

ANNUAL REPORT | 2016

July 2015- June 2016



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: 24.46 million Euros - European Union provides 19.6 million Euros and the Government of Switzerland 4.86 million Euros

17.46 million Euros - implemented by the United Nations Office for Project Services – UNOPS

Seven million Euros - implemented through the Ministry of Finance's Department for Contracting and Financing of EU Funded Programmes

Start date: 7 May 2014

End date: 31 October 2017

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

Prokuplje, Blace, Žitorađa, Kuršumlija in Toplica District

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

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

Brus in Rasinska District

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

Babušnica, Bela Palanka in Pirotski District

Knjaževac in Zaječarski District.

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

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

Report date: 15 July 2016

Period covered: 1 July 2015 – 30 June 2016

Acronyms

| | |
|----------|--|
| ACES | Association of Consulting Engineers of Serbia |
| AoR | Area of Responsibility |
| CAS | Citizens' Advisory Services |
| CB | The Government of Serbia Coordination Body for Preševo, Bujanovac, and Medveđa |
| CIP | Capital Investment Plan |
| 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 |
| GoS | Government of Serbia |
| HR | Human Rights |
| LSG | Local Self Government |
| MESTD | Ministry of Education, Science, and Technological Development |
| 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 |
| PB | Programme Budget |
| PSC | Programme Steering Committee |
| RFP | Request for Proposals |
| RSOC | UNOPS Serbia Operations 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 |
| TA | Technical Assistance |
| ToR | Terms of Reference |
| UN Women | United Nations Entity for Gender Equality and the Empowerment of Women |
| USAID | United States Agency for International Development |

Executive summary

Twenty six months after European PROGRES' start, with 66 of 214 projects completed, and five of 29 activities successfully brought to an end, the Programme is at its implementation peak. The most significant achievement in the past year was the completion of the construction and equipping of the building for Bujanovac Department of Subotica Faculty of Economics in just nine months. The project, worth one million Euros, demonstrated the Programme's ability to efficiently implement complex infrastructure, but also to effectively facilitate negotiations and legal agreements among stakeholders. The modern space for education is used by 377 hundred students, 171 Serbs and 196 Albanians, as of October 2015.

Nineteen completed partnership projects of the civil society organisations and local self-governments enhanced access to and quality of public services for estimated 260 direct beneficiaries and resulted in employment of 31 women and temporary engagement of 23 people with disabilities. Furthermore, 29 families are generating income, while 45 grants to support women entrepreneurship should result in 60 jobs by the end of the Programme.

In 16 municipalities 18,500 taxpayers and 30,000 buildings were registered with the local tax offices, which should increase revenues on average by 13%, while 15 local governments, which developed Capital Investment Plans and Programme Budgets for 2016, allocated over 39 million Euros for the projects. One hundred and one LSG officers, who passed the first phase of training on the International Federation of Consulting Engineers (FIDIC) contract modality, got good results in knowledge tests, while this activity also contributed to introduction of FIDIC trainings in the curriculum of the Serbian Chamber of Engineers. The design of 31 detailed regulation plans and introduction of 11 geographic information systems advanced while the Programme's insistence on introduction of good practices as well as of those envisaged by the (new) legislation, such as early public reviews, provided opportunity to citizens and investors to influence planning, which for sure is a good practice that should be replicated.

All 34 Programme municipalities signed the Memorandum of Understanding on good governance, trainings on accountability and transparency were organised, and efforts to enhance coordination between the national and local level on social protection and environment are ongoing. In partnership with the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), gender responsive budgeting practices were introduced in eight municipalities, nine local governments allocated 4.5 million Dinars for gender equality and empowerment of women within their budgets for 2016, two local gender equality mechanisms were set up, six local gender action plans developed, while 16 local governments adopted the European Charter for Equality of Women and Men in Local Life. All this contributes to better governance and the overall municipal reforms.

Progress was also made on one of the key Programme's objectives to increase competitiveness. Twenty out of 40 grants for development of main designs were completed, and some LSGs already managed to access funds with the new documentation (e.g. Tutin agreed donation of 1.5 million Euros for the construction of a school). The three completed cluster projects, contributed to opening of two jobs, enabled savings in production, and facilitated signing of the business deals that benefit cluster members. Support for introduction of quality international standards in 20 small and medium enterprises, for geographic protection of four local products, and to 32 agricultural producer groups is ongoing. Updating municipal competitiveness data is in the final phase and indicates that competitiveness index, with the Programme's contribution, is gradually improving.

The Programme's technical assistance to the Department for Contracting and Financing of EU Funded Programmes (CFCU) of the Ministry of Finance was timely and facilitated launch of grant scheme for local infrastructure and approval of the projects for finishing the construction and equipping of Vranje Hospital worth 2.8 million Euros and for the construction and equipping of a building for emergency services in Novi Pazar Health Centre budgeted at 622,000 Euros.

Although approvals of Vranje and Novi Pazar projects and some progress in the conduct of the CFCU managed grant scheme for local infrastructure were positive, the total delay of these activities exceeded nine months. This reduced interest of LSGs for the Programme, brought into question feasibility of GG activities that are linked to infrastructure, posed threat for on the job training component of FIDIC learning programme, and reduced visibility of the donors' support to the area. In response, the Programme's approach was adjusted to allow investment into a separate scheme for local infrastructure, youth entrepreneurship, micro and small enterprises, for piloting the measures from the Strategy for Inclusion of Roma, and implementation of priority flood protection projects in the area. These changes ensure relevance, they will enable work on good governance and provide visibility opportunities. However, the initial plan for European PROGRES to monitor the infrastructure projects funded through the CFCU throughout the implementation as well as to evaluate them is not feasible as works will likely go beyond duration of European PROGRES.

Instabilities in at least five municipalities that included changes of municipal personnel and shifts in (development) priorities, in combination with challenges to implement some new legislation (e.g. Public Procurement Law), and unrealistic planning, caused delays of grants, primarily the ones related to main designs and local tax administration. The Programme's remedial actions contributed to acceleration of implementation but it was reconfirmed that the grantees have to plan more rigorously as well as that European PROGRES must enhance control of schedules. The campaign for elections held in April 2016 slowed down some activities but could generate issues and delays, if the newly established local authorities do not take the ownership over ongoing projects quickly.

The Programme proved its agility in several situations. For example, in response to unprecedented influx of refugees and migrants to Serbia from July to December 2015, European PROGRES procured a garbage truck, beds, mattresses, linens, blankets, garbage containers, and water tank to improve sanitary hygienic conditions in two migrant and refugee centres in Preševo. It also supported the assessment of population in the three South Serbian municipalities, to address the lack of statistics resulting from the Albanian boycott of 2011 Census, so that the Government could make policies for this area, including transfer of funding, on the basis of realistic data.

While following the Communications Strategy, the Programme used the following tools to reach out to its audiences: seven high profile visits and 11 public events, 28 media releases and seven interviews, four issues of newsletter, calendar competition was organised, seven festivals supported, and 313 news posted on social media and website. These activities generated 1,070 media reports of which 40% were in the national media. This also opened public space for important societal themes such as social inclusion and increased visibility of support that the European Union and the Governments of Switzerland and Serbia provide to the area. The Programme has also been recording increasing number local officials' statements confirming commitment to European values.

This Annual Report covers the period from 1 July 2015 until 30 June 2016 and provides an overview of progress and performance, management issues, review of the key risks and issues, quality and sustainability, insights into the key milestones for the next reporting period, and a section on the lessons learnt.

Table of Contents

| | |
|--|-----------|
| ACRONYMS..... | 2 |
| EXECUTIVE SUMMARY | 3 |
| REVIEW OF PROGRESS AND PERFORMANCE | 6 |
| POLICIES AND LEGISLATION..... | 6 |
| PROGRESS TOWARDS ACHIEVING OBJECTIVES | 10 |
| PROGRESS TOWARDS ACHIEVING RESULTS..... | 12 |
| ACTIVITIES..... | 18 |
| MANAGEMENT AND COORDINATION..... | 35 |
| PROGRAMME STEERING COMMITTEE..... | 35 |
| FINANCE | 35 |
| PROCUREMENT AND GRANTS..... | 36 |
| HUMAN RESOURCES..... | 37 |
| LOGISTICS..... | 38 |
| SECURITY | 38 |
| INFORMATION COMMUNICATIONS TECHNOLOGY..... | 39 |
| REPORTING | 40 |
| MONITORING | 40 |
| RISKS AND ISSUES | 40 |
| QUALITY AND SUSTAINABILITY..... | 42 |
| SUSTAINABILITY..... | 43 |
| GOOD GOVERNANCE | 44 |
| LESSONS LEARNED | 44 |
| WORK PLAN..... | 45 |
| ANNEX VI - PROGRESS AGAINST INDICATORS IN LOGICAL FRAMEWORK MATRIX..... | 49 |

Review of progress and performance

Policies and legislation

In December 2015, the National Assembly of Serbia adopted amendments to the Law on Budget System which renders gender responsive budgeting mandatory for all public institutions by 2020. The Law will be applied in compliance with the Plan of Gradual Introduction of Gender Budgeting in agreement with local gender equality mechanisms (GEMs).¹

In January 2016, the Strategy on Regulatory Reform and Improvement of the System for Public Policies Management for the period 2016 – 2020² and 2016 National Strategy for Gender Equality³ for the period 2016 – 2020 with relevant respective Action Plan were adopted. In addition, the Government adopted Gender Equality Index, becoming the first country outside the European Union to build and adopt this progress gaging tool.⁴

In February 2016, the Government of Serbia (GoS) adopted the Law on Salary System in Public Sector which introduces General Catalogue of professional titles and lays foundation for salary coefficients, which will be determined by bylaws.

The Strategy for the Social Inclusion of Roma for the period of 2016-2025 was adopted in March 2016⁵ and aims to improve position of Roma through realisation of objectives in the areas of education, housing, employment, health care and social protection.

The Employment and Social Reform Programme (ESRP), focussed on relevant national policies of the accession countries, was adopted in June 2016⁶ and is in line with the European Union Enlargement Strategy 2013–2014.

In October 2015, the GoS adopted the Law on Investments⁷ that ensures equal status of foreign and local investors. In accordance with the Law provisions, the National Agency for Regional Development and the Serbian Investment and Export Promotion Agency were replaced by the Development Agency of Serbia in January 2016.

In February 2016, the GoS adopted the Law on Amendments to the Law on Public Private Partnership (PPP) and Concessions in order to harmonise the national with the European Union (EU) regulations. The Law prescribes that any project passed by the PPP Commission will require the Ministry of Finance (MoF) approval.

In January 2016, the Law on Cooperatives⁸ came to effect and serves to resolve the issue of “social property” i.e. the land owned by former cooperatives (50,000 ha). The Law also alters Cooperative establishment procedure by now requiring minimum of five comparing to previous ten members.

¹ [Amendments to the Law on Budget System](#) (28 December 2016)

² [The Strategy on Regulatory Reform and Improvement of the System for Public Policies Management \(2016 – 2020\)](#) (27 January 2016)

³ [The National Strategy for Gender Equality for the period 2016 – 2020](#) (16 January 2016)

⁴ [Gender equality index report](#) (01 February 2016)

⁵ [Strategy for Roma inclusion 2016-2026](#) (11 March 2016)

⁶ [The Employment and Social Reform Programme adopted](#) (15 December 2015)

⁷ [Law on Investments](#) (24 February 2016)

⁸ [The Law on Cooperatives](#) (27 January 2016)

In September 2015, the GoS adopted National Action Plan for Employment⁹ for 2016, which focussed on improvement of labour market institutions, development of human capital and inclusion of vulnerable persons primarily in the private sector.

The National Assembly of Serbia adopted the Law on Conversion of User Rights to Property Rights over the Construction Land on 16 July 2015 which should facilitate building permits processes and subsequently increase national construction rates.¹⁰

The Law on Legalisation of Illegal Buildings that came into force on 27 November 2015¹¹ tasks the local self-governments (LSGs) to register illegal buildings and harmonise planning documents with the property registers in the next two years. This law is the Government's fourth attempt in the past 15 years to regulate the status of estimated 1.5 million illegal objects in Serbia.

Developments

Elections

Overall the Serbian Progressive Party SNS is now administering 24 Programme Municipalities while five are led by minority and five by non-SNS parties. Subsequently Mayors were changed in 12 municipalities¹² while 13 were re-elected.¹³

The SNS is now heading nineteen LSGs out of 25 in the South East Serbia, nine more than before April 2016.¹⁴ Post-election coalitions were formed in ten of 19 of these municipalities. Only four non-SNS municipalities – Bosilegrad, Surdulica, Svrlijig and Gadžin Han retained their long-term leadership while in Preševo newly formed political party Alternative for Change was second best but formed leads the new ruling coalition, while Bujanovac formed a winning collation with a new local leader – the Party for Democratic Action.

In nine South West Serbia municipalities the SNS is now heading five LSGs, two more than in pre-election period. Four new mayors¹⁵ were elected and five re-elected.¹⁶ In Novi Pazar, Sandžak Democratic Party (SDP) led coalition is re-elected but headed by a new mayor. Similarly in Nova Varoš the SNS was re-elected under the new leadership while the party won the majority in Prijepolje and Ivanjica for the first time. The Party of Democratic Action (SDA) and Sandžak Democratic Party (SDP) were re-elected in Sjenica and Tutin respectively.

National Minority Councils

The Bosniak Minority National Council (BNMC) protested against the Government's decision to adopt the Action Plan for the Fulfilment of Minority Rights as it does not consider any of the objections that the BNMC had on the Action Plan itself.¹⁷ The proposed amendments suggested, amongst other, adoption of proposed resolution on Srebrenica and the 'renewal' of the autonomy of Sandžak.

⁹ [The National Action Plan for Employment for 2016](#) (24 September 2015)

¹⁰ [The Law on Conversion of User Rights to Property Rights over the Construction Land](#) (16 July 2015)

¹¹ [The Law on Legalisation of Illegal Buildings Law](#) (31 December 2015)

¹² South East Serbia Municipalities with changed Mayors after 2016 local elections - Prokuplje, Blace, Žitorađa, Merošina, Babušnica, Lebane, Medveđa, Vlasotince, Preševo, Vranje, Bujanovac, and Vladičin Han

¹³ South East Serbia Municipalities re-elected Mayors after 2016 local elections – (SNS) Kuršumlija, Aleksinac, Doljevac, Bela Palanka, Knjaževac, Bojnik, Leskovac, Crna Trava and Trgovište, (SPS) Surdulica and Gadžin Han, (United Farmers' Party) Svrlijig, (Citizens' Group "To smo mi – Prirodni pokret") Bosilegrad.

¹⁴ During September 2015 early local elections SNS led coalition headed by Nebojša Arsić won. The election concluded a ten month long political hiatus that followed the sudden death of Slobodan Drašković, the Municipality's long-time Mayor.

¹⁵ South West Serbia Municipalities with changed Mayors after 2016 local elections – Novi Pazar, Ivanjica, Prijepolje and Nova Varoš.

¹⁶ South West Serbia Municipalities re-elected Mayors after 2016 local elections – Brus, Sjenica, Tutin, Raška and Priboj

¹⁷ Bnv.org.rs [European integrations as a guarantee of respect for minority rights](#); Radiostoplus.com [BNMC leaves the Human Rights Work Group](#) (23 November 2015);

The Independent Association of Journalists of Serbia (NUNS) condemned the act of the BNMC prohibiting the RTV Novi Pazar to enter council's premises during the meeting attended by diplomatic representatives of 16 European Union states.¹⁸

Islamic community

After the resignation of the Sandžak Mufti Muamer Zukorlić in favour of pursuing political agenda, Adem Zilkić, then Reis of the Islamic Community of Serbia (IZS), invited the Chief Mufti of the Islamic Community in Serbia (IZUS), Mevlud Dudić to discuss the unification of the two Islamic Communities. Dudić responded that he would talk with any Imam who wished to return to the original, legitimate and legal Islamic Community.

In June 2016 the dissatisfaction with funding issues within the IZS culminated when the Supreme Council dismissed the temporary Riyaset (government) headed by the Reisu-l-ulema Adem Zilkić due to mandate expiration and anti-constitutional extension of technical mandate.¹⁹ The Acting President of the Supreme Council was also dismissed due to violation of the Community's Constitution and replaced by Muhamed Jusufspahić. A new temporary body of trustees was established which was mandated to organise legal election for the members of Riyaset. As the result, the Supreme Council appointed Sead Nasufović as the new Reisu-l-ulema of the IZS.²⁰

Minority issues

The local non-governmental organisations (NGOs) assess that the minorities in Serbia are being increasingly segregated which is especially evident in the education system while political engagement of the NMCs further exacerbates the situation.²¹ The Commissionaire for Equality concluded that the Office for Protection of Equality opened in Novi Pazar in 2014 didn't meet expectations as the number of appeals is low and mainly related to discrimination based on ethnicity.²²

The results of population assessment conducted by the Ministry of Public Administration and Local Self-Government and the Coordination Body for Preševo, Bujanovac, and Medveđa (Coordination Body), with assistance from the European Union²³, OSCE, United States and United Kingdom Embassies, indicate that Preševo and Bujanovac had positive natural growth but due to migration from 2012 onwards the number of residents was reduced.²⁴ The GoS will use the assessment results for development of public policies until the conduct of the next Census.²⁵

In August 2015, after the BNMC contested the results of the survey conducted with the local students and their parents about preferred official language in the local schools, the Ministry of Education, Science and Technological Development, repeated the process where it was deemed unsatisfactory or conducted it where it had not taken place.²⁶ According to the BNMC, the lectures in Bosnian language were attended by 8,343 students in 333 classes in 33 different schools in 2015. In May 2016 the BNMC representatives signed an agreement with the Ministry of Education on provision of the schoolbooks in Bosnian.²⁷ The GoS allocated RSD 134 million for the textbooks in the languages of the national minorities to be available in 2016/2017 school year.²⁸

¹⁸ Radiostoplus.com [Media associations condemn BNC actions](#) (1 June 2016);

¹⁹ Izs.rs [Meshihat lying to reach goal](#) (7 June 2016);

²⁰ Radiostoplus.com [Sead Nasufović officially the new Reis of the ICS](#) (3 July 2016);

²¹ Radiostoplus.com [FER suggests forming the Ministry of human and minority rights](#) (4 May 2016);

²² Radiostoplus.com [Commissioner for Protection of Equality: Office in Novi Pazar didn't meet expectations](#) (29 March 2016);

²³ Provided through European PROGRES

²⁴ Preševo has 29,600 usual residents (34,904 in 2002), Bujanovac 38,300 (43,302 in 2002), and Medveđa has 7,442 (10,760 in 2002);

²⁵ Titulli.com [Albanian leaders reject the results of the Population Assessment](#) (8 July 2015);

²⁶ Radiostoplus.com [Decision on Bosniak in schools by the end of September](#) (31 August 2015);

²⁷ Radiostoplus.com [Agreement signed on procurement of textbooks in Bosniak](#) (24 March 2016);

²⁸ Radiostoplus.com [Paunović: 12.000 Bosniak kids in the education process](#) (11 May 2016);

The new building to house the Bujanovac Department of Subotica Faculty of Economics, the University of Novi Sad was officially opened in November 2015 in the presence of the highest officials including the Serbian Primer Minister, Aleksandar Vučić, and the Ambassador of the EU in Serbia, Michael Davenport. In 2015/16 academic year, the Faculty enrolled 106 students for the three available programmes: Marketing, Finance, Banking and Insurance and Agro Economy and Business. Sixty-nine students will be financed from the budget and 37 students will be paying their own tuition.

