

Fifth Quarterly Report

January – March 2016



Republic of Serbia



Programme Funded by EU



Schweizerische Eidgenossenschaft
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Confederazione Svizzera
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Swiss Agency for Development
and Cooperation SDC



Implementing Partner

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

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

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

Total budget: 17.46 million Euros

Start date: 7 May 2014

End date: 7 November 2017

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

Prokuplje, Blace, Žitorađa, Kuršumlija in Toplica District

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

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

Brus in Rasinska District

Aleksinac, Gadžin Han, Doljevac, Merošina and 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: 10 April 2016

Period covered: 1 January 2016 – 31 March 2016

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
MSME	Micro Small and Medium Enterprises
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 successfully amended the Programme's Approach and Budget after the Delegation of the European Union and the Swiss Agency for Development of Cooperation agreed with (re)allocation of 2.1 million Euros for introduction of grant schemes for local infrastructure, youth entrepreneurship, support to micro and small enterprises, and for pilot measures deriving from the Strategy for Inclusion of Roma 2016 – 2025. These changes confirmed that the Programme is able to respond to priority beneficiaries' needs, they will create room for more intensive work on good governance, and ensure higher level of coherence with the national policies. In addition, through introduction of these tangible, visible, activities European PROGRES will be able to communicate more strongly support that the European Union, the Government of Switzerland, and the Government of Serbia provided to the South East and South West Serbia.

The statistics around activities and projects at the end of the first quarter (Q1) 2016 confirm the Programme is making a steady advance: the number of supported projects increased by 27 and reached 217, out of which 164 or 76% are implemented through the grant methodology; 12 projects were completed during this quarter and 27 or 12% in total. Out of 29 Programme activities, 22 or 76% progress in accordance with the plan and four remain delayed but feasible within the European PROGRES lifecycle. After modifications, European PROGRES can start to work on the activity that links local infrastructure with good governance (GG), while the two other activities that require additional consideration are linked to provision of technical assistance to the Department for Contracting and Financing of EU Funded Programmes (CFCU) of the Ministry of Finance. It is necessary to revisit planned activities considering accumulated delays in implementation of the CFCU managed grant scheme for local infrastructure as well as dynamics of projects for the construction and equipping of the Vranje Hospital and the building for emergency services in Novi Pazar Health Centre.

The Programme is able to increasingly report about initial outcomes: through partnership projects of civil society and local self-governments eight full time and 13 temporary jobs for women and persons with disabilities were opened, while 26 persons from vulnerable categories were economically empowered; in addition to expected increase of local tax incomes of 274,000 Euros in the first year upon completion of the projects for improvement of tax administration, these interventions enabled temporary employment of 71 persons who worked registration of (new) taxpayers and property. Following completion of support for introduction of gender responsive budgeting (GRB), nine municipalities have allocated over 4.5 million Dinars for gender equality and economic empowerment of women in their budgets for 2016. The eight completed projects for main designs will enable LSGs to apply for funding for implementation of the projects.

Progress was made on good governance (GG) activities: the second training for enhancing GG capacities in municipalities was delivered with support from the Swiss experts, while the packages for conduct of reforms in LSGs that should enhance accountability, transparency, efficiency, participation, and non-discrimination have been developed. The Programme's technical assistance facilitated development of Capital Investment Plans in 15 LSGs that include 273 projects with total value of over 304 million Euros. The Plans are complementary to Programme Budgets adopted in the same 15 LSGs, and these two tools should contribute to establishment of systematic approach in multi-year planning of budget and development of documentation needed for implementation of the projects.

The Programme Steering Committee endorsed European PROGRES recommendations for protection of geographic indication of four products, for introduction of international quality and food protection standards in 22 small and medium enterprises, and organisations of trainings and study

tour that will benefit 32 agricultural producer groups. These activities should enhance competitiveness and contribute to increased sales, exports, and employments.

Communication activities were intense and effective: three high profile events were organised, including the visit of the Swiss Development Cooperation (SDC) Director and the Delegation of the European Union (DEU) Head of Operations III to Preševo when they handed over the garbage truck to the Preševo Public Utility Company and toured the Preševo Reception Centre for Migrants. Events, in combination with six press releases, 39 Facebook posts, 26 tweets, the fourth Newsletter that was circulated to 2,500 recipients, facilitated a record of 250 media reports about the Programme and funding support of the European Union and the Government of Switzerland. Two of the Programme Tweets were pronounced as “Tweet of the week” by the EU Info Point.

The national, provincial, and local elections are scheduled for 24 April. The campaign at the local level has started and is being intensified towards the end of this reporting period, which resulted in lower level of response and engagement from the LSGs with the Programme. This was expected and within efforts to reduce possible negative effects the Programme monitored developments and identified activities that could suffer in case of prolonged establishment of governments at the local level, such as Public Private Partnership activity or introduction of good governance reforms. European PROGRES will keep informed the donors and the PSC and ask their guidelines and assistance if engagement of the LSGs is reduced due to post-election combinatorics.

In addition to regular cooperation through the PSC, this period brought closer cooperation with the national institutions. European PROGRES developed the CFP for micro and small enterprises while considering guidelines provided by the Ministry of Economy, and enhanced consultation with the Ministry of Public Administration and Local Self Government and the Ministry of Construction, Traffic, and Infrastructure, and signed the Memorandum of Understanding with the Serbia Waters Public Company. This contributes to better alignment with national priorities but also enhances national ownership over the Programme, hence this approach will continue.

This period once again confirmed that (strategic) projects need time to achieve impacts. For example, the CFCU published the Tender for the Construction of the Waste Water Treatment Plant in Raška, the project for which technical documentation has been developed within the second phase of the Municipal Development Programme in the South West Serbia - PRO2, the Programme funded by the European Union and the Government of Switzerland. The estimated value of works exceeds 7 million Euros therefore showing how investment of about 100,000 Euros in project preparation helps the beneficiaries to access donors’ funds.

The key indicators of the Programme performance were generally positive although progress was affected by January and February hiatus so the stage work plan were delivered with estimated 75%. The UNOPS Serbia Centre Quarterly Project Assurance for the Q1 2016 on a whole confirmed that European PROGRES performance was healthy. The Programme completed personnel appraisals and set objectives for 2016. Risk and issues are being managed systematically, periodic stakeholder analysis were conducted, and the Programme continues to monitor and act upon lessons learned.

This Quarterly Report covers the period from 1 January until 31 March 2016 and provides an overview of progress and performance, update on the management and coordination issues, review of the key risks and issues, quality and sustainability considerations, insights into the key milestones for the next quarterly period, and a section on the lessons learnt. A number of annexes provide an in depth insight into particular actions taken by the Programme. Annex VI is integral part of this Report and provides insight into achieved progress against indicators in the Programme’s logical framework matrix.

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Review of progress and performance

Policy and Programme Context

Policy and legislation

The Government of Serbia adopted in January 2016 the National Strategy for Gender Equality¹ for the period 2016 – 2020, as well as the Action Plan. The Strategy focus is on improving economic position of women, enhancing participation of women in political life and decision-making, and improvement of multiply discriminated and vulnerable groups of women, and suppression of gender-sensitive violence. In addition, the Government adopted Gender Equality Index, becoming the first country outside the European Union to build and adopt this tool.² The Index describes the achieved level of gender equality measured for aspects such as employment, health, education, power etc.

The Strategy for the Social Inclusion of Roma for the period of 2016-2025 was adopted by the Government in early March.³ The Strategy aims to improve the socio-economic status of Roma ethnic minority by achieving greater social inclusion. The Strategy sets five specific objectives in the areas of education, housing, employment, health care and social protection.

The Strategy on Regulatory Reform and Improvement of the System for Public Policies Management for the period 2016 – 2020⁴ with the Action Plan was adopted in January. The Strategy is based on the improvements of the public policy management system, legal processes and regulations, administrative procedures, and enhancing the role of citizens and economy in management of public policies.

Development Agency of Serbia (DAS) is operational as of January 2016 as stipulated by the Law on Investments. The Agency took over the leading role in streamlining investments and export promotion from former Serbian Investment and Export Promotion Agency (SIEPA) as well as regional development role taken over from former National Agency for Regional Development (NARD).

In February 2016, the Government of Serbia adopted the Law on Amendments to the Law on Public Private Partnership (PPP) and Concessions. The Law contributes to harmonisation of national with the regulations of the European Union. It also strengthens the role of the Ministry of Finance (MoF) by conditioning approval of any PPP project by the Commission for PPP with positive vote from the representative of the MoF.

In January 2016, the Law on Cooperatives⁵ adopted in late 2015 came into effect. The Law provides the floor for resolving the issue of land owned by former cooperatives (some 50,000 hectares in total) which is defined as social property. The Law also defines a more simple procedure for

¹ http://www.srbija.gov.rs/vesti/dokumenti_sekcija.php?id=45678

² http://sociojalnoukljucivanje.gov.rs/wpcontent/uploads/2016/02/Izvestaj_Indeks_rodne_ravnopravnosti_2016_SRP.pdf

³ <http://www.minrzs.gov.rs/cir/aktuelno/item/4874-strategiju-za-sociojalno-ukljucivanje-roma-i-romkinja-u-republici-srbiji-za-period-od-2016-do-2025-godine>

⁴ http://www.srbija.gov.rs/vesti/dokumenti_sekcija.php?id=45678

⁵ The Law on Cooperatives available at <http://www.parlament.gov.rs/upload/archive/files/cir/pdf/zakoni/2015/3504-15.pdf>

establishment of cooperatives with a minimum of five members compared to previously required ten.

In February 2016, the Government of Serbia adopted the Law on Salary System in Public Sector. The Law represents starting point for defining salary coefficients, which will be determined by bylaws – the same base salary will be determined by the Social and Economic Council every year, and a single correlations range matrix. The Law also introduces General Catalogue of professional titles and jobs under the jurisdiction of the Ministry of Public Administration and Local Self-Government (LSG), adding to transparency of the system.

The Government of Serbia is promoting 2016 as the year of entrepreneurship. The initiative includes a set of measures for boosting entrepreneurial spirit. European PROGRES activities to support youth employment, entrepreneurs, micro and small enterprises, that are approved in the first quarter of 2016, are complementary with the effort of the Government.⁶

The results of a survey⁷ conducted by the World Bank presented in February 2016 indicate that Serbia lacks entrepreneurial spirit. Although 46 percent of surveyed people believe that they have what it takes to start a business, only eight percent are working on it. The surveyed stated that the main reason for the lack of ambition to get into development of private businesses is the high risks involved in business start-ups.

The Department for Contracting and Financing of EU Funded Programmes (CFCU) published the Tender for the Construction of the Waste Water Treatment Plant in Raška. Technical documentation for this project has been developed within the second phase of the Municipal Development Programme in the South West Serbia - PRO2, the Programme funded by the European Union and the Government of Switzerland. The estimated value of works exceeds 7 million Euros. This is another indicator of impacts of the actions funded by the EU and the Government of Switzerland, and implemented in partnership with the Government of Serbia in the south and south west of the country.

