INDEPENDENT COUNTRY PROGRAMME EVALUATION

REPUBLIC OF SERBIA
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Government of the Republic of Serbia, representatives of the United Nations agencies, nongovernmental organizations and bilateral and multilateral development partners, civil society and communities consulted.
I am pleased to present the Independent Country Programme Evaluation for the United Nations Development Programme (UNDP) in the Republic of Serbia. This is the second comprehensive assessment of UNDP interventions in Serbia by the Independent Evaluation Office of UNDP, with a previous country evaluation carried out in 2006. The evaluation covers the programme period 2016 to 2019, and was carried out in collaboration with the Government of Serbia, UNDP Serbia country office and the UNDP Regional Bureau for Europe and the Commonwealth of Independent States.

The programme under review (2016-2020) was based on the Development Partnership Framework agreed between the United Nations and the Republic of Serbia. The overarching theory of change underpinning the programme was that, by 2020, people in Serbia would have better opportunities for political, economic, cultural and social participation and would live in communities more resilient to economic, environmental or other sources of stress.

The evaluation found that UNDP has made important contributions to Serbia’s development in line with government priorities, for example contributing to Serbia’s efforts to stimulate citizen-centred digital innovations and promote the growth of the information communications technology industry, strengthening the capabilities of municipal assemblies, and helping to build local capacity for energy efficiency. UNDP project management capacity and technical expertise are valued by Serbian partners, enabling UNDP to maintain an active presence in the country, with significant government cost-sharing.

However, the evaluation notes that the UNDP programme in Serbia is highly fragmented with many stand-alone projects, running the risk of obscuring the value proposition and diminishing the impact of UNDP.

The evaluation recommends that, during the next programming cycle, the UNDP country office should seek to strengthen the role of UNDP as a provider of strategic advice, endeavour to promote integrated and cost-cutting reforms linked to the Sustainable Development Goals, place greater attention on gender equality and women’s empowerment, and improve project design to increase impact and sustainability.

I would like to thank the Government of the Republic of Serbia, the many national and local stakeholders and colleagues at the UNDP Serbia office and Regional Bureau for Europe and the Commonwealth of Independent States, who graciously provided information and support to the evaluation. The findings, conclusions and recommendations provided herein are designed to strengthen the formulation of the next UNDP programme strategy in Serbia, and help national partners navigate towards sustainable and inclusive development pathways.

Oscar A. García
Director, Independent Evaluation Office, UNDP
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<table>
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<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CPD</td>
<td>Country programme document</td>
</tr>
<tr>
<td>DPF</td>
<td>Development Partnership Framework (United Nations and Government of Serbia)</td>
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<td>EMS</td>
<td>Energy Management System</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GEF</td>
<td>Global Environmental Facility</td>
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<td>GEN</td>
<td>Gender Marker</td>
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<td>GRECO</td>
<td>Council of Europe Group of States against Corruption</td>
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<td>HDI</td>
<td>Human Development Index</td>
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<tr>
<td>ICPE</td>
<td>Independent Country Programme Evaluation</td>
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<tr>
<td>ICT</td>
<td>Information and Communications Technology</td>
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<td>IEO</td>
<td>Independent Evaluation Office</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>OHCHR</td>
<td>UN Office of the High Commissioner for Human Rights</td>
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<tr>
<td>OSCE</td>
<td>Organization for Security and Cooperation in Europe</td>
</tr>
<tr>
<td>PIMO</td>
<td>Public Investment Management Office (Serbia)</td>
</tr>
<tr>
<td>RBEC</td>
<td>Regional Bureau for Europe and the Commonwealth of Independent States</td>
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<tr>
<td>SDGs</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>SEESAC</td>
<td>South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons</td>
</tr>
<tr>
<td>SIB</td>
<td>Social Impact Bond</td>
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<tr>
<td>ToC</td>
<td>Theory of Change</td>
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<tr>
<td>UNCT</td>
<td>United Nations Country Team</td>
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<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<tr>
<td>UNOPS</td>
<td>United Nations Office for Project Services</td>
</tr>
<tr>
<td>UNPRPD</td>
<td>United Nations Partnership to Promote the Rights of Persons with Disabilities</td>
</tr>
</tbody>
</table>
The United Nations Development Programme (UNDP) Country Programme Document (CPD) for 2016-2020 in the Republic of Serbia is underpinned by an overarching theory of change that, by 2020, people in Serbia would have better opportunities for political, economic, cultural and social participation and would live in communities that are more resilient to economic, environmental or other sources of stress. The four CPD outcome areas include:

• Democratic Governance;

• Environment and Energy (low-carbon and climate-resilient development);

• Inclusive and Sustainable Growth; and

• Gender Equality (equal participation for women and lives free from violence).

The UNDP programme in Serbia experienced financial growth during the period under review, with the initial indicative budget increasing by 15 per cent midway through, from $40.8 million at the outset to $46.3 million in 2018. Democratic Governance and Environment and Energy constituted the two largest outcome areas. The Government of the Republic of Serbia is the main contributor to the CPD, with government cost-sharing representing 59 per cent of all expenditure recorded in the first three years. This includes contributions from local authorities involved in UNDP projects, with substantial co-financing from municipalities such as Belgrade and Čajetina. Donor agencies from various countries contributed about a quarter of the CPD budget ($9.4 million), the largest being the Swedish and Swiss aid programmes. UNDP Serbia has extensively used funding from the Global Environment Facility, which contributed almost 13 per cent to the CPD budget ($5.1 million). UNDP contributed $1.1 million from its regular resources.

Findings

A dozen findings are set out in the evaluation, covering each of the four CPD outcome areas, as well as cross-cutting issues such as gender, portfolio and results management, and joint programming with other United Nations entities. Key findings include that UNDP support for democratic governance has contributed to making government institutions more open and effective. UNDP support to increase the transparency and accountability of the Serbian Parliament has had a measure of success, but progress has been slow. UNDP involvement in the promotion of human rights and rule of law issues, such as the fight against corruption, has decreased during the period under review.

UNDP support on climate change, energy efficiency and disaster risk reduction has helped the Government to improve policy implementation. UNDP contacts and networks have been valuable in the context of Serbia’s implementation of international conventions and compliance with the European Union acquis, particularly in the area of climate change and energy, although the resources mobilised are too modest to address the full scale of challenges in the sector. UNDP in Serbia has demonstrated flexibility and agility in response to natural disasters, helping the Government to strengthen its rapid response systems.

UNDP efforts for gender equality in Serbia have focused needed attention on zero tolerance for, and the eradication of, violence against women. Working within significant budget constraints, UNDP has also made important efforts to raise awareness and mainstream gender issues, including through joint programming with other United Nations country team members.
Conclusions

The evaluation includes the following four main conclusions:

1. Overall, UNDP has made important contributions to Serbia’s development in line with government priorities. UNDP project management capacity and technical expertise are valued by Serbian partners, enabling UNDP to maintain an active presence in the country, with significant government cost-sharing.

2. The UNDP programme in Serbia has seen a budget shift towards programming in the governance and environment and energy areas. This shift highlights its strengths in these areas, but also a diminishing level of support to livelihoods and economic development, as well as programming related to the rule of law.

3. Efforts have been made in the current CPD to build greater coherence across the project portfolio, though this remains highly fragmented, including many small stand-alone projects. Such fragmentation runs the risk of obscuring the UNDP value proposition and diminishing its impact.

4. Sustainability has not received sufficient attention, as evidenced by the lack of articulated plans to ensure a gradual disengagement of UNDP and expansion of national ownership as programmes wrap up.

Recommendations

Corresponding to these conclusions, the following four recommendations are set out in the evaluation:

**RECOMMENDATION 1.** The next CPD should continue to support Serbia with high-level innovative advice and expertise to address its development needs, with increased emphasis on integrated and cross-cutting reforms, linked to the Sustainable Development Goals.

**RECOMMENDATION 2.** UNDP should redouble its efforts to promote gender equality and women’s empowerment and continue to engage the Government on human rights.

**RECOMMENDATION 3.** As UNDP looks to expand its funding base in Serbia, decisions on new programming opportunities should serve to strengthen the role of UNDP as a provider of strategic advice.

**RECOMMENDATION 4.** Improvements in project design should be launched during the next CPD to strengthen impact and sustainability.
1.1. Purpose, objectives and scope of the evaluation

The Independent Evaluation Office (IEO) of the United Nations Development Programme (UNDP) conducts Independent Country Programme Evaluations (ICPEs), previously known as Assessments of Development Results, to capture and demonstrate evaluative evidence of UNDP contributions to development results at the country level, as well as the effectiveness of UNDP strategies in facilitating and leveraging national efforts for achieving development results. The purpose of an ICPE is to:

- Support the development of the next UNDP Country Programme Document;
- Strengthen accountability of UNDP to national stakeholders; and
- Strengthen accountability of UNDP to the Executive Board.

ICPEs are independent evaluations carried out within the overall provisions contained in the UNDP Evaluation Policy. The IEO is independent of UNDP management and is headed by a Director who reports to the UNDP Executive Board. The responsibility of the IEO is two-fold: (a) to provide the Executive Board with valid and credible information from evaluations for corporate accountability, decision-making and improvement; and (b) to enhance the independence, credibility and utility of the evaluation function, and its coherence, harmonisation and alignment in support of United Nations reform and national ownership.

Based on the principle of national ownership, the IEO conducts ICPEs in collaboration with the national authorities where the country programme is implemented, in this case the Government of the Republic of Serbia. The evaluation was managed in coordination with the UNDP country office for Serbia and the UNDP Regional Bureau for Europe and the Commonwealth of Independent States (RBEC), who are expected to take its conclusions and recommendations into account as they develop the next Country Programme Document (CPD) for Serbia.

