

Summary of Sida's Assessment of the Development towards the Strategy Objectives and Implementation of the Contribution Portfolio

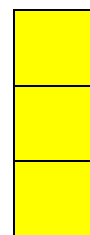
Economic integration with the EU and development of market economy	Objective¹	Portfolio²
1: Enhanced capacity to continue economic integration with the EU		
2: Competitive small and medium-sized enterprises		
Strengthened democracy, human rights and rule of law		
3: More efficient public administration		
4: Delivery of higher quality public services		
5: More efficient judicial systems		
6: A reduction in gender-based violence, hate crimes and human trafficking		
7: (WB) More democratic and effective police forces]		
8: A more pluralistic civil society		
9: Improved cond. for dem. accountability and participation in pol. processes		
10: Freer and more independent media		
11: Better fulfilment of commitments on human rights, gender equality		
12: Women and men have same power to shape society and their own lives		
13: Increased trust and reconciliation between parties in		

¹ Assessment of the **development towards the strategy objectives**: Green: Desirable direction; Yellow: Partially desirable direction; Red: Undesirable direction.

² Assessment of the **implementation of the contribution portfolio**: Green: According to plan; Yellow: Partially according to plan; Red: Not as planned.

A better environment and reduced climate impact

- 14: Increased comp. with EU reg. & int. agreem. on enviro/climate/ energy
- 15: Enhanced environm. resp. among the public, business and civil society
- 16: Sust. public services (water and sewage, waste managem., energy effi.)



This report relates to the progress of implementation of the Results Strategy for Sweden's Reform Cooperation with Eastern Europe, the Western Balkans and Turkey for the period 2014-2020 (the Strategy), for the reform cooperation in Serbia. This report assesses the Strategy implementation and results since the progress of the Strategy implementations was last reported in the In-depth Strategy Report for Serbia implementing the Results Strategy for Sweden's Reform Cooperation with Eastern Europe, the Western Balkans and Turkey Mid-Term Review (MTR) in May 2017.

Overall, in the reporting period the portfolio has been implemented in line with the MTR conclusions and contextual developments. The portfolio aims to support reforms in Serbia to forge closer links with the EU and to reduce poverty.

While a substantial part of the portfolio supports sustainable development in the area of environment and climate, the largest part of the portfolio remains directed to the area of strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law. Addressing reforms in this area remains the most pressing issue for Serbia's EU perspective, societal transformation and improved lives of the citizens. In many cases there are positive interactions of the contributions across the support areas, and important interlinkages between the objectives. This ensures the continued relevance of Sida's portfolio and considerations in contributions on how poverty is manifested based on the dimensions, risks and vulnerability. Support to economic integration with the EU is not targeted directly with any contribution in the portfolio, however positive effects are expected mainly from increased capacity with the institutional level where Sida supports effective governance and institutions. In 2017 the portfolio was also not increased in this area considering that Serbia in this area shows in principle positive trends and get support from other sources.

The overall assesment is that the portfolio remains highly relevant and delivers results at the contribution level. Challenges mainly relate to contextual developments but the overall long-term perspective of Sida's support remains essential to achieve sustainabel results.

1 Overview of the Strategy Context

The EU accession remains the key strategic priority for the Serbian government and the main driving force for reforms implemented in the last years. An EU membership candidate since 2012, Serbia has been negotiating its EU accession since January 2014. Serbia has aligned with number of EU policies and standards, but there are still those where the alignment was slower than expected. Opening of negotiation chapters is seen as a benchmark in the overall reform process. Until December 2017, 12 chapters out of 35 have been opened.

In February 2018 the European Commission adopted its new enlargement strategy for the Western Balkans, identifying Serbia and Montenegro as the countries that have made the most progress on the European path and that may join the EU by 2025 if all criteria are met. Credible efforts and reforms still remain to be implemented and the pace of Serbia's accession negotiations depends on political will and ability to implement reforms, particularly in the rule of law area, fundamental rights and good governance. Failure to implement reforms is also deterrent to potential investments and increased trade.³

The level of economic integration with the EU is relatively high mainly due to the Stabilization and Association Agreement. In order to utilize its economic potential Serbia however needs to invest further efforts related to increased competitiveness, reduced unemployment and an improved business enabling environment.

Some progress with regards to reform of the administration has been achieved but more still needs to be done with regards to efficiency and capacities in order to enable national institutions to take over obligations within the negotiation process. Strengthening governance at all levels and improved quality and accountability of administration is crucial as well as inclusive structured dialog on reform priorities with an empowered civil society. Strong and independent institutions are crucial to reduce the problems with corruption. Independence, quality and efficiency of the judicial and prosecutorial systems need to be ensured. More transparency is required in management of public funds and in the public administration on a general level. Criminal networks and their economic bases need to be dismantled effectively, and more needs to be done to ensure execution of fundamental rights, freedom of expression, and independence of the media. Social challenges need to be further tackled with improvements for minorities, gender equality and rights of the vulnerable need to be promoted and strengthened.

