

Second Quarterly Report

01 January – 31 March 2015



CRIS Number: 2014/342-561, IPA 2013, Serbia

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:	<p>Novi Pazar, Ivanjica, Nova Varoš, Priboj, Prijepolje, Raška, Sjenica and Tutin, in the South West Serbia</p> <p>Prokuplje, Blace, Žitorađa, Kuršumlija in Toplica District</p> <p>Leskovac, Bojnik, Vlasotince, Lebane, Medveđa and Crna Trava in Jablanica District</p> <p>Vranje, Bosilegrad, Bujanovac, Vladičin Han, Preševo, Surdulica and Trgovište in Pčinja District</p> <p>Brus in Rasinska District</p> <p>Aleksinac, Gadžin Han, Doljevac, Merošina and Svrlijig in Niški District</p> <p>Babušnica, Bela Palanka in Pirotski District</p> <p>Knjaževac in Zaječarski District.</p>
Donors:	<p>The European Union</p> <p>The Government of Switzerland</p> <p>The Government of the Republic of Serbia</p>
Implementing partner:	United Nations Office for Project Services (UNOPS)
Report date:	10 April 2015
Period covered:	01 January 2015 – 31 March 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

The first quarter of 2015 reconfirmed that some of the **old obstacles** to development remain in underdeveloped municipalities of Serbia. Although European PROGRES activities advanced, a limited number of projects that could facilitate investments and economic growth in the Programme area were identified. For example, only 11% of applications to the Call for Proposals for the Main Designs relate to the creation of conditions for development of economic infrastructure. In addition, over 53% of applications focus on the preparation of the main designs for the reconstruction of the existing objects, hence indicating that the investments into new infrastructure will be limited.

Initial analysis shows that there are two groups of reasons for the absence of high impact projects: first, there are **systemic problems**, such as unresolved public property issues or collision among different laws and regulations; the second is related to political leadership's tendency to seek quick and visible wins rather than to persistently work on realisation of long term and strategic development concepts that would bring larger, lasting benefits.

Political issues indeed affect European PROGRES, in most cases negatively. The Programme recorded **instabilities** in a dozen participating municipalities, from changes in ruling coalitions, internal party clashes, political defections, to physical assaults and accusations between the members of the opposed political parties. These occurrences confirm that there is deep political polarisation at the local level that is inevitably reflected on development. Although elections were identified as a high risk to the Programme it seems that the South East and South West Serbia, a bit more than some other parts of the country, is in a state of continuing political contest.

For European PROGRES, the fact that a part of local self-governments remain primarily **focussed on politics** means that development decisions are strongly influenced by political motives, there is no continuity of development projects, changes in municipal staff are regular and occasionally inadequate, while the prospects for inter-municipal cooperation are reduced.

Despite the above noted obstacles and issues, the Programme is **moving forward**: implementation of Citizens Involvement Fund and Tax Registry Improvement projects has started; the Programme Steering Committee endorsed funding of 40 projects for the development of main designs in the amount of 538,000 Euros; calls for capital investment planning and programme budgets and for supporting clusters were closed and evaluations are in the final phase; call for development of detailed regulation plans has been published; promotion of plan to provide business start-up grants to women has been launched and generated significant interest by potential beneficiaries and media.

Publishing of the **CfP for Local Infrastructure Projects** on 10 March 2015 after five-month delay by the Department for Contracting and Financing of EU Funded Programmes (CFCU) of the Ministry of Finance is another important accomplishment. European PROGRES organised three informative sessions to present the Call and started visits to local self-governments (LSGs) to provide initial technical assistance that should facilitate identification of projects that have potential to meet the Call criteria.

The construction of the building for **Bujanovac Department of Subotica Economics Faculty** started in January and reached up to the first floor slab, which is in accordance with the work plan. While using the momentum created by the construction, the Programme also produced the Stakeholders Mapping Report with the purpose to identify development actions in the vicinity with which to link so as to provide a framework for integrated approach to sustainable development of the area. In addition, European PROGRES developed a Communication Plan that should ensure that the stakeholders are aware of the project's progress.

Communication activities included organisation of the **visit of the Head of the Delegation of the European Union** to Bujanovac and Vranje on 3 and 4 February 2015. The key event was marking the start of the construction of the building for Bujanovac Department of Subotica Faculty of Economics. European PROGRES also contributed to organisation of the **visit of the UNOPS Executive Director** to Serbia on 9 and 10 March. The visit provided the opportunity for UNOPS to reconfirm its commitment to support the Government of Serbia in the conduct of reforms along the path towards the European Union but also to highlight the importance of the European PROGRES to the underdeveloped areas.

The Programme's work with media was effective: visits and events, two interviews, and five press releases generated **140 positive media reports**, accurately noting funding support provided by the European Union and the Government of Switzerland.

UNOPS Serbia, the implementing partner of European PROGRES, in the first quarter of 2015 established **Internal Quarterly Project Assurance** that provides framework for quality checks with the aim of ensuring that UNOPS Serbia projects, including European PROGRES, are managed in compliance with the high project management standards. In addition, the United Nations Board of Auditors (UNBOA) visited UNOPS Serbia Centre and ongoing projects in March 2015 as part of the management audit of UNOPS for 2015. The main focus of the audit was management of human resources and **the preliminary report of UNBOA is positive**, which is also an indicator of quality performance of UNOPS Serbia and European PROGRES as one of its key development actions.

The Programme enters the second quarter of 2015 with **ambitious plans**: effort to enhance governance will include completion of the Local Governance Assessment that will facilitate selection of LSGs that will benefit from the institutional governance reforms, delivery of the first two modules of the training programme for the International Federation of Consulting Engineers (FIDIC) contract modality, the work on Capital Investment Plans and Programme Budgeting, progress on CfP for planning documentation and Geographic Information System, to name a few. Within endeavours to enhance competitiveness, the Programme plans to issue the first grants to clusters, announce the call for Public Private Partnership Projects, support the CfP for local infrastructure projects managed by the CFCU and much more. Social inclusion will focus on employment activities, enhancement of learning of Serbian as non mother tongue, and implementation of projects supported through the Citizens Involvement Fund.

This Report provides overview of progress and performance, update on the management issues, review of the key risks and issues, quality and sustainability considerations, insight into the key milestones for the next reporting period, and information about the lessons learned. A number of annexes provide in depth insight into particular actions taken by the Programme.

Table of Contents

EXECUTIVE SUMMARY	4
REVIEW OF PROGRESS AND PERFORMANCE	7
POLICY AND PROGRAMME CONTEXT	7
PROGRESS TOWARDS ACHIEVING OBJECTIVES	10
ACTIVITIES	11
MANAGEMENT AND COORDINATION	23
PROGRAMME STEERING COMMITTEE	23
FINANCE	23
PROCUREMENT	23
HUMAN RESOURCES	24
REPORTING AND MONITORING	24
EVALUATION	24
OFFICES	24
SECURITY	25
INFORMATION COMMUNICATIONS TECHNOLOGY	25
RISKS AND ISSUES	25
QUALITY AND SUSTAINABILITY	26
LESSONS LEARNED	27
WORK PLAN	28
ANNEX VI - PROGRESS AGAINST INDICATORS IN LOGICAL FRAMEWORK MATRIX.....	31

Review of progress and performance

Policy and Programme Context

Government, legislation, policies

The Government of the Republic of Serbia adopted the Strategy for Supporting the Development of Small and Medium-Sized Enterprises (SMEs), Entrepreneurship and Competitiveness for the period from 2015 to 2020, whose main objectives are to increase the number of business entities, employment and improve the business performance of SMEs.¹ European PROGRES' support to clusters, vocational education, introduction of quality management standards, and women entrepreneurship are in line with the Strategy.

The Ministry of Energy, Development and Environmental Protection developed the contract model that will enable implementation of energy efficiency in public buildings through private-public partnership (PPP).² European PROGRES will consider if there are grounds to include this development into its planned PPP activity.

The European Commission adopted the Programme for Rural Development in Serbia (IPARD) which will be the basis for the support of the European Union (EU) to agricultural sector in Serbia over the next six years, with 175 million Euros. The funds will be available to the Serbian farmers in the form of grants for production and processing. European PROGRES' support to agricultural producer groups will facilitate the usage of IPARD funds.

Ksenija Milenković, who worked as a Deputy Chief of Mission of the Republic of Serbia to the European Union in Brussels from 2011 to 2015, was appointed the Acting Director of the European Integration Office of the Republic of Serbia (SEIO) on 3 February 2015.

