions for business and infrastructure development by improving and/or strengthening planning and management capacities, and improving business enabling environment, as well as enhancing implementation of social inclusion and employment policies.</b>		
Overall investments in infrastructure increased by at least 10% on annual basis  At least five new investments in industry until the end of the Programme  Export of SME sector increased by at least 5% until the end of the Programme  Enabled employment of at least 1,500 people as the result of (in)direct activities within the Programme	The Programme Steering Committee (PSC) approved 21 applications for the development of 31 detailed regulation plans (DRPs), all of which have potential to contribute to economic growth.	The Programme has been encouraging development of economic projects through inclusion of favourable criteria in the CfPs and advocacy. For example, the selected tax administration, cluster, and even CIF projects should produce economic outcomes. The CfP for the Main Designs for infrastructure projects, however, resulted in a limited number of applications with economic potential. In order to address this, only proposals with economic potential were eligible in the CfP for planning documentation and this proved effective as 35 relevant projects were received.
<b>Result 1:</b> <b>Strengthened local governance, planning and management capacities through introduction of new, or improvement/elimination of existing procedures and processes in line with the principles of good governance</b>		
Activity 1.1.1 At least 50% municipalities participating in the Programme introduce Capital Investment Planning, by the end of the Programme implementation (baseline 2014: 23%) <sup>83</sup>	Activity ongoing. Municipal Assemblies in all 15 beneficiary LSGs adopted decisions on criteria for Capital Investment Projects.	European PROGRES provides technical assistance to 15 LSGs in development or update of the Capital Investment Plans (CIPs). The group includes ten newly selected LSGs and the five LSGs assisted through the predecessor programme, EU PROGRES.
Activity 1.1.2 At least 15 municipalities supported in development of multi – annual programme budgeting by the end of the Programme (baseline 2014: five municipalities with partial programme budgeting) <sup>84</sup>	Financial plans of budgetary users in all 15 LSGs have been drafted.	The Programme provides assistance to the selected 15 LSGs (ten newly selected and five previously assisted through EU PROGRES) in introduction of Programme Budgets for 2016.
Activity 1.1.3 At least 15 municipalities increase their revenue from tax collection by at least 15% by the end of the Programme (strengthening the accountability relation through expanding the tax base and raising citizens’ tax compliance awareness). Baseline: the number of tax payers and annual income from revenue will be set for each municipality once local self-governments are selected <sup>85</sup>	Implementation of 16 grants for improvement of the taxpayers’ registries is underway. Over 14,000 new taxpayers have been registered since the start of grants.	The Programme provided grants for 16 projects worth 154,000 Euros for improvement of the taxpayers’ registry. The support should result in the increase of the number of taxpayers by estimated 16.5%, and will contribute to growth of local revenues from tax collection by projected average of 19%.