Developments

South Serbia

In preparation for the local elections to take place on 24 April 2016 strategic coalitions are taking place across the Programme municipalities. In Svrlijig, a coalition of the United Farmers' Party (USS) and the Serbian Progressive Party (SNS) was formed in a race against two other lists – the Serbian Radical Party (SRS) and the Green Party.⁸ In Aleksinac, the USS - a former SNS ally, aligned with the United Serbia Party⁹ while in Doljevac former Mayor, Goran Ljubić, transferred to the SNS and will be the Party's local nominee in the elections.¹⁰ In Žitorađa, the Mayor Slađan Mladenović was relieved of his duties replacing the SNS with a new ruling coalition – the Social Democratic Party (SDS), the SRS and the New Serbia (NS). The new Mayor, Siniša Ilić, is a former SNS member and in a public dispute with the former mayor, Mladenović.¹¹

⁶ The webpage of the year of entrepreneurship <http://godinapreduzetnistva.rs/Godinapreduzetnistva.aspx>

⁷ The summary of the survey available at <http://www.worldbank.org/en/news/opinion/2016/03/21/thirty-years-and-counting-state-job-still-tops-entrepreneurial-spirit-in-serbia>

⁸ Južnevesti.com [In Svrlijig declared lists of Radicals and Green Party](#) (22 March 2016);

⁹ Južnevesti.com [Members of JS in Aleksinac transfer to USS](#) (19 January 2016);

¹⁰ Južnevesti.com [Međarac prešao u SNS](#) (13 February 2016);

¹¹ Toplickevesti.com [Naprednjaci izbačeni iz vlasti u Žitorađi](#) (19 February 2016);

In Preševo, Bujanovac and Medveđa where Jonuz Musliu, the Albanian National Minority Council (ANMC), and the leader of the Movement for Democratic Prosperity, announced that his Party would boycott parliamentary elections due to treatment of the Albanian minority in Serbia.¹² Bujanovac Mayor Nagip Arifi and the President of the Democratic Party announced that his Party would be open for coalition agreements after the elections.¹³ Three Roma political parties: the Union of Roma from Serbia from Belgrade, the Democratic Union of Roma from Niš and United Party of Roma from Bujanovac signed an agreement to form a joint list for the elections.¹⁴ As in the previous elections Riza Halimi's Party for Democratic Action (PDA) is the only Albanian party to participate in the April Parliamentary elections.¹⁵

There will be four Serbian lists in the upcoming elections in Bujanovac: one led by Serbian Progressive Party (SNS) in partnership with the Serbian Radical Party (SRS), the United Farmers' Party (USS), the Association of Pensioners (PUPS), the Movement of Socialists (PS) and the Citizens' Group "Trajko Trajković"; the second comprising the Citizens' Group "Stojanča Arsić", the Social Democratic Party (SDS) led by Boris Tadić and the Social Democratic Party of Serbia (SDPS) led by Rasim Ljaljić. The third list is a coalition of the Socialist Party of Serbia (SPS), the United Serbia (JS) and the Serbian Renewal Movement (SPO), and the fourth, Democratic Party (DS).¹⁶ In Preševo a coalition "Unique Serbian List - Serbia Wins" was formed by the SNS, the SPS, the Socialist Movement, JS, SRS, SDP, DSS, New Serbia and possibly PUPS.¹⁷

Medveđa is among 14 LSGs that will not take part in the local elections as the Municipality organised extraordinary elections in 2015.¹⁸

The Mayors of Preševo and Bujanovac signed MoUs with the Government of Serbia by which some books from Kosovo, which are aligned with the curricula approved by the Serbian Ministry of Education are being used in the Albanian elementary and secondary schools.¹⁹

Belgzim Kamberi, the Head of Council for Human Rights assessed that despite some positive results the Coordination Body for Preševo, Bujanovac and Medveđa (CB) has not completed the mission of integration of ethnic Albanians.²⁰ The Ministry of Internal Affairs named the first ethnic Albanian Chief of Police in Bujanovac. The Albanian media described the move as a "historical event" and a result of Serbia's European Union integration process,²¹ although ethnic Albanians remain dissatisfied with the low minority representation in the local court and prosecution organs.²²

Jonuz Musliu, the President of the ANMC and the President of Bujanovac Municipal Assembly has been black-listed by the American State Department.²³

In Bosilegrad, the dispute over the ownership of the facility at the petrol station, purchased by a private entity at the public auction in September 2014, has escalated in to political struggle with SNS while leaving the local population without petrol supply since early March.²⁴

¹² Rs.N1info.com Musliu will not take part in the elections (25 March 2016);

¹³ Bujanovacke.co.rs [ARIFI: All post-election coalitions are an option](#) (23 February 2016);

¹⁴ Tittuli.com [The Roma community is taking part in the local elections in Bujanovac](#) (14 March 2016);

¹⁵ N1 [PZDD as independent ticket](#) (28 January 2016);

¹⁶ Okradio.rs [Stone and the nail: Serbia has five ballots!](#) (22 March 2016);

¹⁷ Blic.rs Serbian parties form a Coalition in Preševo (15 March 2016);

¹⁸ Tittuli.com [No local elections will be held in Medveđa](#) (15 January 2016);

¹⁹ Danas.rs [Mogherini to mediate the removal of customs blockade](#) (20 January 2016);

²⁰ Tittuli.com [The Coordination Body has not fulfilled their mission for integration of Albanians](#) (18 March 2016);

²¹ Alo.rs [An Albanian at the helm of Bujanovac police](#) (05 January 2016);

²² Južnevesti.com [Demands for an Albanian president of the court in Bujanovac](#) (18 January 2016);

²³ Politika.rs [Musliju: Its true lve been blacklisted](#) (13 February 2016);

The Coalition of Journalist and Media Associations²⁵ publicly protested against Preševo and Bujanovac administrations claiming that the open calls for co-financing of media projects was biased towards Albanian language media.²⁶ No investors expressed interest in privatising TV Preševo and TV Bujanovac which, under the new Law on Privatization of Local Public Media, will be closed down if the investor is not found.²⁷

The CB has allocated six million Dinars more for the development of the local infrastructure, than in the last year: 114.4 million for Bujanovac, 105 million for Preševo and 36.1 for Medveđa.²⁸

The Financial Times ranked the City of Vranje as the eighth small European city for profitability of investments and the ninth related to the existence of the strategy for foreign direct investments. The City confirmed that support provided through European PROGRES predecessor related to development of planning and technical documentation for the industrial zone as well as establishment of the One Stop Shop contributed to this recognition.

After a consistent influx of refugees through the first quarter of 2016 once Macedonia, followed by Slovenia and Serbia, closed their borders at the beginning of March 2016²⁹ only 670 refugees have been staying in the Refugee Centre in Preševo in the newly reconstructed pavilions.

South West Serbia

The Republic Electoral Commission declared two minority tickets from the South West Serbia - "Party of Democratic Action of Sandžak – SDA – Sulejman Ugljanin" and "Muamer Zukorlić – Bosniak Democratic Community of Sandžak – BDZS".

Muamer Zukorlić, permanently resigned from his position as the Mufti of Sandžak and is now dedicated to his political career as the leader of the Bosniak Democratic Community of Sandžak (BDZS). After a failed attempt of Party of Democratic Action of Sandžak (SDA) and BDZS³⁰ to form pre-election coalition BDSZ is still considering this option for postelection partnership that would also include the Social Democratic Party of Serbia (SDPS).³¹ Conversely SDA stated it will consider postelection coalition with all parties except BDSZ.³² SDPS led by Rasim Ljajić, who also serves as the Deputy Prime Minister and Minister of Trade, Tourism and Telecommunications and SNS are likely to form post-election coalition³³ especially in the municipalities such as Prijepolje where the SNS is unpopular.

The City's SDPS branch agreed the coalition with the Liberal Democratic Party led by Čedomir Jovanović and may expand it with other minor local parties.³⁴ Additionally two groups of Citizens will run in the local election in Novi Pazar - "Novi pokret" ("New Movement") led by the ex-SDP President Rešad Hodžić³⁵ and "Buđenje" ("Awakening") led by Zaim Hadžisalihović.³⁶

²⁴ Bujanovacke.co.rs [Citizens guarding the petrol station](#) (7 March)

²⁵ NUNS, UNS, NDNV, ANEM and PU "Lokal pres"

²⁶ Okradio.rs Protests over Media calls in Preševo and Bujanovac (ss March 2016);

²⁷ Titulli.com [Rrezikohet shuarja e dy televizioneve publike lokale në Luginë \(video\)](#) (28 January 2016);

²⁸ Naslovi.net [Three areas to receive 255,5 million RSD](#) (1 February 2016);

²⁹ Time.com [Slovenia and Serbia close borders to refugees-migrants](#) (09 March 2016);

³⁰ Nezavisne.com [SDA organized a protest rally "Justice for Sandžak"](#) (17 January 2016)

³¹ Radiostoplus.com [Zukorlić: We do not exclude cooperation with SDPS and SDA](#) (27 March 2016)

³² Radiostoplus.com [www.radiostoplus.com, 07/03/2016](#) (28 January 2016);

³³ Radiostoplus.com [SNS and SPS will run together at the elections](#) (24 January 2016);

³⁴ Sandžakpress.net [Ljajić and Jovanović in local coalition \(17 February 2016\)](#)

³⁵ Sandžakpress.net Danas.rs [New Movement will run independently in the local elections](#) (March 2016)

³⁶ Radiostoplus.com [Citizen Association Awakening](#) (14 March 2016);

In Novi Pazar and Prijepolje SNS joined forces with Socialist Part of Serbia (SPS), the New Serbia (NS), the Unified Serbia (JS), the Socialists' Movement (PS) and the Party of United Pensioners of Serbia (PUPS).³⁷ In Priboj, the SNS is expected to get over 50% of votes independently and as high as 75% if coalition with the SDP materialises although the current Mayor, Lazar Rvović, is not likely to serve his third term in the office. The LDP-SDS, SPS, the Sandžak Democratic Party (SDP) and the coalition SDA-BDZ and the Democratic Party will also run in the elections.³⁸ In Sjenica the SDA and the BDZ remain the major contestants for votes. In Nova Varoš, the Serbian Government has appointed interim authority led by the previous Deputy Mayor Ivan Mladenović from the SNS³⁹ replacing the former municipal Mayor Dimitrije Paunović who was appointed the Head of Zlatiborski District.⁴⁰ No pre-electoral coalitions are expected in the municipality, as all major parties (SNS, SDP, and SPS) will compete independently.⁴¹ Similar situation is expected in Ivanjica⁴² and Brus.⁴³

National minority councils in Serbia would be funded from the 2016 budget, with 245 million Dinars of which the Bosniak Minority National Council (BNMC) will receive funding of 26.6 million Dinars.⁴⁴

BNMC protested against the Government's decision to adopt the Action Plan for the Fulfilment of Minority Rights without acknowledging any of the objections or suggested amendments.⁴⁵

BNMC representatives signed an agreement with the Ministry of Education, Science and Technological Development on provision of the schoolbooks in Bosnian noting that this is the first time the missing schoolbooks are provided from the highest level.⁴⁶

The Commissioner for Equality Brankica Janković announced that the Office for Protection of Equality set up in Novi Pazar in 2014 has fallen short of expectations. The raised cases are rare and majority of appeals is related to ethnicity based discrimination.⁴⁷

According to the non-governmental organisation (NGO) Transparency Serbia, the transparency of the City of Novi Pazar and the municipalities of Sjenica and Tutin is below the national average. The assessment of 145 local governments ranked Novi Pazar at 81st, Tutin 99th and Sjenica on 104th position.⁴⁸

The majority of churches and religious communities in Serbia protested against the announced discontinuation of the Religious Studies as a part of school curricula⁴⁹ except the Islamic Community in Serbia which supported the decision assessing that the religion does not belong in schools.⁵⁰ The Minister of Education, Science and Technological Development, Srđan Verbić noted that Religious Studies were not discontinued but rather years it is studied are to be decreased from 12 to four.⁵¹

At a meeting with the Turkish Ambassador, Mehmet Kemal Bozay the President of the Republic of Serbia, Tomislav Nikolić, suggested that Turkey should contribute to the resolution of continuous

³⁷ Radiostoplus.com [SNS expects better electoral results](#), (16 March 2016);

³⁸ Glaszapidnesrbije.rs [Municipal Election Commission approved six electoral lists in Priboj \(20 March 2016\)](#)

³⁹ Zlatarinfo.rs [Nova Varoš: Mayor's resignation accepted \(7 January 2016\)](#);

⁴⁰ Radiostoplus.com [Extraordinary measures in Nova Varoš](#) (28 January 2016);

⁴¹ Zlatar.info.rs [Seven electoral lists in Nova Varoš so far \(22 March 2016\)](#)

⁴² Glaszapidnesrbije.rs [In Ivanjica five electoral lists \(21 March 2016\)](#)

⁴³ Brusonline.com [The second electoral list for upcoming local elections approved in Brus municipality \(24 March 2016\)](#)

⁴⁴ Radiostoplus.com [26.6 million for BNC from the budget \(12 February 2016\)](#);

⁴⁵ BNV.org [European integration as a guarantee of minority rights respect](#), (22 March 2016)

⁴⁶ Radiostoplus.com [Agreement on the procurement of textbooks in Bosnian \(24 March 2016\)](#)

⁴⁷ Radiostoplus.com [Commissioner for Protection of Equality: Novi Pazar Office has not met expectations](#) (29 March 2016);

⁴⁸ Radiostoplus.com [Transparency: Raška ok, Novi Pazar, Tutin and Sjenica near the bottom of the list \(24 February 2016\)](#);

⁴⁹ Radiostoplus.com [Religion against the suspension of religion classes](#) (5 January 2016);

⁵⁰ Meshihat.org [Mufti Dr Melvud Dedić: Laics, religiously and politically acceptable to the Church and political factors](#), (1 February 2016);

⁵¹ Radiostoplus.org [Verbić: I'm not suspending religious classes in schools](#) (7 January 2016);

disputes between two local Islamic Communities (IC).⁵² Following resignation of Muamer Zukorlić as the Mufti of Sandžak⁵³, the Reis of the Islamic Community of Serbia, Adem Zilkić invited Chief Mufti of the Islamic Community in Serbia, Mevlud Dudić to consider the unification of the two communities, suggesting that the IC of Bosnia and the IC of Kosovo join in the talks. Dudić responded that he was ready to talk with Imams who wish to return to the original, legitimate and legal IC but “without interference from domestic or foreign mediators”.⁵⁴ Reis Zilkić assessed this attitude as irresponsible.⁵⁵

