



IN BRIEF...

Serbia and Montenegro

After the euphoria following the fall of the Milosevic regime in 2000 had died down, reform efforts started to ebb. However, they have picked up again in recent years, and the country has begun membership talks with the EU. The great challenge is currently the status of Kosovo's and Montenegro's forthcoming referenda on independence. Sweden supports reforms that contribute to the process of democratisation and the country's harmonisation with the EU.

Why does Sida provide support to Serbia and Montenegro?

The Federation of Serbia and Montenegro carries a heavy legacy from the former communist rule and the wounds left by the wars of the 1990s have yet to heal. When Slobodan Milosevic was overthrown in the autumn of 2000, a programme of reforms began, and for several years it seemed as if Serbia would develop into a stable democracy. However, the assassination of Prime Minister Zoran Djindjic brought the reforms to virtual halt. The political split between nationalist forces and those who wanted to modernise the country and bring it closer to the EU has had a paralysing effect on the country. Widespread displeasure with developments resulted in, amongst other things, a very low turnout at the most recent presidential election. One of more serious challenges facing the country is the status of Kosovo and Montenegro. Formally, Kosovo is part of Serbia, but is controlled in practice by the UN. The status of the province is up for discussion in 2006; Kosovo Albanians

demand total independence, while Belgrade proposes "more than autonomy but less than independence". Another challenge is the hundreds of thousands of internal refugees who have been living under dire conditions ever since the war.

In recent years, Serbia and Montenegro have enjoyed economic growth of about four per cent per year, and per capita GDP is at around 2,500 USD. However, an estimated 10 per cent of the population lives in poverty, 20–30 per cent are unemployed and corruption is endemic. Ethnic tensions are also still noticeable in southern Serbia, where Albanians make up a large proportion of the population. Years of pollution, war and bombings have also caused serious environmental damage.

How long has Sweden been providing support to Serbia and Montenegro?

In the 1990s, Sweden gave humanitarian aid to Serbia and Montenegro. It was converted into long-term development cooperation in 2000.

What does Sida do in Serbia and Montenegro?

Today, an increasing amount of development cooperation with Sweden takes place through ministries and public authorities in Serbia and Montenegro. Efforts are directed at supporting reforms designed to facilitate EU harmonisation. The principal areas of concern are democracy and good governance, respect for human rights, equality, economic growth, and the sustainable use of the environment.

Democracy and good governance

The Serbian government has adopted a strategy for making public administration more modern and democratic in order to reduce the risk of corruption and to improve administrative efficiency.

Sida supports the ministry coordinating international aid. A project involving Statistics Sweden and its Serbian counterpart is bringing the country's statistics in line with EU requirements, and making it possible for the authorities to monitor poverty in the country.

Reforms in the legal sector are a decisive factor in shaping the country's future. Sida has taken part in the establishment of a law training centre, and supports the modernisation of the treatment of young offenders as well as a radical reform of the Serbian police. Other Swedish projects are helping to draw up a national anti-corruption policy and to instruct civil servants in effective counter measures.

In southern Serbia, Sida is helping to build the capacity of the local authorities, to stimulate economic recovery and to build bridges between ethnic Albanians and Serbs.

Respect for human rights

Swedish initiatives in this are mainly directed at supporting the rights of minorities (particularly Romanies) women and children. There is also a support programme for victims of human trafficking. Sweden has contributed to a major campaign to help refugees return to their homes in Croatia and Bosnia, where Sida finances a large-scale reconstruction programme for refugees. Sida is also helping to set up an ombudsman's office, the main function of which will be to look after the rights of disadvantaged groups.

Equality

There is still a considerable amount of inequality between the sexes in Serbia and Montenegro, and there is no political will to improve the position of women in society. Sida is supporting women's organisations through the

Kvinna till Kvinna Foundation, and an office for equality recently opened in Montenegro.

Economic growth

Without political stability and democracy there can be no sustainable economic growth in Serbia and Montenegro. Instability is the greatest deterrent to domestic and foreign investment. Sweden has supported the privatisation of state-owned banks and helped to remove administrative obstacles to foreign investment.

Sida is also contributing to the improvement of the business climate for SMEs, by, amongst other things, supporting organisations offering microcredit facilities.

The Start Programme (formerly Start-Öst) is helping Swedish companies to enter partnerships with Serbian and Montenegrin SMEs in order to help them grow.

The sustainable use of natural resources and environmental protection

Sida is supporting the establishment of environmental authorities and of local action plans for the environment.

Sweden is also helping Serbia and Montenegro meet international agreements and commitments on reduced emissions, waste management, water and sewage. One project has been set up to create a national strategy for sustainable development, another to reduce agricultural runoff into the Danube and to support environmental organisations.

The Swedish National Roads Administration is working alongside its Serbian counterpart on projects involving road safety, road maintenance and environmental impact. The programme is connected to a World Bank loan for repairing and improving the Serbian road network.

Sweden is also working on projects for district heating, railways, and power distribution. Apart from those in southern Serbia, support is mainly being directed at the building up of institutions. Sida is financing the development of an auditing system for the Serbian power company. A twinning project between Svenska Kraftnät and its Serbian counterpart is one way of transferring Swedish know-how in the area.

BASIC FACTS

Area, km ²	102,350
Capital	Belgrade
Population 2004, millions	**
Expected population 2015, millions	**
Population growth (per cent)	**
Per capita GDP (USD ppp* 2004)	**
Average per capita GDP/annual growth 1990–2004 (per cent)	**
Total aid from all countries, million USD, 2004	**
Total aid as proportion of GDP, 2004 (per cent)	**
Literacy (per cent)	96.4
Life expectancy at birth (years)	73.2
Access to adequate sanitation (per cent of population)	**
Access to clean water (per cent of population)	93
People with HIV/AIDS in the 15–49 age group (per cent)	0.2
Ranking in Human Development Report 2005 (out of 177 countries)	–
(Sweden)	5)

Sources: 2006 Sida Annual Report
Human Development Report 2006
United Nations Economic Commission for Europe — UNECE

COOPERATION IN FIGURES

Sida's development cooperation with Serbia and Montenegro in 2006

Costs, SEK

Health	4,734,000
Education	7,514,000
Research	0
Human rights and democratic governance	154,823,000
Conflicts, peace and security	4,960,000
Humanitarian assistance	6,012,000
Infrastructure	66,036,000
Trade, industry and financial systems	22,214,000
Natural resources and the environment	28,984,000
Budget support for poverty reduction	0
Other sectors	0
Total	300,075,000
Whereof Serbia	105,459,000
Montenegro	17,311,000
Kosovo***	99,047,000
Other parts of the country	78,259,000

Thirty-seven people from Serbia and Montenegro attended Sida's international courses in 2006.

** Information not available.

***Kosovo has been governed by a U.N. administrator since 1999

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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