

Serbia

The Development Challenge: Serbia is at a pivotal point of no less significance than the exhilarating period that surrounded Milosevic's ouster in October 2000. Compliance with The International Criminal Tribunal for the former Yugoslavia (ICTY) at The Hague is uneven and key publicly-indicted war criminals remain free. The economic and democratic reform agenda has stalled; the new government is not expected to act on the reform agenda rapidly. The Republic currently has neither a president nor parliament. Parliamentary elections, held on December 28, 2003, resulted in another coalition government which likely will move slowly on the reform agenda.

The March 2003 assassination of Serbian Prime Minister Zoran Djindjic accelerated the political disintegration of the democratic governing coalition, dramatically endangering reform efforts and changing the political landscape in Serbia. March and April 2003 saw passage of public information and broadcast laws that set back considerably the goal of laying the groundwork for an open, competitive media market. In November 2003, a third presidential election since October 2002 failed due to lower-than-required 50% turnout, and official results show that the anti-reform Serbian Radical Party candidate took first place, a disturbing indicator of the level of dismay over the Serbian leadership's infighting, corruption and perceived preference for bowing to international pressures. The Djindjic assassination conspiracy trial is scheduled to get underway in early 2004 in Serbia's Special Court for Organized Crime and War Crimes, established with U.S. Government support.

The Serbian macro-economy remained relatively stable. The budget deficit was held in check at approximately 4% of GDP, inflation fell into single digits (8% - 9%) and GDP grew modestly between 2% - 3%. The International Monetary Fund (IMF) projects that the State Union of Serbia and Montenegro will register about 3% of GDP growth for 2003. Serbia represents 94% of the Union economy; thus its growth is similar. Growth slowed in 2003 from 4% in 2002 and remains slower than expected given the low starting base in 2000. Job creation, along with the growth of small and medium enterprises, has been slow, which is expected for a nation emerging from over 40 years of a centrally controlled economy and 10 years of international sanctions. Economic and democratic development has been stalled for much of the year due to political infighting and government paralysis. The assassination of the Prime Minister was a catalyst for the demise of the reform movement in Serbia, as civil rights were rescinded, media legislation was restricted, and economic reforms were set aside.

The USAID managed program in Serbia and Montenegro is aligned to achieve the four strategic objectives enumerated in the joint State-USAID Strategic Plan. The intent of these objectives is to synchronize diplomacy and development assistance through 1) achieving peace and security; 2) advancing sustainable development and global interests; 3) promoting international understanding; and 4) strengthening diplomatic and program capabilities.

The USAID Program: USAID's support for the accelerated development and growth of private enterprises concentrates on economic growth and job creation; competitiveness building activities to attract investment and drive exports; privatization of State-owned enterprises; increased access to credit and financial services; preparation of Serbia for membership in the World Trade Organization; restructuring fiscal, financial and banking systems; sound and prudential practices implemented in bank and non-bank financial institutions; reorganization and strengthening of tax administration; strengthening of private enterprise and free market institutions; and commercial laws and related institutions.

USAID's efforts to create more effective, responsive, and accountable democratic institutions focuses on training for democratically-oriented parties; technical assistance for key government institutions; support for non-partisan efforts aimed at ensuring more participatory and fair election process; building capacity of civil society sector, independent media and trade unions; and anti-trafficking efforts. USAID will expand significantly efforts in judicial reform in FY 2004 and concentrate on promotion of a better-trained, more efficient, and democratically-oriented judiciary, legal profession, and court system, support for legal aid and human rights programs, and a special program aimed at strengthening the capacity of Serbia's newly-established Special Court for Organized Crime and War Crimes.

USAID's efforts to increase an informed citizens' participation in political and economic decision-making will concentrate on building trust between different ethnic groups and highlight the value of citizen participation; provide technical assistance; training and information technology grants to improve local government customer focus and responsiveness; increase citizen and civil society organization involvement and access to local government; improve legal and financial sustainability; and increase local government influence at the national level.