In February, the SEIO presented public opinion poll from December 2014 that showed that 44% of Serbian citizens support EU membership. This is a drop from 46% registered in June 2014. On a more positive note, 73% of citizens support reforms necessary for Serbian EU accession.³

Politics

The Programme recorded instabilities in a dozen participating municipalities, from changes in the ruling coalitions, internal party clashes, political defections, to physical assaults and accusations between the members of opposed political parties. In January, the ruling majority in Žitorađa has changed when the Serbian Progressive Party (SNS) which holds two seats in the local parliament won the Mayor's position.⁴ In Vlasotince, where the local government has changed seven times since the local elections in 2012, the coalition continues to be fragile while media announce another re-composition.⁵

¹ The Government of Serbia, official web presentation of [the Ministry of Economy, Strategies](#)

² Standing Conference of Towns and Municipalities, [ESCO Projects](#)

³ SEIO: [Reforms necessary for Serbian EU accession supported by 73% of citizens](#) (February 2015)

⁴ Juznevesti.com [New political lead in Žitorađa](#); Toplickevesti.com [Political lead in Žitorađa changed](#) (December 2014)

⁵ Politika.rs [Administration in Vlasotince highly changeable](#) (February 2015)

In addition, tensions were registered in relations between the SNS and the Socialist Party of Serbia (SPS) in Surdulica and Vranje.⁶

There were also turbulences within the local boards of the SNS. Leskovac SNS headquarters repealed elections in the local boards and decided to repeat elections in 75 local communities.⁷ In Vranje, SNS Women Forum dismissed its president.⁸ In Bujanovac disciplinary measures had been taken against three Bujanovac members of the SNS due to their comments on the Facebook about the President of Serbia.⁹

Political situation in the South West Serbia has been equally turbulent. In Sjenica, political struggle continued where the Sandžak Democratic Party (SDP), after losing the assembly majority in autumn 2014, claims that the current local government discriminates their party, while emphasising that more than 30 individuals who are close to the SDP lost their jobs in the municipal administration. The Councillor of the Bosniak Democratic Community of Sandžak (BDZS) and a member of the Municipal Assembly of Sjenica, Sejfudin Muminović, left the Party's caucus.¹⁰ In addition, Sjenica Mayor reported he was physically assaulted by two persons and claimed that their motives were to change democratically elected government.¹¹

In Novi Pazar three members of the City Council were dismissed: Rešad Hodžić, Munir Poturak and Tarik Imamović. Hodžić is a former president of the local SDP, while Poturak and Imamović are known for their readiness to cooperate with the political opponents.¹² The SDP and the SDA representatives continue to accuse the administration of Novi Pazar for poor financial situation of the City.¹³

In Prijepolje, Bahrija Beganović, the President of the Democratic Party of Sandžak (DPS) physically attacked Osman Ćatić, representative of the SDP. The Assembly session was interrupted and has been finalised several days later, in presence of the security that was engaged to prevent additional confrontation of local councillors.¹⁴

Sulejman Ugljanin, who is heading the Bosniak National Minority Council (BNMC), on the occasion of the International Mother Tongue Day¹⁵ at the rally in Novi Pazar called "For legal safety, equality and European future", with the aim of drawing attention of the public to what he referred to as the constant deprivation of the Bosniak rights to use their mother tongue and exercise other rights. Ugljanin called Serbia a "chauvinistic state" which would like to turn into a "modern, democratic, European state".¹⁶ The officials strongly condemned Ugljanin's speech. Serbia's Deputy Prime Minister and the Minister of Trade, Tourism and Telecommunications, Rasim Ljajić pointed to the fact that Ugljanin didn't work on these issues during his time in the Government.¹⁷

⁶ Blic.rs [War in Surdulica Continues](#), March 2015

⁷ Juznevesti.com [Leskovac SNS annuls elections](#) (March 2015)

⁸ Novosti.rs [SNS internal cleansing](#) (March 2015)

⁹ Okradio.rs [How can they expel us if we are not members of SNS](#) (March 2015)

¹⁰ Radioplus.rs [BDZ member renounces the party and becomes independant Assembly member](#) (February 2015)

¹¹ Official Sjenica website [Sjenica Mayor attacked](#) (April 2015)

¹² Returning from his almost two year leave of absence from politics as SDP spokesperson and SDP senior advisor, to work as UNDP Project Manager in the One-UN Human Security Project

¹³ Sandžacke.rs [The actual Sandžak administration support lawlessness](#) (March 2015)

¹⁴ RTVNP [Assembly member attacked](#) (March 2015)

¹⁵ Celebrated on 21 February

¹⁶ BNV.org [For European future](#) (February 2015)

¹⁷ RTVNP [Ljajić predicts the end of Ugljanin](#) (February 2015)

Finally, there were changes in Brus, when the municipal management that consisted out of representatives of SNS and SPS was replaced by the new coalition that has gathered around Nova Srbija, Untied Region of Serbia and Democratic Party. The reshuffling also included change of the Mayor.¹⁸

These occurrences confirm that there is deep political polarisation at the local level that is inevitably reflected on the development. Although elections were identified as a high risk to the Programme it seems that the South East and South West Serbia, a bit more than some other parts of the country, are in a state of continuing political contest. For European PROGRES, the fact that a part of local self-governments remains primarily focussed on politics means that development decisions are strongly influenced by political motives, there is no continuity of development projects, changes in the municipal staff are regular and occasionally inadequate, and prospects for inter-municipal cooperation are reduced.

Social and economic developments

Heavy rain and melting of the snow led to flooding of the villages in Vranjska Banja in January 2015.¹⁹ The rain and snow moved landslides in Vladičin Han.²⁰ Bosilegrad declared the state of emergency in February due to heavy snow that caused problems with energy supply. Some families had no electricity for over a month.²¹

The Minister of Economy, Željko Sertić visited Bujanovac and announced that the Ministry of Economy will deliver another 166 million RSD through various projects for development of Bujanovac, Preševo and Medveđa.²²

The Mayor of Vranje signed the MoU with a Russian company “Orion” and a Serbian company “Biodom S” on the opening of a factory for the production of biomass boilers. The investment is around 8.3 million Euros and should enable opening 200 jobs.²³

On the basis of the main design which was funded through European PROGRES’ predecessor, EU PROGRES, Bujanovac signed a contract for the first phase of the construction of the transfer station. The total investment is 71 million RSD and will be provided from the municipal budget, the Coordination Body for Preševo, Bujanovac and Medveđa CB), and from the Ministry of Economy.²⁴

After several attempts, Vojin Popović, one of the largest public companies from Novi Pazar, was finally privatised, with the investment which was half of the estimated value. The Board of Stakeholders accepted the offer of slightly more than one million Euros, made by a consortium of M.N. Petrol Company from Novi Pazar and Turkish businessman Kenan Gunay.²⁵

¹⁸ B92.net Brus: [New Serbia instead of SNS and SPS](#) (March 2015)

¹⁹ Vranje.org (2015) [Emergency situation declared in Vranjska Banja](#) (January 2015)

²⁰ Vranje.org (2015) [Ilić: The State will help the South](#) (January 2015) ; Okradio.rs [Extraordinary support](#) (January 2015) ;

²¹ Rts.rs [Rural areas around Bosilegrad cut off from the world](#) (February 2015)

²² Jugmedia.info [Assistance to the Southern Agriculture](#) (February 2015)

²³ Juznevesti.rs [Russians building a factory in Vranje](#) (March 2015); Blic.rs [Russian Cattle factory in Vranje](#) (March 2015);

²⁴ Zelenasrbija.rs [Bujanovac builds transfer stations](#) (February 2015)

²⁵ Radiostoplus.rs [Vojin Popović sold for a million Euros](#) (February 2015)

