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Serbia-Montenegro

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Serbia and Montenegro



Note; Kosovo is formally a part of Serbia and Montenegro, but Sida assistance to Kosovo is not included in this report



1. Introduction

1.1 Political Development

The last three months of 2002 were dominated by continued political confrontation between the main players within the democratic two-thirds of Serbian politics, and by the struggle to negotiate a constitutional *modus vivendi* with Montenegro. The first three months of 2003 saw the replacement of FR Yugoslavia by Serbia and Montenegro, and the assassination of Serbian Prime Minister Zoran Djindjic, leading to the introduction of a state of emergency in Serbia.

Renewed Serbian presidential elections in December 2002 failed to produce the necessary 50 percent support of the electorate for any individual candidate. Therefore, despite protests from the winner – then federal president Vojislav Kostunica – the speaker of the Serbian Parliament Natasa Micic, a member of the DOS party GSS, became interim president as of January 2003, pending renewed presidential elections probably during the fourth quarter of 2003. In Montenegro presidential elections in December and a retry in January also failed to reach the 50-percent threshold, and new elections are scheduled for 11 May 2003. It is believed that the former Prime Minister and candidate of the ruling DPS/SDP coalition Filip Vujanovic will easily win these elections, now that the 50% rule has been removed.

In January 2003 the Federal Parliament voted in favour of a new Constitutional Document of the State, leading to the change of name to Serbia and Montenegro, and the remodelling of the State into a State Union, i.e. a looser construction than previously with only five ministries (foreign affairs, defence, human rights and minorities, internal economic relations and external economic relations), and a devolution of power to the republican level. The former head of the Foreign Relations Committee of the Montenegrin Parliament, Mr Svetozar Marovic was elected by the State Parliament as new Head of State (“President”) and simultaneously as chairman of the Council of Ministers. Work began on the development of a new Constitution of Serbia.

The remodelling of the State opens the way for further progress in EU integration by means of the Stabilisation and Association Process. Work continues between Serbia and Montenegro on achieving a sufficient degree of economic integration so as to be able to start negotiations with the European Commission on a Stabilisation and Association

Agreement. It is now hoped such an Agreement could come about by the end of this year, or the beginning of 2004.

In Southern Serbia a relative calm still rules, disturbed from time to time by incidents such as assassinations, bomb explosions or automatic weapons fire or Albanian extremists' harassment of the OSCE-trained "Multi-ethnic Police". Efforts continue with extensive international involvement to engage Albanian leaders in a political and economic development process of the region.

On March 12 Serbian Prime Minister Zoran Djindjic was assassinated by what appears to be an organised crime network (the "Zemun clan") consisting of a mixture of pure criminals and former security police and Special Forces operatives. The exact motive of the deed is not known, but the immediate consequence was the introduction of a State of Emergency in Serbia and the subsequent round-up of some 4,000 persons suspected of involvement in organised crime. Media restrictions were imposed leading to the closure of some newspapers and some TV/Radio stations being fined for breach of these.

1.2 Economic Development

Following the change of the former regime in Serbia in October 2000, several rather promising changes have been made in the domain of economy and financial recovery.

The exchange rate has remained stable at 30 YUD/DEM (now roughly 60 YUD/EUR) since then. The government has made the fiscal system more transparent and has liberalised prices substantially. Foreign trade has also been liberalised and a privatisation law enacted.

These regulatory improvements together with large volumes of foreign aid, a good harvest and renewed consumer confidence led to a GDP growth of some 5 percent 2002. Approximately four percent is expected this year, although the introduction of a state of emergency in March might affect this prognosis. Inflation (December–December 2002) was some 13% – less is expected this year. GDP per capita remains low at some 2,000 USD. However, this figure is likely to underestimate the real purchasing power of the population.

1.3 Social Development

The social situation in S-M remains difficult for large parts of the population, with real incomes still substantially below – and price levels above – pre-war levels of the late eighties. Real incomes have begun to climb slowly, and the real appreciation of the Dinar increases purchasing power, expressed in hard currency.

The Dinar exchange rate has depreciated somewhat (roughly 5 percent) during the beginning of 2003, which is in line with the policy of the Central Bank to allow an adjustment of the rate roughly at the rate of inflation.

Large structural problems remain in the form of high unemployment (officially up to 30% and unofficially between 40–50% of the working age population). This is to some extent compensated for by the large economic activity in the informal sector. Recently, the daily "Politika" conducted a survey in co-operation with the Belgrade based "Factor Plus"

agency, with the aim to determine to what extent the Serbian population is engaged in the black market economy. The results show that as many as 63% of S-M citizens either were, or still are, active in the informal economy. Roughly one quarter of the population is unemployed and poverty affects the same number – extreme poverty (income less than 1 USD/day) affects perhaps 10 percent.

The government still has major problems with pensions, the health sector and other social welfare programmes that need extensive restructuring and reform. Above all, there is a need for a strategy for sustainable growth once foreign aid flows diminish.