Other Program Elements: U.S. Department of Treasury advisors will complement USAID's program and focus on financial crime investigation; tax implementation; budget and banking reforms; and continue to advance the policy and economic framework for sustainable economic growth and the emergence of a viable private sector. The Department of Commerce will focus on small- and medium-sized companies to improve the country's economic situation and assist it in attracting additional foreign direct investment. The Trade and Development Agency will focus on increasing U.S. exports and fostering economic development in Serbia. Department of State will support Public Diplomacy and similar high priority programs, such as policy reform and training.

Other Donors: USAID is the largest bilateral donor active in Serbia and cooperates actively with multi-lateral and bilateral donors. Among the most significant multilateral donors with whom USAID works are the International Bank for Reconstruction and Development (IBRD), the IMF, European Union (EU), the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB). USAID also collaborates with a large number of bilateral donors, notably the United Kingdom, Germany and Switzerland. USAID's joint efforts center on macro-economic stabilization and restructuring, which includes building an economic policy and legal environment that is conducive to business development and job creation, and which is oriented towards reintegration with regional and world institutions, such as the World Trade Organization and the EU. USAID actively worked with World Bank teams under the €78 million Private and Financial Sector Structural Adjustment Credit on numerous laws, including the Bankruptcy Law and the Company Law. In 2002, Serbia and Montenegro successfully completed a one-year IMF Stand-by arrangement and secured the approval of the IMF Board for a three-year \$829 million Extended Fund Facility which sets important budget and monetary targets. USAID advisors to the National Bank of Serbia and to the Ministry of Finance and Economy coordinate, to the greatest extent possible, with the IMF's Resident Representative and missions to Belgrade. The EU committed €223 million in the past year with major investments focused on energy, agriculture, border crossings and public administration. Lesser sums support commercial law reform and private sector development, and USAID works closely with EU implementers in each of these areas. The EBRD and the EIB pledged approximately €143 million and €124 million respectively in 2003. These sums are part of the total €586 and €528 million, respectively, pledged between 2001 and 2003. The bulk of both the EBRD and EIB programs target municipal infrastructure development and energy sector rehabilitation. All USAID programs are carefully coordinated with other donor efforts, and orient Serbia for ultimate accession into the EU.

Data Sheet

USAID Mission:	Serbia
Program Title:	Economic Reform, Restructuring and Policy
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	169-0130
Proposed FY 2004 Obligation:	\$17,000,000 AEEB
Prior Year Unobligated:	\$2,500,000 AEEB
Proposed FY 2005 Obligation:	\$17,000,000 AEEB
Year of Initial Obligation:	FY 2001
Year of Final Obligation:	FY 2006

Summary: The USAID Economic Reform and Restructuring program in Serbia has delivered technical assistance in three principal areas: stabilization, restructuring, and integration. The first, stabilization, was largely accomplished in 2003. In 2004 and beyond, the focus will be on restructuring, targeting the macro-economy; the legal, judicial and fiscal obstacles to growth and integration, focused on enterprise development, trade and finance.

Inputs, Outputs, Activities:

FY 2004 Program:

Restructuring (\$10,000,000 AEEB, \$2,046,000 AEEB carryover). Restructuring involves the transfer of state-owned assets to the private sector, legal and institutional reform, and financial and fiscal (tax and pension) systems reform that promote open, transparent, broad and deep markets. USAID/Serbia's enterprise restructuring activity has served as a model for other donors' efforts. USAID's privatization activity will conclude in FY 2004 with the restructuring of a major conglomerate and the auction of several of its subsidiaries. Institution-building and reform activities have focused on the executive, legislative, and judicial branches of government. These efforts enlist USAID implementers working in close concert with U.S. Treasury Advisors. A major Commercial Court Administrative Strengthening Activity (CCASA) will be launched in mid-2004 and will be closely allied with broader court reform and rule-of-law programming. Contractor: BearingPoint (prime) and to be determined.