In June 2015 the Ministry of Education, Science, and Technological Development suspended further enrolment of students at the Economic Faculty and the Faculty of Law departments of the University of Niš in Medveđa.²⁹ The current students will continue their studies until they graduate. In July 2015 the first Faculty (for philology) from the International University in Novi Pazar was accredited.³⁰

Migration crises

European Migration crises started in 2015 as the record number of migrants from the Middle East, Africa and Asia³¹ made their way towards the Western Europe via Greece, the Former Yugoslav Republic of Macedonia seeking to re-enter the EU through Hungary's borders with Serbia. After Hungary completed the construction of a fence on its border with Serbia in September 2015, the flow of migrants shifted to Croatia. Throughout 2015, the region recorded 764,000 detections of illegal border crossings by migrants, a 16-fold rise from 2014.³² As a part of the response, two reception points were opened in the Preševo in July and August 2015.³³ The end of August 2015 saw the Macedonian Government closing the borders and declaring the state of emergency³⁴ resulting in some 23,000 people entering Serbia in just two weeks compared to approximately 600 migrants daily in the previous period.³⁵ During winter there was a significant dip in the daily influx bringing down the numbers to hundreds after Macedonia, followed by Slovenia and Serbia closed their borders at the beginning of March 2016.³⁶

Emergency situation was declared and lasted for several days in March 2016 in the City of Novi Pazar, Prijepolje, Ivanjica, and Raška as the heavy rains caused flooding. The material damage in the affected areas was greatly reduced by the dams that were constructed in 2014 at the critical points of the river Raška basin by the EU and Swiss Government funded flood prevention and anti-erosion works.³⁷

Economic developments

The GoS is promoting 2016 as the year of entrepreneurship. The initiative includes a set of measures for boosting entrepreneurial spirit.³⁸ The results of a survey³⁹ conducted by the World Bank presented in February 2016 indicate that Serbia lacks entrepreneurial spirit. While 46 percent of people surveyed believe that they have what it takes to start their own business only eight percent acted on it while the rest are deterred by the high risks of business start-ups.

The fifth annual national Survey on the Needs of Employers was conducted by the National Employment Service (NES) in December 2015 in small, medium and large enterprises. The results show that the South and East Serbia have expected average growth of employment of 3.2% - 1.4% in

²⁹ Jugmedia.rs [Law and Economics departments in Medveđa abolished](#) (16 June 2015);

³⁰ News.uninp.edu.rs [Accreditation begins](#) (June 26 2015);

³¹ Reuters [By boat and bus, Balkan states move migrants on](#), (3 September 2015);

³² Blic.rs [Dramatic breakthrough from Macedonia](#) (20 August 2015);

³³ Tanjug [About 4000 migrants in Preševo, extra camp built](#) (3 September 2015);

³⁴ Blic.rs [Dramatic breakthrough of Macedonia borders](#) (21 August 2015);

³⁵ Reuters [By boat and bus, Balkan states move migrants on](#), (3 September 2015);

³⁶ Time.com [Slovenia and Serbia close borders to refugees-migrants](#) (09 March 2016);

³⁷ Novipazar.rs [Water levels are decreasing](#) (08 March 2016);

³⁸ [2016 The year of Entrepreneurship in Republic of Serbia](#);

³⁹ [Results of Survey: Entrepreneurial spirit in Serbia](#) (December 2015);

construction, 1.5% in agriculture, 3.0% in transportation, 4.5% in manufacturing, and 4.7% in trading and others service sector .

The Republic Directorate for the Property has signed a contract with local administration⁴⁰ transferring the ownership of the Factory of Automobiles Priboj (FAP facilities to the Municipality of Priboj. The land has been legalised for adjustment into the industrial zone. The Government has agreed to equip the land with infrastructure so that it can subsequently be leased to interested businesses. Meanwhile, after unsuccessful privatisation and after the Government of Serbia agreed with the FAP workers on the amount of the severance pay, the FAP ceased to exist.⁴¹

Several large investments took place in the Programme area in 2016 proving national Government support is crucial in development process. The British American Tobacco (BAT) opened a new five million Euros worth production line at the factory in Vranje which will employ 27 people.⁴² In Doljevac, the German company "Leoni" invested 21 million Euros - half of which provided by the Government in its third factory which will employ 1,000 people.⁴³ The Italian company "Moda Campania" opened a new textile factory near Novi Pazar initially capitalising 750,000 Euros while the total investment is planned at 3.5 million Euros and 330 employees.⁴⁴ Two factories were opened in Vladičin Han in April 2016 – a branch of the Macedonian factory "Smelting" and Turkish "Teklas automotive".⁴⁵

Progress towards achieving objectives

Although it is early to confirm the Programme's impacts it is possible to indicate potential for contribution to sustainable development of 34 participating municipalities. Primarily, on the basis of 55% of updated municipal competitiveness data for 2015, the Programme has recorded improvement of the competitiveness index of more than half participating LSGs compared to baseline from 2013.⁴⁶ Ten LSGs have better management capacities, seven improved economic policies, one enhanced its financial capacities. Svrljig and Leskovac are leaders with improved competitiveness index by 12% and 7% respectively.

⁴⁰ Priboj033.com [Part of the FAP complex given to Priboj](#) (2 September 2015);

⁴¹ Priboj033.com [The end of FAP](#) (25 May 2016);

⁴² Jugmedia.rs [BAT opens new production line](#) (10 May 2016);

⁴³ Juznevesti.com [New "Leoni" plant opens in one of the poorest municipalities](#) (18 November 2015);

⁴⁴ Radiostoplus.com [New Moda company opened](#) (14 September 2015);

⁴⁵ Bizlife.rs [PM opens two factories in one day](#) (08 April 2016);

⁴⁶ The overall Competitiveness Index is comprised of four categories: I Comparative Advantages, II Management Capacities, III Economic Policy and IV Financial Capacities. More details on municipal competitiveness trend is available in Annex – Competitiveness Index Tracking



Overview of European PROGRES projects

63



Local governance

126



Competitiveness

25



Social inclusion

* 161 projects implemented through grants (75%)

66 projects successfully completed (31%)

The work on development designs will create a pipeline of ready to build projects worth over 15 million Euros⁴⁷ while development of 31 detailed regulation plans (DRPs) for areas with potential to generate economic activity will create preconditions for investments and subsequently opening of jobs. In addition, the Programme's ongoing activities directly benefit 56 enterprises in introduction of innovations and standardisation, which in turn should increase their turnover and export, while the number of benefitting businesses should exceed 75 upon closure of the Call for Proposals (CFP) for supporting the MSEs that is expected in Q3 2016. Thirty two people were employed full time, there were 92 temporary employments, 20 families were economically empowered, while support to women entrepreneurship enabled opening of 20 new businesses.

European PROGRES support to entrepreneurship, businesses and economic empowerment of vulnerable

| PROJECTS | BENEFICIARIES | ACHIEVED OR EXPECTED RESULTS |
|--|------------------------------------|---|
| Support to women entrepreneurship | 45 women | opening of 45 businesses and at least 60 jobs |
| Introduction of quality standards | 20 SMEs | turnover increase by 17% and 120 new jobs |
| Support to clusters | 31 SMEs | increased sales/export by 500,000 Euros and savings of 150,000 Euros |
| Introduction of geographic indication (GI) | 4 traditional agriculture products | growth of 842 agricultural producers and 500 manufacturers of raw materials |
| Economic empowerment of vulnerable | 114 people | 31 full time and 23 temporary jobs , 29 families generate income |

The Programme contributes to key minority integration projects. By constructing the building to facilitate access to high bilingual education in Bujanovac and supporting conduct of population assessment for Preševo, Bujanovac, and Medveđa, European PROGRES complemented efforts of the

⁴⁷ The exact figure will be known upon completion of all 40 grants for development of main designs.

Government that were positively assessed in the European Commission's Report on Serbia for 2015.⁴⁸

European PROGRES' survey that included 41 civil society organisations (CSOs) and 34 municipalities showed that the Programme contributed to better relations between the two.⁴⁹ However, it was concluded that there are obstacles to establishment of a strong civil society: many CSOs have modest capacities and made limited progress over years; there are cases in which local authorities do not want to cooperate with the CSOs for political reasons; and transparency in provision of funding for the CSOs has to improve. European PROGRES in development of the second CIF CFP include activities to respond to those challenges.

Despite continuous progress in terms of establishment of institutional and legal framework for gender equality at the local level this area requires serious consideration. For example, following the elections that were held in April, 30% of municipal deputies are female, in line with legal requirements, but there are only three out of 34 female mayors.⁵⁰ In addition, the Programme's analysis of budget expenditure for gender equality in 2015 showed that despite allocated funding for this purpose many municipalities did not use it. Therefore, activities on gender equality issues must be comprehensive, while awareness raising continues to be very relevant.

Progress towards achieving results

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

European PROGRES established foundation to more efficient management of municipal finances, improved implementation of infrastructure projects, and better land management, while strengthening framework for enhancement of gender equality at the local level.

The Programme supported development of Capital Investment Plans (CIP) and Programme Budgets (PBs) for 2016 in 15 LSGs⁵¹ in accordance with the methodology prescribed by the Ministry of Finance and the Standing Conference of Towns and Municipalities (SCTM). These two products create foundation for enhanced management municipal budgets: PBs are based on improved multi-annual planning, clearer definitions of programmes and projects, their costs, and results, as well as on enhanced participation of the key stakeholders and citizens.

The CIPs, while considering inputs from stakeholders and citizens, identify over 290 capital projects that should be implemented in the next five to ten years. The Plans were linked with multi-annual Programme Budget for 2016 through tentative allocation of 39 million Euros for the first year of CIP projects implementation.⁵²

⁴⁸ [European Commission's 2015 report on Serbia's progress](#) (10 November 2015)

⁴⁹ The European Commission Serbia's Progress Report for 2015 also concludes that relations between civil society and authorities at the local level are improving

⁵⁰ Svrlijig, Surdulica, Merošina

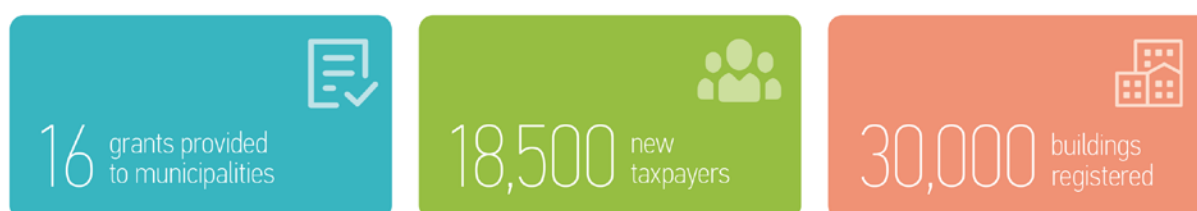
⁵¹ Leskovac and Bujanovac have established the capital planning system on their own, while the Programme supported updating of five CIPs (Medveđa, Nova Varoš, Raška, Vladičin Han and Vlasotince) and development of additional ten CIPs (Aleksinac, Bela Palanka, Blace, Brus, Bujanovac, Merošina, Novi Pazar, Preševo, Sjenica and Vranje)

⁵² Report on Technical Assistance in Developing Capital Investment Plans and Programme Budgeting is available in the Annex I, Attachment 1.1

In development of PB and CIPs, the Programme facilitated strong engagement of the Public Utility Companies (PUC) and other local budgetary users, while street promotions, information sharing through local community offices and citizens' assistance centres, organisation of promotional events and dissemination of 20,000 leaflets, enabled 6,610 citizens to vote for priority capital projects. In addition, the Municipal Assemblies of all 15 LSGs agreed to introduction of Citizens' Participation Calendar, which is a tool for systematic monitoring of the Programme Budgets execution – this is a novelty in Serbia and if proven effective the Programme will encourage its replication.

Sixteen completed projects for improvement of the taxpayers' registries resulted in registration of over 18,500 taxpayers and over 30,000 objects. The beneficiary LSGs projected that local tax revenues in the first year after implementation will increase on an average by 13%.⁵³ Through the intervention, 71 unemployed were engaged for an average period of six-months to conduct the census.

European PROGRES support to local tax administration



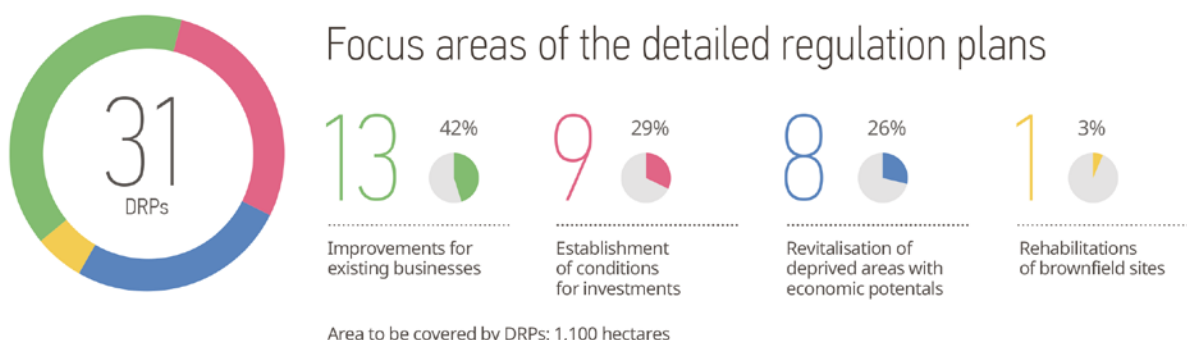
+13% expected average increase of local tax revenues

Thirty-one detailed regulation plans (DRPs) will cover 1,100 hectares of areas that have potential to stimulate economic growth: 13 DRPs will contribute to improvement of working conditions for the existing businesses; nine to establishment of basis for investments; one to creation of prerequisites for rehabilitation of brownfield sites; and eight to revitalisation of deprived areas.

European PROGRES ensured quality application of provisions deriving from the Law on Planning and Construction, such as conduct of early public enquiries. The Programme helped the LSGs to engage citizens and investors and recorded how these reviews facilitated changes of the initial DRP concepts. For example, in Bojnik, thanks to investor's remarks, the redistribution of planned land use resulted in more feasible planning solution; in Surdulica, the same happened thanks to the inputs from the citizens; in Ivanjica, the bridge in the inner-town that was the subject of dispute in local community will be removed as a part of broader agreement reached during DRP review; in Tutin and Novi Pazar, discussions led to agreement about integrated infrastructure solutions for the wider area; in Leskovac, the reviews influenced the provision of additional information by the City Planning Agency about the results of the process; and in Knjaževac, where the Institute for the Protection of Heritage also provided promptly terms of conduct for other pending plans thanks to enhanced dialogue. The public reviews, enabled European PROGRES to record that investors were interested in size of the available parcels, location capacities, infrastructure conditions, and the costs for the infrastructure equipment.⁵⁴

⁵³ Overview of LTA Results is provided in the Annex I, attachment 1.2. The increase will be confirmed upon issuance of tax returns for 2017.

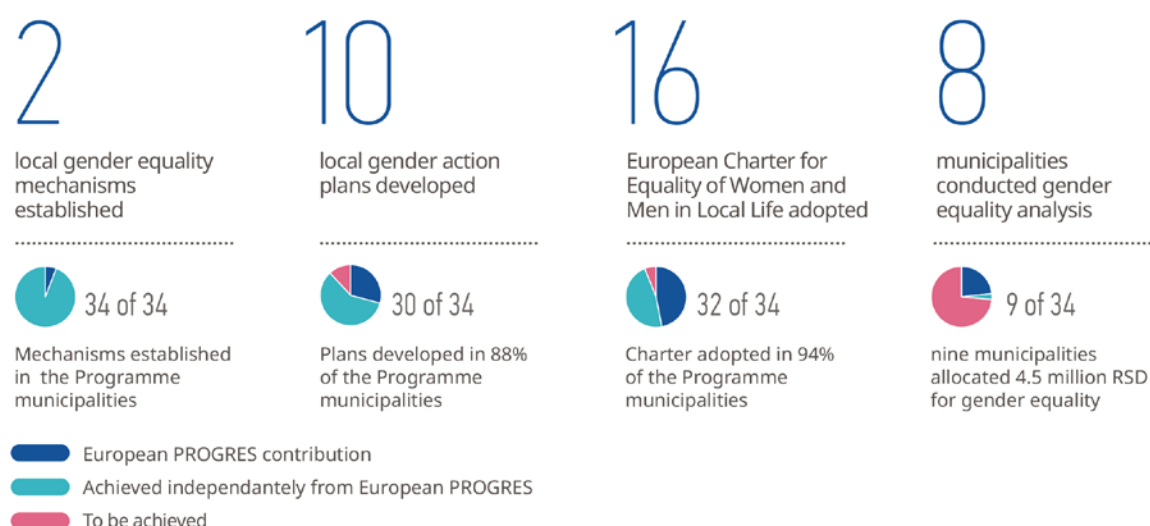
⁵⁴ These findings will be documented, publicised, and promoted in Q3 2017 as they can contribute to investments



European PROGRES, in partnership with the UN Women, enabled establishment of two new local GEMs⁵⁵ and adoption of local gender action plans in six municipalities. Advocacy facilitated adoption of European Charter for Equality of Women and Men in Local Life in 16 municipalities, which means that 32 out of 34 LSGs embraced this policy and reaffirmed commitment to pursue gender equality.