1.4 Poverty Reduction Strategy Process

The interim Poverty Reduction Strategy Paper (PRSP) was finalised and presented to the donor community in August 2002. In the following months, the Ministry of Social Affairs (focal ministry for PRSP) and the World Bank, organised a survey of 6 800 households to prepare a valid base for PRSP. This survey was designed to measure consumption rather than income in order to get a better picture of the living standards and poverty indicators.

In order to carry out the PRSP, six advisory committees were established: one of parliament members, one of the core reform ministries, a private sector committee, a civil sector committee, a committee of the local self-government representatives and a donor committee. A wide consultation process on the preparation of the PRSP was organised within and between these committees during January and February 2003.

The first draft of the PRSP was planned for the last week of February, but for various reasons it will be presented in mid-April. Advisory committees will review this document and offer comments and suggestions for the second draft. The deadline for submission of the final PRSP is July 31.

2. Swedish Development Co-operation and Donor Co-ordination

2.1 Regional Development Co-operation Strategy and Development Co-operation with Serbia and Montenegro

Present Sida co-operation with S-M is in line with the EVB regional strategy for the Western Balkans. Lessons learned in other countries of the region are used for preparation of similar projects/programmes to be implemented in S-M. When possible and relevant, programmes/projects are being designed to be in line with the EVB regional approach.

The co-operation is also in line with the strategy of Swedish Development Co-operation for S-M, as decided by the Swedish Government and valid until 31 December 2003. Work on a new Country Strategy for S-M has begun and is expected to be finalised by November 2003.

2.2 Disbursements and Planning

Disbursements in March 2003 reached approximately 16% of the amount committed for 2003. Disbursements need to increase. 12% of the budgeted for 2003 still remains to be planned for.

2.3 Donor Co-ordination

Donor funds to S-M are co-ordinated in two ways. The first is the somewhat sporadic co-ordination done by the Serbian Ministry for International Economic Relations. The second is a more dynamic process, initiated on a "need to" basis with relevant donors and specific recipients in different fields where Sida is involved. Several major recipient institutions arrange small donor meetings in order to ensure proper co-ordination.

3. Sida Programmes

General

Sida was interested in improving the skills and knowledge of its counterparts about project preparation and therefore decided to finance a Logical Framework Approach (LFA) seminar for its local partners last October. The aim was to introduce the LFA instrument for planning, assessment, follow-up and evaluation of projects as a way to improve the quality of Sida funded projects. The seminar attracted 60 participants

3.01 Human Rights, Democratisation and Media

A major part of the development co-operation in this sector is channelled through “framework” NGOs, such as *SHC*, *OPIC*, *PRONI* and *KiK* (see 3.03). These NGOs have offices in Belgrade and work in Serbia and Montenegro.

The Swedish Helsinki Committee has applied for support to 14 small projects in Serbia and six in Montenegro for 2003. 8 projects are new while the remaining continuation of previous activities. A major share of the funds is requested for Resource Centres in five municipalities in Serbia (Nis, Negotin, Bor, Leskovac and Novi Pazar). The Resource Centres were established in 2002 as focal points for future local initiatives and programmes. The centres have established their own networks and managed to start a few, small-scale activities.

With the *Olof Palme International Centre (OPIC)*, 8 projects will be supported in Serbia and three in Montenegro for 2003. According to information from field visits and verbal reports, we assume that projects supported in 2002 have been finalised according to plans.

By the end of 2002, the *anti-trafficking* project with IOM had offered assistance to 92 victims of trafficking in Serbia and Montenegro. Sida decided to continue support to this regional project for an additional 12 months. An evaluation of the project started early 2003 and IOM will adjust its project activities according to the findings and recommendations of this evaluation.

In February 2003, the Belgrade Open School organised the first follow-up seminar of the project “*Religions of the Balkans – Network of Dialogue and Co-operation*” in Novi Pazar. Sixteen participants (the best candidates from last year’s Summer School) from different Western Balkan countries were invited to the seminar.

Through the *Balkan Children and Youth Foundation*, only the Youth Open Club of Belgrade is supported at this time. The Youth Open Club organises workshops where the main goal is to improve the mental health of young people. Although these activities are good and relevant, they involve a rather small number of young people. The Youth Open Club is not putting enough effort into its own visibility and openness.

The East West Institute (EWI) project on *Transfrontier Initiative Southern Adriatic* (Dubrovnik-Trebinje-Herceg Novi) completed its first, trial year having established three major working groups. Cross-border meetings were organised and contacts established. At the end of 2002, Sida decided to support another cross-border project in the region: Kumanovo-Gnjilane-Presevo. EWI is presently establishing a project office in Gnjilane and recruiting staff.

The Media Works Beta project (*wireless communication*) has finished preparation of all technical and hardware components. Connection with B 92 has been established and is fully operational. Since Beta has not completed configuration of its own internal system, other users have not yet been connected.

The Centre for Tolerance and Dialogue is implementing a training programme in the *application of new legislation regarding local self-government* in Montenegro. By April 2003, seminars had been organised in 9 municipalities out of 21. The project is being implemented according to plan.

The *Ministry of Ethnic Minorities* has not yet started the second phase of the *Tolerance Media Campaign*. However, tender procedures for the selection of the marketing agency to prepare the campaign and other activities are currently going on.