This ICPE was carried out between March and September 2019. It focuses on the current programme cycle (2016-2020), and covers all UNDP activities in Serbia up to and including the first quarter of 2019, funded by all sources, including core UNDP resources, donor funds, and government cost-sharing.

1.2. Evaluation methodology

The ICPE addressed three evaluation questions which also guided the presentation of the evaluation findings in the report, as indicated in the Terms of Reference for the evaluation (Annex 1):

1. What did the UNDP country programme intend to achieve during the period under review?
2. To what extent has the programme achieved (or is likely to achieve) its intended objectives?
3. What factors contributed to or hindered UNDP performance and, eventually, the sustainability of results?

The review was guided by the United Nations Evaluation Group Norms and Standards1 and ethical Code of Conduct,2 and based on analysis of the correlations between reported project achievements, their contribution to expected outputs under each outcome, and the overall outcome objectives. Special attention was given to assessing gender results across the portfolio.

The evaluation team reconstructed a Theory of Change (ToC) for each CPD outcome area, based on an analysis of the CPD, UNDP programming documentation, country and sector strategies and available context information. The ToC provides the rationale for UNDP interventions, setting out the intended process of change of the programme, or chain of events, to show how interventions are expected to produce the immediate outputs, resulting in positive effects in the intermediate period (outcomes), which in turn

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2 www.uneval.org.
CHAPTER 1: BACKGROUND AND INTRODUCTION

contribute to longer-term benefits (impacts). The ToC also identifies assumptions behind the proposed programme. Separate ToCs were reconstructed to assess the development results achieved by the programme in each outcome area (see Annex 5).

**Scope:** This ICPE covers the period 2016-2018 of the current programme cycle. It covers interventions funded by all sources, including core UNDP resources, donor funds and government funds. It also includes initiatives from regional and global programmes and ‘non-project’ activities related to the political and social agenda of the country.

Projects of particular relevance to the scope of the evaluation are set out in a table in Annex 6. These were selected on the basis that they are, or have been, active in the current CPD period, or were precursors to currently active projects, and are deemed evaluable. The evaluation focused on 15 projects selected across the four outcome areas in the country programme project portfolio.

**Data collection and analysis.** The evaluation was based on data triangulation. The findings obtained from one source of information were cross-verified by investigating other available evidence, contributing to a deeper and wider understanding of the issues explored by the evaluators. In this context, the evaluation examined project documentation and monitoring and evaluation materials related to the implementation of the CPD to date, with a focus on a representative sample of the 15 projects selected for in-depth review. External information was also consulted to better understand the country context, including national and international strategies and relevant sector research and statistics. Annex 7 presents the list of documents reviewed.

A pre-mission survey questionnaire was sent to the UNDP country office to collect the views of UNDP staff regarding the design and implementation of the CPD to date, including results achieved and challenges encountered. Interviews were conducted remotely with the UNDP country office to discuss some of the issues raised in the questionnaire. A pre-mission country analysis paper summarised preliminary findings for each evaluation question, identifying the specific factors that influenced, positively or negatively, UNDP performance and the potential sustainability of results. The paper also set out lines of enquiry for the field phase and identified stakeholders to be interviewed, including UNDP country office staff, selected project beneficiaries, national and local authorities, civil society and other relevant stakeholders. The UNDP country office supported the organization of meetings. A list of persons consulted is provided in Annex 8.

Following review by the UNDP country office and Regional Bureau, the ICPE was shared with government and national stakeholders. Comments received were taken into account in the final evaluation report.

**Stakeholder involvement:** A participatory and transparent process was followed to engage with stakeholders at all stages of the evaluation process.

**Limitations:** The short time available for fieldwork impeded the systematic collection of beneficiary views. In addition, the extent to which the evaluation was able to assess outcomes depended on the stage of completion of different components of the selected projects. Where projects were in their early stages, the evaluation looked for evidence that their design reflected the needs of the target groups, was in line with national priorities, and built on outcomes achieved from previous projects.

1.3. Country context

**Political development**

Serbia submitted a request for European Union (EU) membership in December 2009 and was granted the status of candidate country in March 2012. The EU accession process is a strong driver of Serbia’s reforms to strengthen democracy and rule of law, improve the functioning of the market economy and adopt the EU acquis. Accession negotiations started in June 2013, and there are significant challenges ahead in achieving compliance with the EU acquis. While Serbia has made progress on legislative reforms and parliamentary transparency, the implementation of new legislation to advance the acquis is lagging, especially with respect to human rights and the rule of law.
Governance challenges of Serbia, as reported by the European Commission,⁷ are related to a lack of effective oversight over the executive branch, the inefficiency and lack of independence of the judiciary, and weak progress with public administration reforms to professionalise and depoliticise the administration and build capacity to improve service delivery and address persistent regional disparities. Widespread corruption continues to affect economic development,⁴ while the lack of progress in investigating, prosecuting and convicting organised crime undermines good governance.⁵

**Economic development**

Serbia’s economy declined sharply in the 1990s following the breakup of Yugoslavia. A favourable global economic environment and reforms allowed the country to record an average of 5 per cent annual growth in its gross domestic product (GDP) from 2001 to 2008, which led to a decline in poverty from 14 per cent in 2002 to 6.6 per cent in 2007. However, the 2008-2010 recession put an end to Serbia’s economic expansion, with negative growth rates recorded over several years⁶ and poverty on the rise again. Exacerbating economic pressures over the past decade included economic shocks caused by major natural disasters. The May 2014 floods caused damage estimated at €1.6 billion, leading to a 2 per cent drop in GDP in 2014.⁷

Since 2015, Serbia has embarked on a fiscal consolidation programme,⁸ accompanied by reform of State-owned enterprises and measures to improve the business environment. By June 2015, the country had already made significant progress in reducing the budget deficit. GDP grew by 2.8 per cent in 2016 and 1.9 per cent in 2017.

**Poverty and social inclusion**

The 2008 economic crisis disproportionately affected the poorest 40 per cent of the population, mainly due to rural poverty and loss of employment and income. According to reports for the period 2011 to 2014, a total of 42.1 per cent of the population (three million people) were at risk of poverty or social exclusion. The unemployment rate, which was at record levels in October 2011 (24 per cent), decreased to about 20 per cent in mid-2014, though without significant decreases for women (19.6 per cent in 2014) or young people (47.1 per cent in 2014). In 2013, around 22 per cent of young people were not in employment, training or education, one of the highest rates in the world. In 2013, a mere 1.8 million people worked in the formal economy, 700,000 of them in the public sector.⁹ The economic recovery experienced since 2015 precipitated a drop in the unemployment rate, to 12.69 per cent in 2019.¹⁰ Yet poverty remains entrenched, especially in rural settings (10.5 per cent compared to 4.9 per cent in urban areas). The Human Development Index (HDI) improved from 0.726 to 0.745 between 1990 and 2014, mainly due to increases in life expectancy at birth (+4.2 years) and in mean years of schooling (+2.1 years). The improved economic situation experienced since 2015 translated into a higher HDI, which stood at 0.787 in the same year.¹¹

Women and girls in rural areas, the long-term unemployed, Roma people and people with disabilities are particularly vulnerable to social exclusion. The latter two are often victims of stigma and discrimination and insufficient social and legal protection.

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¹⁰ Negative growth was recorded in 2009, 2012 and 2014. The average growth of Serbia’s GDP between 2013 and 2017 was a modest 1.3 per cent per year. Source: World Bank.
Serbia has a strong diaspora. It is estimated that over four million Serbs reside outside of Serbia, and 550,000 people, equalling 16.2 per cent of the country’s active population, regularly send money home through formal and informal channels. The total inflow of remittances from 2004 to 2008 was around €12 billion, or 9.5 per cent of GDP on average, which was equal to the volume of borrowed capital and higher than the inflow of capital from other sources. Most remittances sustained personal consumption, although in some cases they were also used for investment.

Regional disparities are among the highest in Europe, with a 1:7 ratio between the most and least developed districts and 1:15 between equivalent municipalities. Of 145 municipalities and cities, one third (46) were extremely underdeveloped, with GDP of less than 50 per cent of the national average, and showing strong demographic constraints.

Gender equality

Gender inequality is pervasive, despite a legal framework that protects women’s rights. According to a UNDP study, 54 per cent of women have been exposed to some form of violence in their lifetime. Women’s participation in economic activities is low. According to the World Bank, the income loss associated with gender gaps represents 16 per cent of income per capita. The National Strategy for Gender Equality 2016-2020 recognises that the overall socioeconomic status of women is significantly less favourable than that of men, and that there is a significant gap between proclaimed principles and actual practices. On the positive side, Serbia is considered among the top EU countries for women in politics and a good example of progress in the advancement of gender equality in government. There are 94 women Members of Parliament, representing 37.6 per cent of the National Assembly.

Environment

Air pollution in urban areas is high, with a recorded increase in particulate matters (PM10) and nitrogen dioxide (NOx) concentrations. Declining industrial production resulted in fluctuating trends for SO2 and NOx. Surface and ground waters have excellent to good ecological status, with exceptions such as the province of Vojvodina, where heavy concentrations of polluting substances in surface waters have been recorded.

Waste water management is an important source of pollution, with 55 per cent of industrial facilities discharging their waste water into rivers. On average, 60 per cent of the population is connected to the sewage system, with the lowest connection rates recorded among people living under the poverty line. Other important polluters are the mining industry and municipal landfills.

Serbia has many protected areas, and contains more than 50 per cent of the highly protected species listed in international conventions and EU directives. Forests cover around 32 per cent of the territory. Although environmental policies and frameworks are largely in place, there is no proactive planning and no effective alignment and enforcement of EU laws and regulations in the areas of water, waste management, air quality and nature protection.