In addition, eight municipalities conducted gender equality analysis when developing budgets, while nine municipalities which allocated 4.5 million Dinars for gender equality and empowerment of women Specific GRB initiatives were developed for seven⁵⁶ municipalities, out of which three identified initiatives in budgets for 2016. The initiatives included economic empowerment of women (Vlasotince), health of women from marginalised groups and rural areas (Nova Varoš), and drafting of the Local Gender Action Plan (Sjenica). The Programme however identified that in addition to still modest funding for local GEM activities, there is limited awareness and understanding of their role.

Gender equality: European PROGRES results and overall status



⁵⁵ All 34 European PROGRES municipalities have institutional mechanisms for the implementation of gender policies at local level.

⁵⁶ Aleksinac, Nova Varoš, Priboj, Prijepolje, Sjenica, Vladičin Han and Vlasotince.

Result 2

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

European PROGRES is building foundation for investments in infrastructure while activities to support SMEs and entrepreneurship produced the first measurable benefits.

Twenty main designs were completed and the Programme already recorded that LSGs used the developed technical documentation to apply for funding to other donors, while Tutin secured donation of 1.5 million Euros from the Turkish International Cooperation and Coordination Agency (TIKA) for the construction of the local primary school.

By completing construction and equipping of the building for the Bujanovac Department of the Subotica Faculty of Economics, which as of October 2015 is used by 377 hundred students (171 Serbs and 196 Albanians), European PROGRES supported effort of the Government of Serbia to enhance access to high education to the Albanian national minority. This project is expected to contribute to economic revival of the whole area.

The Programme supported the Department for Contracting and Financing of EU Funded Programmes (CFCU) of the Ministry of Finance in development of the two projects of regional importance: finishing the construction and equipping of the Vranje Hospital for which the European Union will provide 2.8 million Euros and of the building for emergency services in Novi Pazar Health Centre, worth 622,000 Euros. These two projects will improve primary and secondary health services to 500,000 citizens: Vranje action will enable introduction of new medical services, increase number of conducted medical treatments, and reduce the number of patients' referrals to the medical centres in Belgrade and Niš; Novi Pazar project will accelerate the emergency services by 50% and enhance capacities for treatment of patients in need of immediate.

The three completed cluster projects yielded the first results: the Pešter Cluster Project opened two new jobs and the first 200 kg of the "kajmak" that was produced with the procured equipment have been supplied to the market. Five companies that are members of Prijepolje Textile Cluster that used equipment procured through European PROGRES for six months for apparel tailoring developed ten new clothing models and generated savings of 5,000 Euros, while one of them already made a business deal worth 30,000 Euros.⁵⁷ South Serbia Fruit Cluster project created conditions to its members to save 150,000 Euros on energy consumption. Initially, two cluster companies installed LED lights and applied energy efficiency audit recommendations regarding constructive elements of the cold storages and this should save up to 70% of energy in this segment.

Four awards for introduction of geographic indication (GI), to Sjenica stelja, Ivanjica potato, Vlasina Honey, and Sjenica cow cheese, will create conditions for growth of 842 producers of traditional food and agriculture products and additional 500 manufacturers of raw materials. The projected results of certification of 20 SMEs in international quality and food safety standards include an average increase of 17% in turnover and creation of 120 new jobs in three-years.

Support to women entrepreneurship resulted in the award of grants for business start-ups for 45 women from 22 municipalities. Out of 45 supported businesses, 24 were in the area of services, and 21 were in the area of manufacture/production. Twenty business have been opened so far, while

⁵⁷ The Cluster was supported by USAID to attend Dusseldorf Textile Fair where new contracts are signed for products developed under the grant agreement with the Programme

another 25 will be registered by the end of Q3 2016. This activity will enable opening of at least 60 jobs by the end of the Programme.

Result 3

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

The Programme's Assessments of social policies at the local level shown that unemployment of vulnerable hard-to-employ groups (i.e. youth, older people, Roma, persons with disabilities, unemployed with low or no qualifications, and redundant workers) is extremely high in all municipalities, and range from 82.9% in Priboj to 91.3% in Bujanovac.⁵⁸ This demonstrates the pressing need to address unemployment of the vulnerable and confirms relevance of support to economic empowerment provided through the Citizens Involvement Fund as well as of provision of business start-up grants and vocational training that will benefit hard to employ groups.

The first project cycle financed through the Citizens' Involvement Fund (CIF) has contributed to the employment and economic empowerment of marginalised and vulnerable groups. Through implementation of six projects 31 permanent jobs for women and 23 temporary jobs for persons with disabilities were created. These results were achieved through the establishment of social enterprise for the production of food in Lebane and Bosilegrad, support to start-up in Surdulica and Bujanovac, and equipping of craft shop in Raška. In addition, 29 persons (21 women, two Roma, and six young people) and more than 90 members of their families were equipped or were given the opportunity to generate income through agricultural production and honey production in municipalities of Bosilegrad, Prijepolje, Trgovište and Vladičin Han. The CIF project in Bujanovac facilitated decision by Municipality to subsidise employment of 20 women in a local textile company.

In addition, CIF projects enhanced quality and accessibility social services. For example, in Ivanjica, 14 personal assistants were employed in schools to help children with disabilities to complete education programmes, which is new social service in this region. Number of children with disabilities visiting day care "Sunce" increased by 30% after the broadening of transport services enabled through purchase of vehicles.⁵⁹

Support to Roma inclusion is provided through improvement of socio-psychological well-being and better playing technique of 15 young trumpet players from Vranje, as well as to residents of 22 Roma settlements through improvement of fire safety in ten municipalities. In Novi Pazar, over 200 people from the marginalised groups, including Roma, were assisted to obtain personal documentation and access social help, realise pension rights, property issues and so forth. According to the SCHRF, there are 42 positive resolved cases, 11 cases with negative results, 46 cases that are in the procedure, while feedback is yet to be provided for 104 ongoing cases.

In cooperation with the Ministry of Education, Science and Technological Development (MoESTD) and the Coordination Body, the Programme provided direct support to over 850 Albanian school children for improvement of their level of knowledge of Serbian language through engagement of six assistants to teachers of Serbian as non-mother tongue in four schools in Bujanovac and Preševo.

⁵⁸ European PROGRES hired the Centre for Social Policies (CSP) to conduct research from October 2015 to June 2016 about the status of social policies in the programme LSGs. Report available with European PROGRES.

⁵⁹ The Overview of results of the first cycle of projects supported through the Citizens Involvement Fund is available in the Annex III, Attachment 3.

The analysis⁶⁰ of the results showed that the intervention has contributed to significant improvement of functional knowledge of Serbian language among Albanian students. Importance of learning of official language has been recognised in the European Commission's Serbia 2015 Report⁶¹, while this achievement directly contributes to implementation of the Serbia's Action Plan for Chapter 23 within European Accession process.

Result 4

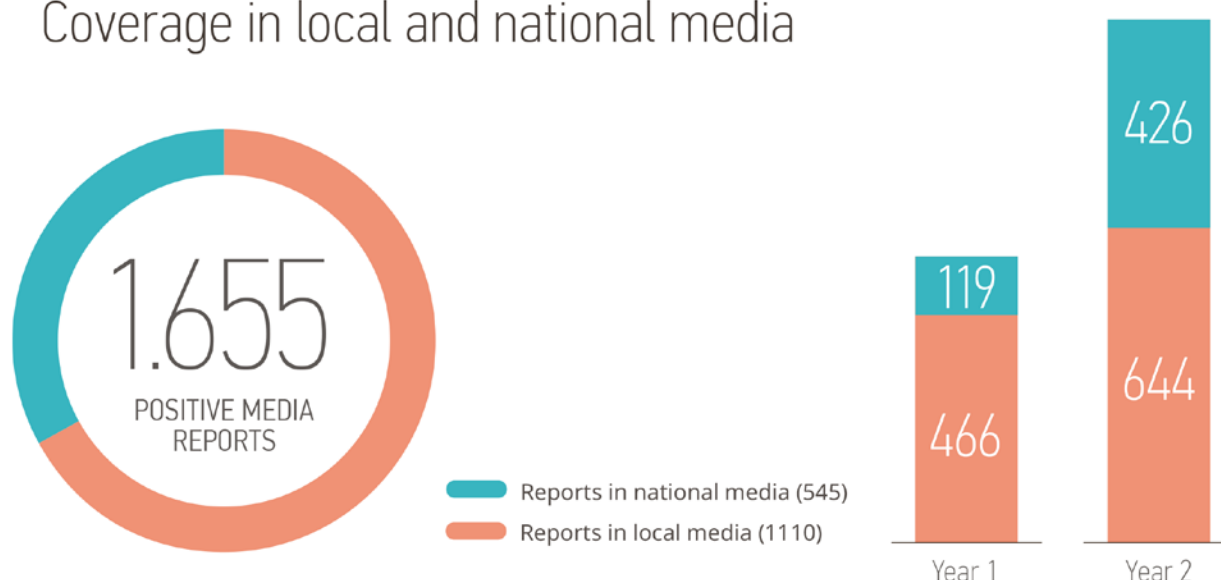
Effects of Serbia's European accession communicated to general public

The results of the mid-term evaluation of the Programme Communications Strategy,⁶² conducted in April 2016, indicated that the European PROGRES was the most visible European Union (EU) and Swiss funded project in the South East and South West Serbia. E-survey results show recognition of the Programme's tailored support to municipal needs and good governance approach. The increase use of social media, good quality media releases, the number of events, high profile visits and festivals that significantly surpassed the plan, undoubtedly widened the Programme's coverage and awareness of the EU and the Swiss Government's funding among broad population.

The Programme has also been recording increasing number of statements in which local officials express commitment to adopt European standards and praise the EU and the Government of Switzerland as their key development partners and this also confirms effectiveness of communication actions.

Communication activities generated 1,070 media reports during the reporting period, or 1,655 media reports in total, of which 422 reports or 40 percent were in the national media.⁶³ This is a twofold increase in the number of reports, and a 10 percent rise in the national media coverage in comparison to coverage recorded during the second year of the predecessor Programme, EU PROGRES, which was widely recognised as a key vehicle for donors' visibility at the local level.

Coverage in local and national media



⁶⁰ Analysis of testing of students' knowledge of Serbian in Preševo and Bujanovac provided in Annex III, Attachment 3.2

⁶¹ Serbia 2015 Report http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_serbia.pdf

⁶² The Mid-term Evaluation of the Communications Strategy is available in the Annex IV, Attachment 4.1

⁶³ Media Coverage Table is available in the Annex IV, Attachment 4.2

Emphasis on human stories generated by smaller investment projects resulted in media focussing on the direct Programme benefits for the citizens and the key EU themes - economic empowerment, employability and social inclusion of the most vulnerable.⁶⁴ In line with this the gender focussed projects such as women entrepreneurship attracted by far the most media coverage - 120 media reports, which essentially means the Programme strongly promoted women economic empowerment and gender equality.

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

With the Programme's technical assistance (TA), 15 LSGs⁶⁵ developed or updated the Capital Investment Plans (CIPs) and adopted Programme Budgets (PB) for 2016. Twenty-two workshops and 15 on-site trainings were attended by 672 participants out of which 320 or 48% were women and 352 or 52% men.⁶⁶

Sixteen grants for improvement of the taxpayers' registries have been finalised and resulted in registration of 18,500 taxpayers. The key components of the intervention were implementation of property censuses aiming at updating and expanding the taxpayers' databases together with actions contributing to transparency of the taxation process and procurement of equipment important for functionality of tax administrations.

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

The Programme Steering Committee (PSC), by using electronic voting in early July 2015, approved funding of 21 applications for development of 31 Detailed Regulation Plans (DRPs). The value of proposals was 395,011 Euros of which 297,608 Euros or 75% are provided through European PROGRES. Grants were signed with all 21 beneficiary LSGs and all Assemblies passed the decision about the development of DRPs in the Q4 2015. Knjaževac, Novi Pazar, Leskovac, Vranje⁶⁷, Sjenica, and Tutin entrusted development of DRPs to their public companies.

In all 21 beneficiary LSGs, procurement procedures are completed and contracts are signed with the DRP developers. The Programme provided TA to the LSGs in preparation of tender documentation and for the early public viewing. The process of early public viewing, which is a mandatory step in development of DRPs, is finished for 16 plans in 14 LSGs.⁶⁸

⁶⁴ Three stories with the most media coverage - [Social enterprise „Ruža“](#), [Yurom Centre Fire protection project](#) and [El Systema music project](#)

⁶⁵ Support is continued for Raška, Nova Varoš, Vlasotince, Vladičin Han and Medveđa who have been previously assisted through the EU PROGRES Programme. Ten additional LSGs were selected for assistance through a public call: Aleksinac, Bela Palanka, Blace, Brus, Bujanovac, Merošina, Novi Pazar, Preševo, Sjenica, and Vranje

⁶⁶ Evaluations of workshops were positive, and evaluation materials are available with European PROGRES

⁶⁷ Novi Pazar, Vranje, and Leskovac were donated during the predecessor Programme, EU PROGRES, equipment which enhanced their capacities for development of planning documentation.

⁶⁸ Leskovac, Vranje, Surdulica for two DRPs, Knjaževac, Novi Pazar, Tutin, Sjenica for one of two DRPs, Ivanjica for one of two DRPs, Merošina, Vlasotince, Svrlijig, Bela Palanka, Bojnik and Brus for two DRPs

The CFP for the Introduction of Geographic Information System (GIS) was open from 26 May to 3 August 2015. The interest from LSGs was high: 32 municipalities responded to the Call, 24 of which submitted individual applications while eight developed four partnership proposals (each involving a lead LSG and a partner one). The value of the submitted proposals was 2,952,749 Euros. The PSC approved 11 applications (involving 12 municipalities) in November 2015. The value of approved projects is 1,160,318 Euros, of which 1,027,241 Euros (88%) is provided by the European PROGRES. Signing of grants was completed in the Q1 2016.

Eight LSGs adopted Decision for the Establishment of the Geographic Information System⁶⁹, and eleven established GIS Working Groups, which provides foundation for sustainable development of this tool. Three LSGs⁷⁰ conducted study tour and LSGs that implementing project in partnership⁷¹ signed inter-municipal agreement of cooperation. Novi Pazar, Sjenica and Leskovac prepared procurement packages for all budget items while the remaining municipalities with the Programme's expert support work on preparation of procurement documentation.⁷²

Together with two beneficiary LSGs, Leskovac and Merošina, the Programme presented its work on GIS at the Annual Meeting of the GIS Network of the Standing Conference of Towns and Municipalities (SCTM), held in Belgrade on 24 February 2016.

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

The Association of Consulting Engineers of Serbia (ACES) continued to deliver the trainings about the International Federation of Consulting Engineers (FIDIC) contract modality in implementation of infrastructure projects. From August 2015 until April 2016, employees from 34 LSGs who are responsible for management of infrastructure contracts attended trainings about management and administration of FIDIC contracts, claims and disputes, and Dispute Adjudication Board (DAB). Besides the beneficiaries from the LSGs, the trainings included participants from the CFCU and the SEIO. On an average, 96 participants (41% women and 59% men) out of 101 designated beneficiaries from 34 LSGs, attended the trainings.

The Terms of Reference for the delivery of trainings to 34 LSGs about the basic rules and procedures for contracts in the Practical Guide to Contract Procedures for EU External Actions (PRAG) was developed and the trainer is engaged in May 2016. The trainings will begin in September 2016, when the grants for the local infrastructure projects (the Programme's CFP) are expected to be signed.

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

Ceremonial signing of MoU⁷³ on introduction of GG practices in LSGs was held on 9-10 November 2015 in Belgrade, with 71 participants from 31 municipalities. By the end of the month all 34 municipalities had signed the MoU.

Research "Good Governance Index in 34 Municipalities in South East and South West Serbia"⁷⁴ was completed in July 2015. It was based on 125 indicators and provided assessment of accountability, transparency, efficiency, participation and non-discrimination in the LSGs. The Research provided basis for planning reforms of local governance in municipalities.

⁶⁹ All 11 LSGs will adopt these decisions by the end of GIS projects

⁷⁰ Preševo, Surdulica and Vranje

⁷¹ Merošina and Aleksinac

⁷² The Overview of progress of GIS projects is provided in the Annex I, attachment 1.3

⁷³ MoU example provided in Annex I, Attachment 1.4

⁷⁴ Research "Good Governance Index in 34 Municipalities in South East and South West Serbia" is available with European PROGRES

The Programme has started to visit municipalities⁷⁵ to present the Research findings and suggest possible reforms⁷⁶ while considering specifics of each LSG. The municipalities generally expressed interest for implementation of reforms. European PROGRES will finalise visits to the municipalities, identify LSGs that will participate in the activity, and provide support for conduct of agreed reforms.

Development of capacities and skills of GG centres in municipalities⁷⁷ will include six trainings, which contain theory, case studies, and practical application of attained knowledge and skills. The first training was held on 23-25 November 2015 in Zlatibor, gathering 28 participants (eight women and 20 men) from 28 municipalities. The training was dedicated to the principle of accountability, i.e. clear definition of responsibilities, sanctions, competences, and conflict of interest, and 93% of participants evaluated the workshop as useful and applicable in practice.⁷⁸ The second training was held from 2-4 March 2016 in Aranđelovac, attended by 31 participants (17 men and 14 women) from 30 municipalities. It was dedicated to the principle of efficiency, and 85% of participants evaluated the training positively. The third training on transparency will be held in September 2016, while the whole training cycle will be completed in the first half of 2017 with a study visit to Switzerland.

In parallel with capacity building, preparation of Manual for Good Governance was initiated based on training participants' contribution. The Manual will identify some of the obstacles that LSGs encounter in their work and offer possible solutions.