Integration (\$7,000,000 AEEB, \$454,000 AEEB carryover). Market integration comprises competitiveness-building, and enterprise finance activities that focus on micro-, small- and medium-sized enterprises (SME), and on re-joining the World Trade Organization (WTO). USAID launched a significant competitiveness activity in late 2003. This effort is focused on enterprise and industry clusters, and is supported by Opportunity Stedionica International (OSI). OSI has performed well since inception, and as a result was awarded an additional \$9.96 million cooperative agreement late in 2003 to support increased lending to micro firms and SMEs, and mortgage and home equity finance. Assisting Serbia to re-join the WTO remains an important program activity, though it was delayed in 2003 by political circumstances. Contractor: Booz Allen and Hamilton (prime). Grantee: OSI.

FY 2005 Program:

Restructuring (\$12,310,000 AEEB). The Mission will continue work in institution-building and reform, financial and fiscal systems reform. Assistance in drafting the body of commercial legislation, ensuring harmonization with EU and international norms, will continue in FY 2005. CCASA will receive substantial funding in its first full year of implementation, when project costs will be significant. Ensuring that commercial law is better and more fairly adjudicated is a priority for business development and investment promotion. A Value-Added-Tax (VAT) will be introduced in late 2004 or early 2005, and in conjunction with a substantial new award designed to promote pension system reform, will comprise the body of fiscal system reforms being advanced by USAID. Contractor: To be determined.

Market integration (\$4,690,000 AEEB). Fueling growth, job creation and prosperity will remain central to USAID's mission, and will depend upon technical assistance delivered under the competitiveness initiative, and credit provided by OSI. Re-joining the WTO will be a pillar of the economic growth program, and will contribute substantively to EU accession efforts. Contractor: Booz Allen and Hamilton. Grantee: OSI.

Performance and Results: This program met its objectives in 2003. However, progress on all fronts was aggravated by profoundly unsettling political events. As a result, macroeconomic reforms stalled mid-year, and were further delayed by the parliamentary elections. The principal obstacles to enterprise development and job creation were poor legal/regulatory, judicial and fiscal regimes, and shallow finance and banking systems. The significance of these obstacles is manifest in the 2003 World Economic Forum Competitiveness Index which ranked Serbia 77th out of 102 countries, behind all comparable neighbors. According to the European Bank for Reconstruction and Development (EBRD), Serbia scores at the bottom of the rule of law and governance index, ahead only of Belarus and Turkmenistan.

USAID collaborated on many laws in 2003, and while some were ratified, legal/regulatory reform was generally unimpressive, with critical new laws (Company, Bankruptcy and Executions) stalled in Parliament. USAID-supported institution-building proved effective. The Public Procurement Office saved more than \$7 million, and the Anti-Money Laundering Commission processed 78,000 currency and 165 suspicious transactions reports, and referred 6 cases to the Prosecutor General. Both contributed to anti-corruption and anti-financial crimes initiatives. The jointly-conceived USAID/U.S. Treasury Tax Policy and Administrative Reform project continued to improve collections, audit, taxpayer service, information technology (IT) and other areas. Progress is satisfactory, and should accelerate with the introduction of a VAT in 2004 or 2005. USAID commenced work on broad fiscal reform (including pension), which is critical to keeping the social benefits systems afloat when foreign debts come due, privatization proceeds decline, and demographic trends exacerbate the existing deficit.

At year-end, USAID's privatization project completed the restructuring of Zorca, a major conglomerate. This effort supported the Government's privatization effort, which demonstrated sterling success in 2003 when 940 companies were sold for €1.2 billion. Modest foreign direct investment and a slowly-growing number of micro and SMEs boosted the private sector share of GDP above 40%, though GDP growth was anemic. Competitiveness-building activities are, however, gaining momentum and helped drive exports higher in the two target industry clusters. Future gains are expected because of the restoration of normal trade relations with the U.S.