Disaster risk reduction and emergency management have long been neglected resulting in weak resilience.
to natural disasters.\textsuperscript{23} The legislation was updated in 2009 and 2016 and strategic documents were prepared, such as the National Strategy for Disaster Risk Reduction Protection and Rescue in Emergency Situations (2011), the National Dis­aster Management Programme (2014) and the National Action Plan for its implementation (2016).\textsuperscript{24} The complexity of the institutional framework makes implementation slow and cumbersome.

Serbia has no comprehensive strategy to combat climate change.\textsuperscript{25} In the energy sector, in 2012 Serbia set a target of increasing the share of energy from renewable sources to 27 per cent by 2020. A subsidy mechanism (feed-in tariffs) for renewable energy power producers has been in place since 2009. An Energy Sector Development Strategy was established for the period 2015-2025.

According to the Serbian Government, since 2013 renewable energy production has significantly increased, to 700 megawatts (MW) of power, through the commissioning of new plants handling wind, solar, small hydro and biogas, and 40 MW through biomass heat-only production plants. An additional 100 MW of renewable energy is anticipated from the ongoing construction of new renewable energy plants. Currently, the share of renewable energy in final energy consumption is 24 per cent. Despite the significant newly installed renewable energy capacity, the share of renewable energy has yet to reach the target because the total final energy consumption has increased due to the recent intensive industrial development of the country.

The Energy Management System (EMS) in Serbia has been implemented since 2014, serving as one of the main mechanisms for implementing the Law on Efficient Use of Energy. The EMS requirements are obligatory for big energy consumers and the public sector, including municipalities of more than 20,000 inhabitants. EMS designated organizations are obliged to achieve 1 per cent annual primary energy savings, appoint licensed energy managers, and report on achieved savings to the Ministry of Mining and Energy.

### 1.4. UNDP programme under review


Both the DPF and the CPD are the result of close dialogue between Serbian stakeholders and UNDP, enabling the identification of relevant priorities to address the country’s development needs. However, the CPD is not closely aligned with the Sustainable Development Goals (SDGs), as these were adopted after the DPF for Serbia.\textsuperscript{26} Hence, the CPD makes only one reference to the SDGs, and the outcome indicators were not designed to measure progress towards the SDGs.

UNDP programme rationale, priorities, pipelines and partnerships are clearly captured in the final CPD, which directly covers four of the nine outcomes of the DPF. The 2016-2020 DPF set five pillars and nine outcomes for Serbia. The five pillars include: Governance and Rule of Law; Social and Human Resources Development; Economic Development, Growth and Employment; Environment, Climate Change and Resilient Communities; and Culture and Development. UNDP decided to intervene across three of these pillars,\textsuperscript{27} contributing directly to four outcomes (1, 2, 4, and 5) and indirectly to two (3 and 7).

The overarching theory of change underpinning the 2016-2020 CPD was that, by 2020, people in Serbia would have better opportunities for political, economic, cultural and social participation and would live in communities that are more resilient to economic, environmental or other sources of stress.


\textsuperscript{25} European Commission Serbia Progress Report 2014.

\textsuperscript{26} The SDGs were adopted in August-September 2015 while the global indicator framework was agreed in March 2017.

\textsuperscript{27} Outcomes 2 and 3 (Pillar I: Governance and Rule of Law), outcome 7 (Pillar III: Economic Development, Growth and Employment) and outcome 8 (Pillar IV: Environment, Climate Change and Resilient Communities).
The four CPD outcome areas are:

- Democratic Governance;
- Environment and Energy (low-carbon and climate-resilient development);
- Inclusive and Sustainable Growth;
- Gender Equality (equal participation for women and lives free from violence).

### TABLE 1: UNDP country programme outcomes and indicative budget (2016-2020) and expenditures to date (source: UNDP February 2018)

<table>
<thead>
<tr>
<th>Country Programme Outcome</th>
<th>Indicative resources (million US$ 2016-2020)</th>
<th>Indicative budget 2016-2020 (million US$) as reported in February 2018</th>
<th>Expenditures 2016-2018 (million US$) as reported in February 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome 4A: Democratic Governance</strong></td>
<td>By 2020, governance institutions at all levels have enhanced accountability and representation to provide better quality services to people and the economy</td>
<td>Regular: $0.5  Other: $11.4</td>
<td>$22.6  $17.21</td>
</tr>
<tr>
<td><strong>Outcome 5A: Gender Equality</strong></td>
<td>By 2020, State institutions and other relevant actors enhance gender equality and enable women and girls, especially those from vulnerable groups, to live lives free from discrimination and violence</td>
<td>Regular: /  Other: $1.4</td>
<td>$0.9  $0.59</td>
</tr>
<tr>
<td><strong>Outcome 6A: Inclusive and Sustainable Growth</strong></td>
<td>By 2020, there is an effective enabling environment that promotes sustainable economic development, focused on an inclusive labour market and decent job creation</td>
<td>Regular: $0.7  Other: $25.88</td>
<td>$6.5  $5.71</td>
</tr>
<tr>
<td><strong>Outcome 7A: Environment and Energy</strong></td>
<td>By 2020, there are improved capacities to combat climate change and manage natural resources, and communities are more resilient to the effects of natural and human-induced disasters</td>
<td>Regular: $0.6  Other: /</td>
<td>$15.1  $12.65</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$40.48</strong></td>
<td><strong>$46.3</strong>&lt;sup&gt;28&lt;/sup&gt;  <strong>$36.98</strong></td>
</tr>
</tbody>
</table>

Source: CPD Serbia 2016-2020, UNDP Serbia February 2018

As shown in Table 1 above, the UNDP programme in Serbia experienced financial growth during the period under review, with the indicative budget set at the outset increasing by 15 per cent midway through, in 2018, from $40.8m to $46.3m. In the revised budget,<sup>29</sup> the two largest outcome areas were Democratic Governance and Environment and Energy. Predicted funding for the Gender Equality outcome area represented only 2 per cent of the total indicative budget.

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<sup>28</sup> Includes $1.1 million of unallocated funds.

<sup>29</sup> UNDP Serbia 2018.
UNDP Serbia recorded $36.9 million of expenditure over the first three years of CPD implementation (2016-2018). Bilateral and multilateral funds accounted for $16.2 million, government cost-sharing contributed $14.8 million, regular UNDP resources amounted to $1.1 million, while vertical trust funds contributed $5.1 million. The programme is not currently funded by non-traditional sources such as international financial institutions or the private sector.

At the end of the third year of implementation (2018), the programme had utilised 80 per cent of its revised budget, and was on track to achieve its funding targets in all outcome areas. The best performance was recorded under the outcome areas of inclusive and sustainable growth and environment and energy.
The Government of the Republic of Serbia is the main contributor to the CPD, with government cost-sharing representing 59 per cent of all expenditure recorded in the first three years. This includes contributions from local authorities involved in UNDP projects, with substantial co-financing from some municipalities such as Belgrade and Čajetina. Donor agencies from various countries contributed about a quarter of the CPD budget ($9.4 million), the largest being the Swedish and Swiss aid programmes. UNDP Serbia has extensively used funding from the Global Environment Facility (GEF), contributing almost 13 per cent to the CPD budget ($5.1 million). UNDP contributed $1.1 million from its regular resources.

The municipality of Čajetina contributed $2.5 million to the activity “Čajetina: municipal services” which was implemented as part of the project “Improving Services at Local Level” (Democratic Governance outcome area), while the City of Belgrade contributed $1.43 million to two activities, “Support to the City of Belgrade” implemented as part of the project “Improving Services at Local Level” (Democratic Governance outcome area) and “Belgrade Preparedness” implemented as part of the project “Response to the Effects of Floods Serbia 2014-16”.

Donor agencies from various countries contributed about a quarter of the CPD budget ($9.4 million), the largest being the Swedish and Swiss aid programmes. UNDP Serbia has extensively used funding from the Global Environment Facility (GEF), contributing almost 13 per cent to the CPD budget ($5.1 million). UNDP contributed $1.1 million from its regular resources.
Democratic governance

**Expected Outcome and Outputs**

**Outcome:** By 2020, governance institutions at all levels have enhanced accountability and representation to provide better quality services to people and the economy.

**Outputs:**
1. Governance institutions operate in a more open and effective manner;
2. Management of public funds is improved at all levels;
3. Representation and accountability at all levels are strengthened;
4. Actions are taken to improve the enjoyment of human rights and strengthen rule of law, following recommendations stemming from the Universal Periodic Review;
5. Governance institutions address people’s safety and security concerns effectively.

UNDP has implemented a range of projects to promote the transparency and accountability of public institutions at central and local levels. This has included support for the National Assembly to strengthen its oversight function, reach out to citizens and promote the SDGs. Local democracy has been promoted through training and advice to local assemblies. Several interventions aimed to promote efficiency and transparency in public finance management, with expertise and advisory services geared towards the Serbian State Audit Institution and the Ministry of Finance, while also addressing the needs of budget and finance departments within municipalities.

UNDP also spearheaded a major initiative in cooperation with the newly established Office for Information Technology and e-Government to help implement the government strategy for digital transformation. This included the development of new e-services, awareness-raising and the use of open data. To contribute to the quality of public administration, UNDP has also provided advisory services to the Strategic Project Implementation Unit of the Prime Minister’s Office, which is responsible for delivering better and faster results in key policy areas.

In the field of safety and security (output 5), UNDP is implementing a five-year programme to help the Ministry of Defence demilitarise surplus conventional ammunition and explosives, and improve stockpile management (“Conventional Ammunition Stockpile Management”).