Swiss Agency for Development and Cooperation (SDC) provides external expert support to implementation of GG aspects within the Programme. So far there have been three visits of a Swiss Expert for GG. The approach for development of GG local capacities was developed during the visits, as well as for reforms of local governance and implementation of GG principle through the other Programme activities. Next visit of the consultant is planned for September 2016.

1.5 Institutional development of local gender equality mechanisms

In partnership with the UN Women, European PROGRES supported LSGs in strengthening the institutional framework for gender equality issues.⁷⁹ The first step was conduct of Gender Benchmarking Assessment of institutional and legal framework for gender equality at the local level, gender analysis, and gender sensitive budgeting. The findings provided guidelines for provision of TA for development of local gender equality policies as well as for drafting of 21 individual capacity development plans for local gender equality mechanisms (GEMs).

The Programme supported establishment of GEMs in two municipalities⁸⁰, thus ensuring that 34 LSGs have these mechanisms in place. Support was provided in drafting of Local Gender Action Plans (LAP) in ten LSGs. The Programme's advocacy events facilitated adoption of six out of ten LAPs, so now there are 30 municipalities with adopted and valid LAPs. The remaining four LAPs⁸¹ were at the adoption procedure.

As a result of advocacy process, 16 municipalities signed the European Charter for Equality of Women and Men in Local Life, so 32 Programme municipalities have adopted this document until

⁷⁵ Four municipalities were visited by the end of June 2016: Bojnik, Kuršumljia, Merošina and Prokuplje.

⁷⁶ Framework of proposed intervention is provided in Annex I, Attachment 1.5

⁷⁷ Training agendas available with the Programme

⁷⁸ Evaluation materials available with European PROGRES

⁷⁹ Gender Equality Project Report is available in Annex I, Attachment 1.6

⁸⁰ Doljevac, Bela Palanka

⁸¹ Blace, Doljevac, Knjaževac, and Kuršumljia

now. Doljevac and Medveđa did not express interest during the process, so the Programme will continue consultations with these municipalities.

The CFP for Support to local GEMs⁸² was approved by the PSC in March 2016 and will be published in September upon complete establishment of local government after the elections. The goal of this CFP is to re-affirm the role of local GEMs in implementation of activities stipulated in the National Strategy for Gender Equality and related Action Plan. The CFP will include: improvement of the position of women in local community, institutional empowerment and strengthening of GEMs capacities, promotion of the European Charter, and introduction of gender responsive budgeting (GRB). Total funds for the support amount to 75,000 Euros.

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

Project proposal has been prepared with the UN Women with objective to strengthen the role of women in decision making processes through establishment of local women parliamentary networks in ten municipalities. The project will, in addition to the establishment of local networks, include capacity building through trainings, exchange of experience with the national network, as well as mentorship support. The project was in principle approved at the PSC meeting held in November 2015, and after informing the PSC about introduction of modifications, the implementation of this project worth 67,945 Euros will start in July 2016 and last until June 2017.

1.7 Gender responsive budgeting

Gender responsive budget (GRB) practices were introduced in eight⁸³ municipalities through the establishment of GRB teams, development of methodology for gender sensitive and participative consultations on budget priorities, and development of models for decisions on gender sensitive statistics. GRB Teams were provided with trainings for preparation of gender analysis, implementation and monitoring of gender sensitive budget cycle, and application of tools for planning and preparation of budget for 2016.

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 assessment of LSGs capacities to implement the Law on Planning and Construction conducted in February 2016⁸⁴ shown that the municipalities need training about application of the electronic procedure for construction permits, expert support for internal reorganisation, and, in some cases, technical upgrades. The Programme will address the needs through specialised trainings for LSG employees and representatives of PUCs, provision of TA for internal re-organisation, and procurement of equipment. The project proposal outlining intervention has been developed and will be presented to the PSC at the meeting in August 2016.

The Programme built on the Baseline Competitiveness Study⁸⁵ developed through the European PROGRES predecessor, EU PROGRES, to create a tool for LSGs to track and improve their

⁸² CFP for Support to local GEMs available with European PROGRES

⁸³ Aleksinac, Bujanovac, Nova Varoš, Priboj, Prijepolje, Sjenica, Vladičin Han and Vlasotince.

⁸⁴ The Assessment of the Local Self Governments' Needs in Application of the Law on Planning and Construction and Provision of Services is available as an Annex II, Attachment 2.1

⁸⁵ The Study was completed and presented in early 2014 and available with European PROGRES

Competitiveness. The initial methodology used for the baseline was rationalised and the number of needed data inputs halved from 2,500 to 1,200.⁸⁶ A user friendly Competitiveness Portal⁸⁷ is developed and its beta version launched. The portal offers two levels of information – one available only to LSG administrators for upload of data and an overview of LSG status and trends and the other available to general public and potential investors interested in comparing 34 LSGs.

The Programme provides TA to LSGs to collect and upload information needed for calculation of their competitiveness levels and over 60 meetings were held. Twenty-four LSGs formally appointed administrators, which are the focal points for data collection and entry, while 29 LSGs entered 55% of collected data. The portal will be available to general public in Q3 2016.

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

Implementation of 40 grants in 23 LSGs for the development of main designs is ongoing, with 20 grants completed and closed.⁸⁸ All LSGs paid their co-funding in the third quarter of 2015. Until the end of December 2015 all LSGs managed to prepare and advertise tenders. The Programme registered delays in the implementation of 15 grants by the end of 2015 due to changes to the Public Procurement Law, some of the LSGs advertised tenders for the technical designs for the first time since the new Law on Planning and Construction was adopted, and the opening of grant accounts and the transfer of co-funding was completed in early August 2015, which was two months later than planned. The Programme extended the duration for 80% of all grants, with the final finishing date set for end of August 2016.

In November 2015, the PSC approved the development of technical documentation for the construction of the anti-erosion protection of Jablanica, Pčinja and Vlasina Rivers watersheds and the General Design with Pre-feasibility study for South Morava Flood Protection is envisaged as part of the Project. The value of projects related to development of technical documentation is 215,833 Euros. Following the November 2015 PSC approval, the Programme signed the MoU⁸⁹ with the beneficiary Public Water Management Company Srbijavode (PWMC Srbijavode), in February 2016.

The tenders were prepared in cooperation with the beneficiary and advertised during April. The contracting for services will be concluded in August 2016.

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 and equipping of the building for the Bujanovac Department of the Faculty of Economics Subotica were completed within the deadlines in September 2015 and the usage permit was issued in October 2015. The total value of the project was 121 million Dinars: EU and the Government of Switzerland through the Programme provided 96.1, the CB contributed with 20 and Bujanovac with 4.9 million Dinars. The building received students in October 2015.

In November 2015, the PSC approved South and South West Serbia Anti-erosion and Flood Protection Project that includes construction of anti-erosion structures on the critical sections in Raška, Pusta Reka, and Trgoviški Timok watersheds. The construction works are estimated at 530,000 Euros. The tender documentation for works on Pusta Reka and Raška River watersheds

⁸⁶ Some 2,500 inputs were needed for calculation of 500 indicators contributing to competitiveness index of a LSG. The number of inputs is reduced to less than 1,200 without any impact to quality of data

⁸⁷ The Portal is available at <http://www.konkurentnostopstina.org/index.php>

⁸⁸ Overview of progress of technical documentation projects is available in the Annex II, Attachment 2.2

⁸⁹ The MoU with PWMC Srbijavode is available with the European PROGRES

were advertised in April and May respectively, and the works should start in August 2016. The beneficiary PWMC Srbijavode, with the Programme's support, works with the local authorities to provide the building permits for the works on Trgoviški Timok watershed.

In July 2015, the PSC approved in principle and the PSC in November 2015 confirmed the approval of the two large infrastructure projects that will be implemented through the CFCU: the construction and equipping of Vranje General Hospital and Novi Pazar Emergency Ward. The Programme assisted the SEIO and the CFCU in preparation of tender documentation for works according to Practical Guide to Contract Procedures for EU External Actions (PRAG) procedures (five volumes for each project). All tender dossier volumes for both projects were prepared and shared with the SEIO and the CFCU for comments by 15 January 2016. The Programme responded timely to two additional requests from the CFCU and the SEIO to further clarify parts of tender dossiers. In parallel with this Vranje City initiated the procurement for the works on the Vranje Hospital yard infrastructure, as part of the co-funding to this project.⁹⁰

2.4 Technical assistance for implementation of grants for local infrastructure projects

The CFCU Committee started the evaluation of the concept notes for local infrastructure projects in August 2015. This process has continued in February 2016, when the CFCU sent the request to 25 LSGs whose concept notes were positively assessed to submit full applications for 30 projects. The evaluation process is ongoing.

Considering the issues with delays in the grant scheme for local infrastructure, visibility aspects, and feedback from the beneficiaries, European PROGRES developed the CFP for the local social and economic infrastructure projects worth 1.5 million Euros, which was approved at the PSC in March 2016. The Call was published on 15 March 2016 and closed on 23 May 2016.⁹¹ Information sessions were held on 30 and 31 March 2016. The CFP is divided into two lots: the first comprises social infrastructure projects, such as the construction or reconstruction of educational, health and cultural institutions, sports facilities, projects aimed at improving the living conditions of vulnerable groups, as well as environmental infrastructure projects. The value of the individual projects may range from 30,000 to 100,000 Euros; the second lot comprises economic infrastructure projects, with the individual project value between 30,000 and 200,000 Euros.

The Programme received 31 applications, evaluation is ongoing, and recommendations will be presented at the PSC meeting that is planned for August 2016.

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

The progress in this activity was limited as the CFCU managed scheme for local infrastructure did not go in accordance with the plans as well as due to limitations set by the PRAG rules with respect to potential GG interventions. Despite this limit, the Programme has been providing advice to the LSGs regarding addressing GG issues in their proposals to the CFCU.

In addition, after introduction of the grant scheme for local infrastructure the Programme is able to meet the set targets. From the inception of the process, GG aspects were taken into account by designing and inserting very specific pertained terms and conditions the project proposal needed to meet if it were to be approved for funding. These terms and conditions were then interwoven into the evaluation criteria and instrument. Thirty-one infrastructure project proposals were appraised having in mind their GG aspects.

⁹⁰ <http://portal.ujn.gov.rs/Dokumenti/JavnaNabavka.aspx?idd=1035725>

⁹¹ The application documents are available on the European PROGRES website:
<http://www.europeanprogres.org/pozivi/en/>

The full implementation of the approved infrastructure projects will be accompanied with specific GG activities that will aim at improving local governance. This will be also linked to the overall local governance reforms, were feasible. Due to delay of the CFCU grant scheme the activity will be under time pressure and extension may be required.

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

In consultation with the SCTM, European PROGRES identified environmental and social protection are the two themes where the Programme could contribute to enhanced vertical coordination between the Government and the LSGs. The first workshop for environmental protection was held on Kopaonik 22-23 October 2015, with 58 participants (33 men and 25 women). The main conclusions of the workshop⁹² reflect the further need to work on waste management and PPP, and enhance the position of inspectors. Public participation and awareness are important as well as increased capacities of administration. Additionally, financing remains an issue for LSGs and it was concluded that there is a need for establishment of environment fund. The second workshop for the environmental protection is scheduled for July 2016.

The first workshop for the social protection will be held in July in close cooperation with the SCTM and the Social Inclusion and Poverty Reduction Unit (SIPRU). The concept includes participation of all stakeholders, including relevant ministries, national institutions and organisations and representatives of LSGs.

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

European PROGRES submitted recommendations⁹³ to the PSC to endorse provision of TA for development of three public-private partnership (PPP) proposals that were received in response to the CFP.⁹⁴ A comprehensive mobilisation process for the LSGs was conducted beforehand, with four two-day trainings on PPP conducted with 90 participants from 32 LSGs out of which 30 or 33% were women and 60 or 67% men. In addition, six info sessions focussing on aspects of good governance in PPP gathered 104 participants out of which 35 or 34% were women and 69 or 66% men. Even though over 20 potential projects were identified, only three LSGs submitted applications, all addressing energy efficiency issues.⁹⁵ Lower interested in PPP projects is not discouraging as the feedback from LSGs has been transformed over the year – from initial reservations from the officials to enter into the process to final feedback that they simply lack technical capacities to initiate and conduct the process.

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

⁹² Workshop report provided in Annex II, Attachment 2.3

⁹³ European PROGRES, in consultation with the PSC Chair and donor representatives, in line with the relevant ToR, used the e-voting procedure. The result will be known on 1 July.

⁹⁴ The Public Call conducted in January – March 2016, can be found at <http://www.europeanprogres.org/konten/en/358/Provision-of-technical-suport-for-establishment-of-private-public-partnership-in-delivering-public-services-through-investment-in-new-facilities-and-exploitation-of-the-municipaly-owned-land-and-facilities/>

⁹⁵ The Energy Service Company (ESCO) Contract Model was developed by the Ministry of Energy, Development and Environmental Protection with support of the European Bank for Reconstruction and Development (EBRD) in 2014 allowing for simplified procedures for projects addressing energy efficiency issues, including public lighting and public heating

Thirty eight applications were received in response to the CFP for Provision of Support for Introduction of International Quality or Food Safety Standards⁹⁶ and the PSC endorsed recommendations to support 22 projects. Following approval, two companies have withdrawn their applications – one due to liquidation process and the other decided to introduce the requested standard on their own. Thus, the standards are being introduced into 20 enterprises: Quality Management System ISO 9001 in nine SMEs, HALAL in three, Integrated Management System (IMS) and HACCP in two SMEs each, and British Retail Consortium (BRC), International Featured Standard (IFS), Global Good Agricultural Practices (Global GAP) and German standard for prefabricated materials (RAL GZ 422/1) in one company each.

Three grants with clusters are completed. 'Pešter Agro Cluster' standardised a traditional recipe for production of "Kajmak", adapted it to modern production, and put into operation equipment in one of its member dairies in Sjenica that will be used by three cluster members. 'Stara Planina Tourism Cluster' organised trainings on planning and categorisation of accommodation facilities, sales and Internet marketing, gastronomy, business planning, and funding sources. The functions were attended by 87 people of which 37 or 42% were women and 50 or 58% men and provided mentoring support to their members. Finally, the cluster was promoted by creation of an Internet portal⁹⁷ for joint reservation and by presenting its offer at Belgrade Tourism Fair using promotional materials developed under the grant; 'South Serbia Fruit Cluster' fostered the uptake of new energy efficient technologies within the member fruit processing companies, through a combination of small scale technology improvements, education programmes, and knowledge-based information sharing. The cluster conducted energy efficiency audit in three pilot SMEs and procured joint equipment for monitoring on energy consumption (thermal vision camera and gas leaking instrument).

The remaining two grant agreements with clusters were extended: 'Prije polje Textile Cluster' focussed on introduction of design innovation, marketing improvement, and international promotion of businesses. The cluster established a Design Centre in the premises of the Technical High School in Prije polje with design and modelling equipment procured through the grant and conducted complementary trainings for SMEs on clothes modelling. The equipment was used in the first six months by five enterprises for apparel tailoring and for training of 36 high school students in modern modelling techniques. The cluster also conducted a research of the German market for expansion of its businesses and developed promotional materials. The grant was extended to allow for organisation of Business to Business (B2B) meetings in Germany as the final project activity; 'NP Shoes Cluster' is strengthening competitiveness of its members through development of innovative modelling processes in footwear production, as well as through launching of the newly designed footwear. The cluster procured software for electronic modelling of shoes, used by all members. It has recruited international consultants to conduct trainings on footwear design and these are underway. Newly developed models will be presented at the final event of the project.

The CFP for Enhancement of Competitiveness through Creation of Jobs in the Private Sector⁹⁸ has been conducted followed by an outreach that included posting of more than 1,200 letters to all eligible businesses with information on the Call, organisation of 20 info sessions with over 200 participants, three trainings for business plan development with over 60 participants, social media postings, TV appearance etc. The activity targets entrepreneurs, MSEs and offers the floor for enhancing productivity, creation of new jobs (preferably for vulnerable), and for contribution to

⁹⁶ The Public Call conducted in September – November 2015 period, can be found at <http://www.europeanprogres.org/konten/en/305/Provision-of-Suport-for-Introduction-of-International-Quality-or-Fod-Safety-Standards/>

⁹⁷ The internet portal is available at <http://www.staraplanina.biz/>

⁹⁸ The Call conducted in April – June 2016 can be found at <http://www.europeanprogres.org/konten/en/420/Public-Cal-for-Proposals-Enhancing-Competitivenes-through-Creation-of-Jobs-in-the-Private-Sector/>

wellbeing of the community through adoption and implementation of corporate social responsibility (CSR) measures. Fifty-seven received applications will be assessed in July 2016.

The Programme joined forces with the USAID funded Sustainable Local Development Project (SLDP) to assess growth opportunities for the wood processing industry. The initiative relied on the SLDP assessment of the business potentials of the industry, which was re-confirmed at a jointly organised roundtable discussion⁹⁹ held at the Belgrade Furniture Fair. The Programme followed on the initiative of LSGs to develop an Action Plan for Support to Export of Solid Wood Products. Data for the Plan was gathered from over 110 participants of ten regional info sessions organised by the SLDP and processed by a national expert engaged by the Programme. The LSGs took ownership and participated in document creation. The Plan was handed over to the Development Agency of Serbia to present it to the Government for endorsement and to lead in its implementation.

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 Programme conducted the CFP for Support for Protection of Geographic Origin.¹⁰⁰ As a result, five applications for protection of traditional agricultural products were received. The PSC approved support for four products: Sjenica stelja, Ivanjica potato, Vlasina honey, and Sjenica cow cheese.¹⁰¹

A two-phase assistance for Agricultural Producer Groups (APGs) was developed. The first phase focusses on the capacity building and development of quality project proposals for the second phase. During the second phase, in-depth assistance for procurement of equipment and small infrastructure works will be provided. The PSC approved 32 of 45 received applications¹⁰² instead of initially planned 25, in order to respond to the high interest for the Call.¹⁰³ The inception workshop for 32 APGs was held in June and two more trainings are planned for July and August 2016. The final intervention under this phase of assistance is organisation of a study visit to one of the EU countries.

2.10 Support to women entrepreneurship

In November 2015, the PSC approved 48 business start-ups in the amount of 368,000 Euros for support to women entrepreneurship. Three applicants, in the meantime, withdrew their applications due to personal reasons.