Progress towards achieving objectives

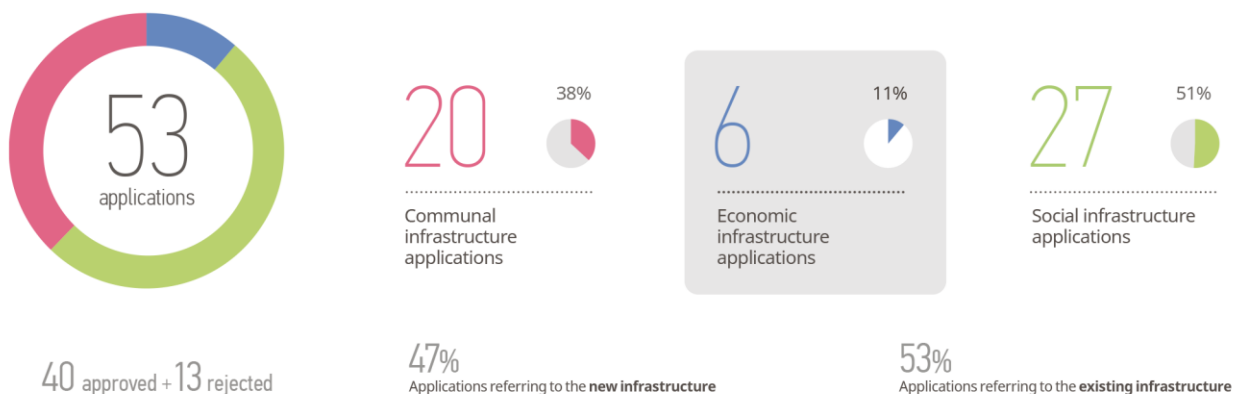
The Programme **advanced** during the first quarter (Q1) 2015: the calls for proposals (CfP) for provision of technical assistance for capital investment planning and programme budgeting and for supporting clusters were closed and evaluation of submissions is in the final phase; the CfP for development of detailed regulation plans has been launched after February approval of the Programme Steering Committee (PSC); in addition, the Department for Contracting and Financing of EU Funded Programmes (CFCU) of the Ministry of Finance, with European PROGRES' technical assistance, published the CfP for Local Infrastructure Projects.

This means that from the beginning of implementation European PROGRES has published **six CfPs**, and provided assistance to the CFCU for launching of the seventh CfP. The PSC approved **77 grants**, including 40 for development of the main designs at the February meeting, and this is another indicator of progress.



While these numbers are encouraging there are some reasons for concern. Primarily, the CfP for the Development of the Main Designs, although satisfactory in terms of response from the LSGs, brought very limited number of projects that have potential to contribute to increased economic activity. Specifically, six of 53 received applications, or 11%, related to the creation of conditions for development of economic infrastructure. In addition, 53% applications focused on the preparation of the main designs for the reconstruction of the existing objects. If this trend continues within conduct of other relevant CfPs, European PROGRES will not be able to provide full contribution to investments and employments in the area.

The Call for Development of Main Designs: few economic projects and limited investments into new infrastructure



The Programme timely identified this risk and will put efforts to additionally encourage, through technical assistance and favourable criteria, projects with economic potential. The initial analysis, however, also indicate that LSGs encounter systemic obstacles in endeavours to develop economic projects, primarily related to public ownership issues.

Activities

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

The Call for Proposals (CfP) for Development of Capital Investment Plans (CIP) and Programme Budgets (PB) was published on 10 February and after extension of ten days it was closed on 20 March. As only ten applications were received within the initial deadline, the Call was extended for another ten days which enabled five more LSGs to submit their proposals. The evaluation of applications is advanced and recommendations for approval of technical assistance to at least ten local self-governments (LSGs)²⁶ will be presented at the April PSC. In addition, assistance in PBs will be extended to Raška, Nova Varoš, Vlasotince, Vladičin Han and Medveđa.²⁷

With the aim to introduce the CfP to LSGs, European PROGRES organised four regional informative sessions from 24 until 26 February that attracted 50 participants from 20 LSGs. Evaluation of the info sessions showed that 98% of participants thought they received concrete answers to their questions²⁸.

²⁶ In accordance with the targets set in the European PROGRES Description of Action and Logical Framework Matrix

²⁷ These five municipalities received support for the development of CIPs and PBs through the predecessor Programme, EU PROGRES, and if there is evidence they apply CIPs, they automatically qualify for the support

²⁸ The report on the informative sessions about the Call for Proposals (CfP) for Development of Capital Investment Plans and Programme Budgets is available in the Annex I, Attachment 1.1

The Programme developed the Terms of References and advertised positions for two on call experts in CIPs and PB who will be responsible to provide technical assistance to the selected LSGs.

European PROGRES informed 30 LSGs that participated in the Call for Improvement of the Tax Payers' Registries about the status of their applications. Novi Pazar and Bojnik objected the evaluation results and the Programme provided additional clarification, in line with the guidelines from the PSC.

The grants for 16 tax proposals that were approved for funding were issued from 16 to 20 March, after completed administrative and financial checks. The implementation kicked off with the establishment of the Municipal Working Groups and opening of the dedicated accounts.

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

Following February PSC approval, the Call for Proposals (CfP) for Development of Detailed Regulation Plans (DRPs) was advertised on 5 March. Support will be focussed on the development of planning documents that create conditions for increased economic activity. The allocated amount for this Call is 280,000 Euros while the maximum amount per application can be 15,000 Euros. In order to present the CfP, European PROGRES organised three information sessions from 10 to 12 March, which gathered 69 participants from 27 LSGs, of which 97% positively or very positively assessed the sessions while 99% claim their understanding of the CfPs criteria improved.²⁹ The Call closes on 7 April.

The criteria for provision of support for development of the Geographic Information System (GIS) have also been prepared and will be presented at the April PSC meeting. The Programme plans to start this activity with introduction training about the GIS, in April 2015.

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

In January, the Programme signed the contract with the Association of Consulting Engineers of Serbia (ACES) for the delivery of the trainings about the International Federation of Consulting Engineers (FIDIC) contract modality in implementation of infrastructure projects. The contractor conducted the training needs assessment³⁰ and identified 101 participants from all 34 European PROGRES LSGs that will attend the trainings. The first of five training modules will start in April 2015.

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

Local Governance Assessment of 34 municipalities has started. The implementing partner has developed, in consultations with the Programme, two sets of questionnaires (for supply and demand sides of governance), and the good governance matrix for assessment of five key good governance principles. Field work started in the second half of March with administering the questionnaires and carrying out initial interviews. These activities are expected to last until mid-April, after which analysis of the collected data will ensue. The Assessment will provide comprehensive snapshot of the governance levels in 34 LSGs and will be used for the selection of municipalities that will benefit from later governance reforms.

²⁹ The Evaluation of the Call for Proposals for Development of Detailed Regulation Plans is available in the Annex I, Attachment 1.2

³⁰ The FIDIC Training Needs Assessment is available with European PROGRES

1.5 Institutional development of local gender equality mechanisms

UN Women, the implementing partner, carried out the Gender Equality Benchmarking Assessment³¹ in 28 European PROGRES municipalities, and the six remaining municipalities will be assessed in April. The assessment indicates that the Gender Equality Mechanisms (GEMs) are not particularly active, and that capacity-wise they are mostly at the initial level (low general capacities, laws and policies are implemented partially or sporadically, GEMs are compliant with minimum standards), or at best at the level of piloting certain aspects of Gender Equality (GE) policies (e.g. undertaking basic gender mainstreaming activities). The assessment also points out that nine LSGs need assistance for drafting of GE Local Action Plans.

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, developed criteria for the selection of municipalities that will receive assistance to mainstream Gender Responsive Budgeting (GRB) in the local budgetary practices, and conducted the gender-wise assessment of municipal budgets for 2015. On the basis of the findings and criteria, UN Women will recommend provision of technical assistance for introduction of GRB in at least five LSGs.³²

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 Programme met the key stakeholders that work on the implementation of the Law on Planning and Construction, including the Ministry of Construction, Transport and Infrastructure, the Standing Conference of Towns and Municipalities (SCTM), USAID Business Enabling Programme (USAID BEP), and the Centre for Good Governance - OPTIMUS. These meetings were used to identify possible areas for European PROGRES' support for the implementation of the Law. The following four ideas emerged as the most relevant:

- Monitoring of implementation of the Law and identification of potential bottlenecks
- Provision of thematic trainings to the key local stakeholders that are responsible for the Law implementation, such as the PUCs or inspections
- Provision of technical assistance for internal reorganisation of LSGs in order to ensure they are fit to meet the obligations set by the Law
- Provision of training about usage of software for e-permitting.

The Ministry and European PROGRES agreed to reconvene by mid-April in order to reconfirm areas for possible intervention and this should enable shaping of the support package for LSGs.

³¹ Gender Equality Benchmarking Assessment is an instrument for continuous and comparative appraisal of gender capacities and practices at the local level.

