



COUNTRY PROFILE

FEBRUARY 2009



Two young students benefit from a new school-based computer center, resulting from USAID's recently completed Community Revitalization through Democratic Action program (CRDA). CRDA facilitated 5,500 projects throughout Serbia and was designed to bring about immediate improvements by bringing together citizens to first identify pressing needs in their communities and then to engage in projects which helped meet those needs

SERBIA SNAPSHOT

Capital: Belgrade
Population: 7.5 million
GDP per capita: \$8,200 (2008)

**For more information, see www.usaid.gov
Keyword: Serbia**

OVERVIEW

USAID programs seek to support Serbia in its goal to be democratic, prosperous, and progressing towards Euro-Atlantic integration. The USAID



Belgrade

Serbia and Montenegro Strategy for 2006-2011 profiles the social, political, and economic contexts for USAID's work in Serbia and defines the strategic objectives of the mission's activities. The strategy incorporates three key themes in addressing transitional challenges while adopting an innovative approach that integrates key democracy and economic growth components. It was also designed to respond to potential changes in circumstances including upcoming political events and optimizes resources and program impact through alliances with non-traditional partners.

PROGRAMS

REBUILDING A STRONG INVESTMENT CLIMATE

Serbia has made important progress in creating a legal and policy framework for economic growth, but important steps remain to ensure sustained stability. USAID works with Serbian government counterparts, non-governmental organizations and other U.S. Government departments: to help deepen structural reforms and improve the legislative process; provide support on implementation and enforcement of new legislation and improve governance; including the exercise of authority of key institutions and their responsiveness to the public. Public education and outreach are integral elements of almost all areas of engagement to promote understanding and support for reforms. This work at the national level is expected to result in heightened investor confidence in the rules and behavior of key institutions affecting economic growth and investments in Serbia. A more cohesive, accountable, and responsive government should also lead to more domestic confidence and stronger support for continued advancement of democratic governance and economic reform.

USAID activities promote a broad range of economic reforms, working with the National Bank of Serbia on supervision of banks, insurance companies and private pension funds, macroeconomic research and monetary policy advice, with the Ministry of Finance on tax law and administration and others on development of Serbia's capital markets, especially fixed-income securities such as municipal bonds. Another activity is helping the Governments of Serbia and Montenegro meet the requirements for World Trade

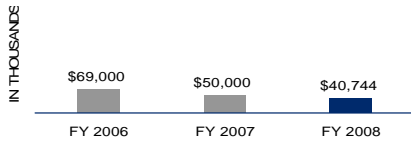


USAID
FROM THE AMERICAN PEOPLE

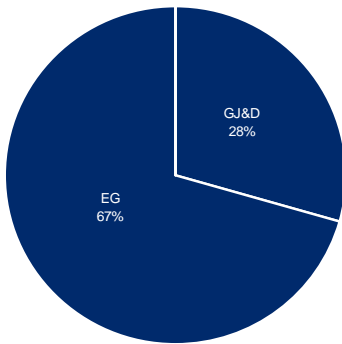
SERBIA

COUNTRY PROFILE CONTINUED

USAID ASSISTANCE TO SERBIA



FY 2008 Budget Allocation by Objective



Governing Justly & Democratically:
\$11,379,247
Economic Growth: \$27,339,437

Based on FY 2008 Assistance for Eastern Europe and the Baltic States funding.

Organization accession, expected in 2008; much of this also contributes to fulfilling requirements for future EU membership.

FUELING LOCAL ECONOMIC GROWTH

At the local level, municipalities are grappling with problems of high unemployment and non-performing enterprises awaiting privatization. However, lack of delegated authorities and control of resources, as well as an inadequately trained cadre of civil servants, has left them with insufficient tools to confront these problems. One obstacle to empowering municipalities to spur economic development is the fact that state property in the municipalities has not yet been returned to local governments. USAID contributes to an improved business climate at the local level by working with a select group of dynamic municipalities that can become regional engines of economic growth, while promoting reform at the national level through a grass roots alliance of local government and business. Concurrently, USAID identifies promising sectors for business development and assist the industries in these sectors to improve their productivity, and marketability of their products. USAID also works with agribusiness from the farm to the fork with an emphasis on meeting international standards of product, process, and hygiene. Three new USAID programs target the most promising areas of private sector development: a five-year, \$25 million municipal economic development program; a four-year, \$16 million enterprise development program; and a five-year, \$26 million agribusiness development program.

STRENGTHENING DEMOCRACY AND ECONOMIC SECURITY

A lack of economic opportunities, particularly in vulnerable areas of Serbia, has the potential to inhibit the country's overall stability. Left unaddressed, current conditions could undermine the possibilities for a functioning market democracy and increase the risk of conflict. USAID is addressing the risk of political instability by improving economic security in vulnerable areas, not only to reduce poverty but also to ensure that improvements are addressed fairly throughout the population. It also strengthens the capacity of municipal governments and local civil society in vulnerable areas to plan for potential emergencies and to provide effective responses should they occur. A rapid response mechanism is also available to provide humanitarian assistance in the event of an actual crisis.

In addition, USAID is addressing the systemic weaknesses that inhibit stability throughout the country in order to create continued support for democratic reforms and a stronger check to the potential rise of non-democratic forces. These country-wide activities seek to strengthen civil society advocacy, enhance the capacity of independent and sustainable media to provide professional news and information to citizens, and support the ability of democratic parties to represent constituent interests in political processes.

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On behalf of the American people, the U.S. government has provided humanitarian assistance and economic development to those in need around the world since the Marshall Plan.