

Ninth Quarterly Report

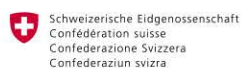
1 July – 30 September 2017



Republic of Serbia



Programme Funded by EU



Swiss Agency for Development
and Cooperation SDC



Implementing Partner

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 (17.46 million Euros through United Nations Office for Project Services and seven million Euros through the Department for Contracting and Financing of EU Funded Programmes of the Ministry of Finance)

Start date: 7 May 2014

End date: 31 March 2018

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 Svrljig 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: 16 October 2017

Period covered: 01 July – 30 September 2017

Acronyms

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

Executive Summary

European PROGRES has been steadily progressing towards the completion as confirmed by the performance indicators: out of 252 supported projects, 230 or 91% were completed, while the expenditure reached 15.67 million Euros or 90% of the budget. During the third quarter of 2017 (Q3 2017), which is covered by this Quarterly Report, the Programme operationally completed 32 projects, launched Impact Assessment, started preparations for the administrative and financial closure, concluded the Contract Addendum that extended its duration to 31 March 2018 and formalised limited design modifications, and continued to record outcomes.

Primarily, the Programme's support to the **employment of vulnerable** has proven to be highly effective so far. Ten grants to local self-governments (LSGs) related to vocational training, which are now operationally completed, enabled learning for 281 persons (147 men and 134 women) and facilitated employment of 160 persons (97 men and 63 women), of which 72 during the Q3 2017. Support to self-employment of vulnerable groups, in addition to establishment of 28 businesses, resulted in 67 full time jobs and enabled work engagement of 51 people, while six businesses already doubled income.

Assistance to **inclusion of Roma** at the local level may almost be considered momentous. For example, 73 from 155 Roma that underwent some form of job related training through the five Programme's grants, were employed on a full time or temporary basis. Furthermore, nine out of 16 supported Roma Civil Society Organisations (CSOs) were awarded with 13 new projects from other donors, which also indicates relevance and effectiveness of the Programme's assistance. The fact that almost 34,000 Roma directly or indirectly benefited from the Programme interventions shows significance of the implemented activities.

Activities related to **good governance** were productive. The Programme's efforts to institutionalise Good Governance (GG) capacities facilitated establishment of bodies for dealing with GG affairs in eight LSGs in the Q3 2017, thirteen in total, while linking of GG with (local) infrastructure projects resulted in adoption of 21 new or revised municipal regulations. The Programme has prepared an analysis related to vertical coordination between the national and local level institutions in the fields of social protection and environment.

With closure of the last four out of 11 provided grants, the activity related to introduction of the **Geographic Information Systems** (GIS) is completed. It is, however, of greater importance to report cases where LSGs have used the GIS applications to support economic development. For example, Leskovac has been using now available geospatial data on their brownfield locations for negotiations with potential investors, while at least one of these investments should be realised in the near future. This just indicates how GIS can help the LSGs to enhance performance.

This period also brought benefits for wider population as 11 out of 19 **local infrastructure** projects that are supported are completed. For example, seven projects for renovation of schools improved conditions for education of 3,140 pupils and increased energy efficiency of the buildings.

Work on the assessment of the municipal **competitiveness** index 2016-2017, which is among the key indicators of the Programme's performance, advanced as 22 LSGs uploaded over 98% of the data

needed for the calculation. The initial findings indicate that the municipal competitiveness index has increased in all 22 LSGs compared to the baseline index from 2013-2014, while key improvements include enhanced transparency of budgeting process, strengthened public procurement, improved human resources management, strengthened capacities to support local economic development, improved urban planning, and better dialogue with private sector. The Programme will complete and present the analysis in the Q4 2017.

While European PROGRES' interventions to enhance competitiveness of **small and medium enterprises** (SMEs), through introduction of international standards and procurement of equipment, is in the final phase, the effects are seen. For example, the company 'Flora' from Ivanjica reported that the introduced standard helped it to agree export of 150,000 jars of jam to Russia, while the company 'Hikori', also from Ivanjica, increased production by 30% achieved with the equipment provided through European PROGRES and secured 100,000 Euros of bank loan for the raw material.

All seven grants for provision of equipment to **Agricultural Producer Groups** (APGs) have been completed. The provided assistance facilitated creation of six permanent and ten seasonal jobs. The project for Vlasina Honey Protection of Geographical Indication has been completed, creating potential for 80 beekeepers from Surdulica and Vladičin Han to enhance competitiveness of their products through certification for the use of Geographic Indication.

The overall Programme's exposure to **risks** has been reduced as the implementation has entered the final phase. There are still, however, uncertainties that could affect European PROGRES' efficiency and effectiveness: first, activities related to the Public Private Partnership and protection of geographic indication depend on decision of institutions that are not directly involved with the Programme. While European PROGRES (core) work on these activities is completed, the Programme closely monitors progress in order to wrap up the interventions. The approval of time extension is beneficial for these strivings.

In terms of **issues**, the Programme recorded that two out of 45 supported women entrepreneurs closed their business for family reasons while eleven beneficiaries that primarily work in the agriculture sector, due to bad summer weather conditions, had limited operations. While it is expected to see that part of the beneficiaries encounter business obstacles, especially in the first year, European PROGRES has provided support in identifying remedial measures that could help them to remain in the market.

The **communication activities** included: organisation of the Annual Steering Committee, provision of support to nine local festivals, procurement and delivery of the audio and video equipment to the eight awarded media outlets from the South East and South West, production of the movie about Citizens Involvement Fund (CIF), issuing of ten media releases, organisation of six interviews, and posting of 168 updates on social media channels. These activities generated 400 media reports, out of which 209 or 52% were in the national media outlets, which is the first time that national surpassed the local coverage. The number of Facebook page likes had also risen by 30% or 2,136 likes to impressive 9,084 followers, while 62 posts were liked 972 times and reached a 101,514 people. These numbers indicate European PROGRES positive contribution to communication of the support that the European Union (EU) and the Swiss Government provide to the area.

This Quarterly Report 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.

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Review of progress and performance

Policy and Programme Context

According to the Global Competitiveness Report for 2017-2018¹ Report, Serbia improved its position for 12 places and took 78 place on the list out of 137 assessed countries². Serbia made improvements in eight categories, including Labour Market Efficiency and Higher Education and Training while the biggest improvement has been made in Macroeconomic Environment.

The Ministry of Economy (ME) published several calls related to the Programme:

- The second call³ for works on development of business infrastructure. The Call envisages financing 60% of the value of works, with the total available budget of around 3 million Euros). In addition, the ME extended the list of 40 LSGs which received financial support for development of technical documentation for business infrastructure projects, with additional eight LSGs - including Tutin (reconstruction of Pešter water system) and Vlasotince (Vlasina River Bridge). Total value of support is around 1.16 million Euros.⁴
- In cooperation with the Development Fund of the Republic of Serbia, the ME also published Call for Entrepreneurial Development through Support to Investment in the Economy. The financial support will amount of up to 20% of the investment grant while the remaining amount will be financed from the Fund loan. Entrepreneurs, SMEs and cooperatives are eligible to apply.⁵
- Call for grants for procurement of equipment intended for SMEs, entrepreneurs as well as co-operatives. This scheme represents a combination of favourable bank loans and governmental grants where the ME co-funds the purchase of new production equipment in the amount of 25 percent of the total value, while 70 percent of the cost of procurement is financed from the loans of partner banks and 5 percent is the participation of the company/entrepreneur itself. The total allocated funds amounts 586 million dinars.⁶

The Ministry of Labour, Employment, Veteran and Social Affairs (MLEVSA), the Ministry of Finance, and the Social Inclusion and Poverty Reduction Unit (SIPRU), together with civil society representatives, signed the Platform for Monitoring the Implementation of the Economic Reform Programme 2018-2020 (ERP) and the Employment and Social Reform Programme (ESRP). The Platform provides framework for cooperation between public institutions and the civil sector in implementation of these strategic documents.⁷

The MLEVSA formed the Sector for Anti-Discrimination Policy and the Promotion of Gender Equality as a national executive mechanism which should plan and manage developments related to anti-discrimination and promotion of gender equality.⁸

¹ The Report is available at <http://www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017%E2%80%932018.pdf>

² Serbia's ranking in 2016/ 2017 Report was 90 out of 138 assessed countries

³ The Call is available at http://privreda.gov.rs/javni_pozivi/javni-poziv-za-prijavu-projekta-za-program-podrske-razvoju-poslovne-infrastrukture-za-2017-godinu/

⁴ For more details see <http://privreda.gov.rs/jos-osam-lokalnih-samouprava-dobilo-podrsku-za-pripremu-projektno-tehnicke-dokumentacije/>

⁵ For more details please see: http://privreda.gov.rs/javni_pozivi/javni-poziv-za-dodelu-bespovratnih-sredstava-u-okviru-programa-podsticanja-razvoja-preduzetnistva-kroz-podrsku-investigijama-u-privredi/

⁶ For more details please see at: <http://privreda.gov.rs/treba-vam-oprema-nudimo-do-568-miliona-dinara-bespovratnih-sredstava/>

⁷ <http://socijalnoukljucivanje.gov.rs/en/platform-for-monitoring-the-implementation-of-reforms-signed/>

⁸ For more details please see at: <https://www.minrzs.gov.rs/rodna-ravnopravnost.html>

The MPALSG in partnership with the Standing Conference of Towns and Municipalities (SCTM) developed 188 models of administrative procedures in nine areas for local administration. The objective is to improve standardisation of procedures used by LSGs and ensure better services for citizens.⁹ The Ministry also published the Report on the Implementation of the Strategy and Action plan for Public Administration Reform for 2015-2017 in preparation of new Action plan 2018 – 2020. According to the Report, the progress was made in all five Strategy objectives particularly in improvement of Public Finance Management and Public Procurement as well as increasing legal security and improving the quality of business environment.¹⁰

Progress towards achieving objectives

The results of the Programme achieved during this reporting period provide foundation for previously made judgment that European PROGRES will meet its specific objectives.