State-owned bank assets fell to less than 42% of the total, well-ahead of target, though much of the work occurred in early 2002 when the four largest banks were closed. Ever since, weak management and poor leadership have plagued banking system reform. With banking system assets of €5 billion, and loans registering less than 15% of GDP versus 25%-50% in neighboring countries, breaking the credit logjam is a major impediment to growth and job creation. USAID supported two credit facilities: OSI and ProCredit. OSI disbursed nearly 2,000 loans valued at €3.3 million, and created 945 jobs. The portfolio is sound, with no write-offs and less than 1% of the 1,643 loans past due. OSI lends to agriculture, production, services and trade, with women comprising 42% of its borrowers. USAID provided ProCredit Bank with technical assistance, helping to drive assets from €12 million in 2001 to more than €125 million in 2003. Both work actively with other USAID projects, including the Community Revitalization through Democratic Action Project (CRDA), originating more than \$1 million in loans to CRDA beneficiaries in northern Serbia alone.

Data Sheet

USAID Mission:	Serbia
Program Title:	Democracy and Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	169-0200
Proposed FY 2004 Obligation:	\$15,000,000 AEEB
Prior Year Unobligated:	\$1,317,000 AEEB
Proposed FY 2005 Obligation:	\$15,000,000 AEEB
Year of Initial Obligation:	FY 2003
Year of Final Obligation:	FY 2005

Summary: USAID's democracy and governance program in Serbia promotes more effective, responsive, and accountable democratic institutions through grants, exchanges, and technical assistance to: non-governmental organizations (NGOs), independent media, trade unions, and international organizations engaged in anti-trafficking programs; technical assistance to democratically-oriented parties, parliament, and selected government institutions; and training and technical assistance to support a more democratic, and a better-trained and managed legal system.

Inputs, Outputs, Activities:

FY 2004 Program:

Civil society (\$4,856,000 AEEB) and Anti-trafficking (\$300,000 AEEB). Assistance to NGOs includes grants that support the advancement of legal reform, policy dialogue, citizen participation, human rights initiatives, truth and reconciliation, Serbia's reintegration into the Balkans and movement towards Europe, and service-provision to boost NGO sector capacity. Regional and U.S.-based exchanges for both NGOs and government institutions complement these grants. American volunteers provide capacity-building services to NGOs and selected government counterparts. USAID also supports efforts to improve the legal and regulatory framework for NGO operations. Independent trade unions assistance transfers skills to unions to engage in a dialogue with government and business on economic reform issues, drafting and contributing to legislation, improving service to members, increasing women and youth representation, and reaching out to other unions to magnify labor's voice. Media activities include training to build a more professional cadre of journalists and media managers, equipment grants and/or consultancies for selected outlets, grant support for quality local production, assistance to municipal media in preparing for privatization, support to media associations in better serving their membership, a live satellite feed of the Hague proceedings, and support to a rotating group of Serbian journalists covering the trials. Current anti-trafficking efforts support return/reintegration services for victims, public information campaigns, and efforts to increase data collection and transfer anti-trafficking knowledge and experience within the region. Implementing partners include Freedom House, the International Center for Not-for-Profit Law (ICNL), International Research and Exchanges Board (IREX), the American Center for International Labor Solidarity (ACILS), the International Organization for Migration (IOM), and other anti-trafficking implementers to be selected.

Political Process (\$2,844,000 AEEB). USAID partners assist democratically-oriented political parties in improving internal communications and organization, utilizing volunteers effectively, crafting and communicating policy messages, increasing women and youth representation, developing campaign plans, mobilizing voters, and working effectively with the press. Work with parties ceases 30 days prior to any major election in accordance with USAID policy. Partners also work with selected ministries and local government, to reinforce the notion of governing more effectively and communicating with citizens. Emphasis is also placed on parliamentary development, including caucus and committee strengthening, building staff capacity, strengthening legislative review, and developing effective oversight of the security sector. The Centre for Free Elections and Democracy (CeSID), the domestic monitoring NGO, receives assistance to boost its organizational capacity, diversify its funding base, and implement monitoring

programs. Support is provided for non-partisan get-out-the-vote efforts as well. Implementing partners include the International Republican Institute (IRI) and the National Democratic Institute (NDI).

