



**Executive Board of the  
United Nations Development  
Programme and of the  
United Nations Population Fund**

Distr.: General  
15 March 2010

Original: English

---

**Annual session 2010**

21 June to 2 July 2010, Geneva

Item 6 of the provisional agenda

**Country programmes and related matters**

**Draft country programme document for the Republic of Serbia  
(2011-2015)**

Contents

	<i>Page</i>
I. Situation analysis.....	2
II. Past cooperation and lessons learned.....	2
III. Proposed programme.....	4
IV. Programme management, monitoring and evaluation.....	6
Annex. Results and resources framework for the Republic of Serbia (2011-2015)...	7



## **I. Situation analysis**

1. Serbia is a middle-income country with a high human development index (HDI) (ranked 67th globally in 2007, and HDI of 0.826), and it is making progress on wide-ranging economic and social reforms. Serbia continues to implement European Union accession priorities through the National Plan for Integration, and it applied for European Union candidate status in December 2009.
2. The 2010 National Millennium Development Goal (MDG) report finds that achievement of Goal #1 is constrained by increasing poverty and significant unemployment, particularly in rural areas. The population living in poverty declined more than 50 per cent, from 14.6 per cent in 2002 to 6.6 per cent in 2007, but the economic crisis caused the poverty rate to increase to 9.2 per cent in 2009. Falling consumption, output and exports, and diminished foreign direct and domestic investment caused the labour market to tighten in 2009 (16.6 per cent unemployment; 15.3 per cent for men; 18.4 per cent women).
3. The policy and legal frameworks for gender equality are in place, and indicators of gender equality improved modestly. However, women's participation at all levels of political decision-making remains low, particularly at the subnational level.
4. Serbia is establishing the policy and legal framework for public sector reform at the national and subnational levels. Financial controls, transparent public procurement procedures, anti-corruption institutions and parliamentary oversight are also being strengthened, but public finance management remains generally weak according to multilateral and UNDP findings.
5. Energy and environmental laws have been adopted, harmonizing Serbian statutes with European Union norms. Challenges remain, however, in promoting energy efficiency, reducing greenhouse gas emissions, mitigating the impacts of global climate change, and better protecting and managing ecosystems and biodiversity.

## **II. Past cooperation and lessons learned**

6. The UNDP country office in Serbia focused on three programmatic areas in the prior strategy period. These are: (a) public administration reform; (b) rule of law and access to justice; and (c) sustainable development. Capacity development was employed pervasively as a strategic and programmatic approach.

### **Public administration reform**

*(MDGs 1, 3, 8)*

7. UNDP supported the National Assembly of Serbia in preparing the Law on Parliament and new rules of procedure, each of which increased public access to policymaking, thus contributing to transparency and accountability. UNDP supported the Ministry of Public Administration and Local Self-Government to adopt and implement the public administration reform strategy, the Law on Public Administration and the Civil Service Act. UNDP helped develop capacity in independent institutions, including the Anti-Corruption Agency and the Public Procurement Office, which will contribute to public administration reform by strengthening governance through improved systems, practices and controls.
8. Public administration reform is predicated, in part, on improved governance and accountability, and also on improved capacity for policy formulation and

implementation. For this purpose, resources were invested in the Ministry of Finance and the Ministry of Public Administration and Local Self-Government, among others. These and other ministries and agencies are, however, not yet equipped to fully implement all principles of the Paris Declaration according to multilateral and bilateral observers.

9. Local-level public administration reform assisted municipalities to strengthen service delivery by, for instance, establishing Citizens' Assistance Centres in South and South West Serbia. These Centres are generally perceived to have enhanced service provision, thereby promoting public access and social inclusion. Greater vigilance in monitoring and evaluation would contribute valuably to these efforts.

### **Rule of law and access to justice**

*(MDGs 1, 3, 8)*

10. UNDP supported the Ministry of Justice in developing a draft Strategy and Law on Free Legal Aid, which created a national framework for legal aid. UNDP is widely credited for its contribution to judicial reform resulting from establishment of the Judicial Training Centre. The Centre provides legal education consistent with European Union norms.

11. UNDP supported the drafting and implementation of the Law on the Prohibition of Discrimination, which contributes to European Union accession. With governmental and non-governmental partners, UNDP launched public awareness campaigns promoting tolerance, which contributes to inclusive treatment of ethnic and other minorities. Through its regional Transitional Justice Programme, UNDP facilitated the transfer of the first war crimes case from the International Criminal Tribunal for the former Yugoslavia, and helped to establish an Office of the War Crimes Prosecutor, which equips Serbia to prosecute and adjudicate such cases.