3.02 Institutional/Public Sector Reform

The *Judicial Training Centre (JTC)* became fully operational in the last six months. As of 31 March, around 1,800 judges and prosecutors had participated in the 77 seminars organised at the JTC. The Centre also has established co-operation with other donors (USAID, ABA-CEELI and the German Government) and has opened a branch office in Nis in March 2003, with the support of the German Embassy.

The “*Capacity Building and Programming Activities*” of the Centre for Reform Communications, implemented by the SOROS in Serbia Fund for Open Society, was terminated due to unsatisfactory performance and significant deviations from the original project plans. In addition, the Centre appeared to be a weak and unstable organisation with constant lack of human resources, management discontinuity and lack of visions and strategies.

The *Information Technology and Internet Agency (ITIA)* was established through a strategic decision of the Serbian Government to establish an information and communications technology (ICT) base. In order to develop the capacity of ITIA, a project has been prepared and will be supported by Sida. Tenders for the project last summer failed, and it was therefore decided to repeat the tender process. A new tendering procedure is currently in its final stages.

The *Serbian Ministry of International Economic Relations (MIER)* is working to identify and remove obstacles to foreign direct investment in Serbia. The intention is to improve the general investment climate in the country.

as well as strengthening the political, legal and institutional framework for it. Sida has decided to support the request from MIER for a Foreign Direct Investment Advisor (FDIA) and tender for a one-year FDIA assignment is in process.

The Sida support to the *Serbian Ministry of Interior (SMUP)*, implemented by the Swedish National Police Board (SNPB), aims at strengthening the institutional capacity within SMUP to conduct highly professional and advanced crime investigations and to implement a Quality Management System. The co-operation was initiated in March through a seven-day seminar for 27 experienced participants. This included starting preparations for further project proposals and activities. A comprehensive project proposal is being developed.

Sida also supports MIER, through its implementing partner IMG, in the *development of a database providing accurate information* on both ongoing and planned internationally funded development co-operation projects in Serbia. Due to a delay in the preparatory phase, the proposed time-plan of activities has been extended to mid-2003. A second phase is being prepared for start mid-2003.

The inception report and project plan for the first year, regarding co-operation with the *Agency for Public Administration Development (APAD)*, was finalised late 2002. Problems of securing a long-term project leader and advisor have played a significant part in delaying the project. A mission by Sipu to the project late March resulted in an agreement on a “gap-filler” for this position to arrive soonest possible until the full-time advisor will be in place at the latest by September 2003. The lesson learnt is that a team leader has to have an appropriate background and personality in order to adjust to and function well in the recipient work place. He/she has to be able to work creatively with the management mentality of the recipient. A failure to consider this “cultural” aspect of the recipient may cause a lot of problems for the project to be implemented.

Regarding the *establishment of Internal Audit in the government of Serbia*, most phases of the project have proceeded according to plan. However, due to very limited absorption capacity at the Ministry of Finance, the parts of the project relating to training could not be completed and the project was delayed for several months. Finally, however, a project mission in early March concluded that the project is now virtually completed. It is important in this kind of project to ensure that necessary absorption capacity exists and that the recipient seconds at least one person from the recipient side to have the overall responsibility for co-ordinating project activities.

Activities through the *UNDP Capacity Building Fund* within the Ministry of Labour and Employment (MoLE) have been launched. UNDP wants to make minor adjustments to budget and project support for the ministry. The agreement may need to be extended, but no additional money is needed. Sida has asked the UNDP for proposed changes in writing. USAID has decided to put USD 500 000 towards financing work place inspections.

Support for the *Labour Market Bureau*, within the Ministry of Labour and Employment (MoLE). An LFA seminar was held in Serbia in November 2002 as preparation for and focussing of the project to be implemented by Swedish AMS. A second draft of the project proposal was received in March from AMS.

Support for the *National Land Survey* and related issues were discussed during a mission to Belgrade in March. The consultant recommended capacity building of the Governmental Geodetic Authority, a study tour to three countries for members of the Project Implementation Unit and co-operation on post-master level education between the University of Belgrade and KTH in Stockholm.

A specific agreement, concerning a regional *Statistics (SCB)* representative to be based in Belgrade, was concluded during the period.

3.03 Local Institution Building

In co-operation with the UNDP, Sida has prepared a project proposal for support to the *Standing Conference for Towns and Municipalities (SCTM)*.

At the end of March, a few issues still needed to be resolved with the UNDP. The development project for SCTM will be closely co-ordinated with other donor activities within the framework of a Steering Committee, particularly the Serbia Local Government Reform Programme, which is supported by the USAID. It is hoped that a project agreement between Sida and SCTM can be signed in April.

3.04 Culture and Gender

The *PRONI Institute for Social Education* is active in Vojvodina (Novi Sad and Subotica) and in Kotor, Montenegro in the second half of 2002. "Classical" youth work projects (education, workshops) are implemented in all three communities. The Youth Bank was started in Subotica in 2002 and in Novi Sad in March 2003. Good co-operation was established with local governments. PRONI Vojvodina is working to improve its own transparency and openness towards other organisations. Connecting and networking with other stakeholders in the youth sector are now yielding positive results.