First, aggregated results of European PROGRES' support to **social inclusion**, especially with regard to employment of vulnerable, are encouraging as the Programme contributed to opening of 400 full time jobs and over 100 temporary work engagements for women, youth, Roma and other vulnerable groups. The fact that almost 34,000 Roma directly or indirectly benefited from the Programme also indicates the size and significance of the intervention. These results amalgamated with methodologies for mapping of the needs of vulnerable and for establishment of new social protection services at the local level, indeed point to positive change and potential for further progress.

While this period did not bring many new major examples of contribution to **investments and infrastructure development**, as was the case previously (for example with demonstrated effectiveness of technical documentation) there are positive signals: European PROGRES ongoing infrastructure projects supporting development of Priboj and Vranje Free Zones complement ongoing efforts of the national and local governments to facilitate investments.

With respect to enhanced **management capacities**, there are likely few better indicators than ongoing assessment of the competitiveness of European PROGRES 34 LSGs whose initial results indicate sound improvements primarily in the Management Capacities Sub-Index. European PROGRES launched the Citizens Satisfaction Survey that will show whether the citizens recognise any of these changes and gradual improvements.

⁹ For more details please see: <http://www.mduls.gov.rs/aktivnosti-saopstenja.php#a825>

¹⁰ The Report is available at: http://www.mduls.gov.rs/doc/RJU_izvestaj_17082017.pdf

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

Efforts to institutionalise Good Governance (GG) capacities resulted in establishment of Working Groups for Good Governance in six Local Self Governments (LSGs)¹¹ and Good Governance Advisory Bodies in two LSGs.¹² Thirteen LSGs established GG competence bodies since the start of the Programme, which should in turn enable municipalities to approach integration of good governance in policies and projects in a more systematic and sustainable manner.

With the Programme's technical assistance (TA), Doljevac established local Gender Equality Mechanism (GEM) for the first time and adopted Local Action Plan (LAPs), while Kuršumlija and Merošina adopted GEM Rulebook and Gender Annual Work Plan.¹³ Raška adopted LAP and, likewise Prokuplje, included gender responsive budgeting requirements within their Programme Budgets.¹⁴ Currently, 32 GEMs are established and 30 LAPs adopted in the Programme AoR.

The project for sustainable development of the Golija Nature Park advanced: five DRPs for infrastructure corridors underwent the public viewing and will be finalised in the fourth quarter 2017 (Q4 2017); the Study Tour to Italy was organised for 19 representatives of the Ministry of Trade, Tourism and Telecommunications (MTTT), mayors from beneficiary LSGs (Novi Pazar, Sjenica, and Ivanjica), Regional Development Agency Zlatibor.¹⁵ Eighty percent of participants positively assessed the Study Tour while indicating that the acquired knowledge will help them in defining the management model for the Golija Nature Park.

The trainings about the International Federation of Consulting Engineers (FIDIC) Contract Model in implementation of infrastructure projects were completed. As a result, 81 participants (32 women and 49 men) improved understanding of benefits of FIDIC related to securing of fair distribution of responsibilities among infrastructure projects participants. Despite some initial hesitance, the training participants became accustomed to the new way of contracting and implementing projects.

With closure of the last four grants, support for introduction of Geographic Information System (GIS) is completed in all 11 beneficiary LSGs. This tool should in general enhance efficiency and transparency of municipal services, while in some cases it is designed to directly facilitate economic development. For example, Leskovac developed GIS application that mapped brownfield locations and already has used GIS data for negotiations and presentations to two potential investors. Vranje uses GIS data regularly within effort to facilitate investors to the Free Zone, when preparing decisions to start development of new detailed regulation plans and communal equipment of the Zone. Novi Pazar used GIS to improve visibility of investment potentials and map geothermal resources, the largest in Serbia, to enable further explorations as well as tourist potential of rich cultural-historic heritage.

Result 1 - Activities

¹¹ Babušnica, Sjenica, Lebane, Surdulica, Sjenica, Raška, Tutin

¹² Knjaževac, Medveđa

¹³ GEM Rules of procedures and GEM Annual Work Plan

¹⁴ Raška - GRB in two budget programmes, Prokuplje - GRB in three budget programmes

¹⁵ The Study Tour was organised by the Regional Development Agency Zlatibor, in cooperation with European PROGRES, and funded by the Ministry of Trade, Tourism and Telecommunications MTTT.

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

European PROGRES has monitored adoption of the three remaining municipal Capital Investment Plans out of 15 whose development was supported: Vranje and Medveđa have been adjusting CIPs and reconfirmed once again they plan their adoption in 2017; following the introduction of interim administrative measures in Preševo, adoption of CIP in this municipality will likely be prolonged for the period after extraordinary municipal election. The Programme has been advocating for adoption of CIPs and will continue to do so in order to maximise effectiveness of this intervention.

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

Detail Regulation Plans (DRPs) - The following is the status of 31 DRPs:

- Seven were adopted by municipal assemblies during this period and 23 DRPs in total¹⁶
- DRPs in Lebane and Prijepolje are in adoption procedure
- Two DRPs passed public review procedure and are in process of completion¹⁷
- Two DRPs in public review procedure¹⁸
- Two DRPs in draft development phase¹⁹

The Programme continues to follow up the progress of remaining eight DRPs.

Geographic Information System (GIS) - Eleven supported GIS systems are fully operational with signed data exchange protocols enabling exchange of data with relevant institutions.

Golija Destination Management Project

Sjenica, Kraljevo, Novi Pazar, Ivanjica and Raška completed planning commission sessions within the public review procedure for development of five DRPs for infrastructure corridors. The public inquiries were repeated in Ivanjica, Kraljevo, Raška and Novi Pazar due to required minor corrections of the planning solutions. The DRPs will be submitted for consideration to the Ministry of Construction, Transportation and Infrastructure in October 2017.

The MTTT, which is an implementing partner for Golija project, signed an agreement with the Regional Development Agency "Zlatibor" from Užice for organisation of a study tour and round tables in July 2017.²⁰ The Study Tour to Italy was organised from 10 to 16 September and included visit to the National Parks in Toscana, Abruzzo and Lazio, and Molise regions and a meeting with the Italian Ministry of Environment. Participants had the opportunity to get acquainted with the organisational structure and management of the national parks, with principles and management of national parks in accordance with European Charter for Sustainable Tourism in Protected Areas, and with activities of the Italian Ministry of Environment related to park management system, park promotion and legislation related to protected areas and environment.

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) submitted the final report²¹ on organization of trainings about the FIDIC contract modality in implementation of infrastructure projects which marked the end of this activity.

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

¹⁶ Merosina, Vranje, Leskovac, Svrlijig, Bela Palanka, Knjaževac, Vlasotince, Bojnik, Novi Pazar, Tutin; two DRPs in Ivanjica, Surdulica, Babusnica, Blace and Brus and three DRPs in Raška

¹⁷ Two DRPs in Bujanovac

¹⁸ Two DRPs in Sjenica

¹⁹ Two DRPs in Gadžin Han

²⁰ The Ministry of Trade, Tourism and Telecommunications is partner in implementation of Golija project and provides co-funding.

²¹ The ACES final report is available with the Programme

Municipal competence centres and local governance reforms - The Programme GG experts have paid seven visits²² to municipalities and have been providing on line advice within efforts to support institutionalisation of GG and conduct of local governance reforms.

The final GG event, which is organised to promote the results of this intervention, is tentatively scheduled for 7 and 8 December 2017. Within preparations, the Swiss good governance experts will visit Serbia and meet the Programme on 23 and 24 October 2017. The drafting of the GG Toolkit on implementation of five good governance principles in Serbian and Swiss contexts is in the final stage.

1.5 Institutional development of local gender equality mechanisms and 1.7 Gender responsive budgeting (GRB)

Support to institutional strengthening of local gender equality mechanisms (GEMs) - With the Programme's mentorship support, nine LSGs²³ formed working groups that are collecting data for LAP drafting and revision, while two municipalities²⁴ adopted LAP's.

In addition, the Programme provided guidelines to seven²⁵ LSG's for development of local regulations for GEM institutional strengthening (adopted by two LSG's) and for development of gender responsive budgeting programme in seven²⁶ LSG's (completed by two LSG's).

Additionally, the Programme will create recommendations for cooperation between GEMs and Local Women Councillor Networks (LWCNs). Those are to be shared with municipalities during the last quarter of 2017.

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

Activity completed.

Result 2

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

The Assessment of the Municipal Competitiveness Index 2016-2017, indicates improvements compared to baselines established for 2013-2014. All 22 LSGs that uploaded at least 98% of data needed for calculation have improved their indexes, of which thirteen advanced by at least 25%. The biggest progress is recorded in the 'Management Capacities' sub-index, where advancements include enhanced transparency of budgeting process (e.g. increased number of public budget presentations), improved public procurement (e.g. through institutionalisation of offices for public procurement), and strengthened management of human resources (e.g. through introduction of performance review processes).²⁷ The initial findings also indicate that LSGs have continued to enhance local strategic policies, strengthened capacities to support local economic development (e.g. by enhancing communication and support that is provided by the Local Economic Development Offices to businesses and investors) and made advancements in urban planning and construction. European PROGRES will finalise and present the Assessment in the Q4 2017.