According to official data from the Local Employment Action Plan (LEAP), only one out of four able-bodied Novi Pazar residents are employed while in the last five years employment is reduced in all except the public and education sector.⁵⁶

After the general workers strike⁵⁷ in Vehicle Factory of Priboj (FAP) was resolved⁵⁸ the new management was appointed to negotiate with the Serbian military on establishment of vehicles repair centre.⁵⁹ Simultaneously, the “Workers’ Union for FAP Preservation” was formed and supported by the entire striking board of FAP.⁶⁰

Emergency situation was declared on 7 March 2016 in the City of Novi Pazar, Prijepolje, Ivanjica, and Raška.⁶¹ In Prijepolje,⁶² Nova Varoš⁶³ and Ivanjica⁶⁴ floods resulted in significant damages to the electricity network leaving thousands of inhabitants without electricity for several days while majority of uncategorised rural roads suffered extensive damage. In Raška over 30 houses and crops were seriously affected by the floods.⁶⁵ In Priboj several landslides have been activated the entire urban area suffered residential building basements flooding.⁶⁶

⁵² Radiostoplus.com [Bozaj: No new proposals for the reconciliation of Islamic communities \(8 January 2016\)](#);

⁵³ Radiostoplus.com [Muftija never again](#) (14 March 2016);

⁵⁴ Radiostoplus.com [Dudić ready to talk with Zilkić](#) (22 March 2016)

⁵⁵ Danas.rs [Disputes in the Islamic Community continue](#) (29 March 2016)

⁵⁶ Radiostoplus.com [Every fourth economically active citizen has a job](#) (11 February 2016);

⁵⁷ Priboj033.com [FAP Priboj talks with Government fail, only one salary, general strike still on \(19 February\)](#)

⁵⁸ Priboj033.com [End of FAP strike](#) (03 March 2016);

⁵⁹ Blic.rs [Ranko Vuković is a new FAP general manager \(15 March 2016\)](#)

⁶⁰ Glaszapadnesrbije.rs [The strike leader in FAP goes to politics \(25 March 2016\)](#)

⁶¹ Slobodnaevropa.org [Novi Pazar: cleaning up after floods](#) (23 March 2016);

⁶² Glaszapadnesrbije.rs [Prijepolje proclaims emergency situation](#) (10 March 2016);

⁶³ Zlatarinfo.rs [Problem with electricity in Prijepolje](#) (07 March 2016);

⁶⁴ Telegraf.rs [Ivanjica proclaims Emergency](#) (07 March 2016);

⁶⁵ Radiostoplus.com [Raška proclaims emergency](#) (07 March 2016);

⁶⁶ Telegraf.rs [Priboj landslides initiate emergency](#) (07 March 2016);

Progress towards achieving objectives and results

The Programme advanced in Q1 2016 although a bit slower than planned, primarily due to winter holiday hiatus. Out of 29 Programme activities, 22 or 76% have been progressing in accordance with the plan, four or 14% are moving forward with manageable delay, introduction of local infrastructure scheme enables work on good governance, while two activities that encompass provision of technical assistance to the CFCU managed actions must be revisited as initially envisaged approach is not feasible due to accumulated delays.

At the end of Q1 2106, European PROGRES has contracted 217 projects out of which 164 or 76% are implemented through grant methodology, while the remaining 53 are directly executed by UNOPS, the implementing partner.⁶⁷ Twelve projects were completed in this quarter, which brings the number of finished actions to 27 (12%).



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

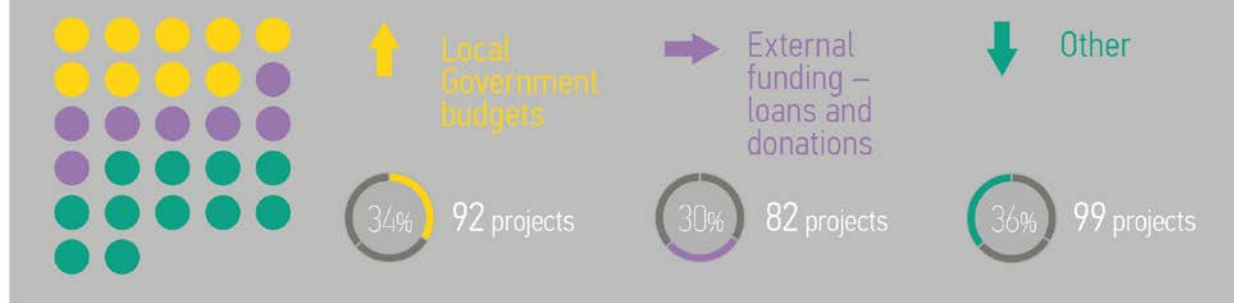
With the Programme's technical assistance (TA), ten LSGs finalised work on development of Capital Investment Plans (CIPs) and additional five updated their CIPs for 2016-2020 period. Fifteen CIPs include 273 projects with total value of over 304 million Euros. Out of 273 projects, 154 refer to communal infrastructure, 81 social infrastructure, whereas 38 tackle economic development issues. Vlasotince is the first participating LSG whose Assembly adopted the Plan. The Plans are complementary to Programme Budgets adopted in the same 15 LSGs, and these two tools should contribute to establishment of systematic approach in multi-year planning of budget and development of documentation needed for implementation of the projects.

⁶⁷ UNOPS is the owner of the project and usually hires consultancies needed for the completion of a set of activities, in accordance with organisational rules and regulations.

Distribution of capital projects by type



Distribution of capital projects by source of funding



Sixteen grants for improvements of local taxpayers' registries led to registration of over 30,000 objects owned by some 22,000 taxpayers out of which 5,500 are registered during this quarter. The intervention enabled six month employment for 71 persons that were engaged by the 16 beneficiary LSGs to conduct the census. In addition to the previously completed four grant agreements, nine more are closed during the quarter. The thirteen completed grants should increase local tax income by 33.5 million dinars or 274,000 Euros in the first year upon completion of the projects.

The evaluation⁶⁸ of the first two trainings designed to enhance Good Governance (GG) capacities in LSGs demonstrated that 95% of participants considered the training as relevant for their work, especially for contributing to greater accountability, transparency, efficiency and openness of municipalities. When it comes to accountability, results from the first training show that municipal employees identify as problems lack of functional authority at the regional level, which influences great number of delegated and original tasks, especially in municipalities with low capacities. In addition, insufficient inclusion of LSGs by national institutions in the development of strategies and laws, as well as resistance in implementation of sanctions to identified irregularities.

In the area of gender responsive budgeting (GRB), nine municipalities have allocated funds of over RSD 4.5 million for gender equality and economic empowerment of women in their budgets for 2016.

⁶⁸ The training report and evaluation results are presented in the Annex I, Attachments 1.6 and 1.7.

Result 2

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

European PROGRES Programme Steering Committee (PSC) on 1 March 2016 approved the Call for Proposals (CFP) for Local Infrastructure Projects, for which the European Union and the Swiss Government earmarked the indicative amount of 1.5 million Euros. The social infrastructure projects aimed at improving the living conditions of vulnerable groups and the social services extended to them, environmental infrastructure projects aimed at improving waste water treatment, energy efficiency and reducing pollution and economic infrastructure projects aimed at improving the local business environment are expected to improve the lives of people living in South East and South West Serbia.

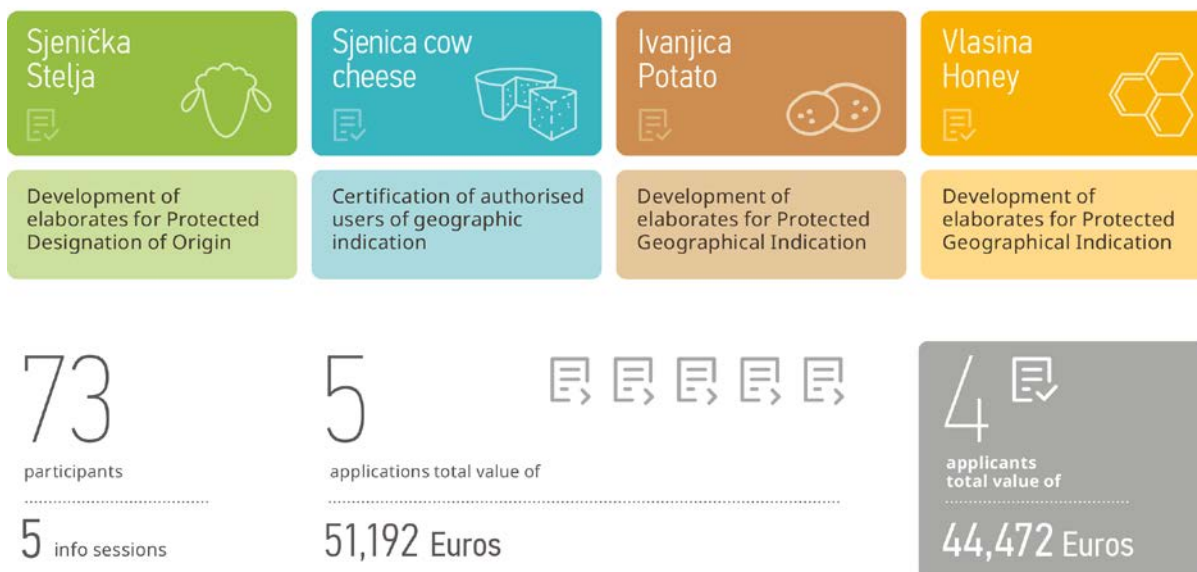
Twenty-two international quality and food safety standards are being introduced as approved by the PSC. The projected results of certification include an average 17% increase in turnover and creation of 120 new jobs in the three-year period.

Introduction of international quality and food safety standards



The PSC at the March meeting also approved four awards and additional one contingent on availability of funds for provision of support for protection of geographic indication (GI). This support will create condition for business growth of 842 direct producers and addition 500 manufacturers of raw materials.

Protection of geographic indication



Result 3

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

The Programme's social inclusion activities have continued to contribute to employment and economic empowerment of vulnerable and marginalised groups, rural development, prevention of human trafficking and integration of migrants and returnees, as well as to better inclusion of Roma children into in the education system. Through CIF projects only, eight women were employed full time, 13 persons have been temporarily hired (six persons with disabilities, seven women), and 26 persons have been economically empowered (18 women, two Roma, six young people).

In Bujanovac and Surdulica, CIF projects enabled creation of three jobs for women through self-employment in services such as sewing, laser engraving, and printing. In Vladičin Han and Trgovište, 16 unemployed women acquired knowledge about business running and were supported in procurement of greenhouses and plants for production of peppers, which encouraged them to create two associations and expand their business in the market. The sale of pepper products will increase income of 16 women and their families (a total of 73 indirect beneficiaries) by 60%.

In Vladičin Han, the Association of Roma Intellectuals organised more than 700 additional classes and workshops for 75 pre-school and school Roma children in order to include them in educational system. Within the same project, re-integration of around 20 Roma families, migrants and returnees under readmission agreement, was supported through organisation of workshops on their legal rights, re-integration into society and business start-ups. In Vranje, the project contributed to strengthening of capacities of existing local mechanisms for prevention of migration and human trafficking and increased of knowledge of youth and media on the subject through series of trainings, activities and media reports.

Other projects in the field of social inclusion starting to yield results. Efforts to improve learning of Serbian as non mother tongue through provision of teaching Assistants to primary schools in Preševo

and Bujanovac showed initial effects: by the end of February, the second test cycle was held which, according to available data, demonstrated that knowledge of Serbian language had improved greatly, as well as communication between students of IV and VII grades, where there are Assistants.

The Programme's research about cooperation of Civil Society Organisations (CSOs) LSGs included 41 organisations and 22 municipalities. The findings show there are positive trends in terms of establishment of partnerships between two sectors as well as positive contribution to local community. However, there is indication that weak capacities of some CSOs and political influences hinder better cooperation.⁶⁹

Result 4

Effects of Serbia's European accession communicated to general public

The Programme continues to generate visibility for donors as over 250 affirmative media reports⁷⁰ were accurately listing the support provided by the European Union (EU) and the Government of Switzerland support. Comparing to the same reporting period of the predecessor EU PROGRES, the media coverage, both national and local, has recorded twofold increase⁷¹ while in comparison with the same reporting period in 2015, there is a 30% growth in coverage. This is primarily the result of the mature implementation stage and wealth of activities to promote but also of introduction of several additional CFPs (e.g. local infrastructure).

Furthermore, a significant growth has been recorded in the national media coverage. Thirty percent increase in national media reports has been registered in the previous period comparing to the fifth quarter of EU PROGRES. The interest of the national media (Radio Television of Serbia, Fonet, Tanjug) has been attracted mainly by the topics of economic and social importance i.e. improving efficiency of local tax administrations, enhancing local economy competitiveness, social inclusion and creating new jobs).