Kvinna till Kvinna (KtK) is supporting 8 organisations in Serbia and two in Montenegro. These projects cover a wide range of topics and programmes, but little emphasis has been placed on projects for economic empowerment of women. In addition to traditional women projects, Sida has decided to support an anti-trafficking project of the local NGO *ASTRA* through *KtK*. The consultation process with *ASTRA* has been finalised and it was agreed that this support would mainly cover *ASTRA* running costs and salaries.

3.05 Private Sector Development

The *Micro-Crediting Policy Working Group* – comprising micro-creditors, donors, and Micro Finance Centre for CEE & NIS – is still viewing the micro-credit legal framework in Serbia with concern. A strategy is being discussed to overcome the legal barriers for the micro-creditors.

The micro-loan project financed through *World Vision/AgroInvest* has re-directed all its funds to Montenegro. In the reporting period 193 loans (69% of the clients are women) of a total amount of 302,350 Euro was disbursed and generated 14 new jobs.

The micro-loan project in Topola, supported through a local organisation called MikroFinS, was completed by December. In the reporting

period, 240 loans were disbursed (56% of the clients are women) of the total amount of 234,000 Euro (the total project amount is 383,200 Euro) and generated 567 new created jobs.

In February, the National Bank advised Sida that only banks or other licensed financial organisations may give micro-credits. Sida has subsequently advised micro-creditors to look at the alternatives within the given legal framework.

Support to the *privatisation* project covers technical assistance for privatisation of 11 companies. The *social protection* project covers coupons for backlogs in child allowances for approximately 110,000 families. These are funded through the *WB trust funds* and almost completed.

9 out of 16 projects financed through the *IFC Special Trust Fund* are being implemented. Four of them are related to the restructuring of the banking sector.

Support is ongoing to the *development of SMEs* as well as to individuals and institutions that serve the needs of SMEs, financed through *SEED*. Activities include support to SME development and improvement of the overall institutional environment for their growth and competitiveness in the region.

So far only two *Start East* projects have been approved for financing and one of them is completed. The other project relates to the introduction of advanced equipment and techniques for dentists and is currently being implemented by PC Medicus AB.

The Serbian Government, through the *Ministry for Economy and Privatisation* and the *Ministry of International Economic Relations (MIER)*, has requested support for establishing a *Business Services Agency*. This Agency is seen as an important step for the private business sector to provide a framework for business creation and investment, within the overall reforms conforming to the best European practices. The project document is under consideration at Sida Headquarters.

In agreement with the *EU Stabilisation and Association process* and WTO principles, Sida and the *Swedish Board for Accreditation and Conformity Assessment (SWEDAC)* have analysed the quality infrastructure sector in order to identify areas for possible future support. As a consequence, Sida decided to support the establishment of bilateral and regional co-operation in the field of food safety as well as trade in food and foodstuffs and agricultural products. Activities include an international training course on Regulatory and Quality Infrastructure Development for Food Safety and Quality. The course will take place in April/May 03.

3.06 Environment

Sida supports the *UNEP clean-up programme* of environmental *hotspots at the Pancevo industrial complex*. A study on the wastewater situation in Pancevo has been completed. The study identifies a number of measures to be taken within the clean-up programme, as well as in the long term, to combat industrial pollution of the Danube River and in the Pancevo waste water canal.

Plans for *institutional support to the Ministry of Environment* have been delayed due to limited staff capacity for new tasks at the newly established Ministry. The staff is heavily involved with other capacity development projects financed by EAR and UNDP. Potential Swedish support to the

Ministry needs to be further defined and co-ordinated with the activities of these donor organisations.

3.07 Rural Development and Agriculture

In accordance with the Swedish development co-operation strategy for Serbia and Montenegro, and the importance it attaches to rural development, Sida supports a *rural development project in the municipality of Topola* (Topola Rural Development Programme, TRDP).

Last December Sida commissioned an independent audit of the TRDP in order to investigate allegations of irregularities in the project. The investigation of accounting records indicated no evidence of misuse of TRDP funds. A second evaluation of the TRDP by the Quality Group was carried out in January 03 in agreement with the project plan. Its conclusions and recommendations focus on planning of a new phase from September 03, including improvement of the programme.

The current implementation phase has been in line with the planned activities, budget and time frame. Activities are ongoing within the TRDP three facilities: "Commercial", "Community" and "Municipality". One of the major activities in the reporting period was producing a functional analysis of the municipal administration, including a thorough survey of existing resources and public opinion on public services. An action plan has been developed and the municipality has decided to adopt and implement it.

A number of independent projects have been identified and submitted to Sida for consideration. These projects are related to the tourism, infrastructure (water supply), dairy production sectors and the establishment of a business centre. Sida Stockholm is presently considering these proposals.

The TRDP has identified considerable difficulties to support the SME sector due to the lack of credit lines.

Opto International AB as an implementing partner for Sida is concerned by its unclear legal status in S-M and expects possible difficulties due to this for project implementation in the future. A Specific Agreement for the project has been signed at federal level and has resulted in certain confusion among the Serbian authorities expected to implement the Agreement.