Overall, the strategy period has been marked by the EU integration process; however implementation of reforms in Serbia remains weak and at times uneven. Public polls show that the prospects of EU membership have become less attractive since the adoption of the Swedish Strategy. High variability of attitudes of the population towards the EU indicates that the support for accession is not as deeply rooted and as steady as perhaps in some previous periods, and changes are constantly depending on the current state of affairs both inside Serbia and the EU. The most recent poll from the Ministry of EU Integration (MoEU, 2017) showed that pro EU sentiment was 49 % in June 2017.⁴

³ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee on Regions; A credible enlargement perspective for and enhanced EU engagement with the Western Balkans: page 4, para 1

⁴<http://www.europarl.europa.eu/cmsdata/133504/Serbia%20cooperation%20with%20China,%20the%20EU,%20Russia%20and%20the%20USA.pdf>

The EU remains an important actor and is the largest donor to Serbia primarily through its Instrument for Pre-accession Assistance (IPA). Several international financial institutions (IFIs) are present such as the World Bank (WB), the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) and are all important development actors in addition to the bilateral donors – which beside Sweden includes *i.a.*, Germany, Switzerland, United States of America (USA), Norway and the Netherlands.

The risk of poverty is mainly marked in the case of marginalised and/or vulnerable groups such as Roma, disabled, unemployed and elderly. For marginalised groups poverty means rather drastic lack of resources (lack of sufficient and stable income, access to adequate housing, water and sanitation, good quality education and health services). Unemployment is rather high (13 %), above all among young and women and most of the poor are mainly in areas outside of cities.

In 2017 Serbia got its first female Prime Minister who expressed the importance of gender equality in Serbia: “Serbia has become the first country outside the EU to introduce the Gender Equality Index.⁵ The data shows that Serbia lags behind EU in all aspects of gender equality with the exception of domain of power and with serious gaps in domains of work and money. Therefore, we have introduced gender responsive budgeting and set up ambitious goals, such as achieving 30 percent’s women in managerial positions by 2020.”⁶

Protecting the environment and mitigating and adapting to climate change will imply critical technical and financial challenges over the next years. The package of EU legislation included in *acquis* Chapter 27 (“Environment and Climate reforms”) offers Serbia a comprehensive roadmap to achieve the highest levels of environmental protection and response to climate change. However, the size and the long term goals of the environmental and climate *acquis* demand the government’s full commitment. For the process to be a success, politicians need to move environment and climate reforms up on their list of priorities. Strong determination will be necessary to address decades of accumulated unresolved environmental issues and the immediate and future challenges posed by climate change.

Total amount for the Strategy: 8,24 billion SEK ⁷

Disbursed Amount 2017: 107,8 MSEK

Number of Contributions 2017: 22

1.1 Changes in the Context

Within the reporting period there have not been significant changes in the context. The EU integration reform process remains perceived to be the most efficient tool for reaching stability and combating poverty. Sweden’s development cooperation continues to reflect this approach in the selection of partners and contributions, and it is also reflected in the allocation of funds between the three support areas. The risks for the remaining Strategy period remain related mainly to the political development,

⁵ <http://eige.europa.eu/gender-equality-index/about>

⁶ <http://eca.unwomen.org/en/news/stories/2017/07/serbia-makes-history-by-electing-its-first-openly-gay-and-female-prime-minister>

⁷ Total amount for the Strategy is 8,24 miljard kronor. Distribution between countries included in the Strategy as well as regional appropriation is being done on a continuous basis.

while at technical level the general capacity of the Serbian administration also need to be considered. For societal transformation more than only technical process is required however, and in the reporting period it became even more evident that the civil society can play a more active and important role to contribute to forging closer links to EU regarding “values” with respect to gender equality, rule of law, and a free and independent media.

Although the EU remains the largest donor to Serbia, this remains not obvious in public perception according to polls. In the reporting period Sida has therefore further intensified the communication about Sweden’s and the EU’s support to Serbia and how this relates to the EU integration process.

Although high on the government’s agenda, there is a need for better coordinated implementation of the policies in the field of social inclusion and poverty reduction, as the competences of individual institutions remain fragmented. Coordination, implementation and monitoring at local level remained even more challenging in the reporting period. Sida’s support aims to contribute to governmental reform programs with underlying understanding that there has been important progress and improvement of situation for large groups of people in Serbia⁸, however there are still remaining challenges from a poor people’s perspective with regards to inequality, shrinking democratic space and environmental degradation. Sida used this as an instrument for dialog with partners in the reporting period to explore whether related measures might be considered as part of Sida contributions for the coming period.

1.2 Swedens Role in the Strategy Context

Table 1. Donor Context

Total development assistance make up 17,74 % of the national budget in 2016 (grants around 3 % and loans around 15 %) ⁶	Sweden’s share of the total of development assistance constitute 0.89 %. ⁸
There is no common donor strategy for Serbia.	There is no EU joint programming for Serbia.
The five largest donors (organisations and/or countries) in 2016 are: EU, China, United Arab Emirates, Switzerland, United Nations. ⁷	Sweden is the 6th largest donor. Of the EU member states, Sweden is the 2nd largest donor after Germany

Forming closer links to EU and its core values are the overriding goal of the Strategy with the understanding that it will in turn result in poverty reduction in its four dimensions for men and women. Increased democracy and EU integration is regarded as the best vehicle for reduced poverty in Serbia

In the area of governance, human rights and gender equality Sida remains a valued actor in terms of its long standing support both to institutions and civil society and with supporting the ownership of the partners and their proactive role.

Sida actively participates in donor coordination and consultation processes led by the EU as the largest donor to Serbia, but also other bilateral main donors such as Germany, USA, Switzerland, Norway and the Netherlands. Sida leads coordination of support in the area of environment and climate reforms. In this area Sida supports both institutional efforts for improved environmental protection and reforms towards EU integration and civil society.