A ceremonial event “Time for Successful Women” was held on 19 April in Raška on the occasion of award of contracts on donation to 45 women entrepreneurs for business start-up. The event was attended by 77 participants (60 women, 17 men), representatives of local GEMs, organisations,

⁹⁹ The roundtable “Business Opportunity for Serbia – Wood Furniture” was held on 10 November at the Belgrade Furniture Fair with over 70 representatives of national institutions, LSGs and the business community. The key conclusions were: (1) the wood furniture sector has potential for growth, (2) the world’s greatest buyer of wood furniture is eager to source from Serbia and (3) a national action plan focussed on wood furniture production must be proposed to the Government by local stakeholders, with local forest communities taking the lead.

¹⁰⁰ The call conducted in September – November 2015 period can be found at

<http://www.europeanprogres.org/konten/en/306/Provision-of-Support-for-Protection-of-Geographic-Origin/>

¹⁰¹ The fifth product was approved subject to availability of funds

¹⁰² The call conducted in December 2015 – January 2016 can be found at

<http://www.europeanprogres.org/konten/en/346/Provision-of-Support-to-Agricultural-Producer-Groups/>

¹⁰³ Initial design of the Call predicted support to 15 APGs in the first phase of intervention. The high interest is partially result of the conducted outreach plan for the APGs with a set of extraordinary activities designed for this target group, including development of a promotional poster, liaising with the line Ministry and their local agricultural advisory offices, holding of larger number of info sessions etc. As a result, the interest for the Call is high, as was proved at the eight info sessions held in December attended by 209 participants out of which 23 (11%) were women and 186 (89%) were men.

institutions and projects, including 37 women entrepreneurs. In general, the event attracted a lot of media attention, and it was widely covered, locally, regionally and nationally.

The Programme started preparation of technical documentation for procurement of equipment in January 2016, which includes 25 procurements¹⁰⁴ of different equipment/machines for approximately 23 different types of business. So far 21 beneficiaries have registered their businesses and 20 beneficiaries received equipment. Procurements of equipment continue, and this process should be completed by October 2016.

Beneficiaries will receive mentorship support for running of business, which will start from September 2016 and will take six months. The selection of consultancy agency for the provision of mentorship support is in progress.

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 as the baseline the surveys prepared through European PROGRES' predecessor – EU PROGRES - in 2010 and 2013.

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

This activity is planned to start in Q4 2016.

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

The Programme considered two options for implementation of vocational trainings¹⁰⁵ in consultation with the Ministry of Labour, Employment, Veterans and Social Affairs (MLEVSA) and opted for development of a CFP which will provide grant support to LSGs in implementation of training programmes that derive from their Local Employment Action Plans (LEAPs). The suggested measures target hard to employ vulnerable groups. The CFP criteria have been developed and will be presented at the PSC in August 2016.

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

The Centre for Social Policies (CSP) was contracted in October 2015 for implementation of the activity. The intervention provides expert support to LSGs in assessment of needs of vulnerable and marginalised groups, creation and revision of relevant local policies, as well as strengthening capacities of local institutions. Additionally, the intervention will include piloting of new employment policies through awards of small grants to vulnerable and marginalised groups.

¹⁰⁴ Procurement plan provided in Annex II, Attachment 2.3

¹⁰⁵ Supporting LSGs to implement activities in accordance with Local Employment Action Plans (LEAPs) enhancing better employability of the vulnerable unemployed groups in accordance with the need of the local labour market or selection of service provider through Request for Proposals (RfP) that will recruit unemployed and businesses willing to organise on-the-job trainings and facilitate the exchange.

Assessment of institutional capacities¹⁰⁶ was conducted between December 2015 and May 2016 with smaller delays caused by poor response from local branch offices of the National Employment Service (NES) and due to elections. Data was collected from 33 municipalities, while the Municipality of Vladičin Han did not participate.¹⁰⁷

In regards to the existing local strategic framework for addressing the needs of vulnerable, relevant local Social Policy Strategy exists in only one municipality, strategies for social protection in nine municipalities, which is the number of municipalities that have strategic framework for addressing youth issues. Only six municipalities have strategic framework for addressing improvement of Roma position in their communities. Just for a comparison, 18 municipalities have strategies for development of sports. This project also strives to address local employment policies for vulnerable.

Two interventions aiming to contribute to better inclusion of Roma population were supported within this activity. They are being implemented from November 2015 by mid of 2016, by the NGO Music Art Project – El Sistema and YUROM Centre. The Music Art Project successfully introduced inclusive methods into music education with the aim to reduce the gap between children from formal education and children from vulnerable groups out of music educational system. The project included participation of talented children from vulnerable groups, mainly young Roma trumpet players (in total, 15 Roma children and youngsters), in group music playing in an orchestra and choirs, thus enabling them to improve their playing techniques, but also to increase self-confidence, creativity and team spirit.

YUROM Centre's intervention aimed to contribute to inclusion and safety of Roma community in ten municipalities in South of Serbia through implementation of fire safety measures, awareness campaign among settlements' residents and advocacy for increase of fire safety through mobilisation of relevant national and local institutions. Over 40 fire extinguishers were installed in around 20 Roma settlements¹⁰⁸ in ten municipalities¹⁰⁹ resulting in the first direct outcome of the project. A burning of the house in Leskovac was prevented through a device use. Around 100 Roma people were trained on fire prevention and control and certificated as volunteer firefighters. The first Voluntary Fire Brigades in Vranje is registered, while registration of nine more is expected in the forthcoming period. The project is in the final phase.

In March 2016, the PSC approved the CFP for Piloting of Measures from the Strategy for Social Inclusion of Roma at Local Level¹¹⁰, which was published on 18 May and will close on 4 July. Between 2 and 14 June six informative sessions were held¹¹¹ which gathered 63 participants (51 men and 12 women) from 26 Roma organisations, 13 other organisations and four local self-governments. All in all, evaluation of informative sessions demonstrated that 81% of participants evaluated info sessions as very positive.¹¹² Total funds for the support amount to 150,000 Euros.

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

In March 2016, the PSC approved the CFP for Support to Youth Self-employment through start-up grants¹¹³, which was advertised from 28 March to 11 May. This two-stage CFP was focussed on support to businesses in the area of production, IT and food processing. The total support fund

¹⁰⁶ Progress Report provided in Annex III, Attachment 3.3

¹⁰⁷ The Assessment Report is due by end July 2016.

¹⁰⁸ Yurom provided estimation that the settlements have around 30,000 residents

¹⁰⁹ Bojnik, Bujanovac, Kuršumlja, Leskovac, Lebane, Prokuplje, Surdulica, Vladičin Han, Vranje, Žitorađa

¹¹⁰ CFP for Piloting Measures from the Strategy of Roma Social Inclusion provided in Annex III, attachment 3.1

¹¹¹ Evaluation report from info sessions provided is available with European PROGRES

¹¹² Evaluation materials available with European PROGRES

¹¹³ CFP for Support to Youth Self-Employment through Start-Up grants available on European PROGRES website

amounted to 180,000 Euros. Nine informative sessions¹¹⁴ were held between 8 April and 6 May with participation of 201 participants (129 men and 72 women). The Programme also presented the CFP within the event dedicated to the Year of Entrepreneurship held on 25 April in Niš. Eighty-five percent of participants evaluated the info sessions as very useful.

Overall, 93 applications have been received (41 from South West Serbia and 52 from South East Serbia), from 27 municipalities and one application was received from the municipality which is outside the Programme. The first evaluation phase included assessment of project concepts and conduct of 52 interviews with youth applicants. The second phase which includes a set of trainings and submission of full project proposals will be conducted in July 2016.

In the course of evaluation of draft concepts, it was noted that women who applied for grants exercised low participation (a total of 20 women), mainly because the CFP did not include services which are main area of interest of unemployed women in this area.

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

The intervention will include hiring of medical expert who will conduct assessment of needs for the equipment for protection of women's reproductive health in nine municipalities that did not benefit from similar activity during the predecessor Programme, EU PROGRES. On the basis of assessment the Programme will procure equipment and organise campaign to raise awareness about importance of women's reproductive health prevention. The start of activity is planned for Q3 2016.

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

In consultation with the Coordination Body, and the basis of findings from previously conducted field assessment that included meetings with the representatives of local cultural institutions, European PROGRES developed concept for this activity. It includes support to the CB for organisation of a study tour that will enable employees of cultural institutions and or artists from Preševo, Bujanovac and Medveđa to learn about positive cultural practices and initiatives from other multi-ethnic communities in Serbia. In addition, the Programme plans to procure equipment for cultural centres in multi-ethnic municipalities in order to enhance capacities for organisation of cultural initiatives and events. The concept will be presented to the PSC at the meeting planned for August 2016.

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

Out of 20 partnership projects of the CSOs and LSGs selected through the first CIF CFPs, 19 were successfully completed and contributed to social inclusion of the vulnerable, especially their employability.¹¹⁵ The project of the Local House of Development from Brus was cancelled in September 2015 due to three month delay, continuous failure to respect the Grant Contract provisions, and non-eligible spending of 777,000 Dinars. The implementing partner ignored European PROGRES repeated requests for reimbursement of unspent funds and the Programme will ask assistance from the PSC and Blace Municipality in order to address this issue.

The Municipality of Gadžin Han struggled with the implementation from the very start of the project due to very low capacities, lacking proper coordination and basic understanding of project

¹¹⁴ Evaluation report from info sessions available with European PROGRES

¹¹⁵ The table overview of completed CIF projects that includes short description of results is provided in the Annex III, Attachment 3.1

management. At the end, it did not meet requirements for payment of the third tranche due to failure to submit reports in timely manner, although the project activities were mostly completed.

The second CIF CFP was advertised from 21 March until 12 May 2016¹¹⁶, after being extended for one week due to the elections in April 2016. The CFP remains focussed on economic empowerment and employment and enhancement of access to public services for the vulnerable. It also includes support for improvement of inter-ethnic dialogue and to actions contributing to transparency in budgeting, especially regarding allocation of municipal funding to CSOs.

The total amount available under the Second Call is 345,000 Euros. Four information sessions¹¹⁷ on the criteria of the Call in Bujanovac, Niš, Leskovac, and Sjenica were conducted in first half of April. Hundred and twenty-nine representatives (51 women and 78 men) of 71 CSOs and 16 LSG institutions participated in the sessions.

In total, 48 applications were submitted from 25 municipalities. The evaluation of applications was processed and 24 projects in the value of around 320,000 Euros, primarily contributing to social inclusion and employability of vulnerable population, were recommended for funding. The PSC is considering recommendations for funding of projects through e-voting procedure that will end on 1 July 2016.

3.9 Support young people from Albanian community to learn Serbian language

The Programme contracted the Regional Centre for Professional Development of Employees in Education Niš in August 2016 as the implementing partner responsible for selection, employment and monitoring of Teaching Assistants (TA). Since September 2015, six qualified TAs have been hired in four elementary schools in Preševo and Bujanovac.¹¹⁸ Elementary schools were selected by the Working Group established by the MoESTD and the goal was to provide as many students as possible with the opportunity to learn Serbian with TAs throughout the school year. TAs were responsible for providing support in preparation and realisation of classes, directly assisting to eight teachers of the fourth and the seventh grade with the aim to improve quality of delivered classes. In total, 365 children of the fourth grade and 500 students of the seventh grade benefited from the intervention. At the start of their engagement and during the process, the TAs along with the teachers participated in several trainings on methodology for teaching Serbian as non-mother tongue and inter-cultural dialogue.

In order to measure effect of the intervention, the MoESTD and the CB organised three tests (at the beginning, in the middle and at the end of school year) of the pupils included in the project on their performance in Serbian as non-mother tongue.

The MoESTD established the new Working Group (WG) for implementation of recommendations for improving teaching of Serbian as non-mother tongue in elementary schools in Bujanovac, Medveđa and Preševo in February 2016. The WG recognised positive effects of TAs' engagement and the CB proposed extension for one more school year.

In addition to the TA, the Programme procured students' textbooks from the fourth to the eighth grades, the teachers' manuals and education material for Serbian as non-mother tongue. Sixteen schools from Bujanovac, Medveđa and Preševo are equipped in October 2015 with teaching and

¹¹⁶ <http://www.europeanprogres.org/konten/en/399/Cal-for-Project-Proposals-Citizens-Involvement-Fund-Grants/>

¹¹⁷ Evaluation report from info sessions available with the Programme

¹¹⁸ "Muharem Kadriu" in Veliki Trnovac, "Naim Frasheri" in Bujanovac, "Ibrahim Keljmendi" in Preševo and "Seljami Halaci" in Oraovica, Preševo

learning material for Serbian as non-mother tongue with the aim to improve Serbian language skills of more than 3,600 Albanian pupils from the fourth to the eighth grade.

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

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

In addition, the Programme procured of garbage truck in January 2016 that helped the Public Utility Company in Preševo to address waste management problems that occurred due to high influx of migrants.

Result 4

Effects of Serbia's European accession communicated to general public

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

European PROGRES continues to communicate the benefits of the Programme, European values, and contribution that the European Union (EU) and the Government of Switzerland add to the development of the South East and South West Serbia. While following the Communications Strategy, the Programme continued to use a variety of tools to reach out to its audiences: from high profile visits and public events, work with media, website, newsletter, social media, art competition, to publications and visual materials.

Eleven public events were organised, including three Programme Steering Committee meetings, Ceremonial opening of Bujanovac Department of Subotica Economics Faculty, handover ceremony of garbage truck to Preševo Public Utility Company "Moravica", Women Entrepreneurships Grant Awarding Ceremony in Raška, the signing of the MoU about Good Governance Interventions in LSGs, two roundtable discussion "Business Opportunity for Serbia - Wood Furniture" and award ceremony within art competition for European PROGRES' Calendar 2016. Each event was attended by approximately hundred beneficiaries and featured presence of the highest officials of relevant Ministries, DEU, SDC, LSGs and non-governmental sector.

Three Programme Steering Committee (PSC) were organised. The First Annual PSC¹¹⁹ took place in July 2015 in Gadžin Han followed by meetings in Novi Pazar in November 2015 and Bela Palanka in March 2016. The meetings attracted an average of 70 participants (47 men and 23 women), 24 LSGs, and 11 mayors. These functions facilitate discussions between the LSGs and national authorities about development obstacles and hence not only enable monitoring of the Programme's progress but enhance communication between two levels of authority.

This annual art competition theme for European PROGRES' Calendar 2016 was "Europe in My Neighbourhood" and inspired the pupils from the record 29 high schools in the Programme area to

¹¹⁹ The Minutes of the Programme Steering Committee are available on [European PROGRES website](#), in Serbian and English.

submit 117 art works. The firstly ranked won a laptop, the runner-up contestants received tablets and nine other best works were awarded smart mobile phones. All 12 art works were featured in the Programme Calendar for 2016. The awarded works depict small scale projects as solutions to various local needs including school transportation for children from rural areas, construction of cultural and leisure facilities and several energy efficiency initiatives. The award ceremony was organised in Leskovac in December 2015, while 1,650 calendars were printed and distributed to the Programme stakeholders.

Additionally, seven local festivals were supported. Bosilegrad Folklore Festival (27 July-2 August 2015), Nušićijada Festival in Ivanjica (28-30 August 2015), Blace Plum Festival (21-23 August 2015), "Bora's Theatre Days" (21 - 26 October 2015) and P(h)antomime (24-25 June 2016) in Vranje, 30th Roma Cultural Day in Surdulica (16 October 2015) and X School Olympics in Vranje (10-11 May 2016). The high visibility standards set for the Festivals were respected and the EU/SDC/Programme emblems were featured on the promotional material including 15 billboards, three stage banners and various print and video materials. All festival websites featured European PROGRES banners and the Programme support was included in all press announcements and releases. The donors received an honorary mention during the opening events and at numerous activities such as an award ceremony for the best women entrepreneur in the field of plum production. All festivals presented the letters of gratitude to European PROGRES.

The Programme issued 27 press releases and 18 media announcements, frequently published verbatim, and organised seven media interviews in both national and local media.

European PROGRES also produced 24 briefing notes¹²⁰ for the donors or the Government representatives visiting or attending the events in the area.

The developed digital communications¹²¹ is implemented in full, in line with the Communications Strategy and guides the dissemination of European PROGRES' news through different channels: website, newsletter, Facebook, and Twitter.

The European PROGRES website¹²² has been identified¹²³ as the key source of information for beneficiaries, on all Programme developments. The website utilisation has far surpassed its predecessor – the EU PROGRES, having been visited 74,697 times by 41,494 visitors between July 2015 and June 2016 - which is an increase of 139.5% and 161.8% respectively compared to the same reporting period in the previous Programme. Aside from the traditionally most visited Tender page, containing all CFPs and bidding documentation, the newly introduced tool for increasing transparency – the results overview for all Programme's CFPs – has been most visited page on the website.

The largest number of media reports, close to 300, was registered about European PROGRES' CFPs - Youth Self-employment and Micro and Small Enterprises that were published in March and April 2016. The website activity at the time registered the largest amount of visits from the beginning of the Programme - 8,618 visitors and 5,647 respectively, compared to average of 2,000 during other months. The social media response corresponded – just during these two months the number of Twitter followers increased by 148 percent and the number of Facebook followers by 80 percent. This reflects both the efforts of the Programme to promote these activities but also validates

¹²⁰ Detailed list of all briefing documents is available with European PROGRES

¹²¹ The European PROGRES Digital Communications Framework is available in the Annex IV, Attachment 4.3

¹²² www.europeanprogres.org

¹²³ During the Mid-term Communication Evaluation process

European PROGRES' selection of activities i.e. addressing the unemployment and competitiveness in the Programme area.

Web and social media



So far, five quarterly Newsletter¹²⁴ were issued, four of which during the past year. The Programme Newsletters covered all key quarterly achievements and are directly distributed to close to 2,500 stakeholders in the Government, media and non-government sector through email and Facebook where the Newsletter has a regular reach of well over 10,000 people per issue.