³² The criteria and the initial assessment are available in the European PROGRES

European PROGRES also discussed the relevance of the software that was developed during the predecessor Programme within establishment of One Stop Shops (OSSs) in Vranje, Leskovac, Novi Pazar and Ivanjica. The initial analysis shows that the new software will be simpler and not fully compatible but some of the characteristics of EU PROGRES' solution could be integrated. In addition, municipalities should be able to continue using EU PROGRES' software as it provides more options. One good example can be found in the Municipality of Čajetina that within establishment of unified procedure for the construction permits that started on 01 March also used European PROGRES' software for e-permitting.³³ The Programme will further research this issue in Q2 2015.

European PROGRES has still not presented the Competitiveness Web Portal to the LSGs. The ToR for the on call consultant that should take a lead in the presentation of the Portal, provide assistance for update of the competitiveness data, and identify areas for possible tailor made assistance to LSGs, was developed and will be advertised in April. This should accelerate this activity.

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

European PROGRES completed evaluation of 53 applications received in response to the CfP for the Development of the Main Designs in January 2015. The Programme's recommendations for funding of 40 projects in the total amount of 609,000 Euros of which 538,000 will be provided by European PROGRES, were endorsed by the February PSC. Four proposals or 10% of approved actions relate to economic projects while the remaining 36 will create conditions for improvements of communal and social infrastructure. The grant contracts will be signed with the LSGs in April 2015 while the Programme is preparing an analysis that should explain the low number of economic projects as well as why 53% of approved projects related to main designs for reconstruction rather than to the new infrastructure. This analysis will include recommendations about whether the Programme should launch another CfP in this field and what should be the criteria. Even if the Programme conducts another CfPs, a part of the funding allocated for the technical documentation will remain uncommitted and this indicates the need for re-conceptualisation of the activity and possible redirection of financial resources.

During regular meetings with the stakeholders, European PROGRES met the Serbian Waters and identified the need for development of 15 designs and studies for anti-erosion and flood protection on the river sheds in the Programme area. This could be one area to utilise possible unspent funding of this activity.

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)

The construction works on the building for Bujanovac Department of Subotica Economics Faculty started in January and reached up to the first slab by the end of March, which is in line with the work plan. European PROGRES closely monitors the works and produces monthly progress reports for the members of the Faculty Department Stakeholders' Committee.

³³ Official site of the Municipality of Čajetina, [Unified Procedure for Issuing of Construction Permits](#), EU PROGRES and donors, EU and the Government of Switzerland, mentioned at the bottom of the web pages

The Municipality of Bujanovac prepared tender documentation for the procurement of the equipment needed for operations of the Faculty Department. The tender will be published in April, aiming for the delivery of equipment in September 2015.

With the objective of using the momentum created by this construction project, European PROGRES produced the Stakeholders' Mapping Report³⁴ whose purpose is to identify development actions implemented in Bujanovac as well as to provide a framework for integrated approach to development of Bujanovac, Preševo, and Medveđa.

European PROGRES is researching options for the second infrastructure project as it is now critical activity and has been raised as an issue that should be resolved urgently.

2.4 Technical assistance for implementation of grants for local infrastructure projects

Five months after agreed, the Department for Contracting and Financing of EU Funded Programmes (CFCU) of the Ministry of Finance published the CfP for Local Infrastructure Projects on 10 March. The Call will be opened until 28 April, which is the deadline for 34 Programme municipalities to submit their concept notes. In order to present the CfP to beneficiaries, European PROGRES, with participation of the CFCU and SEIO representatives, organised three informative sessions from 31 March to 2 April. The events attracted 87 participants from 34 municipalities, confirming once again high interest for this activity. In addition, the Programme teams are visiting every LSG to provide initial technical assistance that should facilitate identification of projects that have clear potential to meet the Call criteria.

The Programme also advertised vacancies for the team leader and three assessors that will be responsible, under the CFCU, to conduct evaluation of applications that will be received within this CfP.

The grants should be signed in June 2016, with the end of implementation in December 2017, which is beyond the European PROGRES' duration.

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

This activity will be implemented in parallel with the implementation of the local infrastructure projects that will be supported through the CFCU grant scheme. The five-month delay in advertising the CFCU CfP brings into question the timely completion of this activity since the Programme's work on linking the GG and infrastructure lasts longer than the construction. European PROGRES is developing a simple analysis to determine more specifically the effects of the delay and will present the findings in the Annual Report.

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 initial concept to this activity has been drafted and envisages participatory approach to identifying the obstacles in the vertical coordination between the central and local governments. The key stakeholders, such as the Ministry of Public Administration and Local Self-governments, the Ministry of Finance, the Republic Secretariat for Public Policies, the state public companies, the Standing Conference of Towns and Municipalities (SCTM) will be involved and contribute with their expertise and experiences. The process will focus on communication between LSGs and

³⁴ The Stakeholders' Mapping report is available in the Annex II, Attachment 2.1

central institutions, planning and construction, public property, and social protection. The approach will be finalised with the Swiss Good Governance Back Stoppers during their three-day mission to Serbia that started on 31 March.

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

The CfP for Public-Private Partnership (PPP) was finalised and will be presented at the April PSC. The Call should have been presented at the February PSC meeting, but it was decided to reduce the burden on the LSGs and to modify the initial draft to include opportunities for establishment of the PPP for enhancing energy efficiency in the public sector.³⁵

The Programme met the State Commission for Public-Private Partnership (PPP) that supported European PROGRES' approach and confirmed it would participate in the PPP introduction workshops for LSGs that will be organised prior to publishing of the CfP.

The ToRs for short-term financial and legal experts who will provide support for the technical assistance have been developed and will be advertised in early May.

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

The Programme received nine project concept notes in response to the CfP for Provision of Support to Clusters by 30 January. Following initial evaluation, seven concepts were selected for development into full applications and European PROGRES organised two day workshop on 24-25 February to provide technical assistance to clusters for completion of this step of the CfP. As a result, European PROGRES will recommend projects for approval at the April PSC.

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 Assessment of the Agricultural Producer Groups (including agricultural cooperatives and associations) and Geographic Indication for Traditional Agricultural Products was completed.³⁶

The Assessment showed the difference between the so called "old type" of cooperatives and those established after 2000. The former have substantial capital, few members, large work force, and are operated by a Director, but exist mostly "on paper" and do not function on cooperative principles. The latter have few assets and employees, professional management and commitment of farmers. The assessment also included interviews with eight organisations that protected geographic indication of traditional agriculture products. Leskovački ajvar, Sjeničko jagnje, Zlatarski sir and Svrliški belmuž have production volume, safety preconditions and market potentials and indicate the Programme's support will be relevant.

The findings will provide basis for development of criteria in Q2 2015 for delivery of support to agricultural producer groups as well as for the selection of agricultural products that will be supported in the protection of geographic indication.

³⁵ Known as "Reducing energy consumption in the public sector through energy performance contracting –EnPC". Projects that fall under EnPC usually relate to public lighting, public facilities and the water sector.

³⁶ The Assessment included inputs from the Ministry for Agriculture and Environmental Protection and Regional Cooperative Unions, and conduct of survey in 34 LSGs. Subsequently, field interviews were held with 66 cooperatives and association, and additional 20 groups completed questionnaire.

2.10 Support to women entrepreneurship

Support to women entrepreneurship has three stages: info-sessions for all interested unemployed women from 34 municipalities, trainings for business planning for those who pledge their commitment to the process, and the CfP for Provision of Grants for Starting up Small Businesses.

Seven information dissemination sessions are planned, out of which three were carried out during March, with participation of approximately 170 unemployed women. The sessions covered objectives of the intervention, criteria, application process etc. The remaining four sessions will be organised in April.

An expert for providing trainings in business planning will be recruited in April. The trainings are planned for May, and launching of the CfP for June.

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 Surveys 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

This activity will be developed in Q3 2015.

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

This activity will be developed in Q2 2015.

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

On the basis of consultations, European PROGRES developed the concept for this activity and the pertaining ToR. The specific objectives of the intervention are to increase capacities of the LSGs in assessing the needs of vulnerable and marginalised; to develop and implement relevant evidence-based local policies and activities; and to develop and pilot innovative models for employment of vulnerable and marginalised. The ToR will be presented at the April PSC.

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

This Activity will share the implementation framework developed for the Activity 3.4 and will be presented at the April PSC.