⁸ <http://www.worldbank.org/en/country/serbia/overview#1>

The contribution portfolio aims to be aligned with and complementary to the EU/IPA. Since IPA aims to ensure closer link with the priorities related to the enlargement strategy it has a long planning and decision-making process and the Swedish bilateral contributions try to be more flexible and build capacity to absorb the larger funds coming from the EU.

1.2 Synergies with Other Swedish Strategies

Sweden is one of the strongest advocates for continued EU enlargement and reform cooperation will gradually be phased out as the individual countries become democratically and economically closer to EU.⁹ In Serbia both bilateral and regional initiatives are ongoing and coordinated in order to contribute to creating conditions for the country to become an EU member, and aiming to contribute to results in all three Strategy areas.

In line with the Swedish Feminist Foreign Policy another important task of the Swedish support is to help ensure that gender equality issues are given greater priority and that initiatives funded through Swedish funds strengthen gender equality.¹⁰

The purpose of activities through Swedish civil society organisations is to support development towards a vibrant and pluralistic civil society that operates from the rights perspective in order to improve living conditions for people living in poverty in all of its dimensions, to increase respect for human rights and to promote global sustainable development.¹¹ Beside the contributions financed from Sida's appropriation under the Strategy there are also coordination with strategically important but smaller contribution(s) provided through the Ministry of Foreign Affairs.

Outcome on all appropriations in Serbia indicate mobilised amounts¹² while the Embassy maintains coordination and seeks synergies between both bilateral contributions and with regards to regional contributions. There is also an ongoing active effort to find opportunities to utilize the guarantee instrument for contributions primarily in the sectors of market capacity building and/or environment and climate. The portfolio is also closely aligned with the Agenda 2030 where the UN in Serbia actively promotes alignment between work with the Sustainable Development Goals (SDGs) and the chapters of the EU acquis.

1.3 Allocation between Areas of Support

There is a need to strengthen both the administrative capacity within the Serbian administration to implement required EU reforms as well as civil society and their role. Transparent and democratic institutions, gender equality, Rule of Law, closer links to EU law enforcement structures and similar areas that relate to overall democratization in Serbia are given the highest portfolio priority. This support also indirectly contributes to increased economic development even if no contributions in the portfolio directly targets enhanced economic integration with the EU and development of market economy. The support provided regarding improved environment and climate mainly relates to capacity building and strengthening Serbia's capacity for EU requirements in this area.

⁹ Results Strategy for Sweden's reform cooperation with Eastern Europe, Western Balkans and Turkey 2014-2020, pages 6-7

¹⁰ Results Strategy for Sweden's reform cooperation with Eastern Europe, Western Balkans and Turkey 2014-2020, page 15

¹¹ Strategy for Support via Swedish civil society organisations for the period 2016-2022, page 1 *Direction*

¹² table 4 Outcome on all Appropriations in the Selected country in the attached BISI-report

Areas of Support in the Strategy 2017	107 MSEK
1. Enhanced economic integration with the EU and development of market economy	39 M SEK
2. Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law	
a) focusing on strengthened public administration and judicial systems	21 MSEK
b) focusing on increased enjoyment of human rights and greater opportunities to exercise democratic influence	55 MSEK
3. A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change	30 MSEK

2 Results Reporting

2.1 Area of Support 1: Enhanced economic integration with the EU and development of market economy

1: Enhanced capacity among institutions to continue economic integration with the EU

2: Competitive small and medium-sized enterprises make up a greater share of the economy

Development towards the strategy objective ☐

Progress in this area indicates principle will of the government to fulfil the commitments made towards EU in terms of economic integration and development of market economy. Developments show a slow but positive economic trend. Major obstacles relate mainly to shortcomings in establishing rule of law and corruption.

Portfolio level ☐

Sida's support to this strategy area relates mainly to positive indirect effects from contributions with focus on other support areas which mainly focus at strengthening Serbia's administrative capacity at central and local level with regard to the development of a functioning market economy that can integrate with the EU.

Contribution level

Sida's support to the United Nations Development Programs (UNDP) "Accountability Mechanism program" where one component regards strengthening the capacity of Serbian public procurement institutions in order to enhance competition and reduce the risk of corruption. In a similar way the support to the Standing Conference on Towns and Municipalities (SCTM) include a component intended to improve market related regulations at local level. Even though both these programs primarily target result area 2 indirectly they also contribute to objectives under result area 1.

2.2 Area of Support 2: Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law

3: More efficient public administration, with stronger administrative capacity to implement reforms for EU-integration

Development towards the strategy objective

The progress of implementation of the Public Administration Reform Strategy (PAR) for EU integration remains slow where the follow-up with lack of proper monitoring and reporting on implementations is one of the key problems. The Ministry for Public Administration and Local Self-Governance has formed a working group consisting of representatives of all relevant institutions to work on the new Action Plan for PAR that would cover period 2018-2020. Consultations with donors are expected to be organized. Key progress in this sector was achieved with the adoption of the public finance management reform program, strategies on e-government and on regulatory reform and policy making and the new Law on General Procedures that started to be implemented in June 2017. Initial experiences with the implementation are below expectations and only some government institutions are working fully in line with the new law.

Portfolio level

Sida's portfolio in this sector is in line with the MTR conclusions and focused on support to central and local governance institutions in preparing for the EU accession and support to improving public finance management through strengthening accountability mechanisms.