The above also indicates that European PROGRES raises public awareness of some important social themes, such as inclusion of vulnerable or reducing unemployment, while linking them with the European support. This is one of the key communications objectives and the Programme will enhance promotion of activities in the context of European integrations.

European PROGRES coverage in the media



1,149

Since the beginning
of the Programme

255

January - March 2016

⁶⁹ The Report on the CSOs and LSGs cooperation survey is available in the Annex III, Attachment 3.2

⁷⁰ The overview of media coverage is available in the Annex IV, Attachment 4.1

⁷¹ The fifth quarter EU PROGRES (Jan-March 2012) – 120 reports, 31 national media. The fifth quarter European PROGRES - 255 reports in total and 99 national reports

Activities and outputs

Result 1

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

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

Development of Capital Investment Plans (CIPs) for 2016-2020 was finalised. During the quarter, ten individual visits to LSGs were organised with total 70 participants (24 women or 34% and 46 men or 66%) from 15 beneficiary LSGs taking part in workshops. Development of CIPs included strong citizens' participation component. All participating LSGs have conducted various activities engaging the citizens in the process, ranging from street promotions, information sharing through local community offices, and citizens' assistance centres to promotional events held in youth and Local Economic Development (LED) Offices. Over 20,000 leaflets with information on CIP projects were disseminated and according to preliminary reports, feedback is obtained from over 3,000 citizens.

Out of 16 grant agreements for improvement of the taxpayers' registries, nine were completed during the Q1 2016, in total 13 finalised projects. The key component of the intervention, conduct of the census of taxpayers and property which lasted for an average period of six months, is completed in all 16 beneficiary LSGs. Administration of databases with the newly acquired information is being finalised in three remaining LSGs, Crna Trava, Gadžin Han and Prijepolje, and these projects should be completed in the Q2 2016.

Assist municipalities in setting up urban planning conditions for infrastructure development

Out of 21 beneficiary LSGs, 15 completed procurement and signed contracts with the developers of the Detailed Regulation Plans (DRPs). The early public viewing, which is a mandatory step in development of DRPs, was finished in five LSGs⁷² with European PROGRES technical assistance. The public procurement is ongoing in Bujanovac, Blace, Babušnica, Lebane and Raška⁷³.

Seven LSGs⁷⁴ from 11 that received grants adopted Decision for the Establishment of the Geographic Information System (GIS), which is the legal act that enables sustainable development of this tool. Preparation of tenders for the procurement of the GIS related services and equipment is ongoing in Prokuplje, Sjenica, Leskovac, Raška, Preševo and Novi Pazar, while the remaining municipalities with the Programme's expert support work on preparation of procurement documentation.⁷⁵

Together with two beneficiary LSGs, Leskovac and Merošina, the Programme presented its work on GIS at the Annual Meeting of the GIS Network of the Standing Conference of Towns and Municipalities (SCTM), held in Belgrade on 24 February 2016.⁷⁶

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

Within the fourth, and the last training on the management and administration of the International Federation of Consulting Engineers (FIDIC) contracts, the implementing partner, the Association of Consulting Engineers of Serbia (ACES) conducted six two-day sessions in February and March 2016.

⁷² Leskovac, Vranje, Surdulica for two DRPs, Knjaževac and Novi Pazar

⁷³ The overview of the status of grants for development of DRPs is available in the Annex I, Attachment 1.3

⁷⁴ Bela Palanka, Merošina, Novi Pazar, Raška, Sjenica, Surdulica and Vranje

⁷⁵ Overview of the status of grants for development GIS projects is available in the Annex I, Attachment 1.4

⁷⁶ The European PROGRES Presentation at SCTM GIS Network is available in Annex I, Attachment 1.5

The aim of this module was to help the participants gain confidence in working with the FIDIC contract documents as project managers and contract administrators.

All of the 101 designated beneficiaries from 34 LSGs, (41% women and 59% men) attended the trainings. An additional training was organised for 20 beneficiaries (ten women and ten men) from the SEIO, the CFCU, and European PROGRES.

The Terms of Reference for the delivery of trainings to 34 LSGs about the basic rules and procedures for contracts in the Practical Guide to Contract Procedures for EU External Actions (PRAG) is prepared. The trainer will be engaged from April 2016 to October 2016.

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

With the expert support from the Swiss Backstopper for Good Governance, the second training for enhancing Good Governance (GG) capacities in LSGs was held on 2-4 March 2016 and was attended by 23 municipal representatives (eight women and 15 men).⁷⁷ The training included three segments: presentation of participants' homework on accountability, introduction of efficiency principle, and case study analyses. The introduction of efficiency principle included considerations of how municipal tasks are funded and accomplished, budgetary system, external and internal procedures, administration and logistics.

The presence of the Swiss Backstoppers was also used for development of plans for organisation of the third training on principle of transparency, which will be held in June. Draft reform packages⁷⁸ for conduct of GG municipal reforms were prepared based on results of Local Governance Assessment Study, where recommendations were made for interventions in those municipalities whose results were below average. The more intensive presentation of packages to municipalities will be organised after the elections.

1.5 Institutional development of local gender equality mechanisms

CfP for support to Local GEMs, which will be published after the local elections, was approved at the PSC meeting in March 2016. The objective of the CFP is to re-affirm the role of local GEMs in the implementation of activities envisaged by the Local Gender Equality Action Plans, which would enhance gender-related issues in local communities.

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

Following feedback from the PSC, the proposal for continuation of cooperation with the UN Women on gender equality will be strengthened to include status analysis, methodology for the establishment of local women parliamentarian networks, criteria for selection of beneficiary LSGs, and revised budget. The revised project will be resubmitted to the PSC for consideration at the next meeting that is planned for May 2016.

1.7 Gender responsive budgeting

This activity has been completed by introduction of gender responsive budget practices in nine municipalities. European PROGRES, with support from UN Women will monitor and report on effects of the activity.

Result 2

⁷⁷ The report on the training is available in the Annex I, Attachment 1.6

⁷⁸ Draft reform packages, as well as proposal for presentation to municipalities is provided in the Annex I, Attachments 1.8 and 1.9

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

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

An assessment of capacities of LSGs to implement the new Law on Planning and Construction and improve their business environment, was conducted in February 2016. The results show that LSGs need training about implementation of the unified procedure for issuance of building permits, expert support for internal reorganisation in some cases, while part of the LSGs need additional technical equipment. The Programme plans to address the needs of LSGs through a three-tier intervention, which includes specialised trainings for LSG employees and representatives of communal companies, provision of technical assistance for internal re-organisation and systematisation, and procurement of technical equipment.

The Programme visited all 34 municipalities to introduce the Competitiveness Portal. Ten LSGs appointed administrators that will be responsible for collection of competitiveness data and their entry into the Portal. While the data entry system is fully functional, the parts of the Portal, which will be visible to the public, will be finalised by end May 2016.

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

The implementation of grants⁷⁹ for the main designs advanced: all 40 beneficiary LSGs completed concept designs (ten during this quarter), one extension of time has been approved⁸⁰, and eight grants have been closed⁸¹.

Following the November 2015 PSC approval of the South and South West Serbia Anti-erosion and Flood Protection Project valued at 745,833 Euros, the Programme signed the MoU⁸² with the beneficiary Public Water Management Company Srbijavode (PWMC Srbijavode), in February 2016. The tender documents for the procurement of technical documentation for the construction of the anti-erosion protection of Jablanica, Pčinja and Vlasina Rivers watersheds and the General Design with Pre-feasibility study for South Morava flood protection are prepared in cooperation with the beneficiary. The estimated value of projects related to development of technical documentation is 215,833 Euros.

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

The Department for Contracting and Financing of EU Funded Programmes (CFCU) is reviewing the tender packages for Vranje Hospital and Novi Pazar Emergency Ward. The Programme responded timely to two additional requests from the CFCU and the SEIO to further clarify parts of tender dossiers. In parallel with this Vranje City initiated the procurement for the works on the Vranje Hospital yard infrastructure, as part of the co-funding to this project.⁸³

The South and South West Serbia Anti-erosion and Flood Protection Project, in addition to technical documentation noted in the Activity 2.2, includes construction of anti-erosion structures on the

⁷⁹ The overview of the progress of grants for the development of technical documentation is available in the Annex II, Attachment 2.1

⁸⁰ One grant in Priboj Municipality

⁸¹ Two grants in Žitoradja, two grants in Raška, and one grant in Gadžin Han, Prijepolje, Priboj and Babušnica

⁸² The MoU with PWMC Srbijavode is available with the European PROGRES

⁸³ <http://portal.ujn.gov.rs/Dokumenti/JavnaNabavka.aspx?idd=1035725>

critical sections in Raška, Pusta Reka and Trgoviški Timok watersheds. The construction works are estimated at 530,000 Euros. The tender documentation for works on Pusta Reka watershed is prepared for advertising in early April 2016. The beneficiary PWMC Srbijavode with the Programme's support, works with the local authorities to provide the building permits for the works on Trgoviški Timok and Raška River watersheds. Advertising for the two is planned for early May 2016.

2.4 Technical assistance for implementation of grants for local infrastructure projects

The CFCU sent the request to 25 LSGs to submit full applications for 30 projects, which passed the evaluation of concept notes in February 2016.

Considering the issues with delays in the grant scheme for local infrastructure, visibility aspects, and feedback from the beneficiaries, European PROGRES developed the CFP for the local social and economic infrastructure projects worth 1.5 million Euros, which was approved at March 2016 PSC. The Call was published on 15 March 2016 and closes on 6 May 2016⁸⁴. Information sessions were held on 30 and 31 March 2016.⁸⁵

The CFP for local infrastructure projects is divided into two lots: the first comprises social infrastructure projects, such as the construction or reconstruction of educational, health and cultural institutions, sports facilities, projects aimed at improving the living conditions of vulnerable groups, as well as environmental infrastructure projects, including actions improving waste water treatment, energy efficiency, and reducing pollution. The value of the individual projects may range from 30,000 to 100,000 Euros; the second lot comprises economic infrastructure projects, with the individual project value between 30,000 and 200,000 Euros.

For both lots, the LSGs are obliged to provide co-funding ranging between 10% and 49% of the total project value.

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

Upon introduction of grant scheme for local infrastructure projects that will be managed by UNOPS pre-conditions for work on this activity have been created. In addition, efforts will be put to link good governance with infrastructure projects that will be supported through the CFCU, as much as applied regulations and implementation dynamics allow.

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

Preparation of plan for two workshops on vertical coordination and communication between LSGs and state authorities in the area of environmental protection and social protection is in progress. In order to ensure participation and quality discussion, the workshops will be organised in May, after the general elections.

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

The CFP for provision of technical support for establishment of public-private partnership (PPP) was conducted between 20 January and 8 March 2016. Three info sessions emphasising importance of good governance aspects of the PPP projects were held in Novi Pazar, Vranje in January with participation of 25 representatives from 14 LSGs, out of which 8 or 32% were women and 17 or 68% were men. Three applications were received, evaluation completed, and recommendations will be presented to the PSC for

⁸⁴ The application documents are available on the European PROGRES website:

<http://www.europeanprogres.org/pozivi/en/>

⁸⁵ Overview from the Information sessions will be provided in the next report

consideration at the next meeting in May 2016.

Despite higher interest and support to PPP, even from municipal leadership, LSGs submitted three applications. The Programme's analysis indicates that immaturity of PP projects, limited experience and expertise in this field, insufficient human resources, and early start of pre-election campaign reduced the number of applications. European PROGRES, however, signalled high risks with this activity, and the number of applications should enable the Programme to meet its target. In addition, the Programme's preparatory activities brought closer the concept of PPP to LSGs and facilitated generation of quite a few ideas that could become viable projects in the future.

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

Thirty eight applications were received in response to the CFP for Introduction of International Quality or Food Safety Standards. The PSC endorsed recommendations provided by European PROGRES and supported introduction of standards into 22 enterprises.

Eight international standards are to be introduced: ISO 9001 (Quality Management System) in ten SMEs, HALAL in three SMEs, IMS (Integrated Management System) and HACCP in two SMEs each, and BRC (British Retail Consortium), ISO 22000 (Food Safety Management System), Global GAP (Good Agricultural Practices), RAL GZ 422&1 (German standard for prefabricated materials), and FSSC (Food Safety System) 22000 in one company each. Terms of References needed for hiring of consultancies that will prepare the SMEs for introduction of standards are finalised and procurements will start in April 2016.

Implementation of the cluster projects is underway. 'Stara Planina Tourism Cluster' participated in Belgrade Tourism Fair and presented its offer using promotional materials developed under the grant. Eighty-seven people out of which 37 or 42% were women and 50 or 58% men underwent trainings in rural tourism, marketing and gastronomy. 'South Serbia Fruit Cluster' completed the energy efficiency audit in three pilot SMEs and conducted three trainings on energy efficiency technologies in food processing industry with 18 participants with equal number of women and men. 'Pešter Agro Cluster' installed equipment for production of Kajmak and developed a rulebook for the equipment usage. 'Prijepolje Textile Cluster' is conducting research of German market and initiated development of promotional materials. 'NP Shoes Cluster' still registers delays in implementation but has taken measures to make up lost time. Recruitment of an international consultant to conduct shoe design trainings is underway.