<sup>83</sup>Baseline Study on Competitiveness, EU PROGRES, 2014

<sup>84</sup>Baseline Study on Competitiveness, EU PROGRES, 2014

<sup>85</sup>LTA Office Annual Reports

Activity 1.2 Capacities for management of geo-spatial data and/or quality of geo-spatial data enhanced in at least ten local self-governments by the end of the Programme. (baseline 2014: 33% per municipality) <sup>86</sup>	The CfP for Introduction and Development of Geographic Information System was closed on 13 August 2015. 32 municipalities participated in the Call. The Evaluation Committee completed assessment and will present recommendations for funding at the October PSC.	European PROGRES conducted the Needs Assessment that confirmed that potential for improvement of the GIS. The CfP for Introduction and Development of Geographic Information System was approved at the April PSC, published on 27 May 2015, and closed on 13 August 2015. Recommendations will be presented at the October PSC.
Activity 1.2 At least 15 municipalities developed detailed regulation plans (DRPs) or higher level planning documents that facilitate development of economic projects by the end of the Programme.	The PSC approved 21 applications for the development of 31 DRPs. Twenty grants issued.	The Assessment of Planning Documents showed that all LSGs need support for development of detailed regulation plans (DRPs). <sup>87</sup> The CfP criteria, were approved at the February 2015 PSC. The Call was publicised on 5 March and was open until 7 April 2015. The PSC approved 21 applications for the development of 31 DRPs.
Activity 1.3 By the end of the Programme in all European PROGRES' municipalities monitoring and evaluation mechanisms established for infrastructure projects, FIDIC contract modality is preferred model, and training programmes on FIDIC established within the Serbian Chamber of Engineers	Two FIDIC training session were delivered: the second module was completed with event in July and the third module started in September 2015.	The Association of Consulting Engineers of Serbia (ACES) was selected to deliver the trainings on the International Federation of Consulting Engineers (FIDIC) contract modality. The two year trainings will be delivered to 102 municipal employees, 62 men and 38 women, from all 34 LSGs, and five representatives from the SEIO and the CFCEU, three women and two men. The first two modules have been delivered from April to July 2015, and third started in September 2015.
Activity 1.4 By the end of the Programme, institutional governance reforms initiated, developed and implemented in at least five LSGs, with emphasis on increasing accountability, transparency and efficiency in public services delivery to citizens, with development or revision of at least ten local policies or local regulations, in line with the Serbian legal framework	The Local Governance Assessment of the 34 municipalities is finalised. The results are being used for planning local governance reforms that will be conducted in at least five LSGs. The MoU for governance interventions at local level is prepared and will be signed by the end of the year.	The Local Governance Assessment of the 34 municipalities is finalised. The results are being used for planning local governance reforms that will be conducted in at least five LSGs. The MoU for governance interventions at local level is prepared and will be signed by the end of the year.
Activity 1.5 Local gender equality mechanisms (GEM) established and local action plans for the work of the gender equality mechanisms (GEMs) adopted in all European PROGRES municipalities by the end of 2015. At least 30 GEMs successfully implemented grants provided through European PROGRES and contributing to advancement of gender equality issues by the end of 2016. At least two thirds of municipalities provide funding for the activities of local GEMs by the end of the Programme. Baseline: 31 GEMs established and two municipalities appointed gender equality officers, 23	Tailor made plans for strengthening of 21 GEMs categorised as having a very low capacity. Two Local Gender Action Plans (GE LAP) and four European Charters for Equality of men and Women in the Local Communities.	UN Women completed the assessment of capacities of GEMs in 34 municipalities. Tailor made plans for strengthening of 21 GEMs categorised as having a very low capacity. Twenty three municipalities adopted GE LAP 21 municipalities adopted European Charter on Gender Equality among Men and Women at local level.

<sup>86</sup>Obstacles to Infrastructure Development, EU PROGRES, 2013

<sup>87</sup>Annex I, Attachment 1.2, Assessment Report on DRP's and GIS, November 2014

European PROGRES' municipalities developed Local Gender Action Plans <sup>88</sup>		
Activity 1.6 At least 50% of male and female councillors in ten local assemblies enhance knowledge of gender equality issues and techniques for advocacy by the end of 2015. In each of the ten assemblies, women councillors successfully advocated for at least one gender issue by the end of the Programme	This activity is planned for after the local elections in 2016.	This activity is planned for after the local elections in 2016.
Activity 1.7 At least five municipalities introduced gender sensitive budgeting procedures and practices by the end of 2016. Sustainability of the action ensured through adoption of relevant municipal decisions by the end of the Programme.  Baseline: three municipalities have performed budget and local policy analyses from gender perspective <sup>89</sup>	Format for development of gender responsive budget (GRB) initiatives has been developed and shared with 11 municipalities included in this activity.	Eleven LSGs being supported in introduction of gender sensitive budgeting.

## Result 2

### Increased competitiveness of local economy through improved business environment and management/organizational capacities of SMEs/agricultural cooperatives