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

This activity will be developed in Q2 2015

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

As the initial step, the Programme met some of the cultural actors in multi-ethnic municipalities, including the Bosniak and Albanian National Minority Councils. The meetings resulted in provision of ideas for concrete projects, such as procurement of audio-video equipment for the Cultural Centres and joint activities of youth from different ethnic communities. However, no long-term visions for enhancing multi-culturalism were presented which also indicated that local capacities are insufficient to rise above the immediate needs.

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

Contracts for all 20 project proposals endorsed through the first Citizens' Involvement Fund (CIF) CfP have been signed and the implementation of activities has started. The grantees were further capacitated through two information sessions on administrative and financial procedures, so they could run their projects more efficiently. Half of the CIF projects started with a month and a half delay, caused by prolonged transfers of municipal financial contributions and prolonged opening of dedicated subaccounts.

3.9 Support young people from Albanian community to learn Serbian language

On the basis of consultations with the Ministry of Education, Science and Technological Development (MoESTD) and the CB, European PROGRES developed the ToR for engaging a legal entity that will provide assistants to teachers of Serbian language as a non-mother tongue in the selected elementary schools in Preševo and Bujanovac. The ToR was presented to the PSC at the February meeting and there were no objections to it. Before making the final decision about engaging teaching assistants, European PROGRES will also visit the selected schools to access level of their ownership and support to the planned intervention.

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

During the meeting with the Commissariat for Refugees and Migration (CRM) in March, it was noted that the local trustees for refugees and migration and the local migration councils needed capacity building. The CRM also suggested provision of assistance to the Centre for Urgent Reception of Returnees under Readmission Agreement in Bela Palanka.

Apparently there will be no need to implement an information campaign on migration, since the CRM is about to start a nation-wide similar action. In light of this, within development of the Annual Report that is due in July 2015, European PROGRES will consider if there was a need to redesign activity and possibly reallocate part of the funding to other actions.

Result 4

Effects of Serbia's European accession communicated to general public

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

Visits and events

There were **two high profile visits**. The DEU Ambassador visited Bujanovac and Vranje on 3 and 4 February 2015 to mark the start of the construction of the building for Bujanovac Department of Subotica Faculty of Economics and hand over grant contracts for the projects in the South East Serbia that were supported through the CIF. The Minister of Education, Science and Technological Development, the OSCE High Commissioner on National Minorities, the President of the Coordination Body for Preševo, Bujanovac and Medveđa and Bujanovac Mayor attended the Bujanovac event. The visit generated over 60 positive media reports.

UNOPS Executive Director visited Serbia on 9 and 10 March and met the representatives of the Government of the Republic of Serbia, donors and beneficiaries, and conveyed UNOPS commitment to support the Government in the conduct of reforms along the path towards the European Union. The visit confirmed importance of the assistance programmes for the underdeveloped areas.

The fourth Programme Steering Committee, organised in Blace on 27 February 2015, attracted over 50 participants, including 13 mayors, and facilitated productive discussion about obstacles that LSGs encounter in development of infrastructure projects. The event generated over 25 positive media reports.

European PROGRES and its predecessor, EU PROGRES, were presented at **the EU Project Fair**, organised by the DEU in order to enhance public awareness of the EU support to Serbia.

Tools and visuals

The concept and the visual design for the **European PROGRES Newsletter** were developed.³⁷ This tool will provide insight into key European PROGRES' news, inform about open public calls and tenders, promote LSGs' best practices, and announce forthcoming events. It will contain limited amount of text and instead would offer links to more detailed information that will be

³⁷ The Newsletter concept is available in the Annex IV, Attachment 4.1

stored at the Programme website. Preparation of texts and materials for the first issue is in the final phase and its public launch is planned for April.

The Programme also developed framework for the use of **digital communications**³⁸ and established Twitter account³⁹.

The **Programme's logo** has been revised to place the Republic of Serbia coat of arms before those of the Programme's partners. The revised logo has been agreed with the DEU and the SDC and now reflects the visibility guidelines of the Government of Serbia.

Within efforts to establish strong communication around the project for the construction of Bujanovac Faculty Department, European PROGRES developed Communication Strategy that provides the framework for the activities that should ensure that the key stakeholders are aware of the project's progress. In addition, this Strategy aims to use the momentum created by the Faculty project to promote integrated approach to the development of Bujanovac and the area.

Media work and coverage

Two interviews have been organised. UNOPS Executive Director gave an interview for the national daily Politika in which, among other topics, she talked about developmental support to South East and South West Serbia. European PROGRES Manager's interview for the regional web portal JUGpress and the national news agency Fonet was also publicised in the regional magazine Nova Naša Reč. The interview focussed on the cooperation with the municipalities and the first year of European PROGRES' implementation.

European PROGRES coverage in the media



140

January-March 2015

420

Total since the beginning of the Programme

Five press releases have been circulated and generated over 140 affirmative media reports⁴⁰, which is 15% increase comparing to the predecessor Programme during the same period of implementation. The media showed interest for the ambassadorial visit, confirming once again that the presence in the Programme area by the Government and the donors' officials is important for visibility of their financial assistance. Media outlets have also reported about European PROGRES CfPs, especially development of technical documentation, CIF projects and

³⁸ The framework for European PROGRES digital communications is available in the Annex IV, 4.2

³⁹ European PROGRES Twitter account: <https://twitter.com/EvropskiProgres>

⁴⁰ The national media coverage includes the news agencies FoNet and Tanjug, the Radio Television of Serbia, dailies Večernje novosti and Danas. All major regional media such as Južne vesti, JugMedia, Jugpress, RTV Vranje, Topličke vesti and OK Radio have been regularly covering the Programme developments. Detailed overview of media reports is available in the Annex IV

info sessions related to women's entrepreneurship. The European Union and the Government of Switzerland funding support to the Programme has been accurately noted in the reports.

There were two negative media reports, which although not about the European PROGRES or EU PROGRES, mentioned these Programmes: following public dispute regarding the report of the Balkan Investigative Reporting Network's (BIRN) about possible irregularities of the tender for deflation of coal seam in Kolubara, which included negative reactions from the Prime Minister of Serbia, daily Politika published text about BIRN and its donors, mentioning EU PROGRES as one of its funding contributors, without any additional details; regional weekly Vranjske wrote critical text about the Meteris Landfill project but commended EU PROGRES support to this initiative. Since the texts did not include wrong or negative information about the Programme, no action was needed.

Website

European PROGRES website attracted average 2,135 unique visitors per month, with the total of 11,434 registered during the reporting period. The portal is regularly updated with the most relevant documents and the latest news about the Programme activities. By far the most popular page was the news story about the info sessions within the women's entrepreneurship support, which was viewed 4,573 times in March, followed by news about CfPs and Public Calls.

Number of visits to the Programme website



11,434

January-March 2015

13,315

Total since the launch of the website

Communication support to other sectors

Strong communications support was provided to other Sectors in promotion of CfPs for the CIF and Women Entrepreneurship info sessions.

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

The ToR⁴¹ for the first campaign with the theme "Bringing European Integrations Closer to the People in the South East and South West Serbia" has been finalised and approved by the donors, the Office of the Minister without Portfolio Responsible for European Integration, and the SEIO, and will be advertised in early April. The campaign should be launched by September 2015, and will last for a year with culmination around marking of the Day of Europe on 9 May 2016.

⁴¹ The ToR is available in the Annex IV, Attachment 4.3



Republic of Serbia



Programme Funded by EU



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC



Implementing Partner

EUROPEAN
PROGRES

Management and coordination

The Programme has been applying governance framework that is established for planning, risk and issues management, communications, and learning from experience. It also started the work on the establishment of configuration management, monitoring of benefits, and development of comprehensive approach to quality.

Programme Steering Committee

The Programme Steering Committee (PSC) meeting was held in Blace on 27 February 2015 and resulted in approval of 40 projects for the development of the main designs and of criteria for the CFP for Development of Detailed Regulation Plans. The next PSC meeting is planned for 28 April 2015.

Finance

The final financial figures will be provided in the certified financial reports but information provided in this Report provides insight into the spending trends. These are the key financial indicators for the reporting period:

- The total delivery as of 31 March 2015 is 1,564,794 Euros or 8.96 % of the Programme budget
- The delivery of the Q1 2105 was 480,449 Euros or 72% against the target of 663,183 Euros
- The forecast delivery for the Q2 2015 is 1,212,111 Euros
- The second instalment from the SDC received in December 2014.

European PROGRES will be subject to the European Commission verification mission that is planned for Q4 2015.