Social media presence continues to improve as the Programme now habitually uses Facebook and Twitter accounts for the promotion of the EU and the Government of Switzerland's support to the Programme areas. The number of Facebook and Twitter outputs increased and correspondently readership grew to 2,800 likes and 350 followers respectively. Subsequently, 142 Facebook posts reached 158,811 people and 157 posts were regularly re-tweeted by various beneficiaries including the popular EU Info Centre and the Head of Delegation of European Union in Serbia, SEIO and UNOPS Serbia. The Programme tweets were regularly quoted in the DEU monthly Communication Report and were voted as the most popular on three different occasions over the past year.

In December 2015, the Programme produced seasons' greetings cards and sent them to 350 partners from the Government, LSGs, CSOs and other development stakeholders. The electronic version of the card has been sent to over 2,500 email addresses.

All 12 info sheets on CFP results and four new fact sheets on the European PROGRES achievement in the domain of Education, Gender Equality, Health and Assistance to Roma population were developed and are available on the European PROGRES website.

Thirty-two, out of 34, Programme municipalities published the European PROGRES banner on their websites, while two LSGs do not have technical capacities to do so. This completes this action predicted by the Programme Digital Communication Plan.

During the past year the Programme produced various promotional materials: 500 notebooks, 500 folders, 500 hardcover folders, 500 plastic pens, 500 Fast Fact (in Serbian and English), 200 mugs, 120 external phone batteries, 150 mouse pads, 50 hardcover organisers, and four roll-up banners. Also, ten wall and standing plaques have been produced for the purpose of highlighting the donors'

¹²⁴ [The first issue of European PROGRES Newsletter](#)

contribution to projects, including wall plaques for Bujanovac Faculty and signboards for Preševo Migration Reception Centre. Additionally, 910 posters, one roll-up banner, 50 certificates and 70 info-graphs, 20 billboards have been produced to promote various CFPs and different sectors' activities.

Implementation of the Internal Communication Strategy continued and several key tools relevant for internal and external communication have been developed or updated including Manual, Briefing Tool Kit, Event Calendar and Overview of all PRO1, PRO2, EU PROGRES and European PROGRES Projects.¹²⁵

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

The selection of the consultancy that will support European PROGRES in implementation of the first information and advocacy campaign with the theme "Bringing European Integrations Closer to the People in the South East and South West Serbia" has been cancelled due to lack of quality offers. The campaign was also postponed due to a risk of negative change in the public opinion over the EU policies during the Greek Economic Crises and later migration crises. Subsequent population survey results showed that the change was not significant or long-lasting. European PROGRES Communication Sector, in line with the framework provided by the Programme Document and the Communications Strategy and in agreement with the Donors, decided to strategically merge initially planned two shorter separate campaigns into a yearlong communication campaign targeting media and youth – two audiences that Citizens' Surveys identified as the most influential factors in European Integration issues.

The theme "You are Europe" II - Bringing European Integrations Closer to the Media and Youth in the South East and South West Serbia was selected and the ToR¹²⁶ developed in consultations with the DEU, the SDC, and the SEIO. The campaign will include various activities, from providing opportunities to media to enhance knowledge about the EU and reporting on the EU projects, to engagement of youth in schools and through local festivals. The campaign will be launched in September 2016.

¹²⁵ All newly developed tools are available with European PROGRES

¹²⁶ [ToR for European PROGRES First Campaign](#)

Management and coordination

Programme Steering Committee

There were three meetings of the PSC¹²⁷, while electronic voting procedure was used four times to facilitate efficient progress of activities and enable modifications of the Programme approaches. In addition, the PSC used four times electronic voting procedure⁷⁹: to consider proposals for funding of DRPs that was organised from 1 until 10 July 2015; from 17 to 25 December 2015, to consider minor modifications of the CFP for Provision of Support to PPP that was initially approved in April 2015; to consider suggested modifications of the approach in early September 2015; finally, the PSC considers projects recommended for funding through the second CIF CFP and PPP and this procedure was started on 22 June and will finish on 1 July 2016.

After postponement of the regular Programme's Quarterly Meeting due to April elections, the second Annual PSC is scheduled for early August 2016.

Finance

The key financial indicators for the reporting period are the following:

- The total expenditure as of 30 June 2016 is 6,813,244.47 Euros or 39.02% of the total Programme budget;
- The total expenditure in period July 2015 – June 2016 is 4,442,964.09 Euros
- The donors' funds were spent evenly and in line with approved project budgets: 4,934,876.23 Euros or 72.43% of the total expenditure was disbursed from the EU funds while 1,878,368.08 Euros or 27.57 % of the total expenditure was disbursed from the SDC funds.
- The total delivery in the first half of 2016 is 1,406,458.77 Euros. The forecast delivery for the second half of 2016 is 5,104,956.33 Euros.
- The second instalment in the amount of 4,519,390.76 Euros from the DEU was received
- The third, fourth, and fifth instalments from the SDC, totalling 2,080,000 Euros, were received.

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

European PROGRES mechanism to plan and monitor five levels of the Programme budget: budget, expenditures, commitments, funds that are planned for the activities not yet approved by the PSC, and funds for activities that are approved by the PSC for implementation, but have not yet been

¹²⁷ Information provided in the Activity 4.1

contracted. These are monitored by the Programme personnel on daily, monthly, quarterly and annual basis.

Procurement and grants

Procurement in European PROGRES is conducted in compliance with UNOPS procurement policies¹²⁸ that ensure respect of the four guiding procurement principles: best value for money; fairness, integrity and transparency; effective competition; and the best interest of UNOPS and its partners.

Procurement activities were intensive during the reporting period: 12 tenders exceeding the estimated value of 50,000 US Dollars were advertised, of which eight were contracted; 35 tenders from 5,000 US Dollars to 50,000 US Dollars of which 23 were contracted; and there were 49 shopping procedures, below 5,000 US Dollars¹²⁹, out of which 41 were contracted.

There were no formal complaints on any of the conducted procurement processes. It was noticed that more RFQs were cancelled than in the previous reporting period, particularly those relating to the support of start-ups for women entrepreneurship due to inadequate specifications. Consequently, several purchases were cancelled and re-advertised with revised specifications.

The following tenders were successfully concluded and contracted:

- Provision of services on supporting Municipalities in Improving Social Inclusion Through Employment of Vulnerable and Marginalised Groups
- Provision of services on providing Teaching Assistants to Local Teachers in Elementary Schools of Preševo and Bujanovac Teaching Serbian as Non-mother Tongue
- Procurement of furniture for Bujanovac Department of Subotica Faculty of Economics
- Provision of educational material for learning Serbian as non-mother-tongue in 16 Primary Schools in Preševo, Bujanovac and Medveđa
- Purchase of garbage truck for Preševo
- Purchase of six project vehicles for European PROGRES
- Provision of Technical Commissioning Services for the Building of Bujanovac Department of Subotica Faculty of Economics
- Purchase of items for Preševo Migration Centre
- Purchase of medical equipment for women entrepreneurship
- Purchase of carpentry equipment for women entrepreneurship
- Purchase of jewellers and watchmakers equipment in support of women entrepreneurship
- Purchase of equipment for production of hose line for drip irrigation system for women entrepreneurship
- Printing of leaflets for Capital Investments Plans
- Purchase of dental equipment for women entrepreneurship
- Purchase of wood carving machine for women entrepreneurship
- Purchase of trophies, cups, medals and promotional materials for Youth Olympics
- Preparation of Technical Documentation for Protection from Erosion and Torrents in the Jablanica River Basin
- Provision of regular maintenance for six new European PROGRES vehicles

¹²⁸ UNOPS received the Chartered Institute of Procurement and Supply (CIPS) Corporate Certification in 2011, which endorses excellence in procurement policies, procedures and practices. It also has been awarded gold level in the Sustainable Procurement Review by the CIPS.

¹²⁹ This data is provided in US Dollars as UNOPS uses this currency and different procurement methods are applied, among other, subject to estimated value of the goods, works, or services.

The Programme issued the following grants during the reporting period:

- 21 Grant Support Agreements for Development of 31 Detailed Regulation Plans
- 11 Grant Support Agreements for Introduction and Development of Geographic Information Systems
- Three Grant Support Agreements issued to Sandžak Committee for Human Rights, Yurom Centre, and Association of Music Art

Human resources

The workforce planning remained in focus of European PROGRES throughout reporting period and recruitments were conducted for specific expertise required in response to the Programme's work plans. In particular, the Programme hired consultants on the short term basis: Competitiveness Analyst, Consultant for Local Self-governments, Hardwood Furniture Resources Analyst, Geographic Information System Consultant, IPARD Consultant, Marketing Consultant and Agribusiness Development Consultant.

Additionally, the Programme entered into restructuring of Communications Sector by hiring Communications Manager and Communications Associate. Also, actions were taken to restructure and reinforce the capacity of Good Governance and Social Inclusion Sector. The process resulted in the recruitment of the Good Governance and Gender Equality Advisor. The Sector is further strengthened by the Programme Associate for Empowerment of Vulnerable Groups. The Programme's activities in South and South-West of the country are further supported by the Programme Associate recruited in September 2015. For the first time, the European PROGRES participated in UNOPS Internship Programme and engaged one Intern aiming in this way to promote knowledge and best practises among young talents.

The performance of the Programme personnel is continuously assessed through the calendar-year evaluation cycles. The personnel completed performance reviews for 2015 and established individual performance related objectives for 2016. The objectives are set as specific, measurable, aligned, realistic, and time bound (SMART), allowing evaluation of individual engagement, contribution and results achieved.

While establishing performance objectives for 2016, personnel worked on their development plan using the opportunity to undertake trainings available from the UNOPS corporate funds. Following individual development plans, Programme established its learning plan for 2016.

The following specific, practise-related trainings have taken place¹³⁰:

- Two team members completed Harvard Business Publishing School Leadership Course;
- Stanford Advanced Project Management Certificate Programme, designed to enhance skills to manage change, was completed by Infrastructure Advisor;
- The Sector Manager for Governance and Social Inclusion completed UNOPS Foundation Project Management Course, which introduces the key UNOPS project management methodology and tools;
- PRINCE2 Foundation exam has been completed by one, while Practitioner level by four Programme personnel. In this way, the Programme's capacity to apply UNOPS methodology in project management has been strengthened significantly;
- Training on introduction to the bases of FIDIC contracts management and application of various contract conditions was attended by eight Programme's managers and engineers;

¹³⁰ These trainings are funded by UNOPS corporate budget except FIDIC training that is part of the Programme activities

- Operations Manager, Finance, Procurement and HR Officers attended user training for Business Improvement and Innovation Programme (BIIP) that was introduced by UNOPS globally as of 1 January 2016;
- Sustainable Procurement workshop designed to help participants develop a thorough understanding of sustainable procurement and provide sound approaches for implementation was attended by five Programme personnel;
- Programme personnel underwent Standard of Conduct Workshop that addresses ethical standards and compliances with ethics
- In-house Good Governance related training was attended by Communications Manager and Programme Intern.

Newly hired personnel completed UNOPS mandatory and highly recommended courses and have undergone the mandatory induction process.

Logistics

Logistics arrangements for the Programme are in place. The Programme offices in Niš, Novi Pazar, Vranje, and Belgrade are fully operational. Improvements on the premises facilities from the previous period are maintained at optimum running condition and cost. In June 2016, the Programme office in Belgrade moved from Šumatovačka 59 to Šumatovačka 78-80, which allowed for better working conditions and facilities to accommodate Programme's visitors and meetings.

Support was provided to organisation of 52 events, including workshops, trainings, info session groups, receptions, delegation visits. Logistics services covered provision of accommodation, conference facilities, transportation, food and refreshments, etc. All services have been received with utmost time and costs effectiveness.

European PROGRES personnel have made 452 official travels for which due care was taken to optimise overall travelling efficiency.

Six new vehicles were purchased in March 2016 in replacement of the Programme's vehicles, which are older than five years and made more than 200,000 km each. Since vehicles are in good driving condition, in agreement with the donors, they will be donated to the Municipalities in South West Serbia¹³¹, while one damaged vehicle will be sold in present condition.

Security

No security issues or threats for European PROGRES' personnel or the implementation have been recorded. In line with the security arrangements, the Programme conducted or facilitated the following key activities:

- The Programme has Security Focal Point. Relevant briefings were provided by the Operations Manager and the Department of Safety and Security (UNDSS)¹³² Officers;
- The UNDSS Officers visited Vranje and Niš offices in October 2015 and Novi Pazar office in June 2016. The visits included update of personnel and vehicle lists, fire plans and other similar documents. No security issues were identified. The Programme has appointed Security Wardens for Vranje, Niš and Novi Pazar Offices

¹³¹ These vehicles originate from the Programme that benefited South West Serbia and this is why they will be donated to municipalities in this area.

¹³² 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.

- Security briefing provided to newly engaged European PROGRES personnel, with the focus on secure usage of vehicles and travel/trip procedures
- UNDSS delivered free-of-charge Fire Safety Training to five Programme personnel. Training attendees obtained Fire Safety Certificates that are valid for one year
- Four mandatory SMS Communication Tests performed successfully. The tests success ratio on overall RSOC level in 2015 improved to 92% compared to the first half of the year. Only one European PROGRES personnel did not reply during the second half of 2015. Corrective actions have been undertaken. During the second test period in first half of 2016, all European PROGRES team members responded to test. Two Satellite phone communication tests were performed successfully in Belgrade and Niš Offices
- Security documents for all personnel were updated. All colleagues were reminded to get acquainted with the security policies and procedures. All personnel completed basic and advanced security tests.

Personnel list updated and forwarded to the Department of Safety and Security (UNDSS) on the monthly basis.

Information Communications Technology

Full time European PROGRES personnel have UNOPS email accounts and access to UNOPS Intranet, which facilitates internal and external communication. The ICT hardware equipment was set up to enable the Programme's work, safe storing and back-up of data. Network infrastructure has been configured to enable access to email, Enterprise Resource Planning (ERP) software and corporate online resources.

Starting from 1 January 2016, the UNOPS introduced oneUNOPS, a corporate level tool that hosts a suite of integrated products, including the new ERP system, an Enterprise Project and Portfolio Management (EPPM) system, and a Business Relationship Management (BRM/CRM) system. The oneUNOPS provides the Programme users with a single point of access to all business applications, business analytics, dashboards, and detailed transactional information across the organisation.

The following are the key ICT activities:

- Equipment for 19 Programme personnel has been replaced during 2015. Six desktop PCs and 13 laptop PCs have been purchased for this purpose
- Three servers have been procured; one lower capacity server has been installed as backup in Niš office, one has been used to establish domain infrastructure in Novi Pazar and the third one serves as WSUS server in the RSPC office. The NAS server has been installed in Vranje office
- Legalisation of office software licenses has been completed during 2015, covering 10 MS Office licenses, nine Microsoft Project licenses, one AutoCAD LT and 14 Adobe Acrobat software licenses. Antivirus licenses have been procured to cover Programme's ICT network
- Backup Internet option for office in Belgrade has been amended to cover period until 1 June 2017
- Previously established backup ICT support options for offices in Niš and Belgrade have been amended until June 2017
- European PROGRES' website remains operational and is available at: www.europeanprogres.org
- Web portal www.konkurentnostopstina.org has been established in support of the Programme's Competitiveness Sector

- Website of the Programme's predecessor, EU PROGRES, is active and available at: www.euprogres.org
- Starting from 1 January 2016 charging of private mobile calls is regulated through the Standard Operating Procedure.

Reporting

This is the second Annual Report and it covers the period from 1 July 2015 until 30 June 2016. It follows the structure of quarterly reports but includes a range of annexes that provide deeper insight into the Programme performance and the revised overall Work Plan.

Three quarterly reports were produced from July 2015 to June 2016, and were unanimously adopted by the PSC. The Reports were presented to the key beneficiaries at the PSC meetings, and are available to general public at European PROGRES website.¹³³ The quarterly reports provided overview of progress and performance, the management issues, review of the risks and issues, quality and sustainability, and insights into the key milestones for the next reporting period, and information about the lessons learned.

European PROGRES' personnel produces weekly and monthly reports. The Programme also prepares monthly reports for UNOPS Serbia and although not a contractual obligation these could be provided to the SEIO and the donors upon request.

Monitoring

European PROGRES continues to use stage planning¹³⁴ with the objective to enhance control over progress. In addition to the Overall Work Plan, the Programme produces quarterly work plans that identify activities and outputs that need to be delivered within the covered period, as well as those responsible for the plan realisation.

European PROGRES developed the Matrix with the key socio-economic indicators of its area of responsibility. The Programme collected relevant data for 2014 and 2015 to monitor major development trends in the area.¹³⁵

The Programme established tool that enables monitoring of outputs, outcomes, and impacts of all individual projects that are supported through European PROGRES.

Risks and issues

In line with the Risk Management Strategy, European PROGRES identifies and assesses risks, and then plans and implements responses. The following risks and issues should be highlighted:¹³⁶

The nine month delay in implementation of the CFCU grant scheme for local infrastructure projects continues to be the key issue. Previously, this delay reduced interest of LSGs for the Programme as they remain most interested for infrastructure projects; feasibility of significant part of good

¹³³ [European PROGRES Quarterly Reports](#)

¹³⁴ Stage (Quarterly) Plans are available with European PROGRES and are provided for consideration with Quarterly Reports

¹³⁵ The Matrix with insight into key socio-economic data is available in the Annex V, Attachment 5.1

¹³⁶ PRINCE2 makes a clear distinction between risks and issues. In order to keep the reporting simple, as much as possible, this section provided integrated overview of risks and issues.

governance activities that are interlinked to progress of infrastructure projects was brought under question; roll out of on-the-job training in the FIDIC contract management could have been prolonged; without these tangible projects European PROGRES capacity to generate visibility for the support of the donors, the European Union and the Government of Switzerland was reduced significantly. The issue was regularly escalated to the PSC and remedial actions included amendments of the Programme Approach and Budget that were agreed by the PSC in September 2015 and formalised with the donors in January 2016. The modifications among other introduced a separate grant scheme for local infrastructure. Part of the issue remains unresolved as the Programme is neither able to monitor the CFCU supported infrastructure projects nor to complete their evaluation as they will fall beyond the European PROGRES' duration

The second largest issue that had negative effect on the Programme were the parliamentary and local elections in April 2016. Not only were the activities slowed down due to pre-election campaigns, but the time needed for establishment of the government took longer than originally announced. By the end of June 2016, the national Government hasn't yet been formed, while on the local level although most of LSGs were established they were not fully functional, while development projects were not priority on their agendas.