The portfolio also included assistance to the Office of the War Crimes Prosecutor and the Commission for Missing Persons in their national and regional engagements, as well as supporting youth dialogue throughout the region. Smaller initiatives provided targeted support to government institutions, for example the National Academy for Public Administration, whose new premises UNDP helped establish.

No direct intervention tackled human rights (output 4), although the defence of sexual minorities was supported under the Social Inclusion portfolio.

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31 Although it belongs to the Democratic Governance outcome area, the project appears under the Environment and Energy portfolio under the responsibility of the country office resilience team. In addition, CPD outputs covered the work done by SEESAC involving Serbia. SEESAC was part of UNDP Serbia at the time of drafting the CPD.

32 “Being LGBTI in Eastern Europe: Reducing Inequalities & Exclusion, and Combating Homophobia & Transphobia Experienced by LGBTI People” examined the experience of Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) people in Albania, Bosnia and Herzegovina, Macedonia and Serbia. The project was designed to contribute to the reduction of inequalities and exclusion experienced by LGBTI people, by combating homophobia and transphobia by advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. In addition, the country office has been addressing human rights indirectly using the human rights-based approach, and projects targeting vulnerable groups such as Roma, people with disabilities, people at risk of HIV/AIDS and projects tackling the migration crisis all contributed to improving the human rights of groups left behind.
Environment and energy

Expected Outcome and Outputs

Outcome: By 2020, there are improved capacities to combat climate change and manage natural resources, and communities are more resilient to the effects of natural and human-induced disasters.

Outputs:
1. Capacities for policy-making and implementation of international agreements improved;
2. Climate change mitigation and adaptation measures implemented in key sectors, at national and local levels;
3. Improved capacity for energy management in sectors of final energy consumption;
4. Renewable energy market developed, applying the principles of competition, transparency and non-discrimination;
5. The National Disaster Risk Management System is implemented at central and local levels.

The portfolio of projects under this outcome area focused on building institutional capacity for dealing with climate change through effective policies and mitigation measures, including GEF-funded support for climate-smart urban development, which promotes climate resilient communities through new and innovative ideas on how to reduce greenhouse gas emissions and adapt to changing climate conditions. UNDP has been providing expertise and advice to the main national stakeholders in fulfilling international obligations in the sector through targeted research and ad-hoc support. In addition, capacity for disaster risk reduction has been targeted through a series of interventions, including to promote gender mainstreaming. Of particular note, the portfolio includes interventions in energy management and energy efficiency. UNDP has helped municipalities to implement Energy Management System requirements in accordance with the Law on Efficient Use of Energy. This included introducing the Energy Management Information System software tool, for the detailed monitoring of energy and water consumption and costs in public buildings and facilities.

Some areas not foreseen in the CPD generated several interventions. This was the case of the large-scale interventions entrusted to UNDP to deal with the consequences of major floods (“Response to the Effects of Floods Serbia 2014-16”) or to address emergency needs connected to the 2015 migrant crisis (“Strengthen Coordination and Response to the Migration Crisis” and “Response to the Migration Crisis”).

Inclusive and sustainable growth

Expected Outcome and Outputs

Outcome: By 2020, there is an effective enabling environment that promotes sustainable economic development, focused on an inclusive labour market and decent job creation.

Outputs:
1. Improved implementation of local development plans and applied sustainable solutions;
2. Women and men in vulnerable situations have greater access to services, training and innovative employment opportunities (including green jobs);
3. Voice and participation of the most vulnerable in policy processes ensured.

The project portfolio for economic development support was lean, with more than half of the funding ($2.6 million) consisting of support for the Public Investment Management Office (PIMO) to implement project loans (“Accelerated Delivery Initiative”), with
an indirect link to the output 1 indicators. Another two interventions sought to improve the investment climate and stimulate the involvement of diaspora Serbs. UNDP was also involved in a project promoting the development of agricultural activities in line with the local development plans of 11 municipalities.35

The rest of the portfolio consisted of interventions in the field of social inclusion covering the Roma, young unemployed, people with disabilities and an EU-funded initiative to improve the situation of migrants in selected municipalities (“EU Open Communities”).

Gender equality

Expected Outcome and Outputs

Outcome: By 2020, State institutions and other relevant actors enhance gender equality and enable women and girls, especially those from vulnerable groups, to live lives free from discrimination and violence.

Outputs:
1. Improved national and community-level capacities to implement the Istanbul Convention provisions to respond to violence against women;
2. Increased participation of women in decision-making.

This portfolio consisted of one intervention ($1.9 million) dealing with gender-based violence, which was implemented under the supervision of the Serbian Coordination Body for Gender Equality, chaired by the Prime Minister. It focused on improving the social and institutional environment to contribute to the Serbian policy of zero tolerance and eradication of violence against women in Serbia. Although initially planned, no interventions were carried out on the participation of women in decision-making, although it should be noted that the issue was addressed under the Democratic Governance outcome area.36

34 Six cities/municipalities are supported through the Advanced Capacity for Accelerated Delivery Initiative project: Belgrade, Novi Sad, Nis, Kragujevac, Valjevo and Svilajnac.
35 Aid for trade: support to productive capacities in the agro-industrial sector in Serbia. The project is included under the Environment and Energy portfolio.
36 Project “Strengthening the Oversight Function and Transparency of the Parliament” which targeted the participation of women in parliamentary decision-making.
CHAPTER 2

FINDINGS
2.1. Democratic governance

Finding 1: UNDP support for democratic governance has contributed to making government institutions more open and effective, in line with the CPD. The portfolio was well-financed, with governance projects addressing the needs of central and local levels. UNDP support to increase the transparency and accountability of the Serbian Parliament has had a measure of success, but progress has been slow.

UNDP has managed to mobilise significant resources in support of the CPD governance objectives, with expenditure recorded in the first three years exceeding that originally planned.

UNDP interventions in the field of the information society have helped to shape government policy regarding open data and e-government. Support for institutional capacity and information technology infrastructure development has been crucial for implementation of the digitalisation agenda, as the digitalisation of public administration and the provision of integrated, secure and citizen-focused electronic services have become government priorities. UNDP has engaged with the Office for Information Technologies and e-Government to establish a national open data portal and an evolving open data ecosystem. This led to data re-use, thus contributing to achieving development objectives. This has also given UNDP an influential role in establishing the open data policy which contributed to improved citizens’ access to official data and related products.

While UNDP work contributed to enhancing the transparency and accountability of the National Assembly, the challenging political environment meant that this support did not fundamentally alter parliamentary performance. At the national level, UNDP has continued to support parliamentary capacity development to increase the transparency and accountability of the legislature through “Strengthening the Oversight Function and Transparency of the Parliament”, a continuation of previous UNDP projects. One of the project achievements has been the creation of informal cross-party caucuses to discuss specific issues before holding formal sessions in Parliament. Although it has met with some resistance from some political parties, Members of Parliament appreciate this mechanism, which allows them to exchange ideas and find consensus on policy responses, thus overcoming political divisions. The project has also strengthened parliamentary capacity to promote and monitor the SDGs, with the establishment of an SDG Focus Group in Parliament.37 With the help of the project, the National Assembly initiated mobile committee sessions held across Serbia,38 which improved contact with citizens and helped raise municipal issues to the national level. For example, two mobile committee sessions concerned with agriculture and rural development39 highlighted the need for new legislation and support in favour of small and medium farmers, including through faster access to investment funds and EU assistance. The project has also improved transparency by setting up a public hearings page on the parliamentary website, which was highlighted in the latest Council of Europe Group of States against Corruption (GRECO) report,40 and establishing a portal for monitoring public budget expenditures at both central and local levels.41

Despite those achievements, parliamentary performance remains a cause for concern. In its latest report,42 the European Commission assessed
the National Assembly’s scrutiny and oversight roles as weak, while the Organization for Security and Cooperation in Europe (OSCE) also considered that progress on transparency had been slow, highlighting steps which could contribute to improving the situation, such as the “adoption of a code of conduct or the introduction of rules for members of parliament on how to interact with lobbyists and other third parties”. These shortcomings were also noted in the GRECO report.

The highly valued UNDP support to local assemblies helped raise the profile of local assembly members, and provided much needed training and guidance, as well as technical advice, in digitalising the work of the assemblies. Amendments to the Law on Local Self-Government, which were adopted with the help of UNDP, introduced public hearings at local level and contributed to strengthening the oversight role of local assemblies, better connecting them to central authorities and citizens, thereby creating the conditions for healthier local democracy.

Local governance has also been improved by the Regional Programme on Local Democracy in Western Balkans (ReLOad), implemented by UNDP in the Western Balkans with EU funding. The programme has fostered links between local authorities and civil society in the provision of services to communities.

Contributing to CPD output 1.5 “Governance institutions address people’s safety and security”, the “Capacity Development Programme for Conventional Ammunition Stockpile Management for the Republic of Serbia” has helped to improve human security through upgrading of the safety and security of ammunition storage sites. This UNDP effort is coordinated through the South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons (SEESAC) which UNDP created in 2002 to function as an executive arm of the Regional Implementation Plan on Combating Proliferation of Small Arms and Light Weapons formulated and adopted by the Stability Pact in November 2001 and revised in 2006 and in 2014. SEESAC is housed in the UNDP Belgrade office.

Finding 2: UNDP involvement in the promotion of human rights and rule of law issues, such as the fight against corruption, has decreased during the period under review.