Tendering procedures for a *project to support development of milk production* in the area of the city of Nis have been completed and Opto International was commissioned for project implementation on 31 March. At the time of writing of this report, it was still somewhat unclear if the proposed amendments to the project ToR, as proposed by the city of Nis, corresponds to the earlier joint understanding by both Sida and Nis of ToR.

3.08 Transport/Infrastructure

Co-operation with the *Yugoslavian Railways (ŽTP)* continues. An amendment to the original agreement has been signed for further rehabilitation of workshops and procurement of spare parts. The amendment covers a 15 months extension and additional consultant services. The delay and subsequent extension of the original agreement are due to the complex-

ity of upgrading buildings, difficulties to find suppliers of vital spare parts to old locomotives and limited motivation of the ZTP procurement department.

3.09 Energy

The co-operation in the energy sector is extensive with several ongoing projects. Sida is the main donor to the *Financial Management System (FMS)* project at the Electro Power Company (EPS) in Serbia. The system is currently being procured and will be implemented within all EPS companies. Sida has financed project preparations and consultant services in order to define user requirements and specifications for the FMS.

A first phase of the *electrical distribution project in Southern Serbia*, carried out in co-operation with IMG, has been completed. The project amounted to 16,5 MSEK and included installation of transformers and rehabilitation of local distribution networks. The sub-projects have rendered appreciation and attention locally and Sida has also agreed to finance a second phase amounting to 14,5 MSEK. This phase includes installation of several sub-stations and rehabilitation of networks, as well as training, seminars and workshops on distribution issues.

Sida has decided to support a *twinning agreement between Svenska Kraftnät and Elektroistok Serbia*. The twinning focuses on an institutional development programme for Elektroistok. Agreements have been entered into between the federal Ministry of Foreign Economic Relations and Sida as well as the Ministry of Energy and Mining of the Republic of Serbia. Elektroistok and Svenska Kraftnät are currently discussing the contract for the twinning, for Sida's review and no objection.

A feasibility study for *reconstruction of the district heating system in Belgrade* has been completed by Göteborg Energi, and accepted by the district heating company and the City of Belgrade. It will be used as a basis for a Priority Investment Programme to be financed out of a credit from EBRD of 20 MEUR. Sida is currently participating in project preparations for further co-operation with the district heating company, through support to a *Corporate Development Programme*, a *Project Implementation Unit* for the priority investment programme and demonstration projects for modern district heating technology.

3.10 Southern Serbia

The duration of the *South Serbia Municipal and Recovery Program (SSMIRP)* has been extended until 31 March 2003. Even if the implementation has been delayed, the project is very successful. The main achievements have been the facilitation of inter-ethnic dialogue and participatory planning in joint community development projects.

3.11 Refugee Return

Return of refugees remains a hotly debated issue in S-M. The matter has been somewhat politicised because of the problem of Kosovo IDPs presently having small possibilities to return to Kosovo.

The number of refugees remains very high, with an estimated 350,000 refugees plus 230,000 internally displaced and is increasingly seen as a problem for the government of S-M. Most refugees in Serbia

look for integration. However, the Serbian government still sees return as an important and vital step for stabilisation and reduction of the heavy burden on all social services in the country. Negotiations between the Serbian and Croatian governments regarding the return of Serbs to Croatia have not been very successful.

The Lutheran World Federation (LWF) project to *promote the return of refugees to the north-west part of Bosnia and Lika region in Croatia* is important for the momentum of return of refugees, and is a major programme for return of Serbs to Croatia. It focuses on refugees living in Vojvodina, in the northern part of Serbia. According to the most recent UNHCR refugee registrations (March/April 2001), 17,577 refugees from Croatia live in Vojvodina. In the survey, 8,175 of these refugees indicated an interest in returning.

UNHCR is very supportive of the LWF project and sees it as a good model. The project is well co-ordinated with UNHCR and the Serbian Commissariat for Refugees. It is implemented in close co-operation with other organisations involved in refugee return.

Traditionally, there has been a stronger interest among refugees to returning to Bosnia than to Croatia. Nevertheless, from the beginning of the project in January 2003 until the end of March 2003, 89 families currently residing in Vojvodina have applied for return assistance to Bosnia out of the 125 households foreseen by the budget for 2003. 74 families from Lika applied, out of 200 families foreseen for 2003.

4. Conclusions

It can be concluded that the Country Strategy for Development Co-operation with FR Serbia-Montenegro (1 December 2000 – 30 June 2002, extended through December 2003) continues to reflect the needs of the country. Priorities made in the strategy can still be considered realistic and balanced. All support committed so far remains in line with the strategy.

S-M is continuing its rapid development. This puts high demands on donor flexibility and capacity to quickly respond to new needs and requests. Sida remains a dynamic and responsive actor in this aspect.

The workload remains very high, but the situation has improved with the office growing from two in the beginning of 2001 to seven (2 Programme Managers (one is regional), 2 NPOs, 2 Programme Assistants and 1 Head of Office). The increase in staff is resulting in a better division of tasks, increased total knowledge in specific sectors and a more satisfactory response towards HQ demands. The increase has also led to an internal re-organisation of the office with the Head of Office more or less being dedicated to the overall management and guidance of the activities (“fire-extinguishing”).