This directly impacted several activities. For example, the elections and legal framework of 60 days for establishment of the local assemblies postponed verification of the Capital Investment Plans 2016-2020 in 13 LSGs but may also mean that LSGs where major political changes occurred may not be willing to adopt CIPs at all. Also, the lack of administrative staff and post-election intermission in continuation of agreed activities due to unstable political situation or weak inter-communication and changes in the LED offices caused that data collection and data entering on the Competitiveness Portal did not begin in five LSGs. In response, the Programme maintains relations with the key stakeholders and works with the Mayors on explaining the benefits of the Portal in details. This will be further enhanced through support in data collection and data entering by the Competitiveness Analyst engaged by the Programme.

In addition to the elections, European PROGRES recorded political instabilities in at least five LSGs during the past year. These changes are often followed by replacements of municipal staff and shifts in development priorities. The impact is negative: part of the work done previously on the transfer of knowledge about project management, good governance, and some other less tangible concepts, is partially lost; new leadership may not be supportive of some projects started by their predecessors; despite good will, new teams do not have expertise and experience to respond to the opportunities. In response, efforts were put to (re)establish relations with the new staff and raise their awareness of the Programme and their obligations. However, due to the scope of changes, some LSGs may not lift their performance to the level needed to benefit from the Programme.

Delays were recorded, especially with projects related to technical documentation and update of taxpayers' registries, which could partially be attributed to inefficiency of municipalities or to recent changes in legislation, but also indicated that both the grantees and European PROGRES need to plan duration of projects more realistically. For example, grants' action plans usually envisage one month for preparatory phase (establishment of grant team, co-funding, payments etc.) but in practice this takes between two and three months (European PROGRES has also internal procedures that need to be followed and require time). Although this lesson has been identified earlier there is a need to additionally enhance rigour in this respect – more time will be allocated for preparatory phase while European PROGRES will organise meeting with the grantee if delay reaches a month.

The lower prices on the market in Serbia meant that the costs of implementation of projects for the development of main designs could be lower for up to 35% of the planned contribution of 538,000

Euros. Similar situation is with the grants for preparation of DRPs. The Programme continues to monitor the development and if this becomes trend will prepare options for utilisation of the unspent funding.

The lack of flexibility to respond to emerging development challenges and opportunities in the AOR was mitigated by amending the Programme with activities that adequately address these risks. In addition to above mentioned introduction of the CFP for local infrastructure the PSC agreed to introduction of the CFPs supporting MSEs, inclusion of Roma, youth entrepreneurship, and to funding of priority flood protection projects in the area.

Finally, the Commission examining the circumstances of the CFP for Geographical Information System (GIS), whose results were alleged to have been shared with the outside stakeholders, concluded that no member of UNOPS personnel deliberately and directly announced the results to any external stakeholders. Following the Commission's recommendations, the Standard Operating Procedure (SOP) regulating CFPs, and especially transparency and accountability of the entire personnel, as well as efficiency and effectiveness, was drafted, adopted and is being implemented,

The Risks and Issues Register¹³⁷ provides overview of initial and newly identified risks and of issues that emerged.

Quality and sustainability

European PROGRES has continuously adhered to the United Nations Office for Project Services (UNOPS) project management methodology, striving towards excellence, and ensuring that partners benefit from practices that reflect leading international standards. The compliance of the Programme with those standards has been verified in all four internal assurance meetings, held quarterly.¹³⁸ European PROGRES is also among those projects implemented by UNOPS Serbia which have the most mature practices, in terms of management control, benefits management, financial management, stakeholder engagement, risk management, organisational governance and resource management.

Being implemented by the UNOPS, the European PROGRES benefits from its structures, such is the Project Management Office (PMO), which has actively been ensuring not only the promotion of the best project management standards, but also capacity building and tracking results in a visible manner, thus contributing to the efficiency, effectiveness and sustainability of the Programme. The evidence, accrued during the PMO review of the Programme's management products, showed that adequate steps and consultations with relevant stakeholders have been adhered to during preparation of all written documents.

The introduction of oneUNOPS Enterprise Resource Planning (ERP) System, from 1 January 2016, marked an important milestone as it will not only simplify workflows, but also allow access to more advanced business analytics for projects implemented by UNOPS.

During the mid-term evaluation of the Communications Strategy, the stakeholders said they perceived the European PROGRES as the most visible EU funded project in the South and South west

¹³⁷ The Risk and Issues Register is available in Annex V, attachment 5.2

¹³⁸ The assurance meetings were held as follows: for Q3 2015 on 5 October, Q4 2015 on 18 January 2016, Q1 2016 on 30 March and Q2 2016 on 11 July.

Serbia, whose communication was open, clear, informative and tailored to the target audiences, with professional, fast and efficient service by its implementing agency – the United Nations Office for Project Services (UNOPS). Due to the consistency of the Programme's visual identity, which is in line with the donors' requirements and those of the Government of the Republic of Serbia, it wouldn't be wrong to say that European PROGRES was setting the standards in this area. The appropriate engagement of stakeholders, especially during implementation of high-risk projects, ensured transparency, yielded good will and built trust. The Programme's reports are written well and masterfully cope with large volume of information.

The Programme has been agile in addressing the lessons learned, including through the communications' activities. For example, it has been recognised that the press releases related to the PSC meetings should focus on accumulated budgets, rather than fractions, to attract more national media coverage. This has been remediated immediately.¹³⁹

In addition, while following the RSPC and European PROGRES Quality Management Strategies, the Programme conducts the following quality checks:

- All trainings/workshops/information sessions are being evaluated. Feedback is being analysed, held identification of lessons and good practices. Over 90% of participants evaluated trainings as very positive and useful.
- Each grant is continually monitored and controlled at least twice during implementation. Checks include administration and financial control and provision of advice to beneficiaries that facilitate implementation.
- Projects are being visited in order to check whether implementation progresses in accordance with the approved proposal. In case of identified issues, the Programme is taking remedial action.
- The project site inspections, i.e. check of equipment delivery to beneficiaries or of technical elements of projects is another tool regularly used.

Sustainability

The Programme activities derive from the national policies and support their implementation at the local level and this approach contributes to mid-term and long-term sustainability. For example, interventions related to development of detailed regulation plans are aligned with the Law on Planning and Construction, support scheme for SMEs follow the Strategy for Supporting Development of the Small and Medium Enterprises, Entrepreneurship and Competiveness 2015 – 2020, while support to Roma community is primarily based on piloting the measures from the Strategy for Social Inclusion of Roma 2016-2025.

The national ownership of the Programme is ensured on several levels: the PSC includes relevant national institutions and the key stakeholders; particular activities are developed in consultation with the line ministries and national institutions – for example, efforts to enhance learning of Serbian as non-mother tongue is developed and implemented in close coordination with the Coordination Body, scheme for SMEs was developed with the Ministry of Economy, while the Ministry of Agriculture provided inputs for activities supporting agriculture producer groups, to

¹³⁹ The detailed are kept in the Programme Lessons Log that is available in the Annex V, Attachment 5.3

name a few examples; European PROGRES is predominantly implemented through grant methodology that gives ownership over projects to the grantees.

A variety of activities actually strengthened institutional framework and contribute to efficiency of institutions. For example, trainings in GG, FIDIC, gender, PBs and CIPs enhance capacity of different LSGs units, while support to tax offices and introduction of Programme Budgets should enhance efficiency.

Finally, the sustainability is regular criteria for the selection of projects that will be funded. Efforts are put to ensure include gender equality criteria in approaches as well as to integrate environmental protection measures in the Programme activities.

Good governance

Strong integration of GG into the interventions both enhances performance of the LSGs but also contributes to sustainability.

In January 2016 the Programme formally introduced the Functional Diagram (FD) to ensure that GG would be embedded in all of its activities. The formal promulgation of the FD provided basis for further strengthening of this approach across the Programme. The FD lists all steps a project proposal needs to go through before it's been cleared from GG and other cross-cutting points of view and approved for full implementation.

Specific guidelines on how to meet GG requirements in terms of necessary processes, expected outputs and outcomes, were provided for Programme-wide activities, and particular interventions were made when Terms of References (ToRs) and CFPs were developed for Municipal Infrastructure Projects, development of PPPs in the municipalities, Capital Investment Planning, Programme Budgeting, support to Micro and Small Enterprises, support to SME clusters, introduction of Geographic Information Systems, Vocational Trainings for Vulnerable and Support to Agricultural Producers Groups.

The necessary support was provided in embedding Gender Equality and Social Inclusion aspects as well, by providing guidelines when developing the above mentioned ToRs/CFPs, but also in the cases of CIF, supporting youth through business start-up grants, piloting the measures from the Strategy for Social Inclusion of Roma, or support to local GEMs.

The Good Governance training was delivered to six SEIO representatives, in an effort to broaden their understanding of this key cross-cutting concept. The training was evaluated positively and as useful by the participants.

Lessons learned

Out of 33 lessons in the Lessons Log, the recommendation was implemented for 23 while progress was made on all the other. The following is the overview of the key lessons implemented:

- Outreach to the different beneficiaries requires different communication approaches. For example, using communication channels that work for LSGs, such as media and information sessions, are not sufficient to generate interest of SMEs or agricultural producer groups as they were not so often exposed to development projects' interventions. After learning this lesson, the Programme quickly modified the approaches by using different channels and

tools. For example, when promoting the CFP for MSEs, European PROGRES among other sent over 1,200 direct letters to all eligible applicants. This facilitated good response and reconfirmed there was a need to carefully consider how to reach out particular audience.

- The evaluation questionnaires being distributed at every informative event as a way of measuring the effectiveness of the event itself should not be the primary indicator as those are often filled in mechanically with unvarying answers. The Programme has started to use interviews with participants to get their deeper insights about the workshops.
- The introduction of formal written warnings as a method on reminding municipalities that the action is being delayed due to their inactivity has proven to be effective manner of making the partners to perform to the standards they have vowed to in their proposals. Several such notices were sent and the municipalities soon reacted.
- Journalists prefer to get hard copies of the press releases at the event and hence the Programme will ensure that this is actioned as it should enhance quantity and quality of media coverage.
- Submissions for approvals to the PSC should be to some extent consistent and as a minimum include beneficiary, targeted area, budget, short description of the action, and summary of evaluation findings.

The European PROGRES Lessons Log is available in the Annex V, Attachment 5.4.

Work Plan

Within development of the Annual Report, European PROGRES revised its Overall Work Plan¹⁴⁰ and developed plan for the Q3 2016.¹⁴¹ The following are the key deliverables for the next year:

Result 1

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

Activity 1.1

- Present developed CIP plans at the final event planned for September 2016. Monitor execution of PBs for 2016 and implementation of CIP projects, and effects of local tax projects.

Activity 1.2

- Complete the implementation of grants for DRPs and GIS and prepare the publication about the investments potential created by the DRPs development

Activity 1.3

- Complete trainings on Practical Guide to Contract Procedures for EU External Actions (PRAG) and public procurement of Serbia procedures
- Complete on job training component on the FIDIC contract modality

¹⁴⁰ The Overall Work Plan is available in the Annex V, Attachment 5.4

¹⁴¹ Work Plan for Q3 2016 is available in the Annex V, Attachment 5.5

Activity 1.4

- Support municipalities to enhance their good governance capacities through trainings and advisory support
- Implement Governance Reforms in at least five municipalities

Activity 1.5 and 1.7

- Continue with monitoring of institutional capacities of local GEMs and introduction of GRB
- Conduct the CFP for local GEMs, provide grants and monitor implementation

Activity 1.6

- Establish local women parliamentary networks through partnership project with the UN Women

Result 2

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

Activity 2.1

- Support LSGs in application of construction permitting legislation
- Complete data collection for the Competitiveness Portal and make the Portal fully functional

Activity 2.2

- Finish the designs for anti-erosion protection
- Complete grants for development of main designs for local infrastructure

Activity 2.3

- Finish the construction of anti-erosion barriers on Raška and Pusta Reka watersheds
- Provide assistance to the CFCU for the implementation of Vranje Hospital and Novi Pazar Emergency Ward projects

Activity 2.4

- Complete the grants for local infrastructure projects
- Assist the LSGs in implementation of the CFCU grants for local infrastructure projects

Activity 2.5

- Support municipalities in development of local policies and/or administrative regulations
- Provide with the process dynamics

Activity 2.6

- Develop policies and/or regulations addressing vertical coordination between the Government and LSGs
- Organise Vertical Dimension workshops and collect inputs from the key national stakeholders

Activity 2.7

- Obtain approval for the PPP projects and provide technical assistance to supported interventions.

Activity 2.8

- Close the remaining two grants with clusters. Enhance productivity for at least 15 entrepreneurs, Micro or Small Enterprises.

Activity 2.9

- Develop three Elaborates for protection of Geographic Indication and provide support for certification of authorised users of geographic indication for one product. Introduce international quality and food safety standards in 20 selected SMEs. Conduct two training modules for APGs and a study visit to one of the EU countries; implement grants for provision of support to APGs.

Activity 2.10

- Finalise procurement and start mentorship support

Result 3

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

Activity 3.2

- Reconfirm approach to this activity

Activity 3.3

- Conduct the CFP to support LSGs in implementation of vocational training

Activity 3.4

- Strengthening LSG capacities for introduction of local employment and social policies and provide grants to the selected municipalities and monitor implementation
- Conduct the CFP for Support to Roma CSOs, provide grants and monitor implementation

Activity 3.5

- Conduct the CFP for Support to Youth Self-Employment, provide grants to selected projects and monitor implementation

Activity 3.6

- Procure medical equipment to the selected health centres

Activity 3.7

- Develop concept for improvement of working conditions and management of local cultural institutions in multi-ethnic municipalities

Activity 3.8

- Complete all projects within the first call under the Citizens' Involvement Fund (CIF)
- Implementation of the CIF 2 projects until June 2017

Activity 3.9

- Implementation of the project until June 2017- support to young people from Albanian community to learn Serbian language

Activity 3.10

- Provide support to addressing of migration and refugee issues

Result 4

Effects of Serbia's European integration communicated to general public


Activity 4.1


- Organise art competition for European PROGRES' Calendar 2017
- Prepare Municipal Profiles and an interactive map for the website
- Prepare and distribute four quarterly newsletters
- Organise at least three high profile visits to the area
- Organise five Steering Committee meetings
- Organise support to at least three local summer festivals
- Publish the CFP for support to local and regional media

Activity 4.2

- Implement the campaign from September 2016 - September 2017

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 World Bank's Doing Business Report has improved by nine places in 2016 ¹⁴² , with the rank of 59 compared to 68 in 2015. | |
| Serbia's ranking in the Global Competitiveness Report improved for at least five places | Serbia's ranking in the Global Competitiveness Report 2014-2015 has improved by seven places, currently being positioned as 94 th compared to 101 st in 2013-2014. | |
| 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 | Projects for detailed regulation plans, technical designs, in combination with efforts to enhance planning of capital projects and introduce good practices for management of infrastructure create foundation for increased investments into infrastructure. | |
| At least five new investments in industry until the end of the Programme | Projects for clusters, introduction of quality standards, women and youth entrepreneurship, support to MSME, protection of geographic indication, and partnership actions of civil society and LSGs should contribute to SMEs sector growth and facilitate employments. | |
| Export of SME sector increased by at least 5% until the end of the Programme | | |
| Enabled employment of at least 1,500 people as the result of (in)direct activities within the Programme | | |

¹⁴² The Doing Business Report for 2016 has been published in October 2015.

| 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%) ¹⁴³ | With the Programme's Technical Assistance 15 LSGs developed Capital Investment Plans (CIPs). | European PROGRES provided technical assistance to 15 LSGs in development or update of the Capital Investment Plans (CIPs). The group included ten newly selected LSGs and the five LSGs assisted through the predecessor programme, EU PROGRES. All 15 beneficiary LSGs developed Capital Investment Projects. |
| 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) ¹⁴⁴ | Financial plans of budgetary users in all 15 LSGs have been developed and timely adopted. | The Programme provided assistance to the selected 15 LSGs (ten newly selected and five previously assisted through EU PROGRES) in introduction of Programme Budgets for 2016. |
| Activity 1.1.3 At least 15 municipalities increase their revenue from tax collection by at least 15% by the end of the Programme (strengthening the accountability relation through expanding the tax base and raising citizens' tax compliance awareness). Baseline: the number of tax payers and annual income from revenue will be set for each municipality once local self-governments are selected ¹⁴⁵ | Sixteen grants for improvement of the taxpayers' registries is completed. Over 18,500 taxpayers have been registered or updated. | The Programme provided grants for 16 projects worth 154,000 Euros for improvement of the taxpayers' registry. The current estimates are that it should contribute to growth of local revenues from tax collection by projected average of 13%, however the figure will be confirmed once all tax returns for the upcoming year are issued. |
| 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) ¹⁴⁶ | Eleven projects for Introduction and Development of Geographic Information System (GIS) were approved in November 2015. Grants issued and procurements are ongoing. | European PROGRES conducted the Needs Assessment that confirmed that potential for improvement of the GIS. The CFP for Introduction and Development of GIS was closed on 13 August 2015. The November PSC approved 11 projects for implementation and grant contracts were signed in December 2015. Implementation ongoing. |
| 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. | Twenty one grants have been issued for the development of 31 DRPs and all Assemblies passed the decision about the formulation of the plans. For ten DRPs 16 early public enquiries staged. | The Assessment of Planning Documents showed that LSGs need support for development of DRPs. ¹⁴⁷ The Call was open until 7 April 2015. The PSC approved 21 applications for the development of 31 DRPs and all LSGs Implementation ongoing. |
| 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 | Four modules on the International Federation of Consulting Engineers (FIDIC) contract modality have been delivered by the Association of Consulting Engineers of Serbia (ACES). Five modules have been delivered to 102 municipal employees, 62 men and 38 women, from all 34 LSGs, and five representatives from the SEIO and the CFCU, three women and two men. | The ACES was selected to deliver the trainings on FIDIC contract modality. Four modules completed. |