The Programme continued cooperation with the USAID funded Sustainable Local Development Project (SLDP) in support of the wood processing sector in Serbia. An action plan for provision of support to the sector is being developed by two experts – national expert engaged by the European PROGRES and an international expert engaged by SLDP. A promotional event for the intervention was held in March backed by the Serbian Chamber of Commerce who was a host and the Development Agency of Serbia (DAS). The acting Director of DAS and the Director of Industry and Agriculture Division from the Chamber of Commerce participated in the forum together with more than 50 representatives of LSGs and businesses. A Letter of Intent jointly signed by the DAS, the Chamber of Commerce, SLDP, EP and 46 LSGs was delivered to LSG representatives. Eight out of 20 Programme LSGs supporting the initiative participated at the event.

In line with the approved Programme's modifications, the CFP for Enhancement of Competitiveness through Creation of Jobs in the Private Sector has been developed. The activity will help the Micro, Small, and Medium Enterprises (MSMEs) to enhance productivity, open new jobs (preferably for vulnerable), and to contribute to wellbeing of the community through adoption and implementation of corporate social responsibility (CSR) measures. The CFP was approved by the PSC on 1 March 2016 and will be

published in April 2016.

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

The Programme completed evaluation of five applications that were received in response to the CFP for Support for Protection of Geographic Origin. The PSC approved funding of four proposals: Sjenička stelja, Ivanjica potato, Vlasina Honey, and Sjenica cow. It also supported the fifth proposal, if funding becomes available due to lower actual costs of four approved projects.

European PROGRES also evaluated 45 received applications for the CFP for Provision of Support to Agricultural Producer Groups (APGs). Taking into account high interest of the APGs for the Call, the PSC endorsed recommendation to include 32 applicants (20 associations and 12 cooperatives) in the first phase of activity that include trainings and a study tour to a selected EU country. In this way the original target to support 15 APGs has been exceeded. Process for engagement of retainers for conduct of trainings is initiated.

2.10 Support to women entrepreneurship

Procurement of equipment for the support to 45 selected women entrepreneurs⁸⁶ through business start-up was initiated in January.⁸⁷ The following processes have been conducted:

- Three contracts with suppliers were signed
- Four tenders are in evaluation stage
- Twelve tenders were published
- One set of equipment delivered to the beneficiary (speech therapy equipment)
- Seven tenders are being prepared and will be published in April.

Three women from Prokuplje (wood processing), Leskovac (design services) and Vranje (hair salon) withdraw their applications due to personal reasons, resulting in a total of 45 women that will be supported. It is expected that by the end of July, all equipment will have been delivered to beneficiaries.

Result 3

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

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

The Citizens' Satisfaction Survey will be conducted in Q2 2017.

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

The Law on Free Legal Aid was not adopted yet, although announced in late 2015 by the Ministry of Justice, and it won't be in the procedure before the elections in April. The Programme will reconsider approach to this activity.

Sandžak Committee for Human Rights has provided free legal aid for 157 beneficiaries (92 men and 65 women) from Novi Pazar, Tutin and Sjenica. Beneficiaries of free legal aid were the elder,

⁸⁷ Procurement plan available in the Annex II, Attachment 2.2

members of national minorities, Roma, Albanians, and victims of violence. The support was provided in exercising the rights to obtain personal documents, filing of communication documentation, abuse of right on social housing etc. The project ended in March 2016.

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

The Programme is finalising approach for implementation of the vocational training activity through an on-the-job training subvention programme. The approach envisages two parallel application processes – for the companies and for the unemployed.

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

The Centre for Social Policies (CSP), the consultancy selected for implementation of this activity, began to collect data in 34 European PRGRES municipalities about employment and social protection in January. Due to low response from some municipalities and lack of cooperation of local National Employment Service (NES) branches, the process took longer than planned. With the support of the Ministry of Labour, Employment, Veterans and Social Affairs, the Programme sent a letter to the NES in order to request from their local offices to provide the requested data. This effort was effective and the data collection process have been successfully continued after this intervention.

During this quarter 32 LSGs completed the questionnaires and submitted the required information.⁸⁸ The questionnaire comprised analysis of institutional capacities, and of planning and implementation of local employment policies. The preliminary results show that most municipalities have strategic documents, financial reports, and procurement plans, but on the other hand, they have inadequate governance systems, lack of cooperation between local institutions, lack of capacity and services.

All the data will be supplemented and used for further analysis and preparation of the Assessment Report, in the next quarter. The Report will include five chapters: demographic data, institutional capacities in 34 municipalities, labour market, including the assessment for employment of marginalised and vulnerable groups, and social welfare. The Centre has also developed software for data entry and processing, which will be completed and put into function in the next quarter.

Music Art Project in collaboration with Roma Cultural Centre initiated implementation of project on social inclusion of Roma children in School of Music “Stevan Mokranjac” in Vranje. So far 30 teachers passed the accredited seminar on values and methods of work with socially vulnerable children, while 15 Roma children were included into the orchestra and chorus with their peers. The first joint concert was held on 25 March in Vranje.

YUROM Centre has installed 44 fire extinguishers in 22 Roma settlements in ten municipalities⁸⁹, thus providing fire protection for approximately 30,000 Roma living in these settlements. Educational campaign started by distributing leaflets about the prevention of fire in Roma settlements, and there is an ongoing process of mobilisation of volunteers who will participate in the establishment of fire protection stations (brigades).

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

Following the adoption of the Strategy for Inclusion of Roma 2016 – 2025 in early March 2016, European PROGRES had consultations with the Ministry of Labour, Employment, Veterans, and Social Affairs, the Ministry of Construction, Traffic, and Infrastructure, the Social Inclusion and

⁸⁸ The first progress report of this activity was submitted by the Centre for Social Policies (CSP) and is available in the Annex II, Attachment 3.1

⁸⁹ Žitorađa, Prokuplje, Kuršumlja, Leskovac, Bojnik, Lebane, Vladičin Han, Surdulica, Vranje, Bujanovac.

Poverty Reduction Unit, the Roma National Minority Council, and Roma NGOs about ways in which the Programme could support implementation of the measures from the document.

Earlier, on the basis of the draft Strategy, European PROGRES developed criteria for the CFP for Piloting of Measures from the Strategy that were approved by the PSC in March 2016. The Programme will, however, reconsider and enhance the approach in order to incorporate inputs received during consultations and provide maximum support to localisation of the national policy in this field.

Preparations indicate that the Programme should focus on providing technical assistance to LSGs, strengthening capacities of the Roma civil society organisations, and facilitating coordination regarding Roma inclusion activities between national and local governments, within Vertical Dimension of Good Governance. The approach will be presented to the donors and the PSC.

The PSC also approved the public call for the Support to Youth Self-Employment⁹⁰ through Business Start-Ups. Support to employment of youth through awarding of grants for business start-up was advertised on 28 March and will be open until 11 May 2016. The Programme will support up to 20 start-up businesses in the area of manufacture, information technologies and food processing industry, with maximum of 10,000 Euros, but not less than 2,500 Euros per project. In order to present the Call criteria conditions, the Programme will hold seven informative sessions in April in South East and South West Serbia.

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

The beginning of this activity is planned for the first half of 2016, when meetings will be held with the representatives of local governments and Healthcare Centres in the selected municipalities in order to assess needs for procurement of medical equipment for addressing women health.

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

The Government of Serbia Coordination Body for Municipalities of Preševo, Bujanovac and Medveđa has sent a proposal for this activity, whose main objectives is development of local strategies for culture in the three municipalities, capacity development of key staff members of local cultural institutions and improvement of existing relations between different ethnic communities. Also, the proposal suggests establishment of local working groups for this project, organisation of public debates and peer review meetings during a study tour.

The proposal will be discussed and finalised with the Coordination Body to ensure sustainability of the intervention and complementarity with possible action in other multi-ethnic LSGs.

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

Out of 20 approved projects supported in the first cycle of CIF, six were completed during this reporting period, and 13 in total. The projects from Nova Varoš and Gadžin Han recorded delays longer than two months and their contracts have to be extended. After this extension the six remaining projects are in the final phase. One CIF project was previously cancelled.

⁹⁰<http://www.europeanprogres.org/konten/sr/409/Poziv-za-dostavljanje-predloga-projekata-za-podrsku-samozaposljavanju-mladih-kroz-dodelu-bespovratnih-sredstava-za-pokretanje-poslovanja/>

The second CFP for the Citizens' Involvement Fund (CIF)⁹¹ was approved at the March PSC meeting and advertised on 21 March. Four information sessions on CFP criteria will be organised for potential applicants during first half of April.

3.9 Support young people from Albanian community to learn Serbian language

The implementation of project that provided six teaching assistants were in four elementary schools in Bujanovac and Preševo to provide support to the teachers of the Serbian as non-mother tongue successfully advanced. The initial assessment of the results indicate that pupils, especially lower grades, are making satisfactory progress.

Based on the so far results, the Coordination Body for Bujanovac, Preševo and Medveđa submitted a request for the project extension for one year. The Programme is considering options to extend the project.

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

Truck for collection and disposal of waste has been delivered to the Public Utility Company in the Preševo as a part of the Programme's support to for maintenance of sanitary and hygienic conditions in the Preševo Centre for Reception of Migrants and Refugees.

Result 4

Effects of Serbia's European accession communicated to general public

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

Visits and events

Three high profile events were organised. On 18 February the Swiss Development Cooperation (SDC) Director and the Delegation of the European Union (DEU) Head of Operations III attended the garbage truck handover to the Preševo Public Utility Company "Moravica" and then visited the Preševo Migration Centre. The visited generated close to 30 media reports in local and national media while highlighting the European Union and the Swiss Government's contribution to the mitigation of the impact that the refugee crisis had on local communities. The Eighth Programme Steering Committee (PSC) was held in Bela Palanka on 01 March in the presence of close to 60 participants, including eight mayors. The Forum "Positioning Serbia as a country exporting solid wood furniture", prepared in cooperation with the USAID funded Sustainable Local Development Project (SLDP) that took place on 3 March in Belgrade, was attended by over 60 participants, including 46 LSG representatives, as well as the representatives of the business community and the central Government. The event generated close to 50 media reports contributing to awareness raising of the competitiveness of local economy themes.

Media work

Six press releases were circulated and generated over 230 media reports in the national, regional and local media.⁹² The Programme Manager's Interview was published on the regional portal Jugpress.com and on the Fonet news agency website in written and video form in February 2016.

The digital media engagement has significantly improved comparing to the previous reporting periods. Namely the Programme's website attracted average of 3,420 unique visitors with 19,751

⁹¹<http://www.europeanprogres.org/konten/sr/399/Poziv-za-dostavljanje-predloga-projekata-za-grantove-Fonda-za-ucesce-gradjana/>

⁹² The report on European PROGRES media coverage is available in Annex IV, attachment 4.1

registered visits which is an increase of 40% since the previous quarter and approximately by 106% and 142% respectively comparing to the same period of EU PROGRES. The portal is regularly updated with the relevant content and undergoes document and link checks. The tenders and public calls remain the most visited pages on the website.⁹³

The Programme has increased its social media usage for the promotion of the European Union and the Government of Switzerland's support to the Programme areas.⁹⁴ The number of Facebook followers has increased close to 160% with 1,825 Page likes at present, and number of followers on Twitter has nearly doubled to 153. Subsequently, 39 Facebook posts reached as many as 56,586 people and 36 Tweets were regularly retweeted by various beneficiaries, including the DEU Ambassador and the popular EU Info Centre. In addition, 15 out of 43 Tweets on UNOPS Serbia Twitter were about European PROGRES, while two of the Programme Tweets were pronounced as "Tweet of the week" by the EU Info Point.

Additionally the **Fourth Programme Newsletter** published on 30 March, covered all key achievements from the previous quarter and was directly distributed to close of 2,500 stakeholders in the Government, media and non-government sector through email and Facebook where alone the Newsletter reached 12,500 people in its first three days since publishing.

Additionally almost 40 media stories promoted the Programme's activities aimed at inclusion and employment of the most vulnerable. The CIF project "Take Care" (in Romani language "Arak Tut"), implemented by the YUROM Centre from Niš, received the most extensive national and local media coverage after the DEU Ambassador shared the news via his personal Twitter account.

Three new public calls announced (local infrastructure, CIF, and support to youth self-employment) generated 80 positive media reports. Additionally, all relevant stakeholders, among others the SEIO, the Coordination Body for Preševsko, Bujanovac and Medveđa, the Social Inclusion and Poverty Reduction Unit (SIPRU), the Office for Cooperation with Civil Sector and Ministry of Finance - Year of Entrepreneurship 2016, promoted the news on their official websites.