UNDP engagement in the promotion of human rights has been limited, although the issue features as one of the CPD outputs: “4. Actions taken to improve the enjoyment of human rights and strengthen rule of law, following recommendations stemming from the Universal Periodic Review”. The main reason for inaction was the Government’s lack of responsiveness on these issues, which led to the decision of the country office to shift attention to other areas where political will appeared stronger. According to the Universal Periodic Review, Serbia implemented 72.4 per cent of recommendations, which is a negative trend from previous periods and below the target for Serbia in the CPD (80 per cent). The Human Rights Council informed Serbia on 190 recommendations, out of which Serbia accepted 175 and noted 15.

As reported by the European Commission in its latest report, corruption in Serbia remains endemic and is a key challenge for the EU accession process, affecting economic development and the judiciary. Yet during the current cycle, UNDP was not able to carry out specific anti-corruption programming. It was reported that the country office detected insufficient government support for further reforms and deemed a pause useful, following important UNDP engagements in this area during past programme cycles. It can be noted, however, that UNDP interventions in the field of public finance management and procurement have contributed to improved detection of corruption, notably by strengthening the
audit function at central and local levels and improving public procurement legislation. Similarly, UNDP support to the Global Organization of Parliamentarians Against Corruption Chapter in the Serbian Parliament, and its work on open data and e-government in general, have contributed to greater transparency and better prevention and detection of corruption.

It is important to recognise that there are parallel initiatives for improved democratic governance in Serbia supported by other organizations. Currently, USAID is implementing the $9.8 million Rule of Law Project, whose main objective is to support justice sector reforms to enhance the timely delivery of justice for Serbian citizens. The OSCE mission to Serbia is also helping to harmonise Serbian legislation and practice with international anti-corruption standards and build the capacity of authorities to better respect good governance principles, with special emphasis on the management of public funds, detection of money laundering and suppression of economic crime. The World Bank also supports several initiatives focusing on public administration.

UNDP has also engaged in governance areas with very little support from other donors, for example under the regional initiative on war crimes, UNDP has helped to strengthen coordination among Serbian institutions and improved cooperation among prosecutors’ offices in the region, enabling some progress in the processing of unresolved cases.

2.2. Environment and energy

Finding 3: UNDP support on climate change, energy efficiency and disaster risk reduction has helped the Government to improve policy implementation. The CPD framework has been flexible enough to enable responses to unforeseen needs, increasing the size of the portfolio from that initially planned.

The involvement of UNDP in the Environment and Energy outcome area proved much more significant than originally planned in the CPD, with more than $12 million of expenditure recorded in the first three years of CPD implementation (2016-2018).

UNDP support has been instrumental in improving climate change and energy efficiency policies, providing advice and assisting the Government in adopting mitigation measures and innovative schemes to reduce greenhouse gases, while helping to build local capacity for energy efficiency.

Under the Environment and Energy outcome area, UNDP has promoted biomass production through the project “Reducing Barriers to Accelerate the Development of Biomass Markets in Serbia” which aimed to create a more favourable legislative and administrative framework for economic opportunities in this sector, and included financial support to set up six biogas plants. The project was expected to deliver direct carbon dioxide (CO₂) reductions of one million tonnes during the 20-year life cycle of investments in six plants. The project focused on policy and financial de-risking, including the development of regulation and pricing mechanisms to enable heat and power plants to sell electricity to the State and distribute energy across the national power network. The policy and market establishment aspects of the project distinguish it from typical biomass power plant investment projects financed through the private sector. An independent evaluation of the project at its conclusion rated the effort highly satisfactory, indicating that it significantly exceeded the targets for installed capacity of biomass and CO₂ emission reductions in Serbia; and leveraged $22.7 million of private sector investment, a ratio of over 7:1 when compared to the $3 million GEF grant.

While recognising the achievements of this biomass project, it is useful to consider this effort within the

48 https://en.rolps.org/

49 Such as Public Enterprise and Public Utilities Development Policy Lending (DPL), the Jobs and Competitiveness Project, the Programme for Results in support of Public Administration Modernization and Optimization, the State-Owned Financial Institutions Reform Project as well as the Programme for Results in support of Enhancing Infrastructure Efficiency and Sustainability DPLs.

50 “Enhancing Regional Cooperation on Processing War Crimes and the Search for Missing Persons” 17 war crime cases were reviewed at meetings facilitated by the project.


broader air pollution context for Serbia, which is closely linked to poverty, with many people unable to afford cleaner energy sources or more efficient technologies (high-efficiency and low-emission stoves), where firewood is readily available (even if logging is illegal).

It should be noted that Serbia has been taking significant steps over the past decade to reduce air emissions from municipal district heating systems, with 80 per cent of the energy consumed in district heating systems in the 64 larger cities and settlements of Serbia\(^{53}\) now produced using natural gas. Since 2001, €134.5 million has been used to modernise all of the large, and most small, district heating systems, along with distribution networks and substations, and in 2019 an additional €27 million loan was secured to convert district heating plants in five towns from coal or mazut to biomass.

**Finding 4: UNDP contacts and networks have been valuable in the context of Serbia’s implementation of international conventions and compliance with the EU acquis, particularly in the area of climate change and energy, although the resources mobilised are too modest to address the full scale of challenges in the sector.**

UNDP has provided significant support to policy development related to international conventions, such as the United Nations Framework Convention on Climate Change and the Minamata Convention on Mercury. In addition, UNDP support has contributed to the process of implementing the environmental EU acquis, for example in the field of chemical safety. The experience from other countries, as well as expertise from other United Nations agencies such as the United Nations Environment Programme, has been much appreciated by beneficiaries.

The main weakness in the sector is lack of capacity, worsened by high staff turnover in government institutions. While the issue is not the responsibility of UNDP, insufficient attention has been paid across the portfolio to address these issues to ensure the sustainability of results.

UNDP support has helped to build the capacity of municipal leaders to improve energy efficiency and eventually introduce renewable energy. Support for the establishment of the Energy Management System and introduction of the Energy Management Information System has helped local authorities to reduce costs and improve the management of public buildings. Energy efficiency policies include households, though policy implementation is lagging. The establishment of an Energy Efficiency Fund, which aims to significantly improve the situation, is in progress.

**Finding 5: UNDP in Serbia has demonstrated flexibility and agility in response to natural disasters, helping the Government to strengthen its rapid response systems.**

UNDP interventions in disaster risk reduction and recovery have a long history in Serbia and across the western Balkans. Even with this support from UNDP and other donors, weaknesses in Serbia’s disaster risk reduction and civil protection systems remain significant, exposing the country to high risk in the event of future disasters, especially climate and flood-related.

In 2015 and 2016, UNDP carried out a 13-month, $3.6 million Japanese-funded project assisting 41 municipalities in their post-flood recovery efforts, with the goal of directly reducing communities’ vulnerability to future disasters. This project was expected to increase resilience in flood-affected municipalities through a series of targeted, area-based, multi-dimensional and integrated intervention programmes. An independent evaluation of the project considered it highly satisfactory, due to the team’s capacity to efficiently carry out efforts, mobilise quickly, balance ‘hard’ and ‘soft’ activities and establish strong stakeholder engagement.\(^{54}\)

Although the issue of refugees and human migration was not identified in the CPD, UNDP has been able to retool its programming to provide support to Serbia to address urgent local needs emerging as a

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\(^{53}\) Cities and settlements with more than 15,000 inhabitants.

result of the mass migration of Syrian refugees into the country starting in December 2014. As a gateway to Europe, Serbia and North Macedonia hosted more than one million refugees and migrants in transit in 2015 and early 2016. UNDP supported six Serbian municipalities heavily impacted by this influx through the “Strengthening Local Resilience in Serbia: Mitigating the Impact of Migration Crisis” project, funded by the Government of Japan in 2016/2017. The €1.1m project sought to coordinate the activities of key national institutions, local governments and international organizations in delivering a robust response to the crisis caused by the migration.55

It should be noted that UNDP and the United Nations Office for Project Services (UNOPS) are both involved in procurement support under this outcome area. In the case of continuing measures to ‘build back better’ after the 2014 flooding, UNOPS is carrying out EU-funded procurement support that builds on the previous UNDP-managed relief programming. Both institutions were involved in the response to the migrant crisis, with UNOPS responsible for the health component of the “Open Communities - Successful Communities” project. It appears that both institutions have taken steps to ensure responsibilities are clearly delineated and that their mutual activities are complementary and synergistic.56

2.3. Inclusive and sustainable growth

Finding 6: With fewer resources than originally planned, and encumbered with many small-scale and loosely connected interventions, the Inclusive and Sustainable Growth portfolio fell short of CPD objectives, notwithstanding positive results achieved at project level in some areas.

Overall, expenditure under the Inclusive and Sustainable Growth portfolio was $6.5 million, representing 14 per cent of the CPD indicative budget. This was substantially reduced from the initial CPD budget, which set expectations for $26.5 million for the Inclusive and Sustainable Growth outcome area.

There were no modifications of CPD indicators and targets despite this significant reduction in funding.

The portfolio consists of a series of small-scale and loosely connected projects ranging from social inclusion initiatives for disadvantaged groups to measures seeking to improve the investment climate and facilitate the implementation of loan-financed projects. It is not clear to which outputs the economic development interventions57 were contributing. Overall, UNDP resources (financial and human) have been spread across various sectors and target groups, diluting the impact of the portfolio and making it difficult to achieve CPD objectives. Nevertheless, valuable results have been achieved at project level, as shown by the support to people with disabilities through a jointly managed “Programme on Autonomy, Voice and Participation of Persons with Disabilities in Serbia” involving the United Nations Office of the High Commissioner for Human Rights (OHCHR), UN Women, UNDP, the United Nations Population Fund (UNFPA) and the International Labour Organization (ILO) ($4 million). Another important joint initiative was carried out for the Roma population in Serbia, the results of which were presented to the Regional Forum for Sustainable Development in Geneva.