Furthermore, 11 out of 19 supported local infrastructure projects²⁸ are completed and contribute to improved living conditions of the people living in South East and South West Serbia: six projects for

²² Surdulica, Bosilegrad, Crna Trava, Lebane, Priboj, Tutin, Brus

²³ Sjenica, Raška, Nova Varoš, Lebane, Kuršumljija, Vranje, Vladičin Han, Doljevac, Prokuplje

²⁴ Doljevac, Raška

²⁵ Bojnik, Brus, Kuršumljija, Vranje, Medveđa, Merošina, Svrljig, Vranje

²⁶ Aleksinac, Blace, Brus, Knjaževac, Prijepolje, Raška, Vladičin Han

²⁷ Overview of Data Collection Tracking for the Competiveness Assessment 2016-2017 is available in the Annex II, Attachment 2.1

²⁸ Implemented through UNOPS managed part of European PROGRES

renovation of schools improved conditions for education of 2,453 students, each of the renovated objects increased enhancing energy efficiency by at least one class, while school in Leskovac was the first public building that received energy certificate in the City; the works on school floors in Blace were completed for timely start of the school year and provided improved sanitary conditions for 687 students and 132 employees; renovation of cultural institutions in Bosilegrad and Babušnica improved conditions of work of nine public institutions that use these buildings and enhanced capacities for organisation of cultural events; the reconstructed parts of the water supply systems in Ivanjica and Sjenica will guarantee better quality of drinking water and reduced losses by expected 20%; the agricultural producers will have better conditions for selling their produce at the new green market place in Doljevac; and the public health will be improved by completing the haemodialysis centre in Lebane that will benefit twenty patients from Lebane, Bojnik, and Medveđa.

In parallel with the construction, European PROGRES efforts on linking the principles of GG and infrastructure projects resulted in the adoption of eleven regulations in eight LSGs relating to implementation accountability, transparency and non-discrimination. So far, eleven LSGs adopted 21 relevant regulations while nine LSGs are in the process of finalisation of additional eight regulations.²⁹ Examples of adopted regulations include the Rulebook on School Board of Primary School in Surdulica which enables participation of Student's Parliament representative in the School Board with voting rights while three municipalities³⁰ should improve energy efficiency (EE) through adoption of Programmes for EE with Action Plans as well as through establishment of EE system of continuous monitoring of energy consumption, regular reporting and planning utilisation of savings.

The General Design with Pre-Feasibility Study for Regulation of Južna Morava River³¹ was completed in July 2017, creating a base for development of technical documentation for anti-erosion protection and the regulation of the river. The Design defined measures for anti-erosion and flood protection of settlements, road infrastructure and measures for exploitation of materials from the river and river banks.

European PROGRES has recorded new examples of how projects for introduction of standards and provision of equipment to SMEs have contributed to enhanced production, sales, and export indicators. For example, Company 'Flora' from Ivanjica informed the Programme that it already exported 150,000 jars of jam to Russia as a result of the standard introduced with the Programme's support as well as that it signed longer-term contracts with two retail chains in Russia. Likewise, 'Hikori', also from Ivanjica, reported increase of production by 30% of what owing to the equipment provided through European PROGRES. It was also able to secure 100,000 Euros of bank loan for the raw material. 'Masry Plus' from Sjenica, employed two new workers in addition to the two employed immediately after the instalment of the new equipment.

All seven grants for provision of equipment to Agricultural Producer Groups (APGs) have been operationally completed. The provided assistance facilitated creation of six permanent and ten seasonal jobs (three women and 13 men). In addition, the beekeepers of the Association 'Matica' from Surdulica received geographical indication (GI) protection for Vlasina honey while 80 beekeepers from Surdulica and Vladičin Han successfully passed good beekeeping practices tests. GI certificate and certifications in international standards will improve competitiveness of producers on local and international market.

Result 2 - Activities

²⁹ The overview of the status of linking Good Governance with Infrastructure Projects is available in the Annex II, Attachment 2.3

³⁰ Kuršumljija, Bela Palanka and Babušnica

³¹ Covering the flow from Grdelica to Preševo

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

The Programme held meetings in 34 LSGs to present results of the Competitiveness Assessment 2015-2016, discuss LSG potentials for enhancing competitiveness, present new functionalities of the Competitiveness Portal, and agree the process of data collection needed for the conduct of the Assessment 2016/2017. Overall, the Portal was presented in all 34 LSGs to 87 municipal representatives, including 12 Mayors, who expressed strong interest for the tool and confirmed commitment to upload data. The only LSG that showed lack of interest was Preševo, where interim administrative measures were introduced, and hence engagement of this municipality will likely remain limited.

Consequently, by the end of Q3, 22 LSGs uploaded more than 98% of data (17 LSGs uploaded 100%), nine LSGs uploaded from 60% to 96% and are in final stage of data entering. Two LSGs, Lebane and Preševo, did not initiate data collection. Bujanovac confirmed that is initiated data collection.

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

The General Design with Pre-Feasibility Study for Regulation of Južna Morava River³² was completed in July 2017 and approved by “Serbiawaters”.

The Programme contracted company for development of technical documentation for reconstruction of Vranje General Hospital Wards. The design company will be supported from the Hospital and the City administration in applying for the design conditions to ensure timely issuance required for successful completion of the contract before the deadline on 28 February 2018.

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)

Vranje Hospital and Novi Pazar Emergency Ward Projects: the Programme, the Department for Contracting and Financing of EU Funded Programmes (CFCU), and the Ministry of European Integration (MEI) agreed the framework for the provision of European PROGRES TA in implementation of these two projects. The Programme will be providing logistical and communications assistance, and technical advice, as per request, and participate in the work of the Project Steering Committee in the capacity of observer, while the CFCU and MEI remain fully accountable for overall implementation.

European PROGRES representative participated in the work of the Project Steering Committee on 29 August 2017. The Inception Report, prepared by the Technical Supervision, was discussed among CFCU, MEI, the Ministry of Health and the LSGs as the final users. The CFCU and MEI adopted the Inception Report in September.

2.4 Technical assistance for implementation of grants for local infrastructure projects

Local infrastructure projects managed by CFCU: In September, the Programme provided logistical support to MEI and CFCU in the preparation of their visits to four municipalities³³ planned for early October.

Local infrastructure projects managed by European PROGRES - Eleven out of 16 local infrastructure projects are closed³⁴ and Bojnik, Tutin, Brus and Vranje grants extended until end of October. Further extensions are not anticipated given that 50% of works has been completed.

³² Covering the flow from Grdelica to Preševo

³³ Merosina, Blace, Nova Varoš and Prijepolje

³⁴ The overview of local Infrastructure projects is available in the Annex II, Attachment 2.1

The Programme contracted works in Prijepolje for the reconstruction of the sports hall in the Economic School, in Priboj for the reconstruction of the administrative building in the business zone, and in Blace for replacement of the floors in the primary school “Stojan Novakovic”). The works on school in Blace were completed by the end of the August, while construction in Prijepolje and Priboj has started the same month and progressed according to the activity plan. In addition, the Programme took over works for the second phase of installation of joinery on the Technical School “Milentije Popovic’ in Crna Trava, following two failed tenders administered by the municipality, and contracted works. All ongoing works will be completed in Q4 2017.

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

The Programme met representatives of seven LSGs³⁵ within efforts to link good governance with ongoing infrastructure projects, which resulted in adoption of three regulations and preparation of additional four regulations within seven infrastructure projects. Along with consultation meetings, Programme regularly provides support to municipalities by reviewing documents and providing inputs relating to GG aspects.³⁶

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

The Programme prepared an analysis of challenges in vertical coordination between the Government and LSGs in social and environmental protection. Approach to presentation of main findings will be agreed with the SCTM.

In July, the Programme contracted services for development of a Web Application for self-evaluation of government and LSG web sites for the use of the Office for IT and e-Government. The development of the application is in progress.

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

Technical assistance to municipalities of Knjaževac and Raška for development of private public partnership (PPP) project proposals is finalised. Both projects were submitted to the State Commission for PPP and municipalities, with the Programme’s TA, provided requested clarifications. Decision of the Commission is expected in the Q4 2017.

In the meantime, preparation of tender documentation for selection of private partners for these two projects is in the final stage and will be advertised upon receipt of Commission’s approval.

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

Company ‘Strela Kljajić’ from Lebane received the certificate for Global GAP standard and pastry producer ‘ENCO’, Novi Pazar received the Hazard Analysis and Critical Control Points (HACCP) certificate. Cooperative ‘Moravac’ from Leskovac underwent final certification audit for International Food Standard (IFS) and the certificate is expected in October. In this way, Programme support to introduction of international quality standards will be finalised with certification of 16 enterprises.

After a repeated procurement process, the equipment for metal cutting for the MSE beneficiary company ‘Kamont’, Aleksinac has been ordered. Additionally 13 out of 16 beneficiaries completed their corporate – social responsibility (CSR) projects. ‘Kamont’ is expected to submit revised CSR plan in line with the final value of the procurement whereas the remaining two beneficiaries have partially completed their CSR activities and will finalise it in the Q4 2017.

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

³⁵ Sudulica, Bosilegrad, Lebane, Crna Trava, Priboj, Tutin and Brus

³⁶ The overview of the status of linking Good Governance with Infrastructure Projects is available in the Annex II, Attachment 2.3

Technical assistance for protection of geographical indication is completed for two out of five traditional products³⁷. 'Vlasina honey' received certificate of protected geographical indication while producers of 'Sjenica cow cheese' are certified as authorised users. Technical assistance for three remaining products is in final stages: 'Sjenica stelja' is expected to receive protected designation of origin, producers of 'Sjenica lamb' are to be certified as authorised users, while a revised specification for 'Ivanjica potato' has been submitted to the Intellectual Property Office with expectations of positive feedback.