Sida Belgrade intends to give priority to the following three activities in the near future, **apart from** the general and on-going development programme co-ordination (see priority list for the office in Annex 2):

- Work with the next Country Strategy for S-M;
- Continued fine-tuning of the office and its development programme activities;
- Field visits to on-going projects and programmes.

Annex 1

Serbia & Montenegro assistance 2003

	SEK	SEK
Reconstruction and Development Cooperation	Disc 2003	Disb 2003
Human Rights and Democracy	0	3 739 900
Institutional Capacity Building, Public Services	0	759 654
Integrated Area Programmes, Refugee return	0	0
Health, Culture and Youth	0	3 709 279
Local Institution Building	0	3 544 894
Private Sector Development	0	0
Agriculture and Environment	0	204 393
Infrastructure	0	15 000
Various, other	0	871 630
	0	12 844 750
Humanitarian assistance		0
Total reconstruction & humanitarian assistance 2003	0	12 844 750

Decided & Committed Development Cooperation projects

Human Rights and Democracy	Com 2003	Total SEK	Disb 2003	Project dates
Serb; Media Works Betaproject		95 500		Jun02–May03
Serb; Media campaign "All Different All Equal"	1 380 000	1 380 000	1 380 000	Dec02–Jan04
Serb; ITIA, IT development	66 924	206 003	9 900	Jul02–Feb03
Mont; Centre for Tolerance and Dialogue, Podgorica	1 000 000	500 000	500 000	May02–Aug04
Serb; OPIC, framework agreement 2003	1 900 000	3 895 000		Dec02–Dec03
Mont; OPIC, framework agreement 2003	600 000	1 230 000		Dec02–Dec03
Serb; KTK 2003 framework agreement	1 800 000	4 050 000		Jan03–Jan04
Mont; KTK 2003 framework agreement	400 000	900 000		Jan03–jan04
Serb; KtK 2002 regional programme.		3 640 000		Jan02–Dec02
Mont; KtK 2002 regional programme, 6,0% of total		2 100 000		Jan02–Dec02
Belgrade Open School; Religions of the Balkans		700 000		Feb02–Aug03
Ethnic Media Campaign; The Federal Yugoslav Ministry for National and Ethnic Communities		800 000		Jul01–Dec01
Balkan Children and Youth Foundation regional programme		480 000		Jan01–Dec01
Mont; Balkan Children and Youth Foundation regional programme		120 000		Jan01–Dec01
Serb; SHC, Framework agreement 2002.	10 234 000			Jan02–Dec02
Mont; SHC, Framework agreement 2002	584 800			Jan02–Dec02
Serb; OPIC, framework agreement 2002.	3 600 000			Jan02–Dec02

Swededevelop; Evaluation of two projects in order to follow up on the outcome of the projects.	105 000			June02
Serb; Evaluation of Tender ITIA		19 000		
Mont; OPC, framework agreement 2002		210 000		Jan02–Dec02
EWI Transfrontier Co-operation Kumanovo-Gnjilane-Presevo	1 850 000	4 200 000	1 850 000	March03–Apr05

Institutional Capacity Building, Public Services	Com 2003	Total SEK	Disb 2003	Project dates
Statistics Sweden: In October 2001 Statistics Sweden made a feasibility study mission to Serbia and Montenegro.	1 613 100	1 932 100	448 629	Apr02–May03
SIPU; Programme Preparation Advisor to the Ministry of International Economic Relations, MIER, to work at the Development Aid co-ordination Unit, DACU, to provide support in programme and project preparations.		1 773 460		Jun01–apr02
Internal audit feasibility study, Öhrlings consultants		230 914		Oct01
Serb; Police; Part of Regional Feasibility study. the project will map the current situation in the police sector in order to identify possible areas for Swedish support.		248 200		Sep01–Oct01
Mont; Police; Part of Regional Feasibility study. the project will map the current situation in the police sector in order to identify possible areas for Swedish support.		93 042		Sep01–Oct01
SPM; Assessment of APAD project digest.		177 000		Nov 01
SIPU; Appraisal of the UNDP Capacity Building Fund, Serbia		147 800		Nov 01
Judicial training centre, UNDP. Sweden is co-financing a training center for judicial personel (JTC) in Serbia.	5 000 000	9 000 000		Jan02–Dec04
ITIDA/IT-strategy, proj prep. Support to the Serbian IT Agency to develop an IT strategy and make an inventory of existing resources.		128 000		Feb02–Jul02
APAD, support programme consultant		238 000		Feb02–Apr02
Serb: Statistical – LFA-seminar in Belgrade, through SCB		1 932 100		Apr02–Dec02
APAD, support to reform programme:	9 757 481	34 000 000	311 025	Jun02–May05
Serb; Prep documents Labour Market Bureaus		155 000		Mar 02
International Bar Association; Training of judges, prosecutors, defence lawyers and police investigators in international humanitarian law and extradition of war criminals. Regional by inclusion of all Balkan countries.	1 890 000	1 890 000		March03–Apr04
IPF, Internal Audit in Serbia		1 310 000		Jul02–Nov02
UNDP; Capacity building activities	2 788 939	4 788 939		may02–oct04
IMG; Database for MIER/DACU.		5 451 100		Nov01–Nov02
The project is intended to be a first step to enhance the institutional capacity within SMUP to conduct high professional and advanced crime scene investigations and to implement a Quality Management System.	403 000	403 000		Feb03–May03