UNDP and UNHCR have jointly implemented a project to support the employment of 30 Roma, including internally displaced people, in various public institutions (at national level and in 24 municipalities, including in schools) through a United Nations Volunteer scheme. Eight of the beneficiaries have secured employment beyond the project duration which, considering the general economic situation and strict limits to employment in the public sector, can be considered a success. The project was also successful in terms of empowering participants to advocate for their rights, although it has had a limited effect to date due to the relatively small number of participants. However, it is not clear whether the project could be implemented by UNHCR on its own, or the added value of UNDP involvement.

55 “Strengthening Local Resilence in Serbia: Mitigating the Impact of Migration Crisis” funded by the Government of Japan.
57 Improving Investment Climate in Serbia, Diaspora Home Office and Accelerated Delivery Initiative.
UNDP support for Roma returnees also had a valuable effect on the community, improving housing conditions in several municipalities and facilitating the return of more than 150 Roma people. The project is also an example of effective cooperation with the representative bodies of a well-organised minority group to support its most vulnerable members through relevant measures.

Efforts to introduce the Social Impact Bond (SIB) mechanism\(^58\) have not been successful. The aim of the project was to promote youth employment in Serbia based on experiences with SIB from Finland and other European countries. The pilot demonstrated the value of testing solutions before applying them on a large scale. In this case, it revealed that some important conditions, such as government financial guarantees, were missing to replicate the scheme in Serbia.

**Finding 7:** The UNDP contribution to sustainable economic development was limited under this outcome area, although interventions in other portfolios contributed to job creation and inclusive markets.

UNDP has contributed marginally to the DPF outcome on sustainable economic development. The portfolio included two projects in this area: “Improving the Investment Climate in Serbia” and the “Accelerated Delivery Initiative”, with a third project “Aid for Trade Support to Agro-Industry” implemented under the Environment and Energy portfolio.\(^59\) It should be noted that the improvement of the investment climate is supported by other donors, often in the context of the EU accession process, with chambers of commerce, for example, encouraging investment to Serbia through various initiatives and support mechanisms targeting foreign investors. In this context, the UNDP contribution was small and did not provide much added value.

The “Accelerated Delivery Initiative” assisted the Serbian Public Investment Management Office with the preparation and implementation of complex cross-sectorial projects funded through loans from the European Investment Bank and the Council of Europe Development Bank. UNDP helped to mobilise and deploy the necessary expertise for strategic projects in the areas of technology and innovation and medical sciences and health care, which have contributed to economic growth and employment.

UNDP service delivery work, as seen in the “Accelerated Delivery Initiative”, carries a risk of UNDP acting as a government procurement agency, and potentially reducing incentives for the Government to build its own capacity, simplify procedures or fight against corruption.

The “Aid for Trade Support to Agro-Industry” project, funded from the UNDP Russia Trust Fund, provided support to Serbian producers and processors to improve their productive capacities and reach export markets.\(^60\)

It should be noted that interventions under other outcome areas are contributing indirectly to the economic development of the country. For example, UNDP support to the Government with digitalisation and open data policies under the Democratic Governance outcome area helped to create an enabling environment for digital technologies that should open new opportunities for economic actors.

Similarly, UNDP support for the implementation of an information technology training programme, involving technical schools across the country, has developed effective processes for raising awareness and selecting potential trainees in software development, a much-needed resource to strengthen Serbia’s position in this industry.

While other agencies and donors are involved in supporting Serbia’s economic development and might do this more efficiently as part of the EU accession process, these two examples show that UNDP can

\(^58\) The Social Impact Bond is a results-based financial instrument for impact investing, where private investments are intended to create a positive social or environmental impact as well as a financial return. The first SIB was launched in 2010 in UK and by now over 60 SIBs have been commissioned across Europe, Australia, Canada and the United States.

\(^59\) Given that it is managed by the same country office resilience team.

\(^60\) Approximately €40 million of contracts between Serbian and Russian companies were signed in 2019.
provide added value in specific areas by building capacity and transferring knowledge and skills.

### 2.4. Gender equality

**Finding 8:** UNDP efforts for gender equality in Serbia have focused needed attention on zero tolerance for, and the eradication of, violence against women. Working with significant budget constraints, UNDP has also made important efforts to raise awareness and mainstream gender issues, including through joint programming with other United Nations Country Team (UNCT) members.

The overall outcome of UNDP gender support is expected to enhance State institutions and other relevant actors in gender equality and enable women and girls, especially those from vulnerable groups, to live lives free from discrimination and violence. The first of the two outputs under the outcome: “improved national and community-level capacities to implement Istanbul Convention provisions to respond to violence against women”, was addressed through a single joint intervention “Integrated Response to Violence against Women and Girls II” ($0.9 million), which was implemented under the supervision of the Serbian Coordination Body for Gender Equality, led by the Prime Minister.

At institutional level, this gender-based violence project built on previous UNDP support, with an evaluation of the implementation of the national strategy leading to a national debate and recommendations for the preparation of a new strategic document. The adoption of a strategy has been seen as an important step for combating violence against women, and resulted in the development of the General Protocol of Conduct and Cooperation of Institutions, Bodies and Organizations in Situations of Violence against Women within the Family and in Intimate Partner Relationships (General Protocol), followed by the adoption of a series of Special Protocols. Through the project, the Coordination Body for Gender Equality received UNDP support for the preparation of the first national report on the implementation of the Istanbul Convention, the organization of various events and consultations, the preparation of a framework of indicators for monitoring professional procedures and cases of violence in the family, and the preparation of a rulebook for Social Welfare Centres on procedures for such cases. At the social level, an effective network of seven round-the-clock hotlines (“SOS phone”) was set up, a work programme with perpetrators of violence was introduced, and training and awareness-raising activities on protection against violence were conducted. It is worth mentioning that the project went beyond its initial scope, supporting implementation of the Law on Preventing Domestic Violence which was adopted in 2017.

Structures and cooperation on gender and women’s equality, in particular relating to gender-based violence, remain fragile; with project results often characterised by low sustainability. For example, despite its success, “SOS phone” is struggling to implement its activities due to lack of funding. Nevertheless, the situation in the country has improved somewhat, with convictions for criminal acts, domestic violence and rape declining significantly in recent years.

UNDP cooperation with media professionals has also contributed to a significant change in discourse and less sensationalist reporting. Of note, UNDP supported the creation of the group Journalists Against Violence, which led to 31 editors and journalists from prominent national media institutions to join forces for more ethical, professional and balanced reporting on gender-based violence.

No specific interventions were conceived and funded in response to the second CPD output on gender, which set out expectations to promote the

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61 Combating Sexual and Gender Based Violence, implemented from 2009 to 2012.
63 The process involved 260 institutions and organizations at national, provincial and local levels.
64 Training for service providers, pre-school and school teachers. Awareness raising activities targeting youth, especially boys, and journalists reporting on these issues that contributed to less sensationalist reporting and changed discourse.
participation of women in decision-making. In this case, limited available external funding for the sector constrained the country office’s ability to spearhead specific programme efforts to improve gender-equality in the workplace.

Most interventions in the project portfolio have been assigned GEN-1 markers, meaning that they are expected to contribute only modestly to gender equality and women’s empowerment. However, UNDP gender programming in Serbia appears greater than the sum of its one project and intervention markers, as there are indications of concerted efforts to mainstream gender-related activities across other outcome areas. For example, in cooperation with the Swiss Government, UNDP worked to strengthen the oversight functions and transparency of Serbia’s Parliament, with particular attention to supporting women parliamentarians. Notably, in October 2018 the sixth national conference of the Women’s Parliamentary Network brought together 400 women parliamentarians from across the country to discuss important issues such as climate change, progress towards SDG achievement, and combating discrimination against women in labour relations. The project “Increased Resilience to Respond to Emergency Situations”, funded by the Japanese Government in response to the 2014 floods, also included a gender component.

Also of note, UNDP teamed up with UN Women to support the work of the Ministry of Environmental Protection on gender mainstreaming in climate-smart actions, through the GEF funded “Climate Smart Urban Development” project. UNDP is part of a United Nations gender thematic group in Serbia, coordinated by the Resident Coordinator, with participation of UNDP, UN Women, UNFPA, UNHCR, UNICEF and UNOPS. Nine ‘Gender Briefs for Women and Men in Serbia’ have been produced through the Office of the Regional Coordinator.

2.5. Portfolio management

Finding 9: The Government’s readiness to fund UNDP interventions reflects its strong appreciation of UNDP expertise and capacity. However, this achievement carries the risk of funding being diverted to issues not envisioned in the agreed country programme.

Government cost-sharing has increased from 41 per cent to 59 per cent over the last three years, attesting to the Government’s appreciation of UNDP expertise, and UNDP ability to consolidate its funding base despite the continuing decline in donor allocations. However, there are risks inherent in managing a programme that is increasingly driven by national funding. Success in attracting government co-finance can have the unintended effect of shifting priorities away from agreed CPD outputs, notwithstanding the merits of many ad-hoc programmes, such as the “Accelerated Delivery Initiative” under the Inclusive and Sustainable Growth outcome area. Unless a concerted effort is made to retain a strategic advisory support role and implement agreed programme priorities, UNDP risks being perceived as another provider of outsourced services for the Government.

Finding 10: While coordination among UNDP partners in Serbia is good, more could be done to achieve stronger impact and efficiency.

A Project Coordination Council was established in 2017, including five key government counterparts (General Secretariat of the Government, Ministry of European Integration, Ministry of Finance, Ministry of Foreign Affairs and Ministry of Public Administration and Local Government). In addition, there are various national coordination bodies established by outcome areas. This gives UNDP Serbia very good positioning for programme coordination with the national Government and an ability to introduce new concepts and principles to the administration.