¹⁴³ Baseline Study on Competitiveness, EU PROGRES, 2014

¹⁴⁴ Baseline Study on Competitiveness, EU PROGRES, 2014

¹⁴⁵ LTA Office Annual Reports

¹⁴⁶ Obstacles to Infrastructure Development, EU PROGRES, 2013

¹⁴⁷ Annex I, Attachment 1.2, Assessment Report on DRPs and GIS, November 2014

| | | |
|--|--|--|
| Activity 1.4 By the end of the Programme, institutional governance reforms initiated, developed and implemented in at least five LSGs, with emphasis on increasing accountability, transparency and efficiency in public services delivery to citizens, with development or revision of at least ten local policies or local regulations, in line with the Serbian legal framework | The Local Governance Assessment of the 34 municipalities finalised in July 2015. The MoU for GG interventions at local level was signed in November 2015. Two trainings for designated local officials on GG principles of accountability and efficiency delivered in November 2015 and March 2016. GG reform packages drafted and presented to four municipalities in June. | The Local Governance Assessment of 34 municipalities is finalised. The results were used for development of local governance reforms that will be conducted in at least five LSGs. The MoU for GG interventions at the local level is signed. Implementation ongoing. |
| 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 ¹⁴⁸ | Two municipalities have established local GEMs, six municipalities adopted LAPs and 16 municipalities adopted the European Charter. Ceremonial award of plaquettes for signing of the European Charter was held in December 2015. The Call for Proposals for support to local GEMs approved by the PSC in March and it will be published in September 2016. | All Programme municipalities strengthened through provision of technical assistance for improvement of local GEMs and launching of gender-related initiatives at the local level. After establishment of two new local GEMs all 34 local GEMs have this mechanism now. Six LAPs adopted, resulting in 30 LAPs in total. Thirty two municipalities signed the European Charter. |
| 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 | The concept for this activity was approved by PSC in November 2015 while complete project proposal was approved in June 2016. | The start of this activity was planned for after the local elections in 2016. Implementation of the approved project will start in July and will last until June 2017. The project includes establishment of ten local women parliamentary networks and their capacity building. |
| Activity 1.7 At least five municipalities introduced gender sensitive budgeting procedures and practices by the end of 2016. Sustainability of the action ensured through adoption of relevant municipal decisions by the end of the Programme. Baseline: three municipalities have performed budget and local policy analyses from gender perspective ¹⁴⁹ | Eight municipalities have introduced GRB in preparation of budgets for 2016. Seven municipalities have developed specific initiatives for introduction of GRB in their budgeting, out of which three have adopted and introduced initiatives into the budgets for 2016. | Overall, nine municipalities allocated app RSD 4.5 million for gender-related activities. Four municipalities introduced GRB through different municipal budget lines, ensuring gender mainstreaming within the budget. |
| 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, | The competitiveness portal has been revised and re-developed to allow for easier usage and progress tracking. The Programme LSGs are populating data for 2015. The concept proposal for supporting | The amendments of the Law on Planning and Construction introduced unified procedure for issuing construction permits, including for e-permitting, which delayed the European PROGRES action. The Programme is modifying approach to this activity in cooperation with the line |

¹⁴⁸Baseline Study on Competitiveness, EU PROGRES, 2014

¹⁴⁹Baseline Study on Competitiveness, EU PROGRES, 2014

| | | |
|--|--|--|
| Economic Policies, Strategies and Measures, Financial Capacities of the Public and Private Sectors ¹⁵⁰ | the LSGs to enhance application of electronic construction procedure is developed. | Ministry and is considering support to an unsolicited project proposal endorsed by the Ministry. |
| Activity 2.2 Pipeline of at least two inter municipal and at least 35 local priority economic and social infrastructure projects, in line with the national sector priorities, with full scale technical documentation, developed in accordance with the criteria within PPF 5 after the assessment of the existing pipeline has been done | Implementation of 40 grants for main designs is progressing, delays are identified and mitigated. Twenty main designs have been completed and the rest are in the process of development. Two inter-municipal projects identified within the Focussing on Relevance paper to cover flood protection measures have been contracted. | The CFP for Development of the Main Designs was advertised in December 2014. The February 2015 PSC approved 40 of 53 applications for the development of the main designs for local infrastructure. Forty Grant Agreements were signed with the LSGs in May 2015 and implementation ongoing. |
| 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 | The LSGs submitted 141 proposals in response to the third Cross-border Programme Serbia-Montenegro, whose development and publishing was supported through European PROGRES. This CfP attracted more interest, compared to the previous when 102 and 56 applications were submitted respectively. | Upon September 2014 PSC approval, European PROGRES support operations of the Joint Technical Secretariat of the IPA Cross-border Programme Serbia-Montenegro. The grant is completed. |
| Activity 2.3 At least one priority inter-municipal project implemented by the Programme completion | The construction and equipping of the facility is completed and the classes started in October 2015. | The building permit was issued on 1 December 2014. The contract for the construction of Bujanovac Department of Subotica Economics Faculty was signed in January 2015, the construction completed in September 2015 and the facility is functional. |
| Activities 2.3 and 2.4 Works supervision services provided to the CFCU as contracting authority for the priority infrastructure project implemented by it | The PSC in November 2015 approved the completion of the new block within Vranje General Hospital and the construction of Novi Pazar Emergency Ward projects. Tender dossiers prepared and agreed with the SEIO and the CFCU. | Not applicable at this stage as the works supervision will be provided upon start of the implementation of infrastructure projects. In addition, the works may go beyond European PROGRES' duration. |
| 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 PSC in November 2015 approved the implementation of three flood protection, anti-erosion related projects. One project has been contracted. One project has been tendered. | Despite the Programme's timely technical assistance, the CFCU advertised the Call for Local Infrastructure in March 2015, five months later than originally planned. As further delays were registered the initially conceptualised technical assistance is not feasible. The issue has been reported to the PSC and the Programme will require guidelines. |
| 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 | Twenty six full applications from 23 LSGs were sent to the CFCU by 21 March 2016 deadline. The CFCU is still conducting the evaluation process. The CFP for Local Infrastructure Projects advertised by the Programme in March 2016. Evaluation ongoing and recommendation will be presented to the PSC in August 2016. | European PROGRES organised initial information sessions for LSGs to present the CFCU Call and supported LSGs in development of concept notes. All 34 Programme LSGs and Vranjska Banja as one of the City municipalities responded to the call with submission of 52 Concept Notes. The CFCU sent the request to 25 LSGs to submit full applications for 30 projects, which passed the evaluation of concept notes in February 2016. The Call for local infrastructure projects advertised by the Programme in March 2016. |
| Activity 2.5 Comprehensive assessment | This Activity will, in agreement with | The Activity will start in September 2016. |

¹⁵⁰ As identified in the World Bank's Doing Business in Serbia 2014 ranking

| | | |
|---|---|--|
| study completed with recommendations for all municipalities, through relevant departments, to develop and adopt criteria and procedures to assess advantages and disadvantages of providing a service with own capacities or outsourcing it to the private sector/other entity, by the end of Programme and implementation supported | the Swiss GG experts, start in September 2016. | |
| 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 first workshop on Vertical Dimension of Good Governance in environmental protection was held on 23 October 2015. The plan for two additional workshops prepared and they will be held in July 2016. | This activity is focussed on two main topics, in accordance with the agreement with the SCTM and the SIPRU: Topic 1 will be implementation of Environmental Law and accompanying regulations at the local level, and Topic 2 will be implementation of the Law on Social Protection. The initial workshop for Topic 1 was organised in October 2015. |
| Activity 2.7 At least two PPP models developed and implemented by the end of the Programme | The CFP for provision of technical assistance for development of PPP projects has been conducted and the Programme recommended to the PSC to endorse provision of TA for development of three projects. | The CFP for Provision of technical assistance for establishment of PPP was conducted. Three beneficiary LSGs are being supported in development of the PPP projects. |
| Activity 2.8 At least 30 SMEs introduced international quality or food safety standards (ISO 9000, HACCP, Global GAP, etc.) and organised in at least two new clusters and/or cooperatives | The CFP for Introduction of International Quality or Food Safety Standards was conducted and 22 beneficiaries selected for support. The procurement for services is underway. | The CFP for Introduction of International Quality or Food Safety Standards was approved by the July PSC, and conducted in October 2015. Twenty-two beneficiary SMEs have been approved for financing and engagement of certification companies ongoing. |
| Activity 2.8 Criteria and transparent process for selection of 30 SMEs for QMS certification or recertification prepared and put in place. Process for establishment of clusters/cooperatives prepared and put in place, resulting in clearly and adequately regulated newly established legal entities | The CFP for Certification of International Quality or Food Safety Standards was approved by the PSC and conducted from September to November 2015. Engagement of certification consultancies ongoing. | The CFP for Introduction of International Quality or Food Safety Standards including the QMS certification was approved by the PSC and conducted from September to November 2015. Implementation ongoing. |
| Activity 2.8 At least 20 SMEs, member of clusters, introduced innovation or use innovative market development techniques, until the end of the Programme. | Implementation of three cluster projects is completed while two are still in progress. | Following the PSC approval, European PROGRES conducted the CFP for Provision of Support to Clusters in Common Market Approach and Introduction of Innovations. The PSC approved five projects for funding in the amount of 145,000 Euros. |
| 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 CFP for Provision of Support to Agricultural Producer Groups has been conducted and 32 beneficiaries were selected for the Phase One. Implementation of trainings is underway. Study visit to one of the EU countries is being planned. | The Assessment of the Agricultural Producer Groups and Geographic Indication completed in May 2015. The Programme designed a two-phase assistance to Agricultural Producer Groups (APGs) and conducted the Call under which 32 APGs have been selected for Phase One. The criteria for selection of APGs for in-depth support in the Phase Two are being developed for the August PSC. |
| Activity 2.9 At least three traditional | The CFP for Provision of Support for | The Assessment of the Agricultural |

| | | |
|---|--|---|
| 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) ¹⁵¹ | Protection of Geographic Origin was conducted in October 2015. Four beneficiaries have been selected and grant agreements have been signed. The procurement process for services is underway. | Producer Groups and Geographic Indication completed in May 2015. The Programme developed and conducted the CFP through which four traditional products have been selected for protection of geographic indication. |
| 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 | <p>The CFP closed on 24 July 2015, with 137 proposals received. The evaluation finalised in August, and one-on-one interviews with 78 applicants recommended for the second phase of the evaluation were conducted in September. In addition, by the end of September site assessments of 20 locations were carried out.</p> <p>The evaluation finalised with 48 applications recommended for funding and approved by the PSC. Procurement of equipment was initiated in January 2016. Ceremonial event on the occasion of awarding donation agreements held in April.</p> | <p>The CFP approved at the April 2015 PSC and advertised in June. Seven sessions held in March-April to announce the CFP to potential beneficiaries. Four hundred and twenty-two (422) participants attended the information sessions (405 women and 17 men). Nine training sessions for drafting of business plans held, benefitting 147 female participants. The CFP closed in July 2015, 137 applications received, evaluation completed and the PSC supported funding of 48 proposals. Three candidates withdrew their application. Twenty-one businesses were registered so far and equipment delivered to 20 businesses.</p> <p>It is expected that procurement process and registration of business is completed by October 2016. Entrepreneurs will receive mentorship support for introduction into business which will start in September and will take six months.</p> |
| 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 2014: four municipalities with Social Inclusion Strategies) ¹⁵² | <p>The implementing partner contracted and implementation started in October 2015. Desk research conducted in 33 municipalities, the Assessment Report in being prepared based on findings acquired in the field.</p> <p>Music Art Project included 15 Roma children in musical educational programme and 30 teachers passed the accredited seminar on methods for work with socially vulnerable children.</p> <p>YUROM Centre project has installed 44 fire extinguishers in 22 Roma settlements in ten municipalities.</p> <p>The CFPs for Piloting Measures from</p> | <p>The implementing partner is selected and contracted. The support will be provided to the LSGs to assess the needs of vulnerable and marginalised, to review, create and/or update new or existing relevant local policies, to build capacities of relevant local institutions, and then to pilot new policies. The intervention will offer start-up grants to local vulnerable and marginalised. The Assessment Report will be submitted in mid-July 2016.</p> <p>Music Art and YUROM Centre projects approved at the PSC in November 2015.</p> <p>The Music Art project finished in May 2016, and the Study on Project Effects has been developed.</p> |

¹⁵¹Serbian 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)

¹⁵²Baseline Study on Competitiveness, EU PROGRES, 2014

| | | |
|---|--|--|
| | Strategy for Roma Inclusion advertised on 18 May and will close on 4 July 2016. Six information sessions were held with 63 participants. | Public Calls for Piloting Measures from Roma Inclusion Strategy approved at the PSC meeting in March 2016 and the CFP is ongoing. |
| 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%) ¹⁵³ | <p>A part of this activity is incorporated in the activity 3.4.</p> <p>The CFP for Support to Youth Self-Employment approved by the PSC on 1 March was published on 28 March 2016 and closed on 11 May. Nine info sessions were held in May and June with 201 participants.</p> <p>Ninety-three (93) applications were received and 50 interviews held in June. The first evaluation phase finalised, and recommendations for the second phase are being made.</p> | A part of this activity is incorporated in the approach for the activity 3.4. The Public Calls for Support to Youth Self-Employment approved at the PSC meeting in March 2016. The final evaluation is expected to be completed by the end of July. |
| 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. | Nineteen CIF projects completed. The Public Call for CIF 2 was published on 21 March and lasted until 12 May. Four info sessions were held with participation of 129 persons. Forty-eight (48) applications were received, and financing of 24 projects was recommended in the amount of 320,000 Euros. | During the first CIF CFP, 77 applications were received from 32 municipalities. The December 2014 PSC approved 20 projects for funding in the amount of 397,765 Euros, primarily contributing to social inclusion and employability of vulnerable population. Twenty projects contracted, one cancelled and nine completed. The CFP for CIF2 was closed in Q2 2016 and recommendations for funding were sent to the PSC. |
| 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 ¹⁵⁴ | No activities were planned during this period. | The Citizens' Satisfaction Surveys will be conducted in the last year of the Programme implementation. |
| 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 | The CFP for LSGs to implement vocational training activities in line with their Local Employment Strategies and Plans has been developed and will be proposed to the PSC for endorsement in August 2016. | The Programme examined Skills Gap Analysis ¹⁵⁵ and the National Survey of Employers ¹⁵⁶ in Serbia and identified the training needs for the shoemakers, sewers, electric welders, carpenters, plastic processors, machinists etc. After consideration of options, the Programme designed a CFP to support LSGs in implementing vocational training that derives from the Local Employment Plans |

¹⁵³ The Report on Employment of Roma, Ministry of Labour, Employment and Social Welfare, Belgrade, 2013

¹⁵⁴ 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

¹⁵⁵ Skills Gap Analysis in South and South-West Serbia, International Labour Organization (2014)

¹⁵⁶ The analysis and forecasts of labour market needs in the Republic of Serbia (2014), National Employment Service funded by the EU

| | | |
|---|---|---|
| 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 ¹⁵⁷ | No activities were planned during this period. | Initial preparations (such as consultations with line experts) have started. Assessment to start in Q3 2016 |
| Activity 3.7 At least four cultural centres in multi-ethnic municipalities (e.g. for intercultural music, theatre and art productions) upgraded | No activities were planned during this period. | The Coordination Body for Preševo, Bujanovac, and Medveđa submitted concept for this activity. The approach will be confirmed in Q3 2016. |
| 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 | <p>Six teaching assistants were engaged in four elementary schools in Bujanovac and Preševo to support the teachers of the Serbian as non-mother tongue. The third test cycle demonstrated that pupils' knowledge of Serbian language has been improved significantly. Following request from the Coordination Body, the engagement of teaching assistants was extended for another school year.</p> <p>The textbooks, teachers' manuals and auxiliary educational materials have been procured and delivered to 16 elementary schools in Preševo, Bujanovac and Medveđa.</p> | European PROGRES provides teaching assistants to four elementary schools in Bujanovac and Preševo to support the teachers of the Serbian as non-mother tongue – the first phase was completed successfully. The second phase ongoing. |

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

| Activity | Key outputs/outcomes: | Key outputs/outcomes: |
|--|---|--|
| 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. ¹⁵⁸ | <p>Key outputs/outcomes:</p> <ul style="list-style-type: none"> • Mid-term evaluation of Communication Strategy completed • Seven high profile visits organised, five Ambassadorial • Eleven large events organised of which four PSC meetings • Seven local festivals supported • 28 press releases and 18 media announcements prepared and circulated • Seven high profile interviews and 18 media statements organised • 1,060 positive media reports generated • 20 comprehensive briefing notes prepared • Four issues of the Newsletter published • The Programme website attracted 41,494 unique visitors, average of 3,457 visits a month • Facebook page attracted 2,800 new likes and Twitter account amassed 350 followers • The Programme and additional Sector | <ul style="list-style-type: none"> • Communications Strategy developed and Mid-term evaluation completed • Seventeen high profile visits organised, nine Ambassadorial • Eighteen large events organised • Ten local festivals supported • 50 press releases prepared and distributed • Ten high profile interviews and 33 statements for the media organised • 1,645 positive media reports generated • 44 comprehensive briefing notes prepared • Five issues of the Newsletter published • Website regularly maintained and attracts 3,007 unique visitors monthly and total 74,697 visits so far • Facebook page attracted 2,800 likes and Twitter account amassed 350 followers • The Programme promotion material is regularly produced; • Two art competitions for European PROGRES successfully organised |

¹⁵⁷ 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.

¹⁵⁸ As indicated in the findings of the Citizens' Satisfaction Survey 2017 and compared to 2013 Citizens' Satisfaction Survey results

| | | |
|--|--|---|
| | <p>activity promotional materials produced</p> <ul style="list-style-type: none"> • Art competition for European PROGRES' Calendar 2016 has been successfully organised | |
| Two advocacy/awareness campaigns promoting European values conducted within the Programme implementation | <p>Although four eligible proposals were received for the first Bringing European Integrations Closer to the People in the South East and South West Serbia campaign, in April 2015, none were selected for implementation due to failure to meet set demands. A new ToR for "You are Europe" II - Bringing European Integrations Closer to the Media and Youth in the South East and South West Serbia approved by the donors was advertised in late June 2016 . Offers are expected by the end of July 2016.</p> | <p>A new ToR approved by donors was advertised in late June 2016 and it is more focussed on youth and media. The tender closes at the end of July 2016.</p> |