Integrated Area Programmes, Refugee return	Com 2003	Total SEK	Disb 2003	Project dates
LWF return of refugees from FRY to BiH and Croatia 2002		1 461 000		Mar02–Dec02
LWF-Novi Sad, refugee return from FRY to BiH and Croatia 2003	1 584 220	1 584 220		Jan03–Jan04
Health, Culture and Youth	Com 2003	Total SEK	Disb 2003	Project dates
Serb; PRONI youth project.		3 150 000		Jan02–Dec02
Mont; PRONI youth project		3 375 000		Jan02–Dec02
Support to NGO H.E.R.A. to carry out AIDS campaign project together with two other NGOs in Macedonia, Serbia and Bosnia Hercegovina		280 000		Nov02–Jan03
Health: Planning mission to prepare a regional programme to fight AIDS carried out by the NGO Project Hope		900 000		Nov02–Jan03
Health; Serb; UNICEF; The Right to Know – AIDS/HIV-prev.	1 600 000	9 700 000		Jan03–July04
Health; Mont; UNICEF; The Right to Know – AIDS/HIV-prev.	1 360 000	9 700 000		Jan03–July04
Culture; Serb; Culture; Cultural exchange between institutions or organisations in Sweden and in the Balkans administered by the Swedish Institute.	360 000	1 080 000		Jan02–Dec04
Culture; Mont; Culture; Cultural exchange between institutions or organisations in Sweden and in the Balkans administered by the Swedish Institute.	90 000	270 000		Jan02–Dec04
Culture; Royal Univ. College, Summer school Stockholm –02	39 279	259 279	39 279	Sep02–Sep02
Culture; Royal Univ. College, Winter school Dubrovnik –03	162 000	162 000	162 000	January 03
Youth; PRONI, Social Education Programme	6 774 400	6 774 400	2 900 000	Jan03–Dec03
Youth; Cross Cultures Proj Ass, Open Fun Football Schools	608 000	608 000	608 000	Jan03–Jan04
Cult; Serb; The Royal University College of Music in Stockholm continues its cooperation with music high schools in Serbia&Montenegro. The support consists of the exchange of students and teachers, training in Stockholm, purchase of used instruments for schools, concert tours etc.		663 600		Jun02–Dec02
Cult; Mont, The Royal University College of Music in Stockholm continues its cooperation with music high schools in Serbia&Montenegro. The support consists of the exchange of students and teachers, training in Stockholm, purchase of used instruments for schools, concert tours etc.	331 800		Jun02–Dec02	
Culture; Royal Univ. College, Summer school Stockholm -02		220 000		sep-02
Culture; Serb: Royal Univ. Music College, reg. exchange progr		175 000		March 02

Local Institution Building	Com 2003	Total SEK	Disb 2003	Project dates
Cooperation between SALA-IDA (Swedish Association of Local Authorities) and its counterpart in the Federal Republic of Yugoslavia, SCTMY. Training of SCTMY staff and municipal representatives. The objective is to strengthen SCTMY to be a supportive institution for FRY municipalities	3 456 000			Mar01–Feb02
Rural Dev Proj-Topola, consultant bid evaluation		30 600		Dec01–Feb02
Rural Development project, Topola (Opto Int).	8 717 265	16 585 959	3 544 894	Feb02–Aug03
UNDP; Serb; SSMIRP Phase II; Strengthen inclusive and effective governance and improve livelihoods in southern Serbia through three distinct but inter-related components: municipal development, economic recovery and promotion of inter-ethnic collaboration and understanding.	3 500 000	6 000 000		Jan03–Jan05
Audit assigned to the Topola Rural Development Programme	150 000	150 000		Dec02–Feb03
Private Sector Development	Com 2003	Total SEK	Disb 2003	Project dates
A feasibility study with the aim to elaborate the labour market sector in Serbia. The study will be done by three persons during one week in Serbia and the result is supposed to be an elaborated project proposal. NIR (Intrenational Council of Swedish Industry) is the implementing Swedish organisation.		127 500		Sep01–Oct02
Start East; Water Jet Sweden AB		500 000		Oct01–Dec06
Serb; LFA Seminar on Labour Market Needs	550 000	550 000		Sep02–Jan03
WB; Co-financing Private Sector Dev Technical Assist Grant		16 350 000		Dec01–Jun04
Fund for Open Society; to enhance the Gov.'s capacity for external and internal communication.	3 000 000	10 000 000		May02–Apr03
WB; Economic Assistant Grant to support Social Protection		16 350 000		Jan02–Dec02
Agriculture and Environment	Com 2003	Total SEK	Disb 2003	Project dates
Env: Serb; Env. Analysis for the Balkans (1/6th of decision)		254 000		Apr00–Jan02
Env: Mont; Env. Analysis for the Balkans (1/6th of decision)		254 000		Apr00–Jan02
Env; Participation in UNECs Env. Performance Review.		194 700		Apr02–May02
Development of an organic production and marketing in Topola within the OPTO International, Topola Rural Development Programme.	844 797	1 444 797		Jun02–Aug03
Evaluation of the project Rural Development i Topola (2002–747) which was started in March 2002.		130 000		Jun02–May03
OPTO Inter; Quality Group II, Topola: Procurement of an a second independet Quality Group for the Topola Rural Development Programme, Serbia.Stockholm Group of Development Studies has been called off from the Sida framework agreement.	187 625	187 625	183 712	Dec02–July03
Serb; Support to Milk production in Southern Serbia	8 000 000	19 000 000	20 681	March03–Apr06