Activity 2.1 Total competitiveness index increased by at least 10% in all Programme municipalities by the end of the Programme, or at least 25% in one of the sub-indexes regarding: the Capacity of Local Community to Manage the Community's Resources and Potentials, Economic Policies, Strategies and Measures, Financial Capacities of the Public and Private Sectors <sup>90</sup>	A concept for revision of the competitiveness portal for easier usage and progress tracking has been developed and the initial number of inputs for calculation of the competitiveness index has been reduced from over 2,000 to some 1,100.	The amendments of the Law on Planning and Construction introduced unified procedure for issuing construction permits, including for e-permitting, which delayed the European PROGRES intervention. The Programme is modifying approach to this activity in cooperation with the line Ministry and relevant stakeholders in order to ensure relevance and enhance potential outcomes.
Activity 2.2 Pipeline of at least two inter municipal and at least 35 local priority economic and social infrastructure projects, in line with the national sector priorities, with full scale technical documentation, developed in accordance with the criteria within PPF 5 after the assessment of the existing pipeline has been done	Implementation of grants for main designs progressing, although delays are identified. Two inter-municipal projects identified within the Focusing on Relevance paper to cover flood protection measures.	The CfP for Development of the Main Designs was advertised in December 2014. The February 2015 PSC approved 40 projects for the development of the main designs for local infrastructure out of 53 applications. The Programme's contribution is up to 538,000 Euros. 40 Grant Agreements signed with the LSGs in May 2015 and implementation ongoing.

<sup>88</sup>Baseline Study on Competitiveness, EU PROGRES, 2014

<sup>89</sup>Baseline Study on Competitiveness, EU PROGRES, 2014

<sup>90</sup>As identified in the World Bank's Doing Business in Serbia 2014 ranking

Activity 2.2 At least twenty projects developed and submitted by municipalities for financial support to programmes from other sources than European PROGRES by the end of the Programme	LSGs submitted 141 proposals in response to the third Cross-border Programme Serbia-Montenegro, whose development and publishing was supported through European PROGRES. This CfP attracted more interest, compared to the previous when 102 and 56 applications were submitted respectively.	Upon September 2014 PSC approval, European PROGRES support operations of the Joint Technical Secretariat of the IPA Cross-border Programme Serbia-Montenegro. The grant is completed.
Activity 2.3 At least one priority inter-municipal project implemented by the Programme completion	The construction and equipping of the Bujanovac Department of Subotica Economics Faculty is completed to receive first students in October 2015.	The building permit was issued on 1 December 2014. The contract for the construction of Bujanovac Department of Subotica Economics Faculty was signed in January 2015. The construction and equipping of the facility is completed to receive first students in October 2015.
Activities 2.3 and 2.4 Works supervision services provided to the CFCU as contracting authority for the priority infrastructure project implemented by it	The July PSC approved in principle the completion of the new block within Vranje General Hospital and the construction of Novi Pazar Emergency Ward projects.	Not applicable at this stage as works supervision will be provided upon start of the implementation of infrastructure projects.
Activities 2.3 and 2.4 Technical assistance provided to the SEIO and the CFCU in preparing, launching the Grant Scheme and in monitoring its implementation		Despite Programme's timely technical assistance, the CFCU advertised the Call for Local Infrastructure Projects only in March 2015, five months later than originally planned. As further delays were registered, the feasibility of good governance activities that are linked to infrastructure is brought under question, while any further delay will hinder timely completion of this activity and the whole Programme. The issue has been reporting to the Programme Steering Committee and the Programme will discuss ways to mitigate effect of delay in consultations with the CFCU.
Activity 2.4 Support provided for development of at least 12 and up to 34 local and at least one inter – municipal infrastructure projects that are submitted for funding to the CFCU Call for Proposals	CFCU conducts evaluation of the concept notes submitted by LSGs in response to the CfP for Local Infrastructure Projects.	European PROGRES organised initial information sessions for LSGs to present the CFCU Call and supported LSGs in development of concept notes. All 34 Programme LSGs and Vranjska Banja as one of the city municipalities responded to the call with submission of 52 Concept Notes.
Activity 2.5 Comprehensive assessment study completed with recommendations for all municipalities, through relevant departments, to develop and adopt criteria and procedures to assess advantages and disadvantages of providing a service with own capacities or outsourcing it to the private sector/other entity, by the end of Programme and implementation supported	The activity will be developed in Q2 2016.	The activity will be developed in Q2 2016.
Activity 2.5 All projects are organised with clear responsibilities in the procurement, contract management, monitoring and evaluation; at least 20 new local policies and/or administrative regulations linked to infrastructure projects are elaborated		The concept and the approach for applying Good Governance aspects of the municipal infrastructure projects have been developed. Its implementation will start after the CFCU announces the Call for Full Project Applications (the first phase included concept notes), which is