Tools and visuals

The Programme produced visual materials to promote Calls for Proposals for Women Entrepreneurship, Support to Agricultural Producer Groups, the second CFP for CIF and for Support to Youth Self-employment.

Five Programme thematic factsheets – Gender, Health, and Education and two on Support to Roma minority have been produced. Additionally, to improve transparency, the info-sheets on the results of the conducted Calls for Proposals have been created and published on the website.⁹⁵

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

Implementation of the Internal Communication Strategy continued and several key tools relevant for internal and external communication have been developed or updated including Manual, Briefing tool kit, Event calendar and Overview of all EU PROGRES and European PROGRES Projects.⁹⁶

⁹³ EU PROGRES vs. European PROGRES March 2012/2016: The average number of unique visitors 1,660/3,420 in March 2012; Overall amount of visits to the website 8,107/ 19,696

⁹⁴ A spreadsheet detailing all channels of media coverage is available in the Annex IV, Attachment 4.1

⁹⁵ [European PROGRES website – results page](#)

Mid-term Communication Strategy evaluation is underway. Desk review, the online survey and in person interviews have been conducted. The final report will be published by the end of April.

Number of visits to the Programme website



77,808

.....
Since the beginning of
the Programme

19,751

.....
January - March 2016

4.2 Implementation of advocacy/awareness campaigns in partnership with civil society with attention to European values
Desk review of key materials, potential partners and relevant statistics has been made and the SEIO and the DEU communications counterparts consulted in identifying topics for the campaign. The first, internal draft of the Campaign TOR was created and will be distributed and further developed early in the second quarter of 2016 followed by the Public tender to select implementing partners.

⁹⁶ All newly developed tools are available with European PROGRES

Management and coordination

Programme Steering Committee

The eight PSC meeting was held in Bela Palanka on 1 March 2016 and, among other, resulted in the approval of the Quarterly Report 1 October – 31 December 2015.⁹⁷ The next PSC meeting is planned for April/May 2016.

Finance

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

- The delivery for the reporting period is 554,551 Euros
- The delivery of the Programme as of 31 March 2016 is 5,912,104 Euros or 33.86 % of the Programme budget
- The forecast delivery for quarter two of 2016 is 1,281,352 Euros

It is planned that the fifth instalment of 720,000 Euros from the SDC is requested in April 2016, while the third tranche of 4,630,981.58 Euros from the DEU is planned to be requested in June 2016.⁹⁸

Procurement

During the reporting period a number of calls and proposals have been advertised: one tender exceeding the estimated value of 50,000 USD; 22 tenders in the range from 5,000 USD to 50,000 USD; 12 shopping procedures below 5,000 USD; three Calls for Proposals were advertised. The following tenders were executed successfully and contracts concluded:

- Contract for purchase of jewellers and watchmakers' equipment in support of women entrepreneurship was signed and goes as planned
- Contract for purchase of equipment for production of hose line for drip irrigation system for women entrepreneurs signed and goes as planned
- Contract for purchase of six project vehicles, in line with the Programme Agreement and the Budget, for European PROGRES signed and goes as planned.
- Contract for printing of leaflets for Capital Investments Plans signed and goes as planned

There have been no formal complaints on any of the conducted procurement processes.

The following CFPs were advertised:

- CFP 1/16 - Provision of support for establishment of PPP
- CFP 2/16 - Local Infrastructure Projects
- CFP 3/16 - Citizens Involvement Fund

⁹⁷ The draft Minutes of the PSC meeting held in Bela Palanka will be available at <http://www.europeanprogres.org/biblioteka/sr/43/Zapisnici-sa-sastanaka-Upravnog-odbora/>

⁹⁸ The figures provided in this section are indicative while the final ones will be provided by UNOPS in the certified financial statement.

Human resources

The Programme has worked on yearly recruitment plan, assessing and identifying human resources requirements to align them with the work plans. In this respect, total of 15, predominantly short-term consultant positions, have been identified. The rational use and engagement throughout the year will be followed closely and aligned with the particular activities that require specific expertise. In response to current ongoing activities, Programme engaged Hardwood Furniture Resources Analyst and Technical Consultant for Geographic Information System.

Programme personnel completed performance reviews for 2015 and established individual performance related objectives for 2016 based on which their engagement, contribution and results achieved with European PROGRES will be monitored and evaluated throughout the year.

In parallel with the establishment of performance objectives, personnel worked on the assessment of learning needs and trainings available from the UNOPS corporate funds. Except for the assessment and planning, no training took place during quarter one of 2016.

Office Locations and Security

No security issues or threats to the Programme's personnel, assets or premises were recorded. The March floods did not endanger any of the Programme's office or personnel.

Information Communications Technology

During the reporting period the following is to be reported under ICT:

- Vranje office has been provided with NAS server, which acts as LAN file storage and backup
- Repair and regular check-up of office copiers in Niš and Vranje offices has been performed
- Offices in Niš, Vranje and Novi Pazar have been provided with copies of Belgrade server shared copy. Update of the content is planned on bi-weekly basis
- Regular maintenance of hardware equipment and network infrastructure in Niš office performed in cooperation with on-call IT support
- Vranje and Novi Pazar offices visited as part of ICT support

Risks and issues

The following provides insight into the risks that have materialised and into those newly identified:

- The risk of delayed implementation of the Programme as a result of the elections on national and local level that are scheduled for 24 April 2016 remains high. The Programme monitors developments enabling the Programme to stay on top of the situation and will be ready to quickly (re)establish relations with (newly) elected municipal leaders. If establishment of municipal structures is prolonged after the elections affects any activity significantly Programme will inform the PSC and ask directions. For example, support to PPP activity requires functional Municipal Assemblies and their approval to the project.
- In addition, activities on enhancing GG capacities and institutional development of GEMs might be affected due to potential change of municipal GG and GEMs contact persons after the local elections. The Programme will keep close contact with municipalities to stay aware of potential change of GG contacts and Gender Council members and to make sure LSGs are aware of the potential consequences on the Programme activities if the change occurs.
- One of the key European PROGRES' risks in terms of magnitude of impact – delay in implementation of the CFCU managed grant scheme for local infrastructure proposals – is still active. The CFCU scheme moved from the concept to full application phase but overall delay exceeded nine months. Introduction of the separate grant scheme for local infrastructure will enable conduct of good governance activities and on-job FIDIC training. The scope for provision of TA will have to be reduced or time extension approved.
- The Programme identified a risk of LSGs associating European PROGRES procedures/methodology with the CFCU managed scheme. This could make lead to rejection of some applications since the CFCU grant scheme is a separate and implemented in accordance with PRAG rules. The Programme communicated to LSGs that applications should be prepared in line with CFCU CFP criteria.
- In approximately ten percent of the media reports the Programme name is cited falsely as “EU PROGRES”. This is attributed to shortening the full name to fit the title rather than unfamiliarity with the Programme as the rest of the articles in the same media predominantly use the name correctly. The Programme will continue to inform or educate the media representatives about the Programme and the donors' contribution. After some initial interventions, the situation has improved towards the end of Q1 2016.
- A risk of LSGs questioning the bigger infrastructure projects selection that is done based on suggestion from the national level was noted. LSGs feel they are not well informed by the national level on the lists of large infrastructure projects they are using for selection. At the last meeting, the Programme Steering Committee Chairperson provided detailed information on the process and the lists used for selection.
- The risk of slow procedures of the Republic Directorate for Waters that might slow down issuance of the conditions necessary for the Programme activities on Flood protection project was noted. Regular contacts with Republic institutions have resulted in issuance of conditions within the expected timeframe.

The Risks and Issues Register⁹⁹ 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

UNOPS Assurance

European PROGRES underwent two UNOPS RSPC project assurance exercises, one on 19 January and the second on 30 March 2016. The assurances reconfirmed that European PROGRES's performance was healthy while the actions, especially after amendments, remain relevant. Progress in the Q1 2016 was slower than planned, primarily due to January and February hiatus and the Programme was requested to take measures to enhance deliver in the Q2 2016.

Maturity

Within efforts to enhance project management practices European PROGRES conducted periodic Stakeholders Analysis and efforts were put to enhance risk and issue management procedures.

Sustainability

The Programme continued to apply principles that are the foundation of sustainability: grant methodology that gives ownership over the activities to the beneficiaries remains the Programme's approach; activities are embedded into relevant national and local development policies and this will remain the approach throughout the implementation. Continues efforts are put to consult relevant national institutions. For example, criteria for supporting MSMEs have been developed in consultation with the Ministry of Economy. Sustainability is one of key evaluation criteria in newly approved CFPs.

Cross-cutting issues

In January the Programme formally introduced the Functional Diagram (FD) as a tool for ensuring Good Governance (GG) would be embedded in all of its activities, wherever meaningful and pertinent. Although these processes and procedures were already in place and in actual use, the formal promulgation of the FD provided basis for further strengthening of this approach across the Programme.

Specific guidelines on how to meet GG requirements in terms of necessary processes, expected outputs and outcomes, were provided and particular interventions were made when Terms of References (ToRs) and public Call for Project Proposals (CFPs) were developed for Municipal Infrastructure Projects, development of Public Private Partnerships in the municipalities, Capital Investment Planning, Programme Budgeting and support to Micro and Small Enterprises.

The necessary support was provided in embedding Gender Equality and Social Inclusion aspects as well, by providing concrete inputs and guidelines when developing the above mentioned ToRs/CFPs, but also in the cases of Citizens Involvement Fund, supporting youth through start-up grants for self-

⁹⁹ The Risk and Issues Register is available in Annex V, Attachment 5.1

employment, piloting implementation of the measures from the Strategy for Social Inclusion of Roma in Serbia, or support to local Gender Equality Mechanisms.

Lessons learned

There were six new lessons identified in this quarter and the Programme continued to actively implement lessons identified in the previous period far in order to monitor their success rate. Out of 29 lessons in the Log, the recommendation was applied and the action completed for 18 of them. Following is the overview of lessons implemented in this quarter:

- During the Call for Proposals for Women entrepreneurship, the application package did not consist the checklist of all documents that needed to be supplied in order for application to qualify for the next round of evaluation process. This prolonged the administration checking of all applications and even made difficult for applicants to properly prepare the supporting documents. Within the CFP for Youth entrepreneurship the checklist of needed documentation has been included as a part of the application package.
- Audio equipment used during Programme Steering Committee Meetings and regular Programme events may not be sufficient when a highest level event is taking place, especially if the function is expected to generate high media interest. The programme has to pay special consideration in these cases and ensure the equipment provider is adequately informed on the needs.
- Hard copies of press releases are sometimes not prepared for the event, but distributed after the event, preventing timely transfer of information to wider audience. Hard copies should be prepared before the event in future, when possible, and distributed to media representatives during the event.
- Visibility of small items is important. If one donates a chair, a bed, or similar, ensure visibility, in line with the requirements.
- High municipal officials are sometimes not aware of an event taking place at their municipality, which leads to misunderstandings and lack of attendance of those officials at the events. The highest municipal officials and their associates need to be informed of the event in a timely manner, as well as direct and indirect beneficiaries of the action.
- In order to attract more national media attention, Project Steering Committee press releases should be focussed on the overall amount of funds set aside for certain action, rather than on the action only.