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65 UNDP projects are given gender markers of 0, 1, 2, or 3. GEN-0 relates to outputs that do not contribute noticeably to gender equality in any way; GEN-1 relates to outputs that will contribute in some way to gender equality, but not significantly; GEN-2 relates to outputs that have gender equality as a significant objective; and GEN-3 relates to outputs that have gender equality as a principal objective.

On the other hand, cooperation and coordination with international donors is not as effective as it could be, and sectoral working groups have not been functioning well, although some parallel working groups are meeting regularly.

2.6. Results management

**Finding 11:** The country programme is well organised and resourced, although the current results framework does not fully capture the full scope of programme accomplishments.

Overall, the country office boasts a high level of expertise across a wide range of sectors. The organizational structure has met the needs of programme implementation, with sufficient management and organizational capacity to cope with the increasing workload. Since 2016, the office has been composed of three programme teams sharing responsibility for the implementation of the four outcome areas, with additional expertise recently deployed to manage the SDG support programme. Given the gaps in the current results frameworks regarding the SDGs, this is a very positive development.

During implementation, strict quality assurance and reporting requirements have been applied, while risk management and mitigation measures have helped to improve the effectiveness of interventions. Unfortunately, at CPD level, the results framework is not able to capture the aggregated results and impact achieved through UNDP support, given shortcomings in the formulation of outputs and the design of indicators. For example, under the Democratic Governance outcome area, the outputs correspond to outcomes (e.g. “output 1: Governance institutions operate in a more open and effective manner”) and the indicators to measure them are often not directly related to UNDP activities, making it difficult to establish a causal link. As with other programmes, it is challenging for the country office to define robust indicators that link outputs to outcomes at design stage, without knowing which projects will be funded in each area or having the opportunity to revise the indicators as the project portfolio takes shape. To address these shortcomings, the country office is making additional efforts to collect and analyse project data in order to contribute to reporting and better assess the programme’s contribution to the achievement of objectives.

2.7. Joint-programming and inter-agency cooperation

**Finding 12:** Although coordination with other United Nations agencies is encouraged through specific UNCT mechanisms to promote joint work and joint programming, the lack of enabling frameworks has been an obstacle to increased cooperation.

Coordination across the 19 United Nations agencies providing support to Serbia is managed through the office of the United Nations Resident Coordinator. The roles and responsibilities of each UNCT member are outlined in the UNCT Serbia Principles of Cooperation, which specify mandates and areas where each of the team members is present or active. UNCT Serbia implements a “delivering as one” approach through the development of joint work plans for each of the programmatic pillars of the DPF 2016-2020 through dedicated structures. To date, UNDP has been involved in six joint programmes with other United Nations agencies. These include important global efforts which UNDP has undertaken with ILO to mainstream migration issues into national strategies. With support from the Swiss Government, UNDP and ILO have carried out joint programmes in Bangladesh, Jamaica, Republic of Moldova, Tunisia, Ecuador, Kyrgyzstan, Morocco and Serbia. This effort has included the development of a guidance note for

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67 In Serbia there are six United Nations agencies with full country presence – UNDP, UNHCR, UNICEF, WHO, IOM and UNOPS - five with in-country project-based offices – UNFPA, UN Women, FAO, ILO, UNODC - and eight operating without country presence – OHCHR, UNESCO, UN Environment, UNIDO, UNCTAD, UNWTO and IAEA.

68 UNCT has set up five results groups that promote the joint programming approach. Each group is chaired and co-chaired by an agency head and prepares a joint work plan that includes the activities of all United Nations Agencies in the given programme areas. Joint work plans are done on a 2-3 year basis and endorsed by the Government. UNDP chairs the Results Group 3 (economic development, growth and employment) and 4 (environment, climate change and resilient communities). UNDP co-chairs the Results Group 1 (governance and rule of law) and 5 (culture and development).

69 “Integrated Response to Violence against Women and Girls in Serbia”, “EU Open Communities”, “Successful Communities”, “Autonomy, Voice and Participation of Persons with Disabilities”, “Inclusive Labour Markets in the Western Balkans” and “Global Migration in Development Project”.
integrating human mobility into the Development Partnership Framework.

Also with ILO, as well as the Resident Coordinator’s office, UN Women and UNFPA, UNDP is participating in a joint project of the UNCT in Serbia focused on three priority areas concerning the rights of people with disabilities in the Republic of Serbia in line with the recommendations of the United Nations Committee on the Rights of Persons with Disabilities: equality before the law; equality of women and girls with disabilities; and the right to work. The project runs from 2018 to 2020 and has been funded through the United Nations Partnership to Promote the Rights of Persons with Disabilities multi-donor trust fund (UNPRPD). While funding is limited ($400,000), these UNPRPD efforts are seen globally as important catalysts for building greater awareness of the rights of people with disabilities. The global UNPRPD effort was evaluated favourably by the Independent Evaluation Office of UNDP as an example of effective joint United Nations programming.\(^7^0\)

The establishment of UN House in Belgrade, which has been shared by a dozen United Nations entities since 2016, has facilitated communication and provided a strong basis for inter-agency cooperation. Overall, interviewees shared the opinion that, while a good level of inter-agency cooperation had been achieved, further progress in this area, particularly regarding joint programmes, would require headquarters to address issues such as the simplification of procedures and improved cost-sharing mechanisms. It should be noted that these back office issues are now being taken up through the Secretary General’s repositioning of the United Nations Development System, which includes significant changes to the management of the Resident Coordinator System to improve efficiency and coordination of the UNCT. A new Management and Accountability Framework of the United Nations Development and Resident Coordinator System\(^7^1\) sets out revised Standard Operating Procedures, informal dispute resolution procedures and other enhanced coordination mechanisms.

\(^7^0\) https://erc.undp.org/evaluation/evaluations/detail/7079.

3.1. Conclusions

- **Conclusion 1:** Overall, UNDP has made important contributions to Serbia’s development in line with government priorities. UNDP project management capacity and technical expertise are valued by Serbian partners, enabling UNDP to maintain an active presence in the country, with significant government cost-sharing.

Most of the areas of engagement of UNDP are linked to the complex and challenging reforms which Serbia must implement to improve its economy and achieve its goal of EU accession. The best UNDP results are in areas prioritised by the Government, for example the digitalisation process, where UNDP initiatives contributed to Serbia’s efforts to stimulate citizen-centred digital innovations and promote the growth of the information communications technology (ICT) industry.

Government counterparts indicate that they view UNDP as a capable project manager and neutral adviser, with an extensive country presence and good access to global expertise. The growth in government co-financing of UNDP projects underscores the strength of the partnership. Government cost-sharing and the use of United Nations vertical funding (namely GEF) anchor the UNDP funding-base in the country.

Increased cost-sharing with the Government can carry some risk, including that UNDP could be viewed more as an implementing agency for the Government than a strategic provider of policy advice, advancing the United Nations agenda. There is also the risk of increased portfolio fragmentation if UNDP takes on many ad-hoc and small scale engagements. These risks notwithstanding, UNDP expertise has been successfully deployed in some complex public procurement processes, particularly those executed through loans, enabling UNDP to gain a foothold in some sectors, thereby strengthening its ability to guide subsequent government policies.

The appeal of UNDP also lies in its ability to engage a wide range of stakeholders and experts in its activities. The country office enjoys a good reputation with local authorities, who appreciate its expertise in local governance and its ability to open doors to the central Government as shown by its support to municipal assemblies under the “Strengthening the Oversight Function and Transparency of the Parliament” project.

While UNDP support contributed to the alignment of national standards with those of the EU in several sectors (for example, the “Capacity Building and Strategic Partnerships for Chemical Safety in the Republic of Serbia” project fostered stakeholder dialogue in this area), UNDP has also been addressing issues that are not on the agendas of other development agencies, such as regional war crimes.

- **Conclusion 2:** The UNDP programme in Serbia has seen a budget shift towards programming in the governance and environment and energy areas. This shift highlights its strengths in these areas, but also a diminishing level of support to livelihoods and economic development, as well as programming related to the rule of law.

UNDP was successful in marshalling national and international resources and expertise in support of the Government’s climate change, energy efficiency and disaster risk reduction policies. The Environment and Energy outcome area has expanded, and UNDP has been instrumental in improving climate change and energy efficiency policies, providing advice and assisting the Government in adopting mitigation measures and innovative schemes to reduce greenhouse gases, while helping to build local capacity for energy efficiency. UNDP has likewise managed to mobilise significant resources in support of CPD governance objectives, including in the fields of open data and e-government.

In contrast, the promotion of rule of law and the fight against corruption, which are traditional areas of intervention for UNDP, have seen limited progress due to diminished government interest in further reform. In addition, UNDP achievements and financial support in the field of inclusive

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27 Accelerated Delivery Initiative.
and sustainable growth fell short of the original expectations set out in the CPD, although worthwhile results have been reached through specific projects. Overall, UNDP resources (financial and human) were spread across multiple sectors and target groups, diluting the impact of the livelihoods and economic development portfolio and making it difficult to achieve CPD objectives. It should be noted that interventions under other outcome areas in the CPD have contributed indirectly to economic development in the country.

- **Conclusion 3:** Efforts have been made to build greater coherence across the project portfolio in the current CPD, though the portfolio remains highly fragmented, including many small stand-alone projects. Such fragmentation runs the risk of obscuring the UNDP value proposition and diminishing its impact.

UNDP has made progress with the adoption of a portfolio approach. To avoid operating in silos during implementation, the country office clustered activities related to climate change, energy and disaster risk reduction into a resilience portfolio, integrated the work of different teams engaged with the same partners (e.g. infrastructure upgrades and policy services), and combined ICT unit services through a “Tech Cell” to promote innovation and ICTs in project design and implementation.