### **Sustainable development**

*(MDGs 1, 3, 7, 8)*

12. UNDP assisted in drafting the National Sustainable Development Strategy through a participatory process that engaged civil society. That Strategy establishes a foundation for environmentally sustainable and socially inclusive development. UNDP is supporting the implementation of the Strategy through area-based programmes in South and South West Serbia that will help to reduce urban-rural socio-economic disparities through job creation. Area-based development also advanced participatory decision-making and improved service delivery. The Social Innovation Fund anchored enhanced service delivery by establishing Social Welfare Centres, which now serve as models for municipalities. Through the Fund, civil society delivered social services to Roma and other minorities. These services include increased access to registration, health and education. The Fund also inspired creation of a Youth Employment Fund that is now government-financed through the National Employment Services.

13. The National Employment Service introduced active labour market measures as a result of UNDP capacity development support. One precedent-setting example is the "Severance to Jobs" programme, which created employment for redundant workers. UNDP and bilateral donors supported the Government of Serbia in establishing the Gender Equality Directorate, which promotes gender equality and combats gender-based violence.

**Lessons learned**

14. When the prior country programme was conceived in 2003, Serbia was emerging from crisis and conflict. Now, Serbia is a middle-income and pre-accession country, though the lessons learned are nevertheless relevant to the forthcoming five-year strategy, and will be reflected in future programming. Lessons learned derive from the country office's own experience, and from the formal country programme document assessment. They are summarized below:

(a) Development impacts are impaired by shallow capacity, and by risks associated with governance and accountability;

(b) Prior practice of supporting strategy and policy formulation, and legislative drafting, must now evolve, focusing increasingly on support for implementation;

(c) Public administrative reform remains incomplete owing to impediments associated with civil service reforms and governance risks. Until a professional civil service is regularized, and internal systems and controls are strengthened, public administration reform will remain hobbled;

(d) Capacity development must lead to impacts and results that are quantifiable, and which are rigorously benchmarked and monitored;

(e) Programming must respond to contemporary needs, particularly those associated with energy efficiency, climate change, and sustainable resource use and management;

(f) The sustainability of results at the national and local levels will be reinforced through ongoing efforts to develop capacity to fully adopt Paris Declaration principles;

(g) An effective communication strategy is imperative to clearly and coherently convey UNDP contributions to the achievement of national goals.

**III. Proposed programme**

15. The country programme document for the Republic of Serbia, 2011-2015, addresses priorities identified in the National Plan for Integration, the National Sustainable Development Strategy, and others. The country programme is fully aligned with the United Nations Development Assistance Framework (UNDAF) 2011-2015, and was prepared after extensive consultation with host country and external partners. It is consistent with the UNDP Strategic Plan, 2008-2013, and with the UNDP gender strategy, and reflects findings in the assessment of development results (2007), the common country assessment and country programme document evaluation (2009).

16. The current country programme document provides a financial framework for UNDP cooperation in Serbia including Kosovo. The UNDP activities in Kosovo, under Security Council resolution 1244 (1999), are planned under the Integrated Mission Planning Process, in accordance with the Secretary-General's Policy Committee decision of 25 June 2008 and resolution 1244 (1999).

17. Three core areas build on the foundations of activities implemented under the prior country programme, which was extended one year through 2010, and the country programme action plan. UNDP has sharpened programme focus on sustainable and inclusive development; accountability and governance; and, energy and environment. All three areas will promote capacity development among

governmental and non-governmental counterparts, and will mainstream human rights and gender. New programming will engage the United Nations country team resident and non-resident agencies, and accountability and evidence-based reporting will be strengthened through rigorous benchmarking, monitoring and evaluation against MDG and other targets. The three core areas are discussed below.

### **Sustainable development and social inclusion enhanced**

18. The objectives in this area will be to promote sustainable economic growth and gender equality, and support inclusive employment and access to social services. Activities will contribute to the availability and quality of employment opportunities and services for socially excluded and vulnerable people. These activities may comprise active labour market measures that equip workers for employment in a knowledge-based economy, and which cultivate demand for labour, particularly women, youth, people with disabilities, and minorities. Support for private sector-led job creation in the services, agriculture and manufacturing sectors will seek to reduce urban-rural income disparities through area-based initiatives targeting isolated and disadvantaged regions. UNDP will support rural economic development and diversification by applying the European Union Leader concept, among others.