Rule of law (\$7,000,000 AEEB, \$1,317,000 AEEB carryover). Ongoing assistance focuses on building a more effective judiciary through technical assistance and grants to Serbia's independent judges' association; continuing legal education through bar associations; providing support to associations of prosecutors, magistrates, and young lawyers; assisting in the provision of legal aid to redress human rights violations; and support for increasing government and NGO capacity to address domestic violence issues. A separate but critical ongoing activity is preparing Serbia's Special Court for Organized Crime and War Crimes to hold the Djindjic assassination conspiracy trials and other high-profile cases through donations of courtroom and office equipment and training for judges, prosecutors, and court staff. This activity is coordinated with other USG assistance providers through an Embassy-chaired Rule-of-Law working group. A major new rule of law activity will be initiated in 2004 and will focus on increasing efficiency in other civil/criminal courts, improving legal education, and further boosting judicial training capacity. This new activity will be coordinated with a planned commercial court reform program implemented under USAID Serbia's economic growth objective. Implementing partners include the American Bar Association (ABA/CEELI), the National Center for State Courts (NCSC), and other partners to be determined.

FY 2005 Program:

Civil Society (\$4,000,000 AEEB); Political Process (\$4,000,000 AEEB); and, Rule of Law (\$7,000,000 AEEB). The activities referenced above, with the exception of USAID's planned three-year rule of law activity, end in March-April 2005. Extended programs or new activities that support these goals will be put in place early in 2005, pending planned democracy and governance (DG), NGO, and media assessments. Implementers are as stated above, minus the NCSC Special Court activity, which ends in 2004. New partners may be added.

Performance and Results: This program is helping multiple, critical civil society organizations and government institutions better serve citizens at a time when democratic development in Serbia is facing severe tests. The assassination of the Prime Minister in March 2003 set off 10 months of political upheaval and accelerated the demise of the democratic governing coalition, which led to the dissolution of Parliament in November. There are critical major organized crime and domestic war crimes trials set to start in the beginning of 2004. USAID-supported democracy and governance results in 2003 include civil society campaigns that resulted in productive collaboration with government on the passage of a federal decree on conscientious objection, a draft freedom of information act, and the initiation of meaningful dialogue with the Ministry of Interior on police reform. Media support helped B92 realize its national expansion plans - the station now covers all major municipal markets and has a modern, well-designed studio facility. USAID support was instrumental in the establishment of an investigative reporting training program that has trained eight journalists monthly, created a web-based forum for exchange of information on regional anti-corruption efforts, and trained reporters to cover trafficking stories. Political process activities have helped lend stability to Serbia's chaotic political scene over the past year in their emphasis on helping democratically oriented parties develop more effective organizational structures, better gauge citizen concerns, and mobilize both volunteers and voters. Rule of law achievements include the delivery, currently in process, of \$800,000 worth of courtroom and office equipment to support the operations of Serbia's newly-established Special Court for Organized Crime and War Crimes, and training activities conducted for trial participants and court staff on all aspects of handling complex, high-profile, high-security cases. By program completion, NGOs, trade unions, and independent media will have increased citizen engagement in all aspects of the policy process, contributed to resolving lingering sources of conflict, pushed or partnered with government to move needed reforms ahead, and moved further down the path towards sustainable NGO operations. Democratically-oriented political parties will respond better to citizen concerns, mount campaigns more effectively, govern themselves more democratically, and function more effectively within parliament and within selected ministries. Human capacity in the judiciary and legal profession more broadly will increase, and a critical number of efficiently-functioning courts will lead the way for the court system at large.