in a participatory manner, approved by councils, implemented and monitored, clearly indicating who invests, owns, decides upon, maintains, benefits from and monitors the new infrastructure, by the end of Programme		expected by the end of August. Already generated delays in implementation of the grant scheme negatively affect this activity and further delays would bring into question its completion. The issue has been reported to the Programme Steering Committee and the Programme will discuss ways to mitigate effect of delays in consultation with the CFCU.
Activity 2.6 At least three impediments in vertical coordination between the Government of Serbia and the local self-governments addressed or resolved by the end of the Programme, through regular, structured and thematic consultations with the relevant ministries and institutions, and in cooperation with the SCTM, thus positively impacting accountability, transparency, effectiveness, and efficiency of LSGs	Preparations for the first workshop about vertical dimension of GG advanced that will deal implementation of environmental Law and accompanying regulations at local level advanced and staged for the end of October.	This activity will be divided in two main topics, in accordance with was agreed with the SCTM and SIPRU: Topic 1 will be implementation of environmental Law and accompanying regulations at local level, and Topic 2 will be implementation of Law on Social Care. The initial workshop for Topic 1 is going to be organised by the end of October.
Activity 2.7 At least two PPP models developed and implemented by the end of the Programme	Three info sessions and three two day training on public-private partnership projects were conducted.	The criteria for the CFP were developed and approved by the PSC in February 2015. Two PPP technical experts recruited to support implementation. Sessions to raise understanding of LSGs about PPP held.
Activity 2.8 At least 30 SMEs introduced international quality or food safety standards (ISO 9000, HACCP, Global GAP, etc.) and organised in at least two new clusters and/or cooperatives	The Public Call for Introduction of International Quality or Food Safety Standards was approved by the July PSC, published, and is closing on 23 October.	The Public Call for Introduction of International Quality or Food Safety Standards was approved by the July PSC, published, and is closing on 23 October.
Activity 2.8 Criteria and transparent process for selection of 30 SMEs for QMS certification or recertification prepared and put in place. Process for establishment of clusters/cooperatives prepared and put in place, resulting in clearly and adequately regulated newly established legal entities	The Public Call for Introduction of International Quality or Food Safety Standards including the QMS certification was approved by the July PSC, published, and is closing on 23 October.	The Public Call for Introduction of International Quality or Food Safety Standards including the QMS certification was approved by the July PSC, published, and is closing on 23 October.
Activity 2.8 At least 20 SMEs, member of clusters, introduced innovation or use innovative market development techniques, until the end of the Programme.	Implementation of five cluster projects underway.	Following October 2014 PSC approval, European PROGRES advertised the CFP for Provision of Support to Clusters in Common Market Approach and Introduction of Innovations. The April PSC approved five projects for funding in the amount of 145,000 Euros. Grant agreements issued and implemented.
Activities 2.9 and 3.10 At least 30 agricultural producers, members of the cooperatives, use new techniques and technologies in the production until the end of the Programme	The Public Call for Provision of Support for Protection of Geographic Origin that is closing on 23 October may result in support to agricultural producers to obtain certificate to use the mark of protected geographic origin.	The Assessment of the Agricultural Producer Groups and Geographic Indication completed in May 2015. The Programme is to develop the criteria for the CfP for the PSC that is planned for October 2015, in line with the Assessment findings.
Activity 2.9 At least three traditional agricultural products registered or certified with the Protected Designation of Origin mark and Protected Geographical Indication in the Programme AoR increased by at least	The Public Call for Provision of Support for Protection of Geographic Origin is approved by the PSC and published. The Call is closing on 23 October.	The Assessment of the Agricultural Producer Groups and Geographic Indication completed in May 2015. The Programme is to develop the criteria for the CfP for the PSC that is planned for October 2015, in line with the