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

Work plan

European PROGRES Work Plan for the period from 1 January – 31 March 2016 is available in the Annex V, Attachment 5.3. The following are the key milestones for the upcoming reporting period:

Result 1

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

- Activity 1.1 Capital Investment Plans for 2016-2020 period adopted by local assemblies in the remaining 14 beneficiary LSGs; implementation of 16 grants for improvement of the taxpayers' registries completed
- Activity 1.2 Monitor public procurements and implementation of grants for development of GIS and DRPs
- Activity 1.3 Start PRAG and Public Procurement Training for LSG representatives
- Activity 1.4 Deliver third GG Training on Transparency and presenting GG Reform Packages to the municipalities
- Activity 1.5 Publishing Call for Support to Local Gender Equality Mechanisms
- Activity 1.6 Finalisation of the project proposal for local women MPs networking

Result 2

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

- Activity 2.1 Initiate assistance to LSGs in application of the unified procedure; populate the Competitiveness Portal with data from all 34 LSGs
- Activity 2.2 Contract development of technical documentation for flood prevention and anti-erosion on Jablanica, Vlasina and Pčinja, and general design for Južna Morava.
- Activity 2.2 Close twenty grants for development of technical documentation for local infrastructure
- Activity 2.3 Follow up publishing of tenders for works for Vranje Hospital and Novi Pazar Emergency Ward regional infrastructure projects (through CFCU)
- Activity 2.3 Contract flood prevention and anti-erosion works on Pusta reka. Publish procurement of flood prevention and anti-erosion works on Raška River.
- Activity 2.4 Close Public Call for Local infrastructure projects and conduct evaluation of the received applications.
- Activity 2.6 Organise two workshops: environmental protection and social protection
- Activity 2.7 Contract consultancies for technical assistance to the three PPP projects
- Activity 2.8 Contract services for implementation of international standards; Conduct CfP for micro and small enterprises
- Activity 2.9 Contract services for geographic origin certification
- Activity 2.10 Contracting and procurement for women entrepreneurship projects

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 Concept for implementation of CAS activity prepared
- Activity 3.3 Design approach and obtain PSC endorsement for the vocational training
- Activity 3.4-3.5 Monitor implementation of the activities; training and evaluation completed of the Call for Support to Youth Self-Employment; Training and evaluation completed of the Call for Support to Roma CSOs
- Activity 3.8 Prepare the second Citizens' Involvement Fund Call for Proposals
- Activity 3.7 Concept for implementation of activity prepared
- Activity 3.8 Evaluation completed of the Second Call for CIF
- Activity 3.9 Monitoring implementation of the project

Result 4

Effects of Serbia's European integration communicated to general public

- Activity 4.1 Organise at least three high profile functions; distribute the fifth issue of the Newsletter; finalise the Municipal Profiles; produce the new set of promotional material (the second batch)
- Activity 4.2 Finalise the TOR in consultation with the key stakeholders, advertise and select consultancy for and commence implementation of the first phase of the campaign

Annex VI - Progress against indicators in logical framework matrix

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

Objectively verifiable indicators	Progress during the reporting period	Overall status
<p>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.</p>		
<p>Serbia's ranking in the World Bank's Doing Business Report improves for at least five places</p> <p>Serbia's ranking in the Global Competitiveness Report improved for at least five places</p>	<p>Serbia's ranking in the World Bank's Doing Business Report has improved by nine places in 2016¹⁰⁰, with the rank of 59 compared to 68 in 2015.</p> <p>Serbia's ranking in the Global Competitiveness Report 2014-2015 has improved by seven places, currently being positioned as 94th compared to 101st in 2013-2014.</p>	
<p>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.</p>		
<p>Overall investments in infrastructure increased by at least 10% on annual basis</p> <p>At least five new investments in industry until the end of the Programme</p> <p>Export of SME sector increased by at least 5% until the end of the Programme</p> <p>Enabled employment of at least 1,500 people as the result of (in)direct</p>	<p>CIF and tax administration projects generated eight full time jobs and over 80 temporary employments.</p>	<p>Projects for tax administration, clusters, detailed regulation plans, introduction of quality standards, women, and youth entrepreneurship, support to MSME, and partnership actions of civil society and LSGs should produce economic outcomes. There is a need to identify economic projects that would facilitate investments and opening of significant number of jobs.</p>

¹⁰⁰ The Doing Business Report for 2016 has been published in October 2015.

activities within the Programme		
Result 1: Strengthened local governance, planning and management capacities through introduction of new, or improvement/elimination of existing procedures and processes in line with the principles of good governance		
Activity 1.1.1 At least 50% municipalities participating in the Programme introduce Capital Investment Planning, by the end of the Programme implementation (baseline 2014: 23%) ¹⁰¹	Ten workshops on finalisation of Capital Investment Plans held. Five Capital Investment Plans updated and ten developed for the 2016-2020 period.	European PROGRES provided technical assistance (TA) to 15 LSGs in development of the Capital Investment Plans (CIPs). The group includes ten new LSGs and five that were assisted through the predecessor programme, EU PROGRES. Fifteen CIPs developed of which one is adopted by the local Assembly.
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) ¹⁰²	Programme budgets for 2016 in the 15 beneficiary LSGs have been adopted.	European PROGRES provided technical assistance to the 15 LSGs (ten new and five previously assisted through EU PROGRES) in development of Programme Budgets for 2016. All 15 LSGs adopted PBs.
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 ¹⁰³	Nine more grants for improvement of the taxpayers' registries were completed, over 1,500 new taxpayers registered.	The Programme provided grants for 16 projects worth 154,000 Euros for improvement of the taxpayers' registry. Thirteen grant agreements are completed. Tax registry for over 30,000 objects is updated, with over 10,000 new taxpayers registered and additional 12,000 taxpayers updated.
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) ¹⁰⁴	Seven LSGs ¹⁰⁵ adopted the decision about establishment of GIS. One LSG – Prokuplje conducted procurement of GIS equipment.	The CfP for development of GIS was opened from May to August 2015. The PSC in November approved 11 projects and Grant Agreements were signed in December 2015. Implementation progress in accordance with the plan.
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.	15 LSGs contracted the development of DRPs. The early public viewing completed in five LSGs.	The Call was open until 7 April 2015. The PSC approved 21 applications for the development of 31 DRPs. Grants were issued in September 2015. The implementation of activities is ongoing, Contracts are signed in 15 LSGs and early public viewing completed in five LSGs.

¹⁰¹Baseline Study on Competitiveness, EU PROGRES, 2014

¹⁰²Baseline Study on Competitiveness, EU PROGRES, 2014

¹⁰³LTA Office Annual Reports

¹⁰⁴Obstacles to Infrastructure Development, EU PROGRES, 2013

¹⁰⁵Bela Palanka, Merošina, Novi Pazar, Raška, Sjenica, Surdulica and Vranje

<p>Activity 1.3 By the end of the Programme in all European PROGRES' municipalities monitoring and evaluation mechanisms established for infrastructure projects, FIDIC contract modality is preferred model, and training programmes on FIDIC established within the Serbian Chamber of Engineers</p>	<p>Six two-day FIDIC trainings for module 4 conducted, for the total of 102 beneficiaries from 34 LSGs.</p>	<p>The Association of Consulting Engineers of Serbia (ACES) was selected to deliver the trainings on the International Federation of Consulting Engineers (FIDIC) contract modality. The two year training is delivered to 102 municipal employees, 62 men and 38 women, from all 34 LSGs, and five representatives from the SEIO and the CFCU, three women and two men. All envisaged theoretical training is delivered, while the second phase includes on the job assistance.</p>
<p>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</p>	<p>Second training on principle of efficiency organised for designated local officials. The Backstoppers mission organised in parallel with the training and used for planning of the next session on transparency.</p>	<p>The Local Governance Assessment of the 34 municipalities is finalised. The results were used for development of local governance reforms that will be conducted in at least five LSGs. The MoU for GG interventions at local level is signed. Two trainings on GG to LSGs delivered, and GG reform packages drafted.</p>
<p>Activity 1.5 Local gender equality mechanisms (GEM) established and local action plans for the work of the gender equality mechanisms (GEMs) adopted in all European PROGRES municipalities by the end of 2015. At least 30 GEMs successfully implemented grants provided through European PROGRES and contributing to advancement of gender equality issues by the end of 2016. At least two thirds of municipalities provide funding for the activities of local GEMs by the end of the Programme. Baseline: 31 GEMs established and two municipalities appointed gender equality officers, 23 European PROGRES' municipalities developed Local Gender Action Plans¹⁰⁶</p>	<p>The implementing partner is preparing the Final Report which will be submitted in April 2016.</p> <p>Call for Proposal for support to local GEMs approved by PSC in March and it will be published after the local elections in April 2016.</p>	<p>A total of 34 municipalities strengthened through provision of mentorship and advisory support for improvement of local GEMs and launching of gender-related initiatives at the local level. Two new local GEMs established, resulting in 34 local GEMs in total. Six LAPs adopted, resulting in 30 LAPs in total. Thirty two municipalities signed European Charter.</p>
<p>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</p>	<p>The initial project proposal will be refined and sent for consideration at the next PSC in May.</p>	<p>The start of intervention is planned after the local elections in April 2016.</p>
<p>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.</p>	<p>In January study visit to Novi Sad was organised with participation of 25 representatives of local GEMs, for exchanging experiences on gender mainstreaming through introduction of GRB.</p>	<p>Nine municipalities introduced Gender Responsive Budgeting and allocated app 4.5 million RSD for gender-related activities. Four municipalities introduced GRB through different municipal budget lines, ensuring gender mainstreaming within the budget.</p>

¹⁰⁶Baseline Study on Competitiveness, EU PROGRES, 2014

Baseline: three municipalities have performed budget and local policy analyses from gender perspective ¹⁰⁷		
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Result 2 Increased competitiveness of local economy through improved business environment and management/organizational capacities of SMEs/agricultural cooperatives		
Activity 2.1 Total competitiveness index increased by at least 10% in all Programme municipalities by the end of the Programme, or at least 25% in one of the sub-indexes regarding: the Capacity of Local Community to Manage the Community's Resources and Potentials, Economic Policies, Strategies and Measures, Financial Capacities of the Public and Private Sectors ¹⁰⁸	Capacities of the 34 Programme LSGs to implement the revised construction and planning policy in application of the unified procedure are assessed. Competitiveness Portal is introduced to 34 Programme LSGs and population of data initiated.	The amendments of the Law on Planning and Construction introduced unified procedure for issuing construction permits, including for e-permitting, which delayed the European PROGRES intervention. The Programme is developing ToR for provision of trainings and technical assistance to LSGs to support implementation of the unified procedure in line with identified needs in LSGs. The e-permitting system is operational. The Competitiveness Portal is being revised to serve as a tool for tracking LSG competitiveness. Beta version of the Portal is issued.
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	11 municipalities hired design companies; ten concept designs have been finished; one extension has been approved; eight grants have been closed. Four tenders published for development of technical documentation for the anti-erosion protection of watersheds of Jablanica, Pčinja and Vlasina Rivers and the General Design with Pre-feasibility study for South Morava flood protection.	The CfP for Development of the Main Designs was advertised in December 2014. In February 2015, the PSC approved 40 projects (out of 53 applications) for the development of the main designs for local infrastructure. The Programme's contribution is up to 538,000 Euros. Out of 40 Grant Agreements signed with the LSGs in May 2015, in eight LSGs all activities are completed. In November PSC approved the South and South West Serbia Anti-erosion and Flood Protection Project. MoU with Water Management Company Srbijavode signed and four tenders published.
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	European PROGRES responded to request for assistance from the LSGs in development of applications for infrastructure CFP managed by the CFCU.	Upon September 2014 PSC approval, European PROGRES support operations of the Joint Technical Secretariat of the IPA Cross-border Programme Serbia-Montenegro (CBC SRB-MON). The grant is completed and contributed to increased number of applications the South West Serbia in response to the CBC SRB-MON CfP.

¹⁰⁷ Baseline Study on Competitiveness, EU PROGRES, 2014

¹⁰⁸ As identified in the World Bank's Doing Business in Serbia 2014 ranking

Activity 2.3 At least one priority inter-municipal project implemented by the Programme completion	Tender for anti-erosion works on Pusta Reka River basin published.	The contract for the construction of Bujanovac Department of Subotica Economics Faculty was signed in January 2015. The construction and equipping of the facility was completed in September, usage permit obtained, and doors opened to students in October 2015. PSC in November 2015 approved anti-erosion protection on Raska River and Pusta Reka River basins infrastructure projects estimated at 450,000 Euros.
Activities 2.3 and 2.4 Works supervision services provided to the CFCU as contracting authority for the priority infrastructure project implemented by it	European PROGRES provided further clarifications and improved tender dossier specifications upon SEIO and CFCU requests. Tender dossiers adjusted to PRAG January 2016 edition.	Two projects of regional importance that will be implemented by the CFCU identified. The November 2015 PSC approved projects for finishing the construction and equipping of the Vranje Hospital and for the construction and equipping of the building for emergency services in Novi Pazar Health Centre. Tender dossiers prepared and shared with the SEIO and the CFCU in December 2015.
Activities 2.3 and 2.4 Technical assistance provided to the SEIO and the CFCU in preparing, launching the Grant Scheme and in monitoring its implementation	The CFCU invited LSGs whose concept notes passed evaluation to submit full applications by 21 March 2016. The Programme's initially planned TA during the grants implementation will have to be amended, as it is not feasible during the Programme's lifespan.	Despite Programme's timely TA, the CFCU advertised the Call for Local Infrastructure Projects only in March 2015, five months later than originally planned. As further delays were registered, provision of initially planned TA is not feasible during the life cycle of European PROGRES. Therefore, extension of the Programme should be considered.
Activity 2.4 Support provided for development of at least 12 and up to 34 local and at least one inter-municipal infrastructure projects that are submitted for funding to the CFCU Call for Proposals	European PROGRES responded to request for assistance from the LSGs in development of applications for infrastructure CFP managed by the CFCU. CFP for local infrastructure projects published on 15 March 2016. Deadline for submission of applications is 6 May 2016.	European PROGRES organised initial information sessions for LSGs to present the CFCU Call and supported LSGs in development of concept notes. All 34 Programme LSGs and Vranjska Banja as one of the city municipalities responded to the call with submission of 52 Concept Notes. LSGs whose concept notes passed to the next phase, were requested to submit full applications by 21 March 2016. February 2016 PSC approved 1,5 million Euros worth CFP for local infrastructure projects
Activity 2.5 Comprehensive assessment study completed with recommendations for all municipalities, through relevant departments, to develop and adopt criteria and procedures to assess advantages and disadvantages of providing a service with own capacities or outsourcing it to the private sector/other entity, by the end of Programme and implementation supported	The development of municipal governance reforms has continued and will be finalised in the Q2 2016.	Initial concepts for development of municipal governance reforms were prepared in Q4 2015 and will be finalised in the Q2 2016, when the implementation of municipal governance reforms will start.
Activity 2.5 All projects are organised with clear responsibilities in the procurement, contract management, monitoring and evaluation; at least 20 new local policies and/or	Introduction of scheme for local infrastructure projects that will be managed by UNOPS opens space for initiation of this activity. In parallel, the programme will monitor progress of the	The approach for applying GG aspects of the municipal infrastructure projects has been developed. Its implementation should start after the CFCU announces the Call for Full