Procurement

The following is progress on key procurement activities:

- Consultancy for the conduct of Local Governance Assessment in 34 LSGs contracted
- Contract for the construction of building for Bujanovac Department of Subotica Economics Faculty signed
- Contract for technical control of the construction works on Bujanovac Department of Subotica Economics Faculty building signed
- 36 Grant Support Agreements for the Citizen's Involvement Fund and Improvement of the Tax Payer's Registry signed.

European PROGRES procurement and management staff will attend the training on Implementation of Sustainable Procurement in September 2015. This exercise will contribute to enhancement of sustainability aspect of procurement within European PROGRES procurement activities. The training will be delivered by UNOPS experts.

Other procurement activities were related to organisation of European PROGRES events (e.g. PSC meeting, information sessions), ambassadorial visit, and production of visibility materials.

Human resources

European PROGRES carried out workforce planning which resulted in identification of positions, specific on-call functions and skills needed by the Programme throughout 2015. During the reporting period, the Programme hired additional on call consultants for graphic design and financial monitoring and revision as well as part-time receptionist in support to the activities in South East and South West of the country.

The Programme personnel established individual performance related objectives for 2015 based on which their engagement, contribution and results achieved with European PROGRES will be monitored and evaluated throughout the year.

UNOPS RSOC continues to support development of European PROGRES personnel through investment in learning activities focusing particularly on specific project management skills, sustainable infrastructure and procurement, standards of conduct and good governance as cross-functional training.

The United Nations Board of Auditors (UNBOA) visited RSOC and the Programme as part of the management audit of UNOPS for 2014. The main focus of the audit was human resources management. The preliminary report of UNBOA is positive, and it is most likely that the Programme will contribute to the overall clear auditor's opinion of UNOPS in HR management segment.

Reporting and monitoring

This Quarterly Report covers the period from 1 January until 31 March 2015. European PROGRES staff produces weekly and monthly reports. The Programme produces general monthly reports and although not contractual obligation these could be provided to the SEIO and the donors upon request.

European PROGRES developed the Matrix with the key socio-economic indicators⁴² of its area of responsibility. The Programme will collect relevant data on annual level to monitor major trends in the area. This is the first step in development of comprehensive Programme's monitoring framework.

Evaluation

The Government of Serbia and the donors will evaluate the Programme separately and independently.

Offices

European PROGRES office in Niš has been moved to new building as of 1 March 2015. This step was undertaken with the objective to reduce office the running costs and contribute to the overall cost efficiency of the Programme. The Programme will reduce heating and office rent costs by almost 50% on a monthly base.

⁴² The Matrix with the key area socio-economic indicators is available with European PROGRES.

Security

- Mandatory security SMS Communication Test performed successfully. The success ratio of overall RSOC improved from 85% in September 2014 to 92% in Q1 2015. Only one European PROGRES member of staff didn't reply, which is improvement comparing to the September test when four employees did not respond.
- Mandatory satellite phone communication test (voice and SMS) performed successfully with both units in Belgrade and Niš offices Security documents for all staff were updated. All colleagues were reminded to get acquainted with the security policies and procedures. All staff have completed basic and advanced security tests
- Staff list updated and forwarded to the Department of Safety and Security (UNDSS)⁴³ on a monthly basis.

No security issues or threats for European PROGRES' staff were recorded.

Information communications technology

The following ICT activities have been conducted:

- New mobile telephony provider has been contracted; new devices are will be provided to staff members in early April
- New intranet is functional as of mid-February with important project files for each programme and project implemented under the UNOPS Serbia, including European PROGRES
- Backup intranet option has been installed for Belgrade office as of 1 March

Risks and Issues

The following provides insight into the key risks that were identified as well as information about those that materialised.

New risks

Reduced impact on investments and employment due to limited number of economic projects: Although the Programme has been encouraging development of economic projects through adoption of favourable criteria for CfPs and advocacy, the LSGs have been providing limited number of applications related to economic projects. If this risk is to materialise, as it was the case with the CfP for the Main Designs, European PROGRES' impact on investments and employments would be reduced. In order to mitigate this risk, the Programme will continue to favour economic projects where appropriate, it will invite the PSC to advocate for economic growth actions, and will try to raise awareness of the relevant national institutions to the systemic obstacles for economic development at the local level.⁴⁴

⁴³ The Department of Safety and Security (UNDSS) is responsible for providing leadership, operational support and oversight of the security management system, ensure the maximum security for staff and eligible dependants as well as enable the safest and the most efficient conduct of the programmes and activities of the United Nations System.

⁴⁴ Efforts to raise awareness of obstacles for development of economic projects fit into already planned actions within vertical dimension of good governance.

Limited number or no PPP projects: consultations that the Programme had regarding the PPP activity demonstrated that LSGs have limited knowledge about this concept. In addition, PPP is still relatively new in Serbia and there are few positive practical examples that could be shared. Finally, the success of the PPP action eventually depends on the availability of investors and this is serious risk. In response, the Programme will organise sessions to improve LSGs' understanding of the PPP and, at the appropriate time, the investment conference in order to promote the PPP among the private sector.

Issues

The risk related to **lower interest of the stakeholders** for some activities materialised. The best example, likely, is the CfP for CIPs and PBs where only 15 LSGs requested support, even after the extension of the deadline. The Programme determined that in nine LSGs there was no support by the municipal leadership for participation, despite general interest of the LED Offices and financial departments. For sure, after learning that implementation of infrastructure projects will commence in 2017, some mayors are less "enthusiastic" about the Programme. In addition, the weak response to some CfPs is caused by the limited capacities of LSGs. For example, at least three municipalities did not participate in the CfPs for CIPs and PBs because of the limited resources of the LED Offices. All this signals that the Programme needs to enhance communication with municipal leaderships regarding the activities in order to encourage their participation but also to identify any objective obstacle to their continuing engagement. European PROGRES will also continue to pay more attention to the "weaker" LSGs.

This period brought **re-composition** of the local governments in Žitorađa and Brus. The Programme reacted immediately and established relations with the newly elected Mayors. As a result, the new leadership is eager to continue with all Programme activities and announced participation in the open and planned CfPs. While in this specific case the risk effect will be minimal or even positive, often re-compositions and changes of the municipal staff distort the work of the Programme. European PROGRES will cultivate relations with municipal leadership as this is instrumental for LSGs engagement.

The Risks and Issues Register⁴⁵ includes both initial and newly identified risks, as well as the information on the planned responses and their status. It also includes 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 benefits from the efforts of the implementing partner, UNOPS Serbia Operations Centre (RSOC), to introduce the procedures to enhance Programme's performance. During Q1 2015, UNOPS Serbia launched Standard Operating Procedure (SOP) for **Internal Quarterly Project Assurance** that provides the instructions on how to undertake appropriate quality checks with the aim of ensuring that RSOC projects, including European PROGRES, are managed in compliance with the UNOPS project management standards and that they meet clients' and donors' expectations.

The project assurance is one of the most important project management techniques, which reviews a project's business case, viability in terms of costs and benefits, and delivery of adequate solutions. It is complementary to the corporate online quarterly Engagement Assurance and it monitors and evaluates projects and programmes in line with the PRINCE2 methodology.

⁴⁵ The Risk and Issues Register is available in Annex V, attachment 5.1

European PROGRES regularly cooperates with the **Project Management Office (PMO)** that is established within UNOPS Serbia. The PMO provided valuable advice regarding further development of risk and issue management practices and tools and will support the Programme to enhance configuration management in Q2 2015.

The Programme also continues to integrate GG and gender themes wherever appropriate. For example, gender equality was the key learning theme during all staff meeting and will be the focus of the first newsletter while European PROGRES CfPs continue to have contribution to GG among scoring criteria.

Lessons learned

European PROGRES has conducted six calls for proposals from October 2014 to March 2015, under which LSGs were eligible to seek technical assistance for development of project applications. The assistance included visits to the selected municipalities, discussions with relevant municipal staff regarding criteria and identification of projects, and provision of online assistance during the preparation of proposals.

The overall quality of applications was lower than expected and this, among other, indicated that the **Programme's technical assistance was not always effective**. Analysis shows that majority of LSGs requested assistance just couple of days before the end of call deadlines. Therefore, with quite a few requests for the assistance within limited time, the Programme was not able to provide the support which might have enhanced the quality of applications. In order to address this, European PROGRES will set the time frame in which LSGs can ask assistance. In addition, the Programme staff will strive to support or at least double check applications of LSGs asserting that they do not need help, as this also proved to be a recipe for weak proposals. This lesson will be applied within the CfP for Local Infrastructure Projects and henceforward.