50% until the end of the Programme (baseline 2014: eight products with Protected Designation of Origin) <sup>91</sup>		Assessment findings.
Activities 2.10 and 3.10 At least 80 new jobs for women, resulting from provision of at least 40 start up business grants, by the end of the Programme	The CfP closed on 24 July, with 137 proposals received. The evaluation finalised in August, and one-on-one interviews with 78 applicants recommended for the second phase of the evaluation were conducted in September. In addition, by the end of September site assessments of 20 locations were carried out. Recommendations for provision of grants will be presented at the October PSC.	The CFP approved at the April 2015 PSC and advertised in June. Seven sessions held in March-April to announce the CFP to potential beneficiaries. A total of 422 participants attended the information sessions (405 women and 17 men). Nine training sessions for drafting of business plans held, benefitting 147 female participants. The CFP closed in July, 137 applications received, evaluation completed and results will be presented at the October PSC.
<b>Result 3:</b> <b>Improved access to employment, offering equal opportunities to both men and women, and social inclusion of most vulnerable and marginalised groups through development and implementation of local policies resulting in reduced migration from South, South East and South west Serbia</b>		
Activities 3.4 and 3.10 Employment and social inclusion action plans, targeting equally both genders, developed and integrated in the medium term municipal budget planning in all European PROGRES municipalities by the end of the Programme (baseline 2014: four municipalities with Social Inclusion Strategies) <sup>92</sup>	The implementing partner is selected and contracted. The implementation is to start early in October.	The implementing partner is selected and contracted. Support will be provided to the LSGs to assess the needs of vulnerable and marginalised, to review, create and/or update new or existing relevant local policies, to build capacities of relevant local institutions, and then to pilot new policies. The intervention will offer start-up grants to local vulnerable and marginalised.
Activity 3.5 At least 50% of unemployed Roma are included in active labour market measures by the end of the Programme (baseline 2013: 38%) <sup>93</sup>	This activity is incorporated in the approach for the activity 3.4.	This activity is incorporated in the approach for the activity 3.4.
Activities 3.8 and 3.10 At least 40 projects resulting from partnerships of local self-governments and civil society organisations supported by the end of the Programme. At least half of the municipalities who have benefitted from those projects develop and adopt criteria for transparent and non-discriminatory allocation of funds in the local budget for civil society organisation by the end of the Programme.	First three CIF projects completed, one project cancelled.	During the first CIF CfP, 77 applications were received from 32 municipalities. The December 2014 PSC approved 20 projects for funding in the amount of 397,765 Euros, primarily contributing to social inclusion and employability of vulnerable population. Twenty projects contracted and implementation is underway. First three projects completed, one project cancelled.

<sup>91</sup>Serbian Intellectual Property Office (2014) *The List of Indications of Geographical Origin Registered in the Intellectual Property Office* Available at: <http://www.zis.gov.rs/intellectual-property-rights/indications-of-geographical-origin/list-of-igo.91.html> (1 February 2014)

<sup>92</sup>Baseline Study on Competitiveness, EU PROGRES, 2014

<sup>93</sup>Report on Employment of Roma, Ministry of Labor, Employment and Social Welfare, Belgrade, 2013