Contribution level

Contributions within this sector are progressing in line with envisaged action plans and results are attained. In the reporting period our contribution to "Accelerated Accountability Mechanisms to Public Finances" contributed to increased frequency and type of audit reports and efficiency of audit teams. During 2017 the State Audit Institution (SAI) completed 399 audit reports compared to 173 before the project started in 2014. In addition to financial and compliance audits SAI is also doing performance audits, reports on the control of reliability of the follow-up reports as well as post audit reports. The project provided support to the Public Procurement Office in the process of EU accession through assessing a number of activities aiming at alignment with the requirements stemming from the Chapter 5: Public Procurement. In addition to these two major achievements, the project also contributed to improved cooperation between SAI and the Parliamentary Finance Subcommittee.¹³

4: Delivery of higher quality public services, based on principles of non-discrimination and equal rights and with less corruption

Development towards the strategy objective

The importance of the local governance both in relation to preparation and implementation the of legislation that comes out of the EU accession process has been recognized and this was reflected in the more active involvement of local level actors in the accession and negotiation process but also increased support provided to local governance by key donors (EU, Switzerland, Sweden and Germany). Adoption of the new Law on General Procedures is among the main achievements within this area as well. Results seem to be below the expectations but some progress was made with regards

¹³"Accelerating Accountability Mechanisms in Public Finances", Annual Progress Report, Junly 2016-June 2017, UNDP and Serbian partner institutions

to transparency of public finances and procurement. This progress is however still uneven, both with regards to progress across central level and between local governments/regions. The overall situation is somewhat improving but is not at a satisfactory level. Creating a more transparent and service-oriented administration is a key government priority and some progress has been made with the adoption of an e-government strategy and the action plan.

Democratic control of the security sector is one of the key aspects of democratic governance reform in the process of EU integration. In Serbia, civilian oversight of the security system is often hampered by a general lack of awareness among the oversight institutions regarding their exact role and mandate and the generally low capacity for performing the oversight, primarily among the Members of Parliament (MPs). The inclusion of civil society in policy dialogue has also not been very systematic.

Portfolio level



Sida's portfolio within this objective is focused on the two previously mentioned contributions to support strengthening of accountability mechanisms through improving public finance management and the long-term support to SCTM to strengthen democracy and equitable and sustainable development in relation to local governance. Both contributions have provided significant progress in preparation of key chapters of the accession negotiations and improved services to citizens and businesses with regards to EU integration under result area 1 and 2. Sida also support the Organization for Security and Co-operation in Europe (OSCE) program "Civilian oversight of the Security Sector" in order to support a multifaceted approach to improve coordination between different institutions in the system.

Contribution level

Contribution to the SCTM is organized in two project components: 1) Hands-on support for services to citizens and business (through Municipal Support Packages - MSPs) to selected municipalities and 2) Support to SCTM and municipalities collectively at policy level in the thematic areas of: a) environmental protection, b) improvement of business climate, c) Improved prevention and management of emergency situations d) EU integration and international cooperation e) Gender equality and f) Capacity development and sustainability of SCTM. Within the first component 22 municipalities have been selected after open competition to receive support within one of the cooperation areas a-c. Among the key achievements of the project so far is the development of 188 models of local procedures that were developed and verified in close cooperation the Ministry of Public Administration and Local Self-Government, Prime Minister's Cabinet and a number of line ministries for the first time in Serbia. The process, being recognized by the Government as utterly important, resulted in full cooperation with a number of Ministries that double-checked the procedures and gave consent to their appropriateness. Many LSGs (56 so far) have started applying the models.¹⁴

As a result of Swedish support to OSCE there has been an improved governance in the security sector, the MPs are now better informed and empowered to perform the oversight role, an integrated emergency management mechanism has been created with close communication between different levels of governance, local gender and security bodies have established links through joint training in cooperation with the SCTM and several civil society projects have been supported in order to increase their expertise and the recognition of their role in improving the accountability and policy making of security sector institutions.

¹⁴ "Support to Serbian Municipalities on the Road to EU Accession: Enabling High-Quality Services, Stakeholder Dialogue and Efficient Local Administration", Second Annual Narrative Report for January – December 2017; SCTM and SALAR

5: More efficient judicial systems that to a greater extent guarantee the right to fair trial in accordance with European standards

Development towards the strategy objective

Developments in the Rule of Law area do not mirror the importance attached to it in the accession process, as evidenced in the latest Enlargement Strategy published by the European Commission, which states that “the countries show clear elements of state capture, including links with organized crime and corruption at all levels of government and administration, as well as a strong entanglement of public and private interests.” The overall progress in terms of sustainable structural change remains limited, as considerable challenges remain regarding independence and impartiality, accountability, professionalism and competence, efficiency and quality of justice. There is a prevailing sentiment of impunity and inequality. Little concrete progress has been made in anchoring an objective and merit-based system for the appointment of judges. The ongoing constitutional reform is expected to address this issue, but there are concerns about the process itself and the ambition behind it. Uneven distribution of workload and a resisting enormous backlog are taxing the quality and efficiency of the judiciary, whereas access to justice is also hampered by the absence of adoption of the Law on Free Legal Aid.