The Programme also identified that **English was/remains a problem** for the LSGs. There were cases in which projects in Serbian were satisfactory but poor translation into English significantly reduced their quality. This was in particular the case with the municipalities that have used online translation tools. European PROGRES hence advised LSGs to plan time that is needed for the translation of documents as well as to consider using external translators when they do not have employees with sufficient knowledge of English.

During the Call for Technical Assistance in Capital Investments Planning and Programme Budgeting, Local Economic Development (LED) Offices in some municipalities did not have adequate support from their finance and urbanism departments. Without supporting documentation, LED Offices were not able to timely prepare the applications. The Programme will in future request from the Mayors to ensure **engagement of relevant municipal departments** in specific European PROGRES activities. This lesson, however, indicated there is still broader need to improve internal municipal coordination.

This period confirmed that European PROGRES grantees, primarily LSGs, often need **more than 30 days before finalising the payment of co-funding** for the approved projects. In the case of CIF grants, almost half of the projects were delayed between 30 to 45 days due to opening of sub accounts, rebalancing of local budgets in some municipalities, and the transfer of co-funding to the joint account. As procedure cannot be much faster, European PROGRES needs to ensure that this

time is adequately calculated into individual project plans before issuing contracts and in the Programme's work and delivery projection.

Following completion of the CfPs, there were cases in which unsuccessful applicants requested additional information or objected results. While the Programme strived to respond efficiently, with argumentation, in some cases unsuccessful applicants had different demands, such as request to get insight into the complete evaluation documentation. This showed that the Programme needs to adopt **clear guidelines regarding the way it will address possible complaints**, with the objective to ensure transparency but also to preserve the integrity of the process. European PROGRES obtained the advice from the donors and the SEIO and will develop the guidelines in Q2 2015.

The overview of the lessons learned is available in the Annex V, Attachment 5.2 – European PROGRES Lessons Log.

Work Plan

European PROGRES Work Plan for the period from 1 April - 30 June 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

- Start provision of the technical assistance in the capital investment planning and programme budgeting (Activity 1.1)
- Publish the CfP for Geographic Information System (Activity 1.2)
- Issue grants for the development of Detailed Regulation Plans (Activity 1.2)
- Complete the first two modules of FIDIC trainings (Activity 1.3)
- Complete consultations with the Swiss Back Stoppers for Good Governance and develop plan for the establishment of the GG Competence Centres (Activity 1.4)
- Complete Gender Benchmarking Assessment of 34 LSGs and start development of tailor made assistance for Gender Equality Mechanisms (Activity 1.5)
- Select the LSGs that will be supported in gender responsive budgeting (Activity 1.7)

Result 2

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

- Present competitiveness portal to LSGs and start update of the competitiveness data (Activity 2.1)
- Define the scope of the activity for improvement of business-enabling environment (Activity 2.1)
- Issue grants for development of main designs (Activity 2.2)
- Identify two inter-municipal projects for development of technical documentation (Activity 2.2)
- Complete brick and concrete works on Bujanovac Faculty Department (Activity 2.3)
- Identify regional infrastructure project for the construction through CFCU (Activity 2.3)
- Assist LSGs in preparation of the concept notes for the CFCU call (Activity 2.4)

- Provide initial recommendations for GG interventions in the infrastructure projects (Activity 2.5)
- Finalise approach for the work on vertical dimension of GG and agree engagement of the national stakeholders (Activity 2.6)
- Advertise the CfP for Public Private Partnership projects (Activity 2.7)
- Issue grants to clusters and monitor implementation (Activity 2.8)
- Define criteria for support to agricultural producer groups (Activity 2.10)
- Complete information sessions and finalise the CfP for women business start-ups (Activity 2.10)

Result 3

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





- Elaborate approach and define the criteria for CAS (Activity 3.2)
- Contract the implementing partner for social inclusion and employment activities (Activities 3.4 and 3.5)
- Define specification for procurement of the medical equipment to the selected medical centres (Activity 3.6)
- Define criteria for the support to cultural institutions in cooperation with the CB (Activity 3.7)
- Contract the implementing partner for teaching assistants and prepare procurement for textbooks, manuals and auxiliary educational material (Activity 3.9)

Result 4

Effects of Serbia's European integration communicated to general public

- Organise at least three high profile functions, including the fifth PSC
- Distribute the first issue of European PROGRES' newsletter
- Start promotion of the Programme activities on Twitter and Facebook
- Develop municipal profiles that provide information of European PROGRES' support
- Select consultancy and start preparations for the implementation of the first campaign "Bringing European Integrations Closer to the People in the South East and South West Serbia"

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
Overall objective: 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.		
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		Not applicable.
Programme purpose: 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.		
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	Less than 10% of applications to the Call for Proposals for the Main Designs relate to the creation of conditions for development of economic infrastructure. In addition, over 50% of applications focus on the reconstruction of the existing objects. This does not contribute to European PROGRES objective to contribute to investments and employments.	European PROGRES put emphasis on economic impacts in the criteria for provision of support through calls for proposals and encourages the local self-governments to develop projects with potential for investments and employments. However, a limited number of projects that could facilitate investments and economic growth in the Programme area were yielded by 31 March 2015.

activities within the Programme		
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		
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%) ⁴⁶	Ten out of 15 projects submitted during the Call for Proposal for Provision of Technical Support in Capital Investment Planning will be proposed to April PSC for approval.	The December 2014 Programme Steering Committee approved the criteria for provision of support for introduction of Capital Investment Planning. The Call for Proposal for Provision of Technical Support to Local Self-Governments (LSGs) conducted.
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) ⁴⁷	Ten out of 15 projects submitted during the Call for Proposal for the Programme Budgeting in Capital Investment Planning will be proposed to PSC for approval in April.	The December 2014 Programme Steering Committee approved the criteria for provision of support for development of Programme Budgets. The Call for Proposal for Provision of Technical Support to Local Self-governments (LSGs) conducted.
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 ⁴⁸	Grant Support Agreements for improvement of the taxpayers' registries signed with 16 LSGs and implementation of the projects started.	The Call for Proposals for the improvement of the Tax Payers' Registries conducted: 30 local governments submitted applications, and 16 were approved for funding at the December 2014 PSC. All 16 grants issued and the implementation started.
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) ⁴⁹	The CfP for Establishment/Upgrade of Geographic Information System developed and will be presented to the April 2015 PSC.	The assessment confirmed that LSGs have interest and potential for improvement of the GIS. The CfP for Establishment/Upgrade of Geographic Information System developed and will be presented to the April 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 Call for Proposals for Detailed Regulation Plans was published on 5 March 2015.	The assessment of Planning Documents showed that all LSGs need support for development of detailed regulation plans (DRPs). The criteria were approved at the February 2015 PSC and the call for proposals was published on 5 March 2015. The focus is on DRPs with economic potential.

⁴⁶Baseline Study on Competitiveness, EU PROGRES, 2014

⁴⁷Baseline Study on Competitiveness, EU PROGRES, 2014

⁴⁸LTA Office Annual Reports

⁴⁹Obstacles to Infrastructure Development, EU PROGRES, 2013

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	The needs assessment conducted and 101 municipal candidates selected for trainings about the International Federation of Consulting Engineers (FIDIC) contract modality.	The Association of Consulting Engineers of Serbia (ACES) was selected to deliver the trainings on the use of the International Federation of Consulting Engineers (FIDIC) contract modality in implementation of infrastructure projects. The needs assessment conducted in Q1 2015 and 101 municipal candidates selected for trainings.
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, whose findings will be used for tailoring the governance reforms in the municipalities, contracted and undergoing in 34 municipalities.	The process was initiated with the visits to the municipalities and then having appointed 34 focal points for good governance (GG). GG introductory workshop was held in December 2014. The Local Governance Assessment undergoing.
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 European PROGRES' municipalities developed Local Gender Action Plans ⁵⁰	The GE Benchmark Assessment was carried out for 28 LSGs.	Contract signed with the implementing party, UN Women. The implementation is undergoing. The GE Benchmark Assessment was carried out for 28 LSGs.
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.	The identification of LSGs that will be supported in Gender Responsive Budgeting initiated in March 2015.	The project for gender activities that is signed with the UN Women includes activities for introduction of gender responsive budgeting in at least five LSGs. The Gender Responsive Budgeting processes were initiated in March 2015.