19. Social inclusion will be addressed through programming that expands access to social services, including health, education, and legal aid. Access will be enhanced through policy and procedural remedies, such as improved registration for ethnic minorities, or free legal aid that protects the rights of disenfranchised and vulnerable populations. UNDP will sustain support for the Gender Equality Directorate, and for key governmental and civil society stakeholders to mainstream gender in public policies and practices.

### **Good governance strengthened**

20. The objective in this area will be to strengthen good governance through improved transparency and accountability in the government, legislature, judiciary and independent institutions. UNDP will implement activities that strengthen corruption deterrence, prevention and public awareness. Deterrence will target enforcement bodies such as the Ministry of Interior, prosecutors and the courts. Prevention-related activities will be focused on the Anti-Corruption Agency, and other anti-corruption institutions. Prevention will also include stronger oversight, improved compliance with asset and income disclosure, and the reduction of systemic risk, which derives from weak capacity or malfeasance. Civil society engagement in advocacy, policy-making and monitoring will be strengthened at all levels.

21. UNDP will support efforts to improve disaster preparedness and risk reduction with the Ministry of Interior, and other relevant ministries, line agencies, and private and NGO interests. Activities will focus on intra-governmental coordination and cooperation, and the establishment of strategies, policies, procedures, and systems to prevent risk and respond to natural and man-made disasters. These activities are intended to build the institutions and develop capacity, which contribute directly to public administration reform and therefore represent governance strengthening. Public-private partnership will engage local and international NGOs in disaster risk reduction and response.

### **Enabling framework for environmental management and energy efficiency strengthened**

22. Environment and energy were lightly addressed in the prior country programme document. This is thus a new core area which responds both to government expression of need, and to global imperatives. UNDP will draw upon regional

experience and expertise as these are built locally. Programming will support government compliance with international conventions and European Union regulations on climate change, habitat and biodiversity conservation, the protection of national and transnational waters, and sustainable development, among others. Interventions will build mechanisms to protect the environment, ensure sustainable resource use and management, and mitigate the impacts of climate change on social, economic, and ecological systems. UNDP will support initiatives that promote energy efficiency through demand and supply-side interventions, and efforts to promote a more diverse energy mix that includes alternative and renewable sources of power.

23. Support will be provided to enhance awareness regarding environmental governance, rights and justice to further increase the demand for environmental services and sustainable energy policies.

#### **IV. Programme management, monitoring and evaluation**

24. UNDP will partner with United Nations agencies in order to promote coherence and “Delivering as One.” The promotion of donor coordination will be sustained by building governmental capacity to implement the Paris Declaration and the Accra Agenda for Action. The United Nations efforts to align national systems with the Paris Declaration will be reinforced by implementation of the harmonized approach to cash transfers, which will strengthen country ownership and the use of national systems.

25. External audits and outcome evaluations will be conducted to assess compliance and programme impact. Robust indicators will ensure objectively verifiable and evidence-based reporting. UNDP will promote results-based management actively at all stages of programming. Based on the harmonized approach to cash transfers (HACT) macro- and micro-assessments, UNDP and United Nations agencies will develop capacity to fill gaps. Resource mobilization will seek to diversify sources of funding by partnering with multilateral and emerging bilateral donors, and the private sector; and by cultivating increased opportunities for government cost-sharing and access to multi-donor trust funds.

26. Serbia is seeking European Union candidate status, and the timing of the UNDP and United Nations exit from the country is largely predicated upon progress in this effort. Serbia’s path to the European Union may be extended because the Acquis Communautaire is becoming ever more stringent, and because of recent experience with Bulgaria and Romania. UNDP and United Nations agencies have a role and relevance in supporting Serbia to meet European Union and global normative standards, particularly those associated with the spectrum of United Nations treaties and conventions on human rights, corruption, and environment. UNDP and the United Nations also have a role supporting Serbia’s efforts to promote regional coordination on trans-boundary issues, notably organized crime, ecosystems conservation, disaster risk reduction, and others. An interim assessment of the country programme document would valuably contribute to benchmarking a timeframe when UNDP exit might be contemplated.