Portfolio level

Sida remained the largest contributor to the Multi-Donor Trust Fund for Justice Sector Support (MDTFJ) in Serbia, which continued to be one of the key engines of the reform process in this area. A vital part of that support is the team of experts, the Reform Aid Facilitation Unit (RAFU), which has successfully complemented, and at times even replaced, the modest capacity of the Ministry of Justice to perform research and draft material for the accession process. Sweden's assistance has from the beginning been predicated on the existence of the Law on Free Legal Aid and changes needed to be made in the results framework when it became clear that the law was nowhere near adoption. A more realistic and flexible approach was adopted through the introduction of a range of initiatives that do not require legislative change, but rather changes or standardization of practice and introduction of specific monitoring mechanisms.

Contribution level

With Sida's support, the MDTFJ has so far been able to support the establishment of the national Victim Support Services, prepare The Guide to Self-Representation for Citizens and Businesses and improve the transparency of the courts and prosecution by upgrading their websites. All these activities have been done in anticipation of the Law on Free Legal Aid, whose adoption should set in motion the original plan of action. There is however a possibility that this plan will be completely abandoned in favor of a more realistic approach if the ongoing World Bank-led Mid-Term Review provide such a recommendation.

6: A reduction in gender-based violence, hate crimes and human trafficking

Development towards the strategy objective

Key progress in the reporting period within this objective was the beginning of implementation of the new Law on Preventing Domestic Violence in June 2017. The law envisages shorter reaction times of all relevant institutions upon receiving information on family and gender based violence, stronger coordination mechanisms between police, prosecution, centres for social work and judiciary that should lead to much shorter procedures, decreasing of secondary victimisation and quicker and more adequate solutions for victims of violence. Although the law is a step forward as it operationalizes

many forms of violence protections and response standards set by the Istanbul Convention this legislation introduces changes that need to be further harmonized with existing regulation concerning protection of children from violence. More specifically, the legislation introduces a new, local level coordination mechanism without clarifying roles and responsibilities of different institutions and aligning existing practices with the new legislation.

Portfolio level



Sida's support in this area started in July 2016 with a United Nations (UN) implemented project “Integrated Response to Violence against Women and Girls”. The overall objective of the project is further development of social and institutional environment that will contribute to zero tolerance and eradication of violence against women in Serbia, while the specific purpose is to further improve legal and policy frameworks, strengthen prevention system and assistance mechanisms for survivors of violence and improve access to effective protection through sustainable delivery of general and specialist services. The project is progressing in line with original project plans while the beginning of the implementation of the new law revealed additional needs for support to the overall system of prevention and protection of victims and the objectives of this program is further enhanced by Sida's support to capacity building at the Ministry of Interior (MoI) and support to the civil society organization Kvinna till kvinna (Ktk).

Contribution level

The program funded by Sida is now in its second year of implementation. The most important achievements within the reporting period are: 1) In partnership with the Ministry of Justice, the project piloted implementation of provisions of the new Law on Preventing Domestic Violence within local coordination mechanisms. This included development of curriculum and training of police, social welfare centers and prosecutors and consultative support in the development of the Rulebook for the work of local groups, 2) data on effectiveness of the implementation of the new Law as well as on efficiency of involved institutions are made available, 3) eight SOS help-lines have been supported to extend the service and make it available to greater number of women and 4) strategies and programs for primary prevention of violence against women and children have been initiated in for cities in Serbia; implementation started in September 2017, while experiences from the work done at the local level is expected to be incorporated in the future National strategy for Combating Family Violence.¹⁵ This program is also coordinated with the support to KtK (described under objective 8) that relates to support to more pluralistic civil society including political parties with strengthened popular support, and to the MoI (under objective 7) that relates to support to a more democratic and effective police forces. The three programs address the goals of the UN Security Council Resolution 1325 (and specifically protection and prevention in relation to gender based violence, and strengthened participation).

7: More democratic and effective police forces

Development towards the strategy objective



The Serbian MoI has been undergoing an organizational and structural overhaul following the adoption of the Law on Police in 2016. A number of bylaws are yet to be adopted to enable a proper implementation of the law, primarily the Rulebook on Internal Organization and Systematization of the Ministry of Interior, which should enable the creation of strategic and operational teams on all

¹⁵ “Integrated Response to Violence against Women and Children in Serbia II”, Progress Report, September 2016-June 2017; UN-Government of Serbia

levels to enable the proper unrolling of the intelligence-led policing (ILP) concept. The law also needs to be harmonized better with the Criminal Procedure Code, primarily to address the issue of police dependence on the security and intelligence agencies to carry out certain special investigative measures¹⁶. Undue political influence however remains a matter of concern¹⁷.

The Law on Police has for the first time introduced a clear delineation of tasks between the Police organization and the Ministry of Interior. Reform of the Human Resources Management System (HRM) is a major milestone in the reform process, with a whole new structure for merit-based selection and recruitment and career development. There are significant capacity improvements with regards to strategic planning cycle as the basis for operative police work. The involvement of the General Police Directorate has been essential in this process, because they perform the bulk of services, including that of providing security and safety.

Portfolio level



Sida supported several key reform efforts in the Serbian Ministry of Interior: the reorganization of the Human Resources Management (HRM) system, strengthening of the capacities for strategic planning and management and the introduction of intelligence-led policing. As a result, the Ministry of Interior now has a functioning system for merit-based recruitment and career development, which, paired with management training and long-term planning, represent the major contribution of Sweden to the change process in the MOI. Parallel to the organizational and functional change, there is an ongoing change in organizational culture and mindset, galvanized by significant communication efforts. Intelligence-led policing has been adopted as a new method of police work, which will not only improve the proactive work against organized crime, but also the overall transparency and accountability of the police. The gender component in one of the programs addresses the awareness and the capacity of decision-makers in this important issue. The portfolio includes two large programs with the MoI, with the total budget of 87.7 MSEK.