Four out of seven grant agreements with Agricultural Producer Groups (APGs) are administratively closed while closure of the remaining three is underway.

2.10 Support to women entrepreneurship

The Programme completed all pending procurement processes, delivered equipment for beauty/hairdresser salons to five beneficiaries while the last pending delivery of equipment for the playroom to one beneficiary is scheduled for October. The consulting company ENECA continued with mentorship support to beneficiaries and conducted 39 half-day meetings with beneficiaries in addition to regular 'on line counselling'.

The Programme continued to monitor activities of beneficiaries. Out of 45 beneficiaries, 44 registered businesses but two of them were terminated due to personal reasons. The Programme was assured by beneficiaries that the businesses will be re-launched and monitoring will continue. Eleven beneficiaries transferred businesses to a 'stand by' regime, following lack of sufficient revenues to finance running costs.³⁸ Seven of them are involved with secondary agriculture production and, due to bad weather conditions, had almost no business activity. In these cases, consulting company ENECA provided additional support in order to enable these businesses to sustain in future.

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

As a result of vocational trainings implemented by ten LSGs in accordance with their Local Employment Action Plans, 160 persons (97 men and 63 women) have been employed. So far, 281 persons (147 men and 134 women) completed trainings and 248 (133 men and 115 women) of them are certificated for successful finalisation. During the Q3 2017, 104 persons completed trainings, 100 received certificates, and 72 were employed.

Within the support to youth employment, additional five beneficiaries registered businesses during this period, or 20 in total. These businesses opened twelve new jobs during the Q3 2017, or 17 in total of which three full time (one women, two men) and 14 temporary (two women, 12 men). Eighteen (out of 22) beneficiaries passed the second training and mentorship cycle on business administration that was provided by the Programme, within efforts to strengthen sustainability.

Assistance to inclusion of Roma at the local level may almost be considered momentous. For example, out of 155 Roma that underwent some form of job related training through the five

³⁷ The five traditional products selected for assistance in geographical indication certification under the Call for Proposals are: 'Sjenica cow cheese' and 'Sjenica lamb' for certification of authorised users, 'Vlasina honey', 'Ivanjica potato' for Protected Geographical Indication (PGI) and 'Sjenica stelja' for Protected Designation of Origin (PDO)

³⁸ In that business status, beneficiaries are not in obligation to pay taxes, salaries and other financial contributions which initially can help them to recover their incomes and to find way to activate their businesses again.

Programme's grants, 105 were employed on a full time or temporary basis. Furthermore, nine out of 16 supported Roma Civil Society Organisations (CSOs) were awarded with 13 new projects from other donors, which also indicates relevance and effectiveness of the Programme's assistance.

A follow up of the project implemented by the Centre for Social Politics (CSP) that was designed to enhance social inclusion and employment for the vulnerable indicates that all 28 beneficiaries who were supported to start their own businesses are operational with some good examples: six beneficiaries doubled revenues, expanded operations and procured new equipment while three beneficiaries employed six workers.³⁹ The rest of beneficiaries regularly cover all operating expenses and earn on average from RSD 20,000 to 50,000.⁴⁰ In cooperation with the CSP, the Programme also supported the Municipality of Merošina to establish home care service that will benefit 75 elderly citizens.

Two partnership projects of the CSO and LSGs, supported through the Citizens Involvement Fund, contributed to economic empowerment of 25 people from rural areas through providing support for starting and enhancing honey productions. In Bosilegrad, ten people (one woman and nine men) established a honey producers' cooperative. They were equipped with beehives and passed two capacity trainings. In Ivanjica, fifteen unemployed women from rural areas are equipped for starting honey production and it is expected that they will start generating income from the next year.

More transparent procedures for financing, monitoring and reporting on the projects of local CSOs that are funded from the municipal budgets are established in four⁴¹ LSGs. Three LSGs⁴² started implementation of new procedures, while in one⁴³ LSG the new procedures should be applied from the next Call that will be published in 2018.

The number of women with disabilities that can obtain health care services regarding reproductive health in Vranje Health Centre is increased with procurement of specialised electrical gynaecological chair, outreach educational session for 108 women with disabilities, and by sensitisation of 43 medical workers through supervisory sessions for providing health care to above mention group.

The results⁴⁴ of the project for provision of teaching assistants for learning of Serbian as non-mother tongue in schools in Bujanovac and Preševo indicate that the eighth grade students improved their knowledge of Serbian language while the fifth-grade students did not show improvements expected on the basis of the progress after the first year of project implementation. The experts, who conducted the testing, believe that the transition from class to subject teaching in the fifth grade and change of teachers contributed to poorer performance of lower grades. They recommended further engagement of the assistants, but only as support to teachers whose pupils have the high achievement.

Result 3 – Activities

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

The Programme contracted company to implement the Citizens' Satisfaction Survey. The questionnaire is based on the surveys conducted in 2010 and 2013 with minor updates reflecting changes in the local administration. The 2017 survey will be based on responses collected from around 8,000 interviewees, and it will provide comparison with the data from 2010 and 2013.

³⁹ The total number of employed and work engaged is 90 persons

⁴⁰ The overview of self-employed beneficiaries from vulnerable groups is available in the Annex III, Attachment 3.1

⁴¹ Vlasotince, Novi Pazar, Medveđa and Bela Palanka

⁴² Municipalities of Vlasotince, Novi Pazar and Medveđa

⁴³ Bela Palanka

⁴⁴ The results of the Serbian language knowledge testing is available in the Annex III, Attachment 3.3

According to the implementation plan, pooling activities will be completed by mid-November and results presented to LSGs and general public by the end of the year.

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

The funds planned for this activity were reallocated to other actions that improve the position of the vulnerable, while projects supported through activities 3.8 and 3.5 enabled citizens to access some of their rights and entitlements.

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

During the reporting period remaining eight grants were operationally closed. Municipalities of Babušnica, Bela Palanka, Ivanjica, Prijepolje, Prokuplje, Ivanjica and Sjenica continued to support ongoing trainings for 55 beneficiaries with higher level of education until January 2018.

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

Within Programme support for establishment of home care services for elderly citizens in Bujanovac, the precondition for selection of service provider is adoption of the budget rebalance at the next assembly session.

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

Support to youth-self-employment – Five new business were registered (overall 20), and one more is expected in October. The only one remaining beneficiary supported for processing of fruit continues to delay registration due to adverse effects of weather conditions on fruit production this year.

Eighteen beneficiaries (two women, 16 men) received mentorship support for implementation of individual business plans.

Piloting Measures from Strategy for Social Inclusion of Roma at the Local Level - Supported projects registered increased number of beneficiaries relating to prevention of early marriages and employment/income generation. Ten Roma CSOs applied for funds of other donors, out of which nine were awarded with 13 new projects. This indicates benefits of project management trainings and intensive monitoring and support for projects implementation which clearly improved capacities for project management and funds raising.⁴⁵

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

The Programme contracted a company for implementation of the Public Awareness Campaign on Preservation and Improvement of Women's Health and completed preparatory activities including coordination meetings with LSG's, design of questionnaires', preparation for social media campaign, radio and TV material. The Programme officially requested support from the Ministry of Health, but their formal answer is still pending.

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

This funding for this activity has been reallocated for other social inclusion activities, primarily to support Albanian pupils to learn of Serbian as non-mother tongue, as this intervention contributes to integration

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

All 24 projects financed within the Citizens' Involvement Fund (CIF) are finalised.

3.9 Support young people from Albanian community to learn Serbian language

The activity is completed after submission of the results of pupils' testing and the final report of the two year project.⁴⁶

⁴⁵ The overview of Roma CSOs projects follow-up on benefits, sustainability and fund raising is available in the Annex III, Attachment 3.2

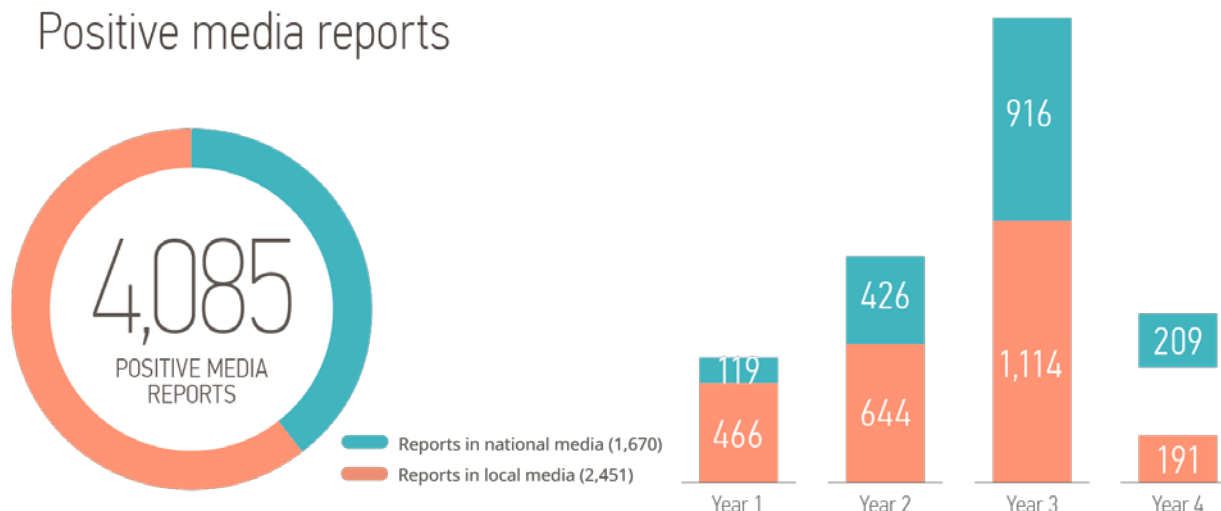
⁴⁶ The Final Report is available in the Annex III, Attachment 3.4

Result 4

Effects of Serbia's European accession communicated to general public

The Programme continues to generate visibility as over 400 affirmative media reports⁴⁷ were registered, which remains at the same level in the comparison with the same period last year. In total since the beginning of European PROGRES majority of 4,085 media accurately reports the support provided by the European Union (EU) and the Swiss Government.