Data Sheet

USAID Mission:	Serbia
Program Title:	Civil Society and Local Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	169-0210
Proposed FY 2004 Obligation:	\$49,410,000 AEEB
Prior Year Unobligated:	\$150,000 AEEB
Proposed FY 2005 Obligation:	\$38,000,000 AEEB
Year of Initial Obligation:	FY 2001
Year of Final Obligation:	FY 2006

Summary: The USAID Civil Society and Local Governance Program in Serbia consists of the Community Revitalization through Democratic Action Program (CRDA) to revitalize local democracy through strong citizen participation; and the Serbian Local Government Reform Program (SLGRP) to strengthen the capacity of local governments to provide services in a transparent, participatory manner.

Inputs, Outputs, Activities:

FY 2004 Program:

CRDA Program (\$42,910,000 AEEB, \$150,000 AEEB carryover). The CRDA Program is now active in approximately 350 communities where broad-based, representative citizens' committees are actively engaged in making decisions on community development activities to improve the quality of their lives. Projects funded by CRDA may involve civic participation activities, local small-scale civil works, rehabilitation or construction (such as schools or clinics), income-generating activities, environmental improvement actions and reproductive health efforts. Since the inception of the program, over 2,200 projects have been initiated in collaboration with local communities providing counterpart contributions that covered about 45% of project costs, reflecting the strong support and involvement of the communities. In FY 2004, CRDA will expand to an additional 50 communities, and initiate another 1,000 projects, with an increased emphasis on projects that involve clusters of two or more communities and in some cases, entire regions. As in FY 2003, a percentage of funds will be used for projects to assist socially vulnerable groups, such as refugees, internally displaced persons, and Roma. The implementers are: America's Development Foundation (prime), the University of Delaware's FLAG International (sub) and the International Executive Service Corps (sub), Mercy Corps International (prime), Deloitte, Touche, Tomatsu (sub), International Relief and Development, Inc. (prime), the United Methodist Committee On Relief (UMCOR)(sub), Camp, Dresser, McKee International (sub), Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Activities (ACDI/VOCA) (prime), Overseas Strategic Consulting, Ltd (sub), and Corporate Housing Foundation.

Serbian Local Government Reform Program (\$6,500,000 AEEB). During the five-year life of the program, SLGRP will provide training and technical assistance to 87 municipalities, including the 17 local governments in the metropolitan Belgrade area to help municipal governments become more efficient, responsive and accountable. The assistance will focus on the areas of financial management, municipal services and utility management and information management. The program improves local government customer focus and responsiveness, increases citizen and civil society organizations' involvement and access to local government, improves legal and financial sustainability, and increases local government influence at the national level. As a result of its efforts, Serbian municipalities are holding public budget hearings for the first time and allowing citizens to participate in the decision-making process concerning local funding priorities. During the second year of SLGRP, 40 municipalities were provided with technical assistance. In FY 2004, 47 additional local governments will receive assistance to reach the program planned goal of 87 municipalities, which represent over 70% of the total population of Serbia. At the national level, the SLGRP is providing technical assistance to the Republic of Serbia in drafting and

implementing policy reforms that will decentralize many government responsibilities and decision-making to the local level. The implementers are Development Alternatives, Inc. (prime) and PACDO (sub).

FY 2005 Program:

Community Revitalization through Democratic Action Program (\$38,000,000 AEEB). In FY 2005, it is anticipated that the CRDA Program will be active in more than 400 communities, as many as 90 municipalities, and will initiate approximately 1,000 new projects in participating communities. An increased number of the CRDA activities will be cluster projects involving collaboration between several communities, often of different ethnic composition. By the final year of the CRDA Program, it is expected that more than 6 million people (over 60% of the total population) will have directly benefited from it. The implementers will be the same as in FY 2004.

Serbian Local Government Reform Program (\$0 AEEB). During its final year, SLGRP will limit its capacity-building activities to 17 local governments of the Belgrade metropolitan area. An emphasis will be placed on the establishment of transparent accounting financial management and budgeting procedures that include public hearings and citizen participation in decision-making on local priorities. Staff from the municipalities who had received training in the early phases of the program will be used as mentors to staff in the local governments added in the later phases of the program. The implementers are the same as in FY 2004.