Contribution level

Sida support has helped develop the key strategic documents connecting the business processes with the Human Resources Management in the MoI thus paving the way to improved intelligence-led policing. These are: overall development strategy of the Ministry of Interior, Police Directorate Strategic Plan, Strategic Assessment of Public Safety and HRM Strategy for the Ministry of Interior. In the area of organizational change and restructuring, the key results are job descriptions, job catalogue, the appraisal system as a first step for the career development model and IT solutions for time management and e-recruitment. ILP as a management model is applied in four pilot regions, where decisions are made in a participatory way based on intelligence produced by analysts, which makes the overall policing more proactive.

8: A more pluralistic civil society, including political parties, with strengthened popular support.

Development towards the strategy objective



Positive developments relate to more diverse and strengthened local ownership but a shrinking democratic space remains a challenge. The fact that relatively strong project- and donor driven organisations remain in place does not support development of a sustainable pluralistic civil society

¹⁶ Serbia 2016 Report, European Commission, 2016, p. 18

¹⁷ Serbia 2016 Report, European Commission, 2016, p. 15

with strong popular support. Therefore it remains relevant and important to target local organisations with continued focus at the ownership of the development agenda, support their accountability capacity and for them to be effective development actors as well as strengthen their capacity for involvement in the reform process and public debate on the EU accession.

Portfolio level

The contribution portfolio and approach remain relevant and in line with the MTR conclusions. It covers a broad thematic area of support to civil society from contribution to gender equality through Ktk, to better environmental protection (Regional Environmental Center - REC), increased transparency and accountability (Olof Palme International Center - OPIC), to rule of law and media freedom (Civil Rights Defenders - CRD) and to Serbia's EU accession process through Belgrade Open School (BOS). The contribution portfolio is overall being implemented according to plan where objectives are met. More focus on Information and Communication Technology (ICT) as a tool for development is considered to be applied to communication of overall activities and as a tool for civil society particularly as freedom of expression remains an area of concern in Serbia. The programme with Center for Research, Transparency and Accountability (CRTA) that has started in 2018 aims to further contribute in this area and specifically with emphasised capacity building of local partners actively engaged in promoting the EU values and benefits of the EU accession.

Contribution level

The current composition of the contribution portfolio targets primarily work with civil society and aims to support the civil society that focuses at democratization and strengthening of organizations and networks that have potential to contribute to reforms, peace and stability and closer relations to EU. Strategic orientation remains relevant to support civil society in their own right, to strengthen local ownership agenda, to aim for reaching the remote and small organizations including those marginalized and poor. Closely connected and relevant remains focus at capacity development based on their own priorities, their internal democracy, independence and actual performance. The applied principle to support CSOs in fighting for their own right has worked well. Synergies between regional and bilateral related programs have been considered in early assessments and followed up. One example is the Ktk support that through its bilateral program enables its partners' direct participation at Brussel's consultations, which is assessed as important direct learning regarding EU system, structures and values, and to bring this experience back to Serbia and share with other network members. On one side this increases enthusiasm and promotion of the EU values and its benefits to wider public in Serbia, while at the same time it also provides important and concrete monitoring findings to feed into policy discussions and advocacy addressed by the regional programme. The bilateral program has direct exchanges with the EU Delegation in Serbia related to program coordination, but also related to the overall country context when it comes to women's rights.¹⁸ Overall, coordination and complementarity with EU funded programs have been followed up and worked well. The portfolio maintains potential to deliver results with no foreseen need for adjustments.

9: Improved conditions for democratic accountability to the people and participation in political processes, including the promotion of free elections

10: Freer and more independent media

¹⁸ Kvinna till kvinna semiannual reporting for 2017 dated 1st November 2017, page 5 & Review Meeting 29-01-2018, notes: point 2

Development towards the strategy objective

”Public consultations need to be wider and deadlines more realistic to enable all interested parties to provide qualitative input.”

“... Conditions for the full exercise of freedom of expression continue to be lacking.”¹⁹

Portfolio level

Sida’s support to those objectives relates mainly to positive effects from portfolio contributions that intend to contribute to improvements in other support areas and specifically contributions that focus at human rights and ability to exercise democratic influence (area 2b) and enhanced environmental responsibility among the general public, business sector and civil society (objective 15).

Contribution level

The portfolio focuses on strengthening a more pluralistic civil society that has potential to contribute to democratic accountability and independent and free flow of information. One example is Sida's support to Civil Rights Defenders (CRD) programme and its support to raising public awareness of key high level corruption cases. CRD reports that the public in Serbia is “greatly interested in quality investigative journalism.”²⁰ CRD continue to partner with organisations that are strong advocates for strengthened democracy including protection of free dissemination of information and overall improvement of the media landscape in Serbia. Another example is the new CRTA programme (presented under objective 11) started in the beginning of 2018.