Positive media reports



Furthermore, a significant and steady growth has been recorded in the national media coverage: a half of all registered reports (209) were published in the national media, which is a two fold increase and five percent growth compared to the predecessor programme and the Q1 2016, respectively.

The largest media attention of 67 positive reports, was generated by the Third Annual PSC meeting and the results presented, primarily number of jobs and enterprises opened as well as the completion of the project related to the protection of geographic indication for Vlasina Honey, confirming that the economic themes remain a priority for both the media and citizens.

Similarly, over 115 media reports covering the support to development of infrastructure, namely reconstruction of schools, hospitals and sports facility, generate large interest of general public. Furthermore, almost 70 published stories were related to the Programme support to the organisation of seven festivals thus promoting culture, social inclusion, diversity and youth volunteerism, i.e. European values in the programme municipalities.

The Programme social networks have been swiftly attracting followership throughout the Q3 2017, which can be attributed to a continued influx of youth-oriented content, as well as a large portion of the projects closing and showing visible results. In just three months, the number of Facebook page likes had risen by 30% or 2,136 likes⁴⁸, while 62 posts were liked 972 times and reached a total of 101,514 people. The same stands for the Twitter page, where 85 tweets attracted 556 likes and 688 followers, i.e. 95 new followers since the second quarter.

⁴⁷ The overview of media coverage and other statistics is available in the Annex IV, Attachment 4.1

⁴⁸ The Programme Facebook page currently stands at 9,084 likes

The Programme website had 27,116 visits from 19,006 visitors, which is only slightly lower than average for this part of the year – in the Q3 of 2016, the website had a total of 28,509 visits from 16,910 visitors. On average, there were ten social media updates per week - a total of 168 on all social media channels.

Web and social media



As a part of ongoing Programme video production the third movie covering Citizens Involvement Fund (CIF) was produced.

Media competition was completed and all eight awarded media outlets from the South East and South West received the requested equipment - 19 IT items and 36 audio and video items.⁴⁹

Programme Campaign has concluded all of its activities after participation in seven local festivals supported by the Programme. Over 2,000 youth and festival visitors reportedly were engaged through each of the events.

Result 4 – Activities

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

Visits and events

The third Annual Programme Steering Committee meeting was held in Surdulica (Vlasinsko Jezero). The meetings attracted 88 participants (53 men and 35 women) of which eight Mayors.

The Programme provided support to the organisation of nine festivals: the Youth Culture Festival in Knjaževac (6 – 9 July), Kuršumlijska Guitar Festival (14 - 15 July), Histrion Theatre Festival in Prokuplje (23 July - 1 August), Bosilegrad Folklore Festival (27 July- 2 August), Lim Fest in Priboj (27-29 July), Overload Festival in Vladičin Han (4-5 August), the Roma Cultural Review (16-19 August), Nušićijada Festival in Ivanjica (25-27 August) and P(h)antom Fest Pantomime Festival in Vranje (21-23 September). This concluded the Programme support to festivals in the current year, while high visibility standards were respected at each of the events, with EU/SDC/Programme emblems featured on stage banners and print materials.

Media Work

⁴⁹ Infoliga from Ivanjica, Radio Sto Plus, Sandžak TV and Radio Televiosn of Novi Pazara, Jugmedia and Nova Naša Reč from Leskovac, and Južne Vesti and Media Investigative Centre from Niš

Three press releases and one media announcements have been distributed, one to mark the completion of local infrastructure projects in five schools, while the other two covered the PSC meeting and start of infrastructure project in Prijepolje.

The business monthly *Ekonometar*, in its issue dedicated to availability and utilisation of the EU funds featured interview with Programme Manager focusing on the support to businesses and youth entrepreneurship. Similarly Južne Vesti portal has published the interview⁵⁰ on the same topic, while BizLife portal expressed the interest to write success stories about the support to young entrepreneurs.⁵¹ The Programme has also been included in the three-episode programme prepared by Media and Reform Centre from Niš, titled “Entrepreneurship spirit in the South – yesterday, today, and tomorrow”. Additionally, the National Programme Manager presented the European support to fostering entrepreneurship in Serbia in *Danas* daily.⁵² In addition, the Programme Manager presented the Programme in the interview for the national TV Pink morning programme.

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

Programme Campaign engaged seven local festivals to promote key messages and relevant content to bring EU Programmes closer to local youth. The activities include info-corner with "Europe and You" brochures and promo materials from other partners (Fondacija Tempus/Erasmus+) and Wi-Fi area with free-to-use laptop to collect more information: relevant youth related EU Programmes. The initial draft of the Final report for the campaign was submitted timely on 27 September.

⁵⁰ JužneVesti.com [Business environment should be conducive to youth entrepreneurship](#) (24 July 2017)

⁵¹ Bizlife.rs [Entrepreneurship story-How to obtain 10,000 Euros at the start of business](#) (11 September 2107)

⁵² Danas.rs [European Support to Development of Entrepreneurship in Serbia](#) (21 September 2017)

Management and coordination

European PROGRES concluded Addendum of the Programme Agreements with the donors, the Delegation of the European Union, and the Swiss Agency for Development and Cooperation, that enabled time extension of the Programme to 31 March 2018 and formalised earlier agreed modifications of the Programme design. The extended period of implementation would enable the Programme to successfully complete ongoing activities, and allow sufficient time for administrative and financial closure. In addition, the time extension would enable European PROGRES to utilise available resources and implement additional activities that would enhance the sustainability and results.

Programme Steering Committee

The third Annual PSC meeting was held in Surdulica on 14 September 2017 and, among other, resulted in the approval of the Annual Report that covers the period 1 July 2016 – 30 June 2017.⁵³ The next PSC meeting is planned for November or December 2017.

Finance

The following are the key indicators of European PROGRES financial performance⁵⁴:

- The delivery for the reporting period is 1,053,248.22 Euros
- The total delivery is 15,667,423.35 Euros or 89.73% of the Programme budget
- The forecast delivery for Q4 2017 is 1,011,033.45 Euros
- The final, eighth instalment from the Swiss Agency for Development and Cooperation in the amount of 550,000 Euros was received

Procurement and grants

Procurements conducted in Q3 2017 related to finalisation of purchases of equipment in support of women entrepreneurs and small and medium enterprises as well as the high value purchases for provision of reconstruction works on projects in Blace, Priboj and Prijepolje.

Also, complex procurement for provision of design for reconstruction of the General Hospital Ward in Vranje was conducted through the newly introduced UNOPS e-Sourcing platform which allowed efficient process management and contracting. Additionally, another two higher value and important procurements for provision of services on conducting of Public Awareness Campaign on Preservation and Improvement of Women's Health and Provision of Citizens Satisfaction Survey were successfully conducted and contracted.

Considering complexity, nature of requirements and the value of the goods/services procured, the number of the conducted solicitation processes is as follows:

- 18 shopping processes with value of purchases up to USD 5,000.00
- 12 RFQ processes with value of purchases from USD 5,000.00 to USD 50,000.00
- 7 ITB, RFP processes with value of purchases more than USD 50,000.00.

⁵³ The draft Minutes of the PSC meeting held in Priboj are available at http://www.europeanprogres.org/dokumenti/43_454225_ep-tenth-psc-meeting-minutes-priboj-d3-1712016.pdf

⁵⁴ The final financial figures will be provided in certified financial reports but information provided in this Report provides insight into spending trends.

Human resources

In response to Programme's work plan, the recruitment of Impact Assessment Team, consisted of a Team Leader and a Team Member, was conducted and the team commenced their work.

In line with the yearly performance evaluation cycle, Programme personnel underwent mid-year discussions of individually set objectives allowing in this way for two-way communication on work effectiveness and impact on Programme's overall performance.

In July, National Programme Manager and Sector Manager for Good Governance and Social Inclusion completed Project Management Practitioner course which is a five-day workshop aiming to increase skills and understanding of key project management concepts. Sector Manager for Good Governance and Social Inclusion also attended Gender Mainstreaming Workshop in September 2017.

Logistics

Programme personnel conducted total of 301 field trips during the reporting period. In line with the Donor's approval, set of used European PROGRES furniture has been donated to following Programme's beneficiaries:

- Etno Forum - Svrljig
- Association of Bee keepers – Babušnica
- Association of people with autism – Novi Pazar
- Association of mentally challenged persons – Sjenica
- Asylum centre – Sjenica

Reporting

This is the ninth Quarterly Report and it covers the period from 1 July 2017 until 30 September 2017. It provides the overview of progress and performance, the management issues, review of the risks and issues, quality and sustainability, and information about the lessons learned.⁵⁵

Monitoring

In addition to the Overall Work Plan, European PROGRES continues to use quarterly planning that identifies activities and outputs that need to be delivered within the covered period, in addition to setting of financial targets and actions related to procurement and human resources. In Q3 2013, European PROGRES fulfilled 90% of the work plan.

The Programme continues to use software based tools to record the implementation status, outputs, outcomes, and impacts of all individual projects that are supported through European PROGRES.