Activity 3.1 Citizens' satisfaction with municipal services, performance of the local government and municipal assemblies increased by 10% by the end of the Programme <sup>94</sup>	No activities were planned during this period.	The Citizens' Satisfaction Surveys will be conducted in the last year of the Programme implementation.
Activities 3.2 and 3.10 Citizens' Advisory Services provided in eight municipalities, to at least 1,000 people during the Programme implementation; sustainability ensured by at least four municipalities providing budget for running costs after the Programme ends, documented by a relevant municipal decision	The Programme met the Ministry of Justice that confirmed that the Law on Free Legal Aid (to be adopted by the end of the year) is going to greatly affect this activity, and may render it obsolete and redundant. The approach will be reconsidered. In response to migrant crisis, the programme procured beds, linens, mattresses, garbage containers, water tank, and initiated procurement of water truck.	The new Law on Free Legal Aid (to be adopted by the end of the year) is going to greatly affect this activity, and may render it obsolete and redundant.  The migration activity has been re-routed to provide for the unprecedented influx of refugees and migrant from the Middle East, in accordance to the Donors' requests.
Activities 3.3, 3.5, and 3.10 At least 100 unemployed successfully completed vocational trainings organised by the end of Programme and sustainable follow up courses in place beyond the duration of the Programme to increase the employment chances of participants in trainings	No activities were planned during this period.	The Programme examined Skills Gap Analysis <sup>95</sup> and the National Survey of Employers <sup>96</sup> in Serbia and identified the training needs for the shoemakers, sewers, electric welders, carpenters, plastic processors, machinists etc. To conduct the activity, the Programme is aiming at establishment partnership with the National Employment Service (NES).
Activity 3.6 Efficiency and effectiveness of at least three medical centres improved through procurement of new medical equipment supporting women's health, by the end of the Programme <sup>97</sup>		Initial preparations (such as consultations with line experts) have been finalised. Assessment to start in early 2016.
Activity 3.7 At least four cultural centres in multi-ethnic municipalities (e.g. for intercultural music, theatre and art productions) upgraded		No changes recorded on this activity.
Activity 3.9 Up to 400 young and unemployed citizens of Serbia of Albanian ethnic origin in areas covered by the Programme improve Serbian language skills during the Programme implementation <sup>98</sup>		The implementing partner for engaging and managing the Teaching Assistants in four elementary schools in Presevo and Bujanovac teaching Serbian as a non-mother tongues has been contracted. The Teaching Assistants were engaged and are operational. The textbooks, teachers' manual and auxiliary educational materials have been procured and delivered to 16 elementary schools in Presevo, Bujanovac and Medvedja.

<sup>94</sup> The baseline for the Citizens' Satisfaction is the survey conducted in 2013, while the new Survey will be conducted in 2017, at the end of the Programme

<sup>95</sup> Skills Gap Analysis in South and South-West Serbia, International Labour Organization (2014)

<sup>96</sup> The analysis and forecasts of labour market needs in Republic of Serbia (2014), National Employment Service funded by EU

<sup>97</sup> The assessment of needs of the medical centres will enable the Programme to establish the baseline indicators for the evaluation of the increase in efficiency that will be organised at the end of the Programme.

<sup>98</sup> This indicator will change to incorporate findings and recommendations of the Coordination Body Feasibility Study, whose results are presented in August 2014.

**Result 4:**  
**Effects of Serbia's EU accession communicated to general public**

Percentage of citizens that associate European integration with lower unemployment and better living conditions, as well as with ordered state and impartial administration increased by 10% by the end of the Programme. <sup>99</sup>	<p>Key outputs/outcomes:</p> <ul style="list-style-type: none"> <li>• Two high profile visits</li> <li>• Annual PSC meeting</li> <li>• Three local festivals supported</li> <li>• Six press releases prepared</li> <li>• Second issue of the Newsletter was published</li> <li>• 100 positive media reports have been generated</li> <li>• Programme website attracted 7,878 unique visitors, Facebook page attracted 220 new likes and Twitter account amassed 46 followers</li> <li>• Programme promotion material reproduced</li> </ul>	<p>Key outputs/outcomes:</p> <ul style="list-style-type: none"> <li>• Communications Strategy developed</li> <li>• Twelve high profile visits organised, four Ambassadorial</li> <li>• Eight large events organised</li> <li>• Three high profile interviews and 15 statements for the media organised</li> <li>• 26 comprehensive briefing notes prepared</li> <li>• 28 press releases prepared</li> <li>• 678 positive media reports have been generated</li> <li>• Two issues of Quarterly Newsletter distributed</li> <li>• Website developed and launched</li> <li>• Art competition for European PROGRES' Calendar 2015 has been successfully organised</li> <li>• Initial set of promo materials produced</li> </ul>
Two advocacy/awareness campaigns promoting European values conducted within the Programme implementation	The four eligible proposals received for the first Bringing European Integrations Closer to the People in the South East and South West Serbia campaign were evaluated and later on rejected due to major weaknesses in all four proposals. New process of selection is pending altering the existing ToR to more precisely define the focus of the campaign.	The December 2014 PSC approved the concept for the first campaign that primarily promotes economic aspects/benefits of European integrations process. The ToR advertised in April 2015 but offers did not meet the criteria. The approach is being reconsidered.

<sup>99</sup>As indicated in the findings of the Citizens' Satisfaction Survey 2017 and compared to 2013 Citizens' Satisfaction Survey results