11: Partner countries better fulfil their international and national commitments on human rights, gender equality (including the EU’s strategy for equality between women and men) and non-discrimination

Development towards the strategy objective

The proposed new Law on Gender Equality has not been adopted and after an intense debate around several proposed provisions that involved many actors (ministries, NGOs, trade unions and the association of employers) it was withdrawn just before it was supposed to enter the Parliament. A sustainable institutional set-up (including an Agency or and Office for gender equality) for promoting gender equality, leading and coordinating the implementation of the Strategy is also not yet in place. Positive steps were made with regards to budgetary reform where some institutions and local governments have started to implement gender sensitive budgeting.

Portfolio level

Contribution to SCTM with improving gender equality at local level is the most significant contribution targeting this objective. Within the project, awareness was raised on the importance of gender equality for EU integration and a number of local officials received training in implementing charter on gender equality. In addition to this, gender has been mainstreamed in all strategic documents and plans of the SCTM, including the new Strategic document of SCTM.

¹⁹ Serbia 2016 Report, European Commission, 2016 pages 7 and 19 https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_serbia.pdf

²⁰ Civil Rights Defenders Annual Report 2016, page 6

Contribution level

Key achievements within our support to SCTM with regards to this objective are the following: SCTM is actively involved in the process of developing the Law on Gender Equality, Gender is mainstreamed in all activities of SCTM as well as in their key strategic documents, gender experts are included in preparation and implementation work of other thematic areas (as presented under objective 4), municipality of Becej was selected to pioneer work in introducing gender responsive budgeting, as well as in the development of the local action plan for the implementation of the European Charter for Equality of Women and Men in Local Life (a survey was done in Becej regarding gender equality in order to formulate needs of citizens and propose actions to be undertaken).²¹

12: Women and men have, to a greater extent, the same power to shape society and their own lives

13: Increased trust and reconciliation between parties in and between countries

Development towards the strategy objective ☐

The national strategy for gender equality 2016-2020 and its associated action plan 2016-2018 are in place; however a sustainable institutional set up with adequate resources for promoting gender equality remains needed.

“Serbia participated constructively in regional initiatives and worked to improve its bilateral relations in a spirit of reconciliation, good neighbourly relations and establish a climate conducive to addressing open bilateral issues and the legacies of the past.”²²

Portfolio level ☐

Women's and men's, girls and boy's different needs and opportunities as well as increased trust and reconciliation are analysed and addressed in the portfolio, however no specific contribution is meant to target those objectives directly, and it is rather adopted as an approach for promoting equality and peaceful society.

Contribution level

One example is as presented under objective 11.

2.3 Area of Support 3: A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change

14: Partner countries increase compliance with EU regulations and international agreements on the environment, climate and energy

²¹ "Support to Serbian Municipalities on the Road to EU Accession: Enabling High-Quality Services, Stakeholder Dialogue and Efficient Local Administration", Second Annual Narrative Report for January – December 2017; SCTM and SALAR

²² Serbia 2016 Report, European Commission, 2016 pages 62 and 5 https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_serbia.pdf

Development towards the strategy objective

Changes in the government setup in June 2017 lead to a new Ministry of Environmental Protection (MoEP) separate from the Ministry of Agriculture, Forestry and Water Administration (MoAFWA). It took however several months for the MoEP to establish an institutional structure, appoint key staff and become operational. The systematization of the new MoEP is comprehensive but it is still significantly understaffed. To cope with the understaffing efforts to digitize the collection of data and information have started but it will require close collaboration with Serbian enterprises, public utilities and municipalities. The Serbian Environmental Protection Agency (SEPA) is today a unit within the MoEP with no separate funding from the rest of the ministry.

It has been estimated that to fulfil the chapter 27 requirements the investment financing amounts to more than 15 Billion Euro (10 Billion Euro Waste Water Treatment Plants - WWTP and 5 Billion Euro for Solid Waste Management - SWM). There is still no priority list ("Single Project Pipeline") established. IPA funding was blocked for several years because of lack of bankable well prepared projects and there are no multiannual budget allocations for the MoEP which make long term planning difficult. Some of the required legislation, including by-laws, has been drafted but remains since years back to be approved by the parliament.

The MoF have reintroduced a budget line for environmental taxes (Green Environmental Funds, GREF), but there is no mechanism in place for how to make use of the GREF in terms of environmental investments (i.a. matching fund when IPA funds allocated for a WWTP or SWM).

Portfolio level

The Sida funded program "Environmental Negotiation Serbia" (ENVAP)²³ is supporting the preparatory process for Serbia's EU Negotiation Position since many years back, but there has not yet been an official opening of the chapter 27 for negotiations. Currently the MoEP has scheduled to present a first draft Negotiating Position by the end of June 2018. Inspection of compliance with the existing environmental regulation remains poor but is now subject to discussions regarding potential future Swedish support.

Contribution level

During the fall 2017 the Sida funded ENVAP project supported by SEPA has organized in total 30 meetings with 380 participants and it has generated 15 thematic reports on related to various Directive Specific Implementation Plans (DSIP) i.a. VOC solvent Directive, revised the IED and proposal for derogation of energy part Large Combustion Plants (LCP).