Evaluation

European PROGRES initiated work on Impact Assessment of the Programme and its predecessor, EU PROGRES. The purpose of the Assessment is to provide an analysis of effects produced by European PROGRES and its predecessor programmes on sustainable social economic development of 34 local self-governments (LSGs) in the South East and South West Serbia. The methodology includes desk

⁵⁵ The European PROGRES Quarterly Reports are available at <http://www.europeanprogres.org/biblioteka/en/44/Quarterly-Reports/>

research, in depth interviews, and focus groups with key national stakeholders, LSGs, and other beneficiaries. The findings should contribute to improved design of future development programmes and projects, while we plan to incorporate some of the identified lessons into activities of successor programmes. The Assessment will be completed and presented in the Q4 2017.

Risks and Issues

As the Programme reaches its final stage, the overall exposure to risk is being reduced. For example, the risk of delayed implementation of the Programme as a result of the elections on national and/or local level is now closed as even if these are called they would not have significant impact on the Programme. There are however risks that still may affect the Programme objectives.

First, several activities depend on actions and **decisions of institutions** outside the Programme. For example, the status of the two public-private partnership (PPP) projects depends on decisions of the State Commission for the PPP. While the Programme's task was to develop projects is completed, in order to create foundation for possible conclusion of these PPPs, European PROGRES will try to facilitate approval of proposals by the State Commission by continuing to provide assistance for possible modification of the projects. In addition, there were announcements that the PPP Law will be amended in order to ensure better compliance with EU legislation and this could affect the status of Knjaževac and Raška PPP projects.

Similar situation is with project related to geographic protection that depends from decisions from the Intellectual Property Office and the Ministry of Agriculture, Forestry, and Water Management. The projected time framework for conclusion of the processes remains sufficient for successful conclusion but European PROGRES closely monitors the process and maintains contacts with these institutions to reduce risk of delay.

There was a risk that limited capacities of some LSGs in combination with poor communication with some institutions at the national level (e.g. Business Agency Registry) will not be able to collect data needed for assessment of their competitiveness index. The Programme has been working closely with LSGs and helped them to reduce this risk, as up to date 22 LSGs entered more than 98% entered into the system.

Political changes at local level cannot have high impact on the Programme as a whole but may affect individual projects. For example, unstable political situation and multiple changes of the ruling coalition in Preševu prolonged the adoption of the Capital Investment Plan (CIP) that was developed with the Programme's TA. The introduction of the interim administrative measures of September 2017 will likely delayed the adoption further while, in addition, this development will reduce engagement of municipality in some final activities, such as is the Competitiveness Assessment 2016-2017. The Programme will continue to monitor and will be ready to provide assistance to Preševu in order to facilitate adoption of the Plan.

In terms of **issues**, the Programme recorded that two out of 45 supported women entrepreneurs closed their business for family reasons while eleven beneficiaries that primarily work in the agriculture sector, due to bad summer weather conditions, had had limited operations. While it is expected to see that part of the beneficiaries encounter business obstacles, especially in the first year, European PROGRES has provided support in identifying remedial measures that could help them to remain in the market.

The Risks and Issues Register⁵⁶ includes both initial and newly identified risks, as well as the information on the planned responses and their status. It also includes all the issues that have emerged so far as well as the status of actions done in response to these issues.

Quality and Sustainability

Quality

European PROGRES underwent UNOPS RSPC Quality Assurance (QA) for Q2 2017 on 5 July 2017. The exercise confirmed the Programme's performance was healthy, as well as the planned programmatic targets were met or exceeded, while indicating the need to formalise time extension, which has been followed up and concluded.

The Programme has continued to implement a range of quality checks in order to ensure that set quality expectations and standards are met:

- 78 grant reviews have been conducted in order to ensure the progress is in line with programmatic and administrative requirements
- After the final check of all grant related documentation during the administrative verification visits, 54 grants have been administratively closed.

Sustainability

The results of the Programme during this period indicate that high level of sustainability.⁵⁷ As previously reported, respect of national ownership and support to implementation of national policies at the local level, has been the foundation of the Programme's approach to sustainability.

Likely the key contribution to sustainability during this period is provided through development of Good Governance Toolkit, Publication of Development of Detailed Regulation Plans that includes recommendations for modification of the national regulations for the area, and completion of analysis related to vertical coordination between national and local authorities in the fields on environmental and social protection – these documents gather practices that could be replicated by other similar interventions and projects. By this, the Programme shares knowledge and strives to help the governments to strengthen policy and institutional frameworks.

It is, however, also important that European PROGRES has continued to register evidence that benefits of intervention will continue to flow. For example, the Programme's work with Roma CSOs, in addition to provision of financial support for implementation of particular measures contributing to inclusion, included capacity building in project management. The fact that nine of 16 supported organisations already accessed funds from other donors is indicator of effectiveness and

⁵⁶ The Risk and Issues Register is available with European PROGRES

⁵⁷ European PROGRES Annual Report covering the period 1 July 2016 – 30 June 2017 provides more details overview of key dimensions of the Programme's approach to sustainability.

sustainability. Numerous cases in which benefitting SMEs or vulnerable beneficiaries that started their business with the Programme's assistance enhanced income, expanded businesses, increased investments also show that these interventions will remain sustainable in many cases.

Programme's work on good governance also remains among key vehicles for sustainability because development of local regulation, among other, directly enhances management of public resources. Examples for this are dedicated budget planning for improvement of social protection of vulnerable groups and water supply network modernisation along with energy efficiency and ensuring the rights of stray dogs improved through adoption of relevant local policy documentation with applied good governance principles of accountability, transparency, antidiscrimination and efficiency.

In cases where the Programme identified issues with sustainability, as is the case with past of women entrepreneurs' projects, initiated remedial action by providing additional mentoring support.

Lessons learned

These are some of the lessons identified by the Programme during this period:

- There is a need to establish clearer and consistent tolerances regarding extension and cancellations of projects/grants. This will reduce room for extensions that have no valid justifications and eventually should contribute to implementation efficiency.
- While European PROGRES has sound plan for monitoring and review of benefits, that is based on the Logical Framework Matrix, this period indicted that monitoring of effects of individual activities could be better defined. In some cases, no time framework was defined for benefit reviews, while there is also room to consider in more details how evidence will be collected. While the remedial actions in several cases have been agreed, this can be addressed in earlier rather than later phases of implementation.

Work Plan

European PROGRES Work Plan for the period from 01 July – 30 September 2017 is available in the Annex XX. The following are the key milestones for the upcoming reporting period:

Result 1

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

- Activity 1.4 Backstoppers Mission on 23-24 October
- Activity 1.4 GG final Event on 7-8 December
- Activity 1.4 Ongoing implementation of local governance reforms
- Activity 1.4 Ongoing institutionalisation of the municipal competence centres
- Activity 1.5 **Operationally closed.** Ongoing administrative closure of the GEM projects
- **Activity 1.6 Activity completed.**
- Activity 1.7 Follow up on GRB processes

Result 2

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

- Activity 2.5 Implementation of GG intervention within the local infrastructure projects
- Activity 2.6 Completion and presentation of the Vertical Dimension of Good Governance findings in social and environmental protection
- Activity 2.6 Finalisation of the Web application handing it over to the Office for IT and e-Government
- Activity 2.10 Final delivery of the equipment in support to women entrepreneurship and completion of 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 N/A
- **Activity 3.4 Activity completed. Follow up on project results: Centre for Social Policies.**
- **Activity 3.5 Operationally closed.** Monitoring registration of youth businesses and completing mentorship support to beneficiaries
- **Activity 3.5 Activity completed. Follow up on Roma CSOs results.**
- Activity 3.6 Implementation of the public awareness campaign
- Activity 3.7 N/A
- Activity 3.8 **Operationally closed.** Ongoing administrative closure of the CIF – 2 projects.
- **Activity 3.9 Activity completed.**





Result 4

Effects of Serbia's European integration communicated to general public

Activity 4.1

- Organise at least two high profile functions
- Produce Final Publication
- Prepare Final Event
- Conduct European PROGRES Calendar Competition

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

Overall objective To contribute to sustainable development of underdeveloped areas of Serbia by creating more favourable environment for business and infrastructure development, integrating good governance principles, thus increasing employability and social inclusion.	
Serbia's ranking in the World Bank's Doing Business Report improves for at least five places Serbia's ranking in the Global Competitiveness Report improved for at least five places	Serbia's ranking in the World Bank's Doing Business Report for 2016 has improved by nine and by additional seven places for 2017, presently positioned as 47 th country compared to 68 th in 2015. Serbia's ranking improved by seven place in the Global Competitiveness Report 2014-2015, additional four place in the Report 2015-2016 and additional 12 places in the Report 2017-2018. Current ranking in 78 th , representing an improvement of 23 places compared to 101 st place 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 At least five new investments in industry until the end of the Programme Export of SME sector increased by at least 5% until the end of the Programme Enabled employment of at least 1,500 people as the result of (in)direct activities within the Programme	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. Projects for clusters, introduction of quality standards, women and youth entrepreneurship, self-employment of vulnerable, support to SMEs, protection of geographic indication, vocational training, and partnership actions of civil society and LSGs have contributed to creating over 600 jobs, while this number should exceed in the next one to three years.
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	

Objectively verifiable indicators	Overall status
Activity 1.1.1 At least 50% municipalities participating in the	Activity completed. Assistance provided to 15 LSGs in