Annex. Results and resource framework for Serbia (2011-2015)<sup>a</sup>

National priority/goal: Improved and equitable access to public services MDG: 1,2,3,6,8 Intended UNDAF Outcome: Sustainable development and social inclusion enhanced					
Programme component	Country programme outcomes	Country programme outputs	Output indicators, baselines and targets	Role of partners	Indicative resources (thousands of US dollars)
Poverty reduction and achievement of MDGs	<b>1.1 Sustainable development and social inclusion enhanced</b>  <b>Indicator:</b> % of poverty decrease (urban/rural, national /marginalized groups, women/men) % of HDI increase <b>Baseline:</b> National poverty rate was halved between 2002 and 2007 (from 14% to 6.6%). It remains twice as high in rural areas (in 2008, rural poverty was 9.8%, while in urban areas it was 4.3%). National poverty rate 9.2% (2009) National HDI 0.826 (2009) <b>Target:</b> Halve the poverty rate (relative to 2002 baseline) HDI grows 0.5% annually	1.1.1. MDG-related and other data collection, monitoring, analysis, reporting improved and reflected in national policies	<b>Indicator:</b> Number of reports (Human Development Reports; MDG reports; Social Inclusion Reports) and social inclusion-related policy documents; <b>Baseline:</b> 2 National Human Development Reports, 2 MDG reports during the past country programme <b>Target:</b> At least one national report produced and advocated per year	Government of Serbia Parliament of Serbia Independent regulatory bodies Justice sector CSOs External partners	<b>Regular</b> 2,872.67  Other resources 13,000.00
		1.1.2. Social inclusion policies advocated and implemented	<b>Indicator:</b> % of decrease of Gini coefficient; regional disparities ratio; municipal disparities ratio <b>Baseline:</b> Gini coefficient for Serbia 0.30 (2007) regional disparities 1:3; municipal disparities 1:6.9 <b>Target:</b> Gini below 0.3; regional disparities decrease; municipal disparities decrease		
		1.1.3. Increased availability and quality of employment and social services for all citizens, especially marginalized groups and people living in rural areas	<b>Indicator:</b> Amount of public funding (as % of GDP) budgeted for active labour market measures <b>Baseline:</b> 2009: 0.1% of GDP budgeted for active labour market measures <b>Target:</b> 2015: 0.2 % of GDP budgeted for active labour market measures		
		1.1.4. Frameworks and institutional mechanisms for access to justice implemented	<b>Indicator:</b> World Governance Indicators (WGI) - Rule of Law <b>Baseline:</b> WGI Rule of Law – 0.46 in 2008 <b>Target:</b> To be determined (WGI Rule of Law in 2015 0.10)		
		National priority/goal: Support to the rule of law, democratization of society and sustainable economic development through the realization of public administration reform MDG 1, 3, 8 Intended UNDAF Outcome: Strengthened good governance			
Democratic governance	<b>2.1. Good governance strengthened</b>  <b>Indicator:</b> Transparency International Corruption Perception Index (CPI) Public confidence in legislative, executive, judiciary and regulatory bodies	2.1.1. Support for reform, professionalization and modernization of the public sector at all levels	<b>Indicators:</b> Government Effectiveness Indicator (World Governance Indicators, World Bank) <b>Baseline:</b> 2008: -0.2822 Government Effectiveness Indicator <b>Target:</b> 2015: 0.5 Government Effectiveness Indicator	Government of Serbia Parliament of Serbia Independent regulatory bodies Justice sector CSOs External	<b>Regular</b> 2,872.67  Other resources 12,000.00
		2.1.2. Strengthened oversight function of parliamentary, independent and regulatory bodies	<b>Indicators:</b> WGI: (i) Voice and accountability; and (ii) Regulatory quality <b>Baseline:</b> 2008: 0.19 voice and accountability; and -0.20 regulatory quality <b>Target:</b> 2015: To be determined		
		2.1.3. Anti-corruption institutions and mechanisms strengthened	<b>Indicators:</b> Control of corruption, WGI <b>Baseline:</b> 2008: -0.157 <b>Target:</b> 2015 above 0		

<sup>a</sup> The results and resources framework for UNDP activities in Kosovo will be made available to the Executive Board subsequently, as an integral part of the current country programme document, and no later than six weeks from the end of the annual session of the Executive Board.