15: Enhanced environmental responsibility among the general public, the business sector and civil society

Development towards the strategy objective

Enhanced environmental responsibility is difficult when there is a need for structural reforms. Overall the industrial structure is dominated by large enterprises with outdated technologies and many times modernization requires starting from scratch. In 2018 it is scheduled to start with the IPA Rural Development (IPARD) administered by the MoAFWA which have the potential to fund Small and Medium size Enterprises, however in Serbia this segment is lacking as agriculture enterprises are

²³ ENVAP (Environmental Negotiation Serbia) progress report 2017-07--12

either less than 2 ha or large enterprises where the ownership of land remains unclear and annual leasing of land by the municipalities is common. There is good scope for investment in new technologies (i.a. energy efficiency) and improved use of resources in agriculture. Often times these investments have short pay back time, but credits are not easily available.

Portfolio level



The Swedish Environmental Protection Agency has assisted the MoEP to develop a communication plan where a national company has been procured. In addition SEPA is pursuing their support to the MoEP to prepare for negotiations on chapter 27 by improving exchange and communication (dialog tool, public face). Sida has funded an Integrated Pollution Prevention Control (IPPC) project implemented by the University of Belgrade 2015-2017 and it generated and awareness among agriculture enterprises among investments needs. Sida also encourage Serbian actors to seek other Swedish support and in 2017 one enterprise received Swedish “Demo environment” funding of 2 MSEK to modernize manure application reduces pollution (with a pay-back time of only one year).

Contribution level

In the Chemical Risk Management (CRM)²⁴ project, the Swedish Chemical Inspectorate (SCI) supports developing a database for the MoEP which will allow the industry to make electronic (e-) registration of import and export of chemical and biocidal products. This digitization will reduce the workload of the MoEP and the Serbian Chamber of Commerce will assist the MoEP to introduce a digitized system to the industry. In addition the MoEP have developed a plan to inform the industry on how to prepare Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and Biocidal Products Registration (BPR). A first draft law and by laws on Biocidal have also been formulated recently.

16: More sustainable public services in areas such as water and sewage, waste management, energy efficiency and renewable energy

Development towards the strategy objective



Overall the strategy is not developing as intended. There is not yet a Single Project Pipeline for prioritization of bankable well designed projects for WWTP and SWM. By and large the autonomous province of Vojvodina and large municipalities, decides when and if, investments in SWM and WWTP shall be made and they turn to the MoEP partly to get access to IPA funds. Most of the municipalities don't have enough human capacity to start WWTP project.

In the case of SWM there are four private land fill and private sector involvement with public private partnership (PPP) funding is discussed in several places. For instance even the city of Belgrade does not have a well-developed source separation regarding solid waste but in 2017 a PPP was signed to invest in an incineration plant for solid waste. However, it is likely that it will not receive any IPA support as incineration is not in line with EUs ambition to increase recycling and reuse.

The large dependence on lignite for energy production is major concern with its high CO2 emissions and the air pollution affecting people's health. In 2018 IPA funds will be available for Energy Efficiency targeting public buildings. A new gas pipeline is scheduled to reduce the dependence on coal generated heating witch will increase energy security and reduce CO2 emissions. There are some progress in renewables with regard to wind farms but no or small progress with regard to solar panels,

²⁴ KEMI Chemical Risk Management in Serbia progress report 2017-07--12

mainly due to regulations on the possibility to sell and to connect to the electricity system. Overall electricity transmission lines are well developed in Serbia and the potential is large to add parks producing wind or solar electricity.

Portfolio level



The Sida funded Priority Environmental Infrastructure Development () and the Environment Infrastructure Support Program (EISP 2) projects targets improved conditions regarding waste water and solid waste source separation.

Sida also support a program with the organization Hilfe zur Selbsthilfe e.V (HELP) that work with social inclusion and employment of marginalized including Roma waste collectors that are affected by the large structural reform in Serbia with regards to improved handling of solid waste.

Contribution level

The PEID program has finalized two tender documents (TD) for “Waste Water Treatment Plants” (WWTP) of totally 12 MEuro, whereas there are delays with the development of tender documents for the Nis WWTP scheduled for IPA 2019 support of 40 MEuro. The EISP 2 program has developed a Solid Waste Source Separation (SWSS) project to be funded by IPA during 2018 with 6 MEuro. It covers 17 municipalities in 4 regions where there are public solid waste utilities with sanitary landfills. It is implemented in collaboration with another EISP2 has been instrumental to assist the MoEP to prepare feasible and bankable WWTP, and SWSS, by assisting MoEP with the preparation of Feasibility Studies, Pre-Feasibility Studies (PFS) and Scope of Work.

3 Implications for the Continued Strategy Implementation

- The portfolio remains relevant, well balanced and implemented in line with MTR conclusions. Minor adjustments are done mainly due to contextual developments, and this might continue in the coming period due to possible further contextual changes. No major shifts in strategic planning are foreseen at this stage however.
- The portfolio aims to complement EU/IPA support and this is assessed as an efficient approach. Sida will continue to promote inclusive EU reforms with positive effects on larger parts of the populations for reduced poverty overall.
- The allocation of portfolio funds between the support areas remains relevant and will continuously be assessed in relation to contextual developments.
- Sida will continue to support increased democratisation and reduced poverty both by strengthening Serbia’s institutional and administrative capacity, and contributing to a diverse civil society and its role in promoting an inclusive reform process and EU values.
- The choice of cooperation partners will be based on assessments related to results delivery. New and innovative partnerships will be explored.
- Sida’s full range of available instruments (e.g. guarantees) for development is being actively explored for new opportunities for cooperation.
- Sida will, in line with the overall Embassy Communication Plan, continue its increased communication efforts related to Sweden’s support to Serbia and how it relates to the EU integration process,