Programme introduce Capital Investment Planning (CIP), by the end of the Programme implementation (baseline 2014: 23%) ⁵⁸	development of the CIPs. All 15 beneficiary LSGs developed CIPs. Twelve LSGs' Assemblies adopted CIPs.
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) ⁵⁹	Activity completed. Assistance provided to 15 LSGs in introduction of Programme Budgets for 2016. All LSGs timely adopted 2016 Programme Budgets.
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 ⁶⁰	Activity completed. Assistance provided to 16 LSGs to improve tax payers' registries. Based on 2016 LTAs Annual Reports, the supported LSGs had, on average, increased the number of registered taxpayers by 10%, and there was 93% average increase in revenues from the tax collection compared to 2013 baseline data. ⁶¹ The EU and SDC provided 154,000 Euros to support the 16 projects, while LSGs increased tax income by 1.4 million Euros.
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) ⁶²	Activity completed. The CfP for introduction of Geographic Information System (GIS) was published in May 2015 and the PSC approved 11 projects in November 2015. GIS equipment was delivered to all 11 beneficiary LSGs in Q4 2016, legal foundation for GIS development established in all 11 LSGs. All LSGs signed data exchange protocols with institutions participating in local GIS and the systems are operational.
Activity 1.2 At least 15 municipalities developed detailed regulation plans (DRPs) or higher level planning documents that facilitate development of economic projects by the end of the Programme.	The CfP for development of DRPs was conducted in April 2015. The PSC approved 21 applications for development of 31 DRPs. All 21 grant contracts are closed and the process of approval by municipal assemblies is underway (23 DRPs adopted, one DRP in procedure, three DRPs passed public viewing phase, two DRPs in public viewing stage and two DRPs in draft phase). The contract for development of five DRPs for infrastructure corridors on Golija was signed in November 2016 and the implementation is ongoing. Study tour to Italy completed.
Activity 1.3 By the end of the Programme in at least 50% of 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	Activity completed. The Association of Consulting Engineers of Serbia (ACES) delivered trainings on FIDIC contract modality. Five training modules 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, two men). In addition, four on-the-job trainings delivered to 41 participants (25 men, 16 women) from 18 LSGs which received grants for local infrastructure projects.
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 34 municipalities was finalised. The MoU for good governance (GG) interventions at local level signed with 34 LSGs. Six good governance capacity building trainings and one study tour conducted for 27 designated GG contact persons (21 men, six women). Thirteen LSGs established institutional framework for GG. Local governance reforms initiated in 18 LSGs and four LSGs adopted six local regulations in the field of accountability and efficiency. Four Swiss GG Backstoppers' missions conducted.
Activity 1.5 Local gender equality mechanisms (GEM) established in all European PROGRES municipalities and local action plans for the work of the gender equality mechanisms (GEMs) revised or adopted in 25 European PROGRES municipalities by the end of 2017. At least 50% GEMs successfully implemented grants provided through European PROGRES and contributing to advancement of gender equality	Through mentorship support, the Programme strengthened capacities of 34 LSGs to address gender-related initiatives at the local level. A total of 32 local GEMs established, 30 local action plans adopted, and 32 LSGs signed European Charter for Equality of Women and Men in Local Life. The CfP for support to local GEMs was published in September 2016. The PSC approved 18 projects. The projects positively affected 1,481 persons (1,159 women and 322 men) through

⁵⁸ Baseline Study on Competitiveness, EU PROGRES, 2014

⁵⁹ Baseline Study on Competitiveness, EU PROGRES, 2014

⁶⁰ LTA Office Annual Reports

⁶¹ The impact assessment of the assistance, available in the Annex I, Attachment 1.2 provides data on individual LSGs

⁶² Obstacles to Infrastructure Development, EU PROGRES, 2013

issues by the end of 2016. At least 50% 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	activities relating to economic empowerment of women, public health, capacity building as well as increased knowledge about gender equality among decision-makers and improved roles of local GEMs.
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	Activity completed. The project relating to strengthening women decision making through active engagement in Local Women Councillors Networks (LWCNs) was implemented from October 2016 until June 2017. In November and December 2016 ten LWCNs were established, gathering 97 women councillors. All ten local LWCNs adopted the annual work plans for 2017. LWCNs produced 25 recommendations for local policies, primarily focusing on increasing the participation of women in decision making process.
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 ⁶³	Four municipalities introduced gender responsive budgeting through different municipal budget lines, ensuring gender mainstreaming within the budget. Two LSGs budgeted programmes in line with the gender responsive budgeting requirements.
Result 2 Increased competitiveness of local economy through improved business environment and management/organisational capacities of SMEs/agricultural cooperatives	
Activity 2.1 Total competitiveness index increased by at least 10% in all Programme municipalities by the end of the Programme, or at least 25% in one of the sub-indexes regarding: the Capacity of Local Community to Manage the Community's Resources and Potentials, Economic Policies, Strategies and Measures, Financial Capacities of the Public and Private Sectors ⁶⁴	Based on 2016-2017 competitiveness data competitiveness index is increased by an average 31% compared to index 2013-2014 for 22 LSGs that entered more than 98% of needed data. Following adoption of the new Law on Planning and Construction, technical assistance was provided to 34 LSGs for implementation of the electronic building permits system including procurement of IT equipment. The average time for issuance of building permits in supported LSGs was reduced from eight to five days; 93% of received requests resolved (improvement of 13%); share of negatively resolved requests reduced from 40% to 16%; and, 51% of planning documents entered into the central registry (improvement of 17%).
Activity 2.2 Pipeline of at least two inter municipal and at least 35 local priority economic and social infrastructure projects, in line with the national sector priorities, with full scale technical documentation, developed in accordance with the criteria within PPF 5 after the assessment of the existing pipeline has been done	The CfP for Development of the Main Designs for Local Infrastructure was advertised in December 2014. The PSC approved 40 applications in February 2015. Grant agreements with LSGs were implemented from May 2015 until October 2016. The developed designs have created a pipeline of "ready to build" projects worth 29 million Euros. So far, on the basis of designs, 15 LSGs accessed 3.3 million Euros of donors' funds. In June 2016, the Programme contracted two inter-municipal projects relating to flood protection measures: designs for the anti-erosion protection of Vlasina, Pčinja and Jablanica river basins and development of the General Design for Južna Morava regulation which were completed in 2017. The Programme contracted development of technical documentation for reconstruction of Vranje Hospital Wards in August 2017.
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	Activity completed. Upon September 2014 PSC approval, European PROGRES supported operations of the Joint Technical Secretariat of the IPA Cross-border Programme Serbia-Montenegro (CBC SRB-MON). The grant was completed in November 2015 and facilitated submission of 48

⁶³Baseline Study on Competitiveness, EU PROGRES, 2014

⁶⁴As identified in the World Bank's Doing Business in Serbia 2014 ranking

	applications from eligible European PROGRES LSGs in response to CBC Cfp. In addition, on the basis of designs developed through European PROGRES, LSGs submitted 14 applications for financial support to other sources than European PROGRES.
Activity 2.3 At least one priority inter-municipal project implemented by the Programme completion	Activity completed. The building permit issued on 1 December 2014. The contract for the construction of Bujanovac Department of Subotica Economics Faculty was signed in January 2015, the building was completed in September 2015 and the facility is fully functional.
Activities 2.3 and 2.4 Technical assistance provided to the CFCU as contracting authority for the priority infrastructure project implemented by it	The PSC in November 2015 approved projects to complete the new block within Vranje General Hospital and to construct Novi Pazar Emergency Ward. The Programme assisted the CFCU to prepare tender dossiers in the first half of 2016. The CFCU advertised tender for works and for the Supervision in February 2017. The contracts were signed in June 2017. This activity is not deliverable in the initially conceptualised format but after approval of the NCE, the Programme is able to provide some assistance to the CFCU and the MEI.
Activities 2.3 and 2.4 Technical assistance provided to the SEIO and the CFCU in preparing, launching the Grant Scheme and in monitoring its implementation	Despite the Programme's timely technical assistance, the CFCU advertised the Call for Local Infrastructure only in March 2015, five months later than originally planned. As further delays exceeded eighteen months, the initially conceptualised technical assistance is not feasible. After approval of the NCE, The Programme is able to provide some assistance to implementation, only until the end of the Action. In November 2015 the PSC approved the implementation of three flood protection, anti-erosion related projects. Two were completed in May 2017 and one was cancelled because of unclear property.
Activity 2.4 Support provided for development of up to 34 local and at least one inter – municipal infrastructure projects that are submitted for funding to the CFCU Call for Proposals	European PROGRES organised information sessions to present the CFCU Call and supported LSGs in development of concept notes. All 34 Programme LSGs responded to the call with submission of 52 Concept Notes. The CFCU requested 25 LSGs to submit full applications for 30 projects, which passed the evaluation of the concept notes in February 2016. Twenty six full applications from 23 LSGs were sent to the CFCU by the deadline 21 March 2016. The grant contracts were signed with 14 LSGs in May 2017.
Activity 2.4 At least 15 local infrastructure projects implemented through grant scheme by the end of the Programme	The Cfp for Local Infrastructure projects managed by the Programme (UNOPS) was advertised in March 2016. The PSC approved 14 projects in August 2016 and additional four in October 2016. Eleven grants are closed, five grants are ongoing, while implementation modality in Priboj and Prijepolje, due to delays in implementation, have been changed from grants to direct implementation in April 2017 and works are ongoing under UNOPS contracts
Activity 2.5 All projects are organised with clear responsibilities in the procurement, contract management, monitoring and evaluation; at least 10 new local policies and/or administrative regulations linked to infrastructure projects are elaborated in a participatory manner, approved by councils, implemented and monitored, clearly indicating who invests, owns, decides upon, maintains, benefits from and monitors the new infrastructure, by the end of Programme	With approval of 18 infrastructure projects for funding, European PROGRES started with implementation of activities in January 2017. Eleven LSGs adopted 21 local regulations related to linking GG with infrastructural projects. Wider consultations with LSGs were held and support was provided in development of relevant regulations.
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	This activity is divided in two main topics, in consultation with the SCTM and the SIPRU: Topic 1 - environmental policies, and Topic 2 - social protection policies. Eight workshops were held and, in agreement with the SCTM, all collected findings will be presented to the relevant national authorities.