	<b>Baseline:</b> Serbia CPI 3.5 rank 83/180 (2009) Low public confidence in national institutions Parliament 8%; Judiciary 10% (2008) <b>Target:</b> CPI increased to 5; Public confidence increased	2.1.4. National capacities strengthened to mainstream gender in public policies and practices	<b>Indicator:</b> MDG 3 indicators <b>Baseline:</b> Women’s employment rate 43.3%, men’s employment rate 58.7%; percentage of women in national government 18%; proportion of women Members of Parliament 22.0%; proportion of women on municipal assemblies 21% <b>Target:</b> By 2015, halve the economic inequalities between men and women, increase the proportion of women at all levels of decision-making to at least 30%; develop a system to protect female victims of violence, establish a system of prevention of violence against women	partners	
		2.1.5. The role of civil society in accountable and transparent governance enhanced	<b>Indicator:</b> Civil Society Index (CSI) - composed of five dimensions of civil society engagement <b>Baseline:</b> Influencing public policy 1.0; Holding state and private corporations accountable 1.5; responding to social interest 1.5; empowering citizens 1.7; meeting societal needs 1.7 <b>Target:</b> Increase the impact dimension		
		2.1.6. Improve disaster preparedness and risk reduction and management framework	<b>Indicator:</b> Strengthened disaster preparedness and response mechanisms <b>Baseline:</b> Disaster risk response lacks efficient coordination and integration <b>Target:</b> Efficient and fully operational sector for emergency management <b>Indicator:</b> Improved resilience at all levels (yes/no) <b>Baseline:</b> No national platform for disaster reduction <b>Target:</b> Fully functioning and integrated national platform for disaster risk reduction		
<b>National priority/goal: Implementation of the priorities deriving from European Union partnership, Poverty Reduction Strategy Paper and the National Sustainable Development Strategy MDG 1, 2, 7, 8</b> <b>Intended UNDAF: Sustainable development and social inclusion enhanced</b>					
Environment and sustainable development	<b>3.1. Enabling framework for environmental management and energy efficiency strengthened</b>  <b>Indicators:</b> Budget appropriated to the environment as a fraction of the total; Share of renewables in Total Primary Energy Supply (TPES) intensity of economy (Tonne of oil Equivalent (ToE)/\$GDP PPP) <b>Baseline:</b> Share of renewable sources of energy in TPES in 2006 is 6 % Energy intensity of the economy in TPES/\$ GDP PPP in 2005 is 0.58 ToE/1000 \$; and in 2006 is 0.39 ToE/1000 \$ Energy intensity of the economy	3.1.1. Improved environmental and natural resources stewardship, management and financing	<b>Indicator:</b> Annual allocations of EcoFund; % of protected natural resource areas in relation to the total area of the Republic of Serbia; % of forested areas in relation to the total area of the Republic of Serbia <b>Baseline:</b> EcoFund total allocation for 2008: 614,174,027.52 RSD (Serbian Dinar), out of which implemented 80%; Forested areas in 2008- 29.1; Protected national resource areas in 2008- 6.19% <b>Target:</b> all values increased	Government of Serbia Parliament of Serbia Independent regulatory bodies Justice sector CSOs External partners	<b>Regular</b> 2,872.67  Other resources 4,000.00
		3.1.2 Improved energy sector performance through enhanced market mechanisms, renewables and demand-side initiatives	<b>Indicator:</b> 1. Percentage of energy generated from renewable sources in relation to the total primary energy consumption 2. Share of renewable energy in electricity consumption (%) <b>Baseline:</b> 1. 2008- 5.86 (Serbian Environmental Protection Agency/Ministry of Mining and Energy); 2. 2007- 37.9 <b>Target:</b> Increased percentage of energy generated from renewable sources in relation to the total primary energy consumption		
		3.1.3. Improved national response to adapt to and mitigate the impact of global climate change, and adhere to relevant international conventions	<b>Indicators:</b> 1. Carbon-dioxide emission per capita (tons of CO <sub>2</sub> / capita); 2. Consumption of chlorofluorocarbon (Ozone Depletion Potential tons) <b>Baseline:</b> 1.2006-7.18; 2. 2008: 77.5 <b>Target:</b> Participation of Serbian Government in post-Kyoto agreement, including commitments		
		3.1.4. Awareness raising for	<b>Indicators:</b> 1. Percentage of households with access to public water supply; 2.		



	(ToE/\$ GDP PPP) YGF <b>Target:</b> Budgetary support for environmental management increased – to be determined; Share of renewables in TPES increased – to be determined; Energy intensity of the economy (ToE/\$ GDP PPP) reduced – to be determined	environmental governance, rights and justice improved	Percentage of households with access to public sewage system; 3. Percentage of households covered by organized communal waste collection; 4. Compliance with Aarhus Convention <b>Baseline:</b> 1. Access to water supply in 2008: 78.31; 2. Access to public sewage system: 35.03; 3. Organized waste collection 2008- 60.0; 4: 0 <b>Target:</b> Percentage increased; progress in implementation of Aarhus Convention		
--	---	---	---	--	--