Performance and Results: After two full years of operation, the CRDA program was working in approximately 350 communities in 79 municipalities. Of the more than 2,200 projects that have been initiated, over 50% were completed by the end of FY 2003. Approximately an additional 1,000 projects are planned for the third year. It is estimated that around 4 million people have directly benefited from the CRDA projects in its first two years. The continued strong involvement and support of the communities for CRDA activities is demonstrated by the fact that 45% of the funding for project costs (up from 33% in the first year) has come from non-USAID resources. Beneficiaries indicate that the most important aspects of the CRDA Program have been its willingness to let the community identify and implement projects to address its own priorities and CRDA's ability to bring people together to work cooperatively towards improving their living conditions. Local government leaders have come to embrace the notion of citizen participation and, in most municipalities, are allocating their own meager resources to help provide the local matching contribution. A survey conducted in August 2003 in selected CRDA communities found that the program had a positive impact on changing people's attitudes toward democracy, community involvement and the United States.

SLGRP program has conducted 1,022 training sessions for municipal officials on such topics as financial management, public works and utility management, citizen participation and policy reform. This training has been provided to 26,300 participants, over 50% of whom were women. Public budget hearings are for the first time being held in all participating municipalities. The program has established public-private partnerships in four municipalities to improve central business districts and mobilized a contribution of about \$200,000 from the local private sectors in these cities. Citizen information and one-stop centers for obtaining permits and licenses have been set-up in several cities and this effort will be expanded in FY 2004. Modern IT equipment and software plus related training have been provided to 38 municipalities, to assist local governments to implement more efficient and transparent information management systems.

Serbia will have a strong, well-organized civil society coupled with a highly decentralized government structure relying heavily on participatory, transparent, and accountable local governments to provide basic services and infrastructure. While ethnic and religious cleavages may remain, there will be a greater degree of mutual trust and respect among these groups.

Data Sheet

USAID Mission:	Serbia
Program Title:	Cross-Cutting Programs
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	169-0420
Proposed FY 2004 Obligation:	\$3,000,000 AEEB
Prior Year Unobligated:	\$1,114,000 AEEB
Proposed FY 2005 Obligation:	\$3,000,000 AEEB
Year of Initial Obligation:	FY 2001
Year of Final Obligation:	FY 2006

Summary: This objective is designed to accommodate activities that make significant contributions to more than one strategic objective. It finances program development costs, program assessments, learning efforts, and other program operational costs.

Inputs, Outputs, Activities:

FY 2004 Program:

Program Support and Assessment (\$3,000,000 AEEB, \$1,114,000 AEEB carryover). Resources will fund U.S. and local expertise for program support and assessment including the operational costs of the four field offices that monitor and manage USAID's Community Revitalization through Democratic Action Program (CRDA) and Serbian Local Government Reform Program (SLGRP) programs in Serbia. Additionally, the costs to design new activities and evaluations and assessments of ongoing activities will be borne by this objective. The Mission will conduct the following assessments and evaluations in FY 2004: democracy and governance strategic assessment, media and civil society assessment, and CRDA program evaluation, all of which will be funded from this strategic objective.

FY 2005 Program:

Program Support and Assessment (\$3,000,000 AEEB). USAID intends to use FY 2005 resources to continue to fund U.S. and local expertise for program support and assessment including the operations of four field offices to monitor and manage USAID's programs in Serbia. In addition, a portion of the funds requested here will be used for activity design, evaluations and training.

Performance and Results: Four additional field offices have been established. Program support and assessment services have played a critical role in strengthening activities, most notably in the areas of financial market reform, commercial court reform and insurance and pension system regulation efforts. Funds obligated under this objective support the program objectives across the Mission portfolio and contribute to the results achieved by the core strategic objectives.