accountability, transparency, effectiveness, and efficiency of LSGs	In addition, the Programme supported capacity building of LSGs for development of public administration websites and establishment of e-government services. Three trainings were held from December 2016 to February 2017 for 44 representatives (35 men, nine women) from 28 LSG's. The LSGs recorded improvement in transparency of websites of 9.2%, three municipalities ⁶⁵ developed 17 new e-services ⁶⁶ and 13 LSG developed action plans for improvement of e-services and LSGs web-sites.
Activity 2.7 At least two PPP models developed and implemented by the end of the Programme	The Programme provided technical assistance for development of PPP projects to two beneficiary LSGs selected through a public call (Knjaževac and Raška). Project proposals were submitted to the State Commission for PPP for endorsement.
Activity 2.8 At least 15 SMEs introduced international quality or food safety standards (ISO 9000, HACCP, Global GAP, etc.) and at least 15 SMEs enhanced competitiveness through provision of equipment	The CfP for Introduction of International Quality or Food Safety Standards was conducted in October 2015. Out of 22 approved applications, six beneficiaries withdraw from the process. Fifteen SMEs completed certification process, and one is in the final phase.
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 Enhancing Competitiveness through Creation of Jobs in the Private Sector was conducted in June 2016. The PSC approved funding of equipment for 17 MSEs. Following withdrawal of one company, the Programme procured equipment for 16 MSEs. Delivery of equipment to 15 MSEs has been completed. Thirteen beneficiaries have completed their CSR activities as planned as their cost-share.
Activity 2.8 At least 20 SMEs, member of clusters, introduced innovation or use innovative market development techniques, until the end of the Programme.	Activity completed. The CfP to support clusters in introducing innovative practices and a common market approach was published in December 2014. The PSC approved five projects worth 145,000 Euros in April 2015. Through the five implemented grants, 87 SMEs were included in the intervention out of which 62 directly benefited from implemented innovations.
Activities 2.9 At least 30 agricultural producers, members of the cooperatives, use new techniques and technologies in the production until the end of the Programme	Activity completed. The phase one of the Programme support to 32 agriculture producers groups (APGs) consisting of trainings and a study visit was completed. The trainings included management, finances and marketing for APGs whereas the study visit was specially designed to provide insights into modern techniques and technologies in the agricultural production. The second phase assistance started by publishing a call in August 2016. The PSC approved seven projects in November 2016. Activities were successfully completed as planned by September 2017.
Activity 2.9 At least three traditional agricultural products registered or certified with the Protected Designation of Origin mark and Protected Geographical Indication	The Assessment of the APGs and Geographic Indication (GI) was completed in May 2015. The Programme conducted the CfP through which five traditional products have been selected for GI protection. European PROGRES provided TA for development of elaborates for protection of products and authorised users. Elaborates for three products Sjenička stelja', 'Vlasinski med' and 'Ivanjički krompir' are completed and submitted to the Intellectual Property Institute and certification is obtained for 'Vlasinski med'. Certification of authorised users for 'Sjenički sir' is completed and certification of 'Sjenička jagnjetina' is underway.

⁶⁵ Medveđa, Novi Pazar and Raška.

⁶⁶ Evaluation was made by the Directorate for E-Government based on established criteria for evaluation of websites and e-services, in accordance with Guidelines for the development of websites in state administration and introduction of e-services, and it was conducted on a sample of 13 municipalities which participated in trainings for application of Guidelines. More detailed information about the process is presented in the Activity 2.6

<p>Activities 2.10 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>	<p>The CfP for support to women entrepreneurs was advertised in June 2015 and the Programme trained 147 women in writing business plans. The PSC approved 48 project proposals for funding. Following withdrawal of three applicants, the Programme funded procurement of equipment for 45 women entrepreneurs. Two beneficiaries terminated their businesses due to family reasons. Forty two businesses are registered and 42 beneficiaries received all equipment to start business activities. The newly established companies employ 88 persons (42 self-employed women and 46 employees). Entrepreneurs continually receive mentorship support.</p>
<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</p>	
<p>Activities 3.4 Assessment of local policies for social inclusion and employment of vulnerable completed for all European PROGRES municipalities by mid-2016. Methodology for mapping and assessing needs of vulnerable population developed and handed over to municipalities. Developed and piloted a tailor-made model for employment of vulnerable generating at least 25 jobs. At least three new social inclusion services introduced in selected European PROGRES municipalities by the end of Programme.</p>	<p>Activity completed. The activity was implemented in cooperation with the Centre for Social Policy from October 2015 until June 2017. LSGs were supported to assess the needs of vulnerable and marginalised groups, 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 offered start-up grants to local vulnerable and marginalised groups. Assessment Reports on institutional capacities, social protection and employment of vulnerable groups finalised and presented in June 2017.</p> <p>Three LSGs established social protection services while 28 beneficiaries received financial support and started businesses that enabled employment or temporary engagement of 90 persons.</p>
<p>Activity 3.5 At least 15 CSOs dealing with Roma issues enhanced capacities for project management resulting in piloting measures from the Strategy for Social Inclusion of Roma Men and Women 2016 – 2025 benefiting at least 1000 Roma.</p>	<p>A part of this activity is incorporated in the approach for the activity 3.4. The CfP for Support to Youth Self-Employment was published in March 2016. Out of 93 applications, 27 applicants were short listed and trained in business plan development. The PSC approved 22 projects for procurement of equipment for youth self-employment in August 2016. All 22 beneficiaries received equipment required to start businesses, while 20 registered businesses. Seventeen new jobs created.</p> <p>Activity completed. The CfP for Piloting Implementation of Measures from Strategy for Social Inclusion of Roma was published in May 2016. Out of 39 received applications, the PSC approved 16 projects implemented by Roma CSOs in August 2016. All 16 projects were successfully completed benefiting 3,634 Roma (1,588 men and 2,046 women).</p> <p>Activity completed. The Music Art Project was implemented in four schools in Vranje, Bujanovac and Surdulica from October 2016 until June 2017. Over 250 hours of classes based on inclusive EL Sistema methodology, four concerts, and several master classes with national and international experts, were carried out with participation of around 200 children (over 50% from vulnerable groups).</p>
<p>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.</p>	<p>The first CfP for Citizen Involvement Fund (CIF) grants, i.e. partnership projects between civil society organisations and local administration, was advertised in September 2014. Out of 77 applications, the PSC approved 20 projects for funding in December 2014. Eighteen projects were successfully completed and two were cancelled.</p> <p>The second CfP for CIF grants was advertised in March 2016. Out of 48 received applications, the PSC approved funding of</p>

	24 projects. All 24 projects are completed.
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 ⁶⁷	The service provider to conduct the Citizen Satisfaction Survey was contracted in Q3 2017.
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	Activity completed. Ten LSGs were selected through a public call conducted in August 2016 to implement vocational training activities in line with Local Employment Strategies. A total of 281 (147 men and 134 women) unemployed persons completed the trainings out of which 248 (133 men and 115 women) beneficiaries are certificated for successful finalisation and 160 persons (97 men and 63 women) are employed. Ongoing are trainings for 55 participants which is being funded with municipal funds.
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 ⁶⁸	Assessment report on required medical equipment completed. All health centres sent official letters of interest and the tender for procurement of medical equipment was announced in September 2016. The delivery of equipment to nine medical health centres was finalised in January 2017. The ToR for public campaign relating to women health developed will be implemented in Q4 2017.
Activity 3.9 At least 1,200 elementary school children of Albanian ethnic origin in areas covered by the Programme improve Serbian language skills during the Programme implementation	Activity completed. The Programme provided funding for teaching assistants from August 2015 until June 2017. During the first school year, 865 pupils participated in the programme while the number increased to 1,073 pupils during the second school year (20% increase in participation). The textbooks, teachers' manual and auxiliary educational materials have been procured and delivered to 16 elementary schools in Preševo, Bujanovac and Medveđa. The change in the approach was addressed within the NCE.
Result 4: Effects of Serbia's EU accession communicated to general public	
Percentage of citizens that are aware of any EU funded projects raised by three percent by the end of the Programme. Communication activities generated as least 2,000 media reports clearly and accurately communicating EU and Swiss funding support that is provided for development of European PROGRES municipalities, of which at least 20% of reports in the national media. ⁶⁹	<ul style="list-style-type: none"> • Twenty five high profile visits organised, thirteen Ambassadorial • Twenty five large events organised of which twelve PSC meetings • Fifteen local festivals supported • 79 press releases prepared • 3030 positive media reports have been generated • 62 briefing notes prepared • Seven issues of the Newsletter published • Website is regularly maintained and attracts an average of 9,000 unique visitors monthly and a total of 99,629 visits overall • Facebook page attracted 5,255 likes and Twitter account amassed 593 followers • Programme promotion material is regularly produced including two videos. • Three calendar competitions held
One two-phase advocacy/awareness campaigns promoting European values conducted within the Programme implementation	All campaign activities concluded.

⁶⁷ 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

⁶⁸ 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.

⁶⁹ As indicated in the findings of the Citizens' Satisfaction Survey 2017 and compared to 2013 Citizens' Satisfaction Survey results