Infrastructure	Com 2003	Total SEK	Disb 2003	Project dates
Railway; Rehab of w/shop & spare parts, Yugoslav Railway		15 389 152		Aug01–Jul02
Railway Consultancy study, maintenance of workshops		incl above		March01–Apr01
Railway; Fed Ministry of Trp & Com, prep pf tender docs		315 000		Apr02–Apr03
Railway; Advisory Services	293 000	426 404	15 000	Feb02–Dec03
Railway; Advisory consultant for observ and advise		110 000		Feb02–Jul02
DH: Study for rehab of district heating system, Serbia		5 220 795		2001 – 2003
Energy; Additional support Electrical Distr Network in S Serbia	1 500 000	31 000 000		May02–Jan03
Energy; Institutional Dev. of EPS/Elektroistok (Serbian Grid)	5 000 000	10 000 000		Dec02–Jun05
Energy; defenition of FMS for EPS		300 000		2 002
Energy; Technical Advisor		261 294		Mar02–Jun02
Energy; Financial Management system for Electric Power Industries of Serbia cofinanced with IBRD via a Trust Fund	1 000 000	17 000 000		Oct01–Mar03

Various, other	Com 2003	Total SEK	Disb 2003	Project dates
Admin costs	1 750 000	2 095 000	255 267	Jan02–Jan03
Admin costs	1 600 000	3 500 521	277 375	Jan02–Jan04
Admin costs	1 500 000	20 000	104 203	Jan02–Jan04
Admin costs	782 000	1 332 000	58 084	Jan02–Jan04
Serbia; President election 29 Sep 2002		400 000		sep02–dec02
Serbia; President election 8 Dec 2002	300 000	450 000	27 070	Oct02–Mar03
Mont; Election observations 20 October		250 000		Oct02–Dec02
Mont; Election observations 22 Dec 2002	210 233	320 000	149 631	Oct02–Mar03
Mont; Election observation		246 000		Oct02–Dec02
Embassy small scale projects		1 409 983		Jan01–Dec01
Sub Total:	81 912 263	325 253 587	12 844 750	

Annex 2

Priority Tasks for Sida – Belgrade (January–June 2003)

Human Rights and Democracy

Visit SHC, KtK and OPIC projects

Follow up IOM project

Visit Seminar of Centre for Tolerance and Dialogue (Podgorica)

Follow up culture project activities

Assist in the renewed support to LWF refugee return project

Agriculture and Environment

Visit and follow up of Topola Rural Development Project

Assist in the start up of a co-operation project with the
Ministry of Environment

Monitor UNEP activities in Pancevo

Responsibility for the development of an Environmental Profile
for Sida in Western Balkans; by March 31, 2003

Infrastructure

Follow up of electricity projects in Southern Serbia

Negotiate and conclude agreement regarding District Heating
(Energy Saving) activities in Belgrade

Monitor FMP project within the Electro Power Company (EPS)

Follow the twinning project between Elektroistok and Svenska Kraftnät

Follow up on the Ministry for Transport capacity for the new project

Follow up on the proposed project for the Railways Company

Follow progress of the Municipal Infrastructure Facility

Capacity Building

Assist in start up of Land Survey project

Assist in the second phase of APAD project

Assist in start up of ITIA project

Monitor Data Base project at MIER

Monitor UNDP capacity building activities at MoLE.

Monitor OSCE/UNDP Justice Training Centre project

Monitor Soros project

Assist in start up of renewed co-operation with the SCTMY

Assist in start up of project with Statistical Offices

Private Sector Development

Follow up microcrediting legal framework developments and continued monitoring of microcreditors' activities (MikroFinS Activity Report related to the Köningson's recommendations and WVI/AI institutional assessment)

Monitor Trust Fund Assistance to the World Bank privatization efforts

Follow up IFC Special Trust Fund Assistance

Follow up IFC SEED activities

Follow up on the Start East Programme

Assist in start up of Business Registration Reform Project through Trust Fund with the World Bank

All Sectors

Monitor UNDP South Serbia project

Assist sectorial and general Sida HQ visits

Participate in the Embassy working group for issues related to promotion of Swedish private sector and to general development co-operation (EU, Stability Pact, WB etc.)

Participate in the Embassy Communication Group with focus on promoting Sida activities and visibility

Assist in drafting the Country Strategy

Increase knowledge related to the overall political and economic situation in the FR Yugoslavia

Administration

Introduction of the third PO (governance)

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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