⁵⁰ Baseline Study on Competitiveness, EU PROGRES, 2014

<p>Baseline: three municipalities have performed budget and local policy analyses from gender perspective⁵¹</p>		
--	--	--

⁵¹Baseline Study on Competitiveness, EU PROGRES, 2014

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 ⁵²	The Programme completed consultations with the line Ministry, SCTM, USAID BEP, and OPTIMUS and started development of this activity.	The adopted amendments to the Law on Planning and Construction provide basis to European PROGRES to develop this activity. The Programme completed consultations with the line Ministry, SCTM, USAID BEP, and OPTIMUS and started development of this activity. The Competitiveness Web Portal that enables LSGs to monitor and update their competitiveness data is functional.
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	The February 2015 PSC approved 40 projects for the development of the main designs for local infrastructure out of 53 applications.	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.
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	Implementation on-going.	Upon September 2014 PSC approval, European PROGRES issued grant to support operations of the Joint Technical Secretariat of the Instrument for Pre-Accession Assistance Cross-border Programme Serbia-Montenegro. This effort will enhance opportunities for the municipalities from the South West Serbia to access IPA funding.
Activity 2.3 At least one priority inter-municipal project implemented by the Programme completion	Contract for the construction of Bujanovac Department of the Subotica Economics Faculty signed in January 2015 and works progress according to the plan.	The building permit was issued on 1 December 2014. The contract for the construction of Bujanovac Department of Subotica Economics Faculty signed and works progress according to the plan.
Activities 2.3 and 2.4 Works supervision services provided to the CFCU as contracting authority for the priority infrastructure project implemented by it	Not applicable at this stage as it is linked to implementation of infrastructure projects that will start in 2016 or 2017.	Not applicable at this stage.
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	The Call has been published on 10 March 2015. European PROGRES advertised for the positions of evaluators and team leader to assist CFCU evaluation committee	The Programme provided timely initial technical assistance for the development of the CfP Guidelines. The Call was published on 10 March 2015. European PROGRES advertised for the positions of evaluators and team leader to assist CFCU evaluation committee and organised initial information sessions for LSGs. Issue: publishing of

⁵² As identified in the World Bank's Doing Business in Serbia 2014 ranking

		call was delayed for five months.
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	European PROGRES organised three initial information sessions for LSGs to present the CFCU Call and started visiting LSGs to assist them in identification and development of projects.	European PROGRES organised initial information sessions for LSGs to present the CFCU Call and started visiting LSGs to assist them in identification and development of projects.
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	No activities were planned during this quarter	The activity will be developed in Q3 2015.
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 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	Not applicable at this stage – depending from the progress of the Activity 2.4, implementation of infrastructure projects.	Not applicable at this stage – depending from the progress of the Activity 2.4, implementation of infrastructure projects.
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	The activity approach drafted and will be finalised with the Swiss back-stoppers and the SCTM in April 2015.	The activity approach drafted and will be finalised with the Swiss back-stoppers and the SCTM in April 2015.
Activity 2.7 At least two PPP models developed and implemented by the end of the Programme	The public Call for proposals for public-private partnership (PPP) finalised and will be presented in the April 2015 PSC meeting. Established relations with the State Commission for Public Private Partnerships.	Draft criteria for the CfP for Public-Private Partnership (PPP) were prepared and will be presented to the PSC in February 2015. Risk identified: the activity depends heavily on LSGs engagement and availability of investor.
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	No activities were planned during this period.	European PROGRES maintained relations with the Ministry of Agriculture and Environmental Protection which have provided guidelines for the development of this activity.

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	No activities were planned during this period.	Initial planning completed.
Activity 2.8 At least 20 SMEs, member of clusters, introduced innovation or use innovative market development techniques, until the end of the Programme.	The Call for Provision of Support to Clusters was completed and the recommendations for funding of projects will be presented at the April 2015 PSC.	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 Call was completed and recommendations for funding of projects will be presented at the April 2015 PSC.
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 Assessment of the agricultural producer groups and potential for geographic indication for traditional agricultural products completed. The assessment will serve as a base for further progress of this activity.	The Ministry of Agriculture and Environmental Protection has provided guidelines for the development of this activity. The Assessment of the agricultural producer groups and potential for geographic indication for traditional agricultural products was completed, and will serve as a base for further progress of this activity.
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 50% until the end of the Programme (baseline 2014: eight products with Protected Designation of Origin) ⁵³		Ibid.
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 approach developed and implementation has started with four information dissemination sessions for unemployed women in 34 municipalities.	The approach developed and implementation has started with four information dissemination sessions for unemployed women in 34 municipalities.
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, South East and South west Serbia		
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	The ToR for the intervention developed and will be presented to the April 2015 PSC.	European PROGRES survey showed that six LSGs have Social Welfare Strategies, 25 have Local Action Plans (LAPs) for Employment; and 13 have LAPs for improvement of Roma status. The Programme consults SIPRU. The ToR for the intervention developed will be

⁵³Serbian 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/inidications-of-geographical-origin/list-of-igo.91.html> (1 February 2014)

2014: four municipalities with Social Inclusion Strategies) ⁵⁴		presented to the April 2015 PSC.
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%) ⁵⁵	This activity will be addressed through the approach incorporated into the ToR mentioned in 3.4.	This activity will be addressed through the approach incorporated into the ToR mentioned in 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.	Twenty CIF projects contracted and implementation is underway.	The first CIF CfP concluded: 77 applications received from 32 municipalities; the December 2014 PSC approved 20 projects for funding, primarily contributing to social inclusion and employability of vulnerable population. Twenty projects contracted and implementation is underway.
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 ⁵⁶	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	No activities were planned during this period.	This activity will be developed in Q3 2015.
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 has consulted the Ministry of Education, Science and Technological Development, the Institute for the Advancement of Education and the National Employment Service.
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 ⁵⁷	No activities were planned during this period.	This activity will start in Q2 2015.

⁵⁴ Baseline Study on Competitiveness, EU PROGRES, 2014

⁵⁵ Report on Employment of Roma, Ministry of Labor, Employment and Social Welfare, Belgrade, 2013

⁵⁶ 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

⁵⁷ 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.

Activity 3.7 At least four cultural centres in multi-ethnic municipalities (e.g. for intercultural music, theatre and art productions) upgraded	European PROGRES met the Albanian and Bosniak National Minority Councils and other stakeholders for culture in multi-ethnic municipalities within preparation of this activity.	The Coordination Body for Preševo, Bujanovac and Medveđa (CB) will develop guidelines for this activity, whose launch is planned for Q3 2015.
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 ⁵⁸	The ToR for the approach developed and presented to the April 2015 PSC.	The Programme had meetings with the Ministry of Education, Science and Technological Development and the CB regarding implementation of the Feasibility Study for Improving Learning of Serbian as a Non Mother Tongue among Albanian Elementary School Children. The Ministry took ownership by establishing the Working Group (WG) that will be steering the implementation of the Study. European PROGRES participates in the work of the WG as observer and now has foundation to support implementation of particular activities that will start in Q1 2015. The ToR for the approach developed and presented to the PSC.
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. ⁵⁹	Key outputs/outcomes: <ul style="list-style-type: none"> Two high profile visits PSC meeting and start of construction of the Bujanovac Faculty Department Two interviews Five press releases prepared 140 positive media reports have been generated Programme website attracted 6,405 unique visitors. 	Key outputs/outcomes: <ul style="list-style-type: none"> Six large events organised; Two interviews and nine statements for the media 17 press releases prepared 420 positive media reports have been generated Website developed and launched Art competition for European PROGRES' Calendar 2015 has been completed.
Two advocacy/awareness campaigns promoting European values conducted within the Programme implementation	The ToR for the first campaign "Bringing European Integrations Closer to the People in the South East and South West Serbia" has been finalised, approved by the Government and donors, and will be advertised in April 2015.	The December 2014 PSC approved the concept for the first campaign that primarily promotes economic aspects/benefits of European integrations process. The ToR has been finalised and is expected to be advertised in April 2015.

⁵⁸This indicator will change to incorporate findings and recommendations of the Coordination Body Feasibility Study, whose results are presented in August 2014.

⁵⁹As indicated in the findings of the Citizens' Satisfaction Survey 2017 and compared to 2013 Citizens' Satisfaction Survey results