Serbia has undergone a major transition since the conflict and international isolation of the 1990s. Reforms have addressed economic recovery and transition with some success. Yet there have been social costs, such as steadily rising unemployment, and the risk of future conflict has not completely diminished. Continuing efforts to modernize state institutions, implement reforms and address economic inequalities remain central to future security and development.

UNDP programmes covered crisis prevention, poverty reduction, institutional development, judicial reform and related areas. The Independent Evaluation Office of UNDP conducted an independent country programme evaluation that covered UNDP work from 2001 to 2006.

UNDP programmes were well positioned for constructive engagement in Serbia, based on its reputation and long history in Yugoslavia. Both the Government and donors approached it to help design and implement programmes; the organization was able to place projects at a high level in new government ministries.

Programme strategies were adapted over time in line with what were, at some points, dramatic changes in the external and political environment. In being willing to experiment and take risks, UNDP made some mistakes, but in the aggregate, chose well and delivered significant development results.

As part of a UN inter-agency mission in 2001, UNDP responded to the crisis resulting from ethnic conflict in southern Serbia. Over the next four years, the crisis abated, and public dialogue shifted to the underdevelopment of the region. To overcome poor governance, considered to be one of the root causes of conflict, UNDP used innovative approaches to draw local government and non-governmental actors into decision-making. It helped build local capacity, introduce new thinking, bring in knowledge of democratic processes and foster local mechanisms for delivery of development assistance. The experience demonstrated that stability and peace can be nurtured by responding quickly, developing and implementing sound programmes, effectively mobilizing resources and building local partnerships.

A Capacity Building Fund evolved to strengthen the Government’s human resources, begin reforming public administration and attract the Serbian diaspora back home. The fund assisted key ministries in acquiring a critical mass of capacity to initiate priority policy, legislative and other reforms. But it was not initially successful in helping the Government develop or implement broader public administration reforms. This was due to the absence of political leadership, coordination and an effective national institutional focal point. A recent change of Government saw a public administration reform strategy developed and improved cooperation among donors in supporting implementation.

UNDP developed tools for education, training, research and knowledge-sharing to modernize the legal profession. The biggest impact was establishing a Judicial Training Centre, a new institution to deliver cutting-edge, demand-driven training to judges, prosecutors and legal staff. The centre organized over 280 workshops, seminars and conferences, drawing more than 8,000 participants, including every judge in Serbia.

Despite increasing importance given to the European Union (EU) social inclusion agenda, UNDP programmes

TOTAL PROGRAMME EXPENDITURE, 2001-2005: $44.9 MILLION

FUNDING SOURCES, 2001-2005

| Government and third-party | 39% |
| Core resources | 7% |
| Trust, thematic and vertical funds | 54% |

RESOURCE ALLOCATION BY CLUSTER, 2001-2005 ($ MILLIONS)

- Sustainable environment and energy: 0.4
- Rule of law: 3
- Poverty reduction and economic development: 6
- Human security: 8
- Institutional development: 12
- South Serbia: 14

FINDINGS AND CONCLUSIONS

UNDP was well positioned for constructive engagement in Serbia, based on its reputation and long history in Yugoslavia. Both the Government and donors approached it to help design and implement programmes; the organization was able to place projects at a high level in new government ministries.

Programme strategies were adapted over time in line with what were, at some points, dramatic changes in the external and political environment. In being willing to experiment and take risks, UNDP made some mistakes, but in the aggregate, chose well and delivered significant development results.

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Despite increasing importance given to the European Union (EU) social inclusion agenda, UNDP programmes
on civil society development and economic empowerment of the poor and vulnerable had, at best, limited impact. Work with the Civil Society Advisory Committee, which UNDP helped establish, enabled completion of the Poverty Reduction Strategy Paper. But further civil society contributions to implementation and monitoring stalled.

UNDP proved an extremely important and valued implementing partner, delivering a wide range of services, from policy advocacy and dialogue to procurement, recruitment and contracting support. A considerable amount of assistance provided in the form of ‘soft services’, such as coaching, mentoring, networking and team-building, was especially valued by ministries. One weakness was the UNDP tendency to be overly visible and claim too much credit for successes.

Early indications are that many UNDP contributions will be institutionalized within government and other national organizations, depending on absorptive capacity, adequate programme financing, and the willingness and capacity of civil society and private sector organizations to take some responsibility for programme implementation and service delivery. Despite the emphasis on capacity-building, however, in some projects, too much attention may have been given to setting up programme implementation or management units, which focused more on time-bound implementation than on sustainable institutional development.

UN agencies have not worked effectively together in supporting Serbia towards its goal of EU accession. Agreement on new areas for cooperation was tempered by the strong relationships of individual agencies with government counterpart ministries, the noted weakness of government-donor coordination and the narrowness of inter-donor cooperation. The World Bank agreed to establish ‘heads of agency’ meetings that may address broader coordination issues. But the main challenge is at the level of key development sectors, such as public administration reform.

Within the context of UN reform, the UNDP office in Belgrade will need to clarify and then communicate its vision, mission and role. UNDP should concentrate on what it has been doing best: implementation. At the same time, it should link its downstream, operational and implementation experience to selected areas of coordinated upstream policy advocacy, in such areas as human security, poverty reduction and decentralization.

RECOMMENDATIONS

- Align strategically with Serbia’s priority for EU accession. The Government may well look to UNDP to assist in the mobilization of resources to meet a range of development programme implementation needs, particularly in those areas where UNDP is well positioned and is currently providing support. Having worked in EU accession countries, UNDP has substantial institutional experience that could be of great benefit for Serbia through information exchanges and knowledge-sharing.

- Use local development and rule of law reforms as the flagship programmes. Some of the most pressing development needs in Serbia are at the subnational or local level where income disparities persist or are growing, where poverty is most prevalent, and where the capacities of Government, civil society and the private sector are weakest. Further, at certain local levels, the risk of instability or crisis still exists. Major gaps in capacity development, economic and human development, and public administration reform persist at the local level—gaps that UNDP could fill.

- Support anti-corruption at all levels of programming. UNDP can back implementation of UN conventions on anti-corruption, and factor anti-corruption considerations into programme design, performance measures and targeted capacity development. The Council of Europe and European Commission bodies can and should take a lead role in this area, while UNDP can play an important supporting part.

- Strengthen strategic management and maintain programme focus. UNDP is in the early stages of what could be a longer-term partnership to assist Serbia in meeting human and economic development goals. Without concrete baselines or measures of performance, other proxy or qualitative indicators may be needed to measure and assess performance. The organization and structure of the office need to be streamlined.

- Think early about an exit strategy. Serbia is a middle-income country that could soon graduate to net contributor country status. Serious consideration of how UNDP may exit from the country should coincide with Serbia’s strategy for EU accession and economic development.

ABOUT THE ICPEs

Independent country programme evaluations (ICPEs) are the backbone of the work of the Independent Evaluation Office. They capture evidence of UNDP’s contributions to development results and the effectiveness of strategies supporting national development. They enabled continued improvement in UNDP programmes, contribute to strengthened national ownership and evaluation capacity, and underpin accountability to national stakeholders and UNDP’s Executive Board. To date, over 100 ICPEs have been conducted worldwide.

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