<p>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</p>	<p>CFCU grant scheme and integrate GG as appropriate and feasible.</p>	<p>Project Applications, which has been delayed for nine months. Implementation of this activity is not feasible within the current dynamics. In response, European PROGRES will suggest implementation of a separate local infrastructure grant scheme that would enable conduct of GG intervention and the Programme extension should be considered.</p>
<p>Activity 2.6 At least three impediments in vertical coordination between the Government of Serbia and the local self-governments addressed or resolved by the end of the Programme, through regular, structured and thematic consultations with the relevant ministries and institutions, and in cooperation with the SCTM, thus positively impacting accountability, transparency, effectiveness, and efficiency of LSGs</p>	<p>Plan for organising two workshops, one on environmental protection and the other on social protection is being developed. Consultations held with relevant organisations and institutions. The workshops will be held in May.</p>	<p>This activity was divided into two main topics, in accordance with was agreed with the SCTM and the SIPRU: Topic 1 will be implementation of environmental Law and accompanying regulations at local level, and Topic 2 will be implementation of Law on Social Care.</p>
<p>Activity 2.7 At least two PPP models developed and implemented by the end of the Programme</p>	<p>The Call for Provision of Technical Support for Establishment of Public-Private Partnership is closed and evaluation of received application completed, recommendations for the PSC prepared. Three info sessions underlining importance of good governance aspects in PPP projects are held.</p>	<p>Two PPP technical experts recruited to support implementation. Public Call for provision of technical support for establishment of PPP projects is conducted, trainings and info sessions held.</p>
<p>Activity 2.8 At least 30 SMEs introduced international quality or food safety standards (ISO 9000, HACCP, Global GAP, etc.) and organised in at least two new clusters and/or cooperatives</p>	<p>The PSC approved 22 awards under the Public Call for Introduction of International Quality or Food Safety Standard (ten ISO 9001, two IMS, two HACCP, three HALAL and one ISO 22000, BRC, RAL-GZ, Global GAP and FSSC 22000 standard). ToRs for implementation of activities are being finalised.</p>	<p>The Public Call for Introduction of International Quality or Food Safety Standards was conducted and beneficiaries selected.</p>
<p>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</p>	<p>The twenty-two SMEs are selected through a transparent process and criteria set for certification and recertification.</p>	<p>The Public Call for Introduction of International Quality or Food Safety Standards including the QMS certification was approved by the PSC in July 2015. Twenty-two SMEs are approved for funding under the Public Call.</p>
<p>Activity 2.8 At least 20 SMEs, member of clusters, introduced innovation or use innovative market development techniques, until the end of the Programme.</p>	<p>Implementation of five cluster projects underway and in accordance with the plan for four grantees whereas the NP Shoes cluster suffers minor delays which are being addressed</p>	<p>Following October 2014 PSC approval, European PROGRES conducted the Call for Provision of Support to Clusters in Common Market Approach and Introduction of Innovations. In April, the PSC approved five projects for funding in the amount of 145,000 Euros. Grant agreements issued and are being implemented.</p>

Activities 2.9 and 3.10 At least 30 agricultural producers, members of the cooperatives, use new techniques and technologies in the production until the end of the Programme	The PSC in March endorsed the Programme recommendations to include 32 agricultural producer groups in capacity building activities that will include a study tour to a selected EU country.	The Public Call for Provision of Support to Agricultural Producer Groups (APG) conducted and PSC in March approved selection of 32 beneficiaries of the first, capacity building phase selected. In the second phase, APGs will have the opportunity to submit proposals that will compete for funding.
Activity 2.9 At least three traditional agricultural products registered or certified with the Protected Designation of Origin mark and Protected Geographical Indication in the Programme AoR increased by at least 50% until the end of the Programme (baseline 2014: eight products with Protected Designation of Origin) ¹⁰⁹	The PSC approved four awards under the Call for Provision of Support for Protection of Geographic Origin. ToRs for implementation of activities are being finalised.	The Public Call for Provision of Support for Protection of Geographic Origin was conducted and beneficiaries selected.
Activities 2.10 and 3.10 At least 80 new jobs for women, resulting from provision of at least 40 start-up business grants, by the end of the Programme	Procurement of equipment was initiated in January: 12 tenders were published; four tenders in evaluation stage; three contracts with suppliers were signed; one set of equipment delivered to the beneficiary	The CFP approved in April 2015 and advertised in June. Seven sessions held in March-April 2015 to announce the CFP were attended by 422 participants (405 women and 17 men). Nine training sessions for drafting of business plans held, benefitting 147 female participants. The CFP closed in July 2015, 137 applications received, evaluation completed and the PSC supported funding of 48 proposals.
<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>		
Activities 3.4 and 3.10 Employment and social inclusion action plans, targeting equally both genders, developed and integrated in the medium term municipal budget planning in all European PROGRES municipalities by the end of the Programme (baseline 2014: four municipalities with Social Inclusion Strategies) ¹¹⁰	First Progress Report submitted; Desk and field research is going according to plan. Music Art Project included 15 Roma children in musical educational programme and 30 teacher passed the accredited seminar on methods for work with socially vulnerable children. YUROM Centre project has installed 44 fire extinguishers in 22 Roma settlements in 10 municipalities.	The implementing partner contracted. Support will be provided to the LSGs to assess the needs of vulnerable and marginalised, to review, create and/or update relevant local policies, to build capacities of relevant local institutions, and then to pilot new policies. The intervention will offer start-up grants to local vulnerable and marginalised.
Activity 3.5 At least 50% of unemployed Roma are included in active labour market measures by the end of the Programme (baseline 2013: 38%) ¹¹¹	A part of this activity is incorporated in the approach for the activity 3.4. Public Call for Support to Youth Self-Employment approved by the donors, PSC on 1 March, and published on 28 March and it will last until 11 May. The Programme is consulting national	A part of this activity is incorporated in the approach for the activity 3.4. Public Calls for Piloting Measures from Roma Inclusion Strategy and for Support to Youth Self-Employment approved at the PSC meeting in March.

¹⁰⁹Serbian Intellectual Property Office (2014) *The List of Indications of Geographical Origin Registered in the Intellectual Property Office* Available at: <http://www.zis.gov.rs/intellectual-property-rights/inidications-of-geographical-origin/list-of-igo.91.html> (1 February 2014)

¹¹⁰Baseline Study on Competitiveness, EU PROGRES, 2014

¹¹¹Report on Employment of Roma, Ministry of Labour, Employment and Social Welfare, Belgrade, 2013

	institutions, Roma NMC about ways to support implementation of the Roma Inclusion Strategy 2016-2025.	
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.	Six CIF projects completed. Public Call for CIF 2 was published on 21 March and it will last until 4 May.	During the first CIF CfP, 77 applications were received from 32 municipalities. In December 2014, the PSC approved 20 projects for funding in the amount of 397,765 Euros, contributing to social inclusion and employability of vulnerable population. Twenty projects contracted, 14 completed, and implementation of five is underway. Public Call for CIF 2 approved at the PSC meeting in March.
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 ¹¹²	No activities were planned during this period.	The Citizens' Satisfaction Survey will be conducted in Q2 2017.
Activities 3.2 and 3.10 Citizens' Advisory Services provided in eight municipalities, to at least 1,000 people during the Programme implementation; sustainability ensured by at least four municipalities providing budget for running costs after the Programme ends, documented by a relevant municipal decision	Law on Free Legal Aid not adopted despite announcement. Therefore, the Programme will reconsider approach to this activity in Q2 2016. A total of 157 beneficiaries (92 men and 65 women) received free legal aid on exercising the rights to obtain personal documentation, appeals etc. The truck for collection and disposal of waste has been delivered to the Municipality of Presevo.	The Programme will reconsider the Citizens' Advisory Service activity as the current approach may not be aligned with the announced legal framework. Activity will be revised in Q2 2016. The migration activity has been re-routed to provide for the unprecedented influx of refugees and migrants from the Middle East, in accordance with the Donors' requests.
Activities 3.3, 3.5, and 3.10 At least 100 unemployed successfully completed vocational trainings organised by the end of Programme and sustainable follow up courses in place beyond the duration of the Programme to increase the employment chances of participants in trainings	Concept for implementation of the vocational training activity is being finalised.	The Programme examined Skills Gap Analysis and the National Survey of Employers in Serbia and identified the training needs for the shoemakers, sewers, electric welders, carpenters, plastic processors, machinists etc. The Programme is developing approach for implementation of the activity.
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 ¹¹³	No activities were planned during this period.	Initial preparations (such as consultations with line experts) have been finalised. Assessment will start in early 2016.

¹¹² 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

¹¹³ The assessment of needs of the medical centres will enable the Programme to establish the baseline indicators for the evaluation of the increase in efficiency that will be organised at the end of the Programme

Activity 3.7 At least four cultural centres in multi-ethnic municipalities (e.g. for intercultural music, theatre and art productions) upgraded	No activities were planned during this period.	The Coordination Body for Preševo, Bujanovac, and Medveđa submitted concept for this activity. The approach will be developed in Q2 2016.
Activity 3.9 Up to 400 young and unemployed citizens of Serbia of Albanian ethnic origin in areas covered by the Programme improve Serbian language skills during the Programme implementation ¹¹⁴	Six teaching assistants continued with realisation of the project. Second test cycle was held which demonstrated that knowledge of Serbian language has been improved significantly among pupils that benefit from the action. Coordination Body for Bujanovac, Preševo and Medveđa submitted request for extension of the project for one year.	The implementing partner for engaging the Teaching Assistants in four elementary schools in Preševo and Bujanovac teaching Serbian as a non-mother tongue has been contracted. Six Teaching Assistants started their assignment. The textbooks, teachers' manual and auxiliary educational materials have been delivered to 16 elementary schools in Preševo, Bujanovac and Medveđa.
Result 4: Effects of Serbia's EU accession communicated to general public		
Percentage of citizens that associate European integration with lower unemployment and better living conditions, as well as with ordered state and impartial administration increased by 10% by the end of the Programme. ^[1]	<p>Key outputs/outcomes:</p> <ul style="list-style-type: none"> • Three high profile functions/visits organised including the eight PSC in Bela Palanka • Six press releases prepared • Five comprehensive briefing notes prepared • Over 250 positive media reports have been generated • The fourth issue of European PROGRES newsletter distributed • 33 tweets and 35 Facebook posts • One interview organised • Internal communication tools including Communication Manual, Briefing tool kit, Event calendar and Project tables developed and updated regularly • A new set of promotional material developed for four Calls for Proposals • Five thematic and eight info factsheets developed 	<p>Key outputs/outcomes:</p> <ul style="list-style-type: none"> • Communications Strategy developed • Fifteen high profile visits organised, six Ambassadorial • Twelve large events organised • Four high profile interviews and 18 statements for the media organised • 41 comprehensive briefing notes prepared • 41 press releases prepared • 1,130 positive media reports have been generated • Four issues of Newsletter distributed • Website developed and updated • Twitter and Facebook accounts launched and utilised regularly • Art competitions for European PROGRES' Calendar 2015 and 2016 successfully organised • Three sets of promo materials produced
Two advocacy/awareness campaigns promoting European values conducted within the Programme implementation	The approach is being reconsidered and will be presented in the Q2 2016.	In December 2014, the PSC approved the concept for the first campaign that primarily aimed to promote economic aspects of European integrations. The offers received in April 2015 tender didn't meet the criteria. The approach is being reconsidered and will be presented in the Q2 2016.

¹¹⁴This indicator will change to incorporate findings and recommendations of the Coordination Body Feasibility Study

^[1]As indicated in the findings of the Citizens' Satisfaction Survey 2017 and compared to 2013 Citizens' Satisfaction Survey results