However, portfolios remain fragmented, with a total of 55 projects in implementation from 2016 to 2018, including 14 in the Democratic Governance outcome area, one in the Gender outcome area, seven in the Inclusive and Sustainable Growth outcome area and 22 in the Environment and Energy outcome area. Moreover, interventions are not always well interconnected and consolidated, with each of the outcome areas containing isolated, small scale interventions. While the Democratic Governance portfolio includes sizeable interventions, it also includes smaller projects covering a wide range of topics that are not well related to each other, such as innovation in public sector, EU accession, business data registers and blockchain remittances.

Some projects in the Environment and Energy outcome area had limited financial support and were unlikely to make a significant impact, such as the “Project Preparation for Capacity Development for Multilateral Environmental Agreements”. Three projects under the Inclusive and Sustainable Growth outcome area also appear isolated, namely “Social Impact Bond Youth Employment”, “Diaspora Home Office” and “Voice of Persons with Disabilities”, while the Gender Equality outcome area consisted of only one project.

The fragmentation of portfolios tends to stretch staff resources due to the need to cover a wide range of topics and stakeholders rather than focus on a few priority areas through well-funded interventions. It also contributes to diluting the overall results and impact of outcome areas.

- **Conclusion 4:** Sustainability has not received sufficient attention, as evidenced by the lack of articulated plans to ensure a gradual disengagement of UNDP and expansion of national ownership as programmes wrap up.

Overall, most projects did not include a disengagement strategy covering operational, maintenance and post-use processes to ensure the transfer of responsibilities from UNDP to the relevant national agencies. While interviews showed that sustainability was considered in project design, it was rarely ensured in practice. UNDP is strong in setting up effective partnerships among the different stakeholders involved in its interventions. However, ownership is generally low, with national stakeholders unwilling or lacking the financial and human resources to continue their cooperation once the project is completed, compromising results and impact.

Building capacity is indicated as a priority in many UNDP interventions, yet beyond small-scale training interventions little has been done to address systemic problems that inhibit institutional capacity, with the consequent compromising of national ownership and sustainability of results. Higher levels of government cost-sharing have given UNDP the opportunity to engage in a larger number of projects, but this additional programming is not emphasising institutional capacity development and other support measures that can deliver progressive disengagement.
3.2. Recommendations and management response

**Recommendation 1.** The next CPD should continue to support Serbia with high-level innovative advice and expertise to address its development needs, with increased emphasis on integrated and cross-cutting reforms, linked to the Sustainable Development Goals.

Due to the timing of the previous CPD development, it was not strongly aligned with the SDGs. The next CPD should ensure this alignment, while emphasising a more holistic and integrated approach to development needs, linking the various sectors in which UNDP operates. The mix of UNDP programming areas remains relevant, and UNDP should continue its efforts to provide support and strategic advice on democratic governance, environment and energy, inclusive and sustainable growth, and gender equality.

As a strong advocate and supporter of transparency, UNDP should continue its efforts to instigate clear and publicly open, transparent processes across the administration, developing and ensuring the sustainability of transparency tools, in particular for budgetary issues (e.g. My Budget Initiative). Efforts to ensure public participation at the local level should be stepped up in order to improve the transparency of local authorities and to strengthen confidence in local democracy by involving citizens in the policies that affect them.

UNDP has a robust environment and energy programme with significant GEF funding. UNDP is well positioned to provide support to improve the legislative framework and promote transparent planning and implementation at both local and national levels, which are also in keeping with the country’s EU accession aspirations. There may be increased opportunities for UNDP to support Serbia’s air quality objectives, building on its expanding regional track record in support of sustainable energy and efficiency.

Coordinating SDG fulfilment with the EU accession agenda can greatly accelerate both objectives. The promotion of EU norms and standards for environmental management, for instance, can greatly aid in the achievement of Serbia’s obligations under international environmental conventions. For example, the EU approach on biodiversity conservation (Natura 2000 network) is well-harmonised with the Convention on Biological Diversity.
Management Response:

The new CPD will be guided by national priorities, the UNSDCF, UNDP Strategic Plan, European Union accession and the Decade of Action for the SDGs. It will build on results achieved to date and lessons learned from evidence-based performance analysis while also anticipating new areas of intervention. The vision and theory of change will be developed in consultation with citizens, civil society organizations, the private sector, innovation ecosystem actors, UNDP and United Nations staff, national and local governments, development partners and international financial institutions operating in Serbia. The scope of the programme will reflect multi-stakeholder concerns and aspirations intertwined with the UNDP value proposition. The approach will be focused on pursuing human-centred development. In terms of implementation, the country office will increase its capacities in order to be able to provide a holistic support package to the Government in working on the SDGs and accelerating implementation at the local level.

The new CPD will be reviewed by the UNDP Executive Board in September 2020. The new programme will be ambitious, and will include non-traditional areas like green technology, e-governance, artificial intelligence, using multiple platforms and innovative funding mechanisms and engagement with international financial institutions. Under the new CPD, UNDP Serbia will be tackling these new areas by consistently applying a portfolio approach, allowing the new programme to respond to various non-traditional development challenges e.g. (COVID19, depopulation, circular economy).

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<th>Key Actions</th>
<th>Time-frame</th>
<th>Responsible Unit(s)</th>
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<tr>
<td>1.1. Establish SDG Integration Centre and Acceleration Lab and ensure that the two units, through the platform way of working, engage with the national counterparts and programme on emerging developmental priorities and cross-cutting issues.</td>
<td>July 2019</td>
<td>Resident Representative, Deputy Resident Representative</td>
<td>Completed</td>
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<tr>
<td>1.2. Prepare the new CPD which responds to national priorities, UNSDCF and SDGs, and ensure that it is endorsed by the Government and quality reviewed by the Programme Appraisal Committee (PAC).</td>
<td>May 2020</td>
<td>Resident Representative, Programme team</td>
<td>Completed Draft CPD has been PAC-ed with high score quality assessment and submitted for the Executive Board approval during the September 2020 session.</td>
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1.3. Support the Office of the President of Serbia to promote the progress and launch a national programme of action on the SDGs.  

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<tr>
<td>Support the Office of the President of Serbia to promote the progress and launch a national programme of action on the SDGs.</td>
<td>December 2025</td>
<td>SDG Integration Centre team</td>
<td>Ongoing</td>
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1.4. Support the Government to leverage private and innovative finances and investments for the SDGs, such as social impact bonds, green bonds for decent work and economic growth or green bonds for climate action. To support this vision the country office has beefed up its internal capacity by recruiting an Innovative Financing Specialist in addition to an Economist.  

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<tr>
<td>Support the Government to leverage private and innovative finances and investments for the SDGs</td>
<td>December 2025</td>
<td>Programme team</td>
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**Recommendation 2.** UNDP should redouble its efforts to promote gender equality and women’s empowerment and continue to engage the Government on human rights.  

UNDP should scale-up its efforts to mainstream gender and the empowerment of women across its programming and project portfolios. While considerable improvements have been made regarding responses to gender-based violence, a stronger representation of vulnerable groups must be ensured in consultation processes.  

Consideration should be given to opportunities for expanded joint programming on gender equality issues in order to address a broader range of factors responsible for inequality, including illiteracy, access to prenatal care and education, and incentives to engage in economic activities. Interventions in the field of violence against women deserve to be continued and expanded, building on the achievements of previous projects. UNDP should seek opportunities to continue providing advice on the promotion of human rights in the country. This is an important aspect of the long-standing engagement of UNDP in the country, and the UNDP position as a respected partner to Government gives it voice and standing that can make a difference.
Management Response: 

During the next programme cycle, UNDP will seek solutions that allow greater learning, work and career opportunities for men and women, including the age 50+ generation, more tangible support to implementation of Roma inclusion policies and more gender-responsive services. Mobility and demographic transition will be treated as vectors of positive change through the retention of the skilled workforce, inclusion of the diaspora in redefining the future of Serbia and the creation of industry revolving around ageing. UNDP will continue to lead efforts to establish mechanisms for the integrated response to violence against women including the shift in the media’s role in addressing the topic. Recognising that gender equality and women’s empowerment issues are cross-cutting with most of the SDGs, the country office senior management decided to shift these functions to the SDG integration centre, allowing greater thematic coverage across all the programme cluster. To support more accountable institutions and empowered citizens, UNDP will further strengthen national and local mechanisms and capacities for good governance. Support will entail working on gender-responsive capacity development of public services and institutions, especially on the implementation of national and local development strategies. Increasing citizens’ representation and civic engagement will translate into the extension of opportunities for democratic dialogue, including the work with the Parliament.

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<th>Comments</th>
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<tr>
<td>2.1. Support the Government in implementing information technology re-skilling programmes by ensuring the equal participation of women and persons with disabilities.</td>
<td>June 2023</td>
<td>Governance team</td>
<td>Ongoing</td>
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<td>2.2. Support the functioning of the network of Female Journalists against Violence.</td>
<td>June 2022</td>
<td>SDG Integration Centre team</td>
<td>Ongoing</td>
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<td>2.3. Support Parliament to install more citizen-centric rules of procedure.</td>
<td>December 2023</td>
<td>Governance team</td>
<td>Ongoing</td>
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<td>2.4. Pursue a portfolio of interventions to improve the transparency, accountability and efficiency of public institutions at central and local levels, supporting the creation of high-quality services for citizens and businesses, and a public administration that enhances economic stability and living standards.</td>
<td>December 2025</td>
<td>Programme team</td>
<td>Ongoing</td>
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Recommendation 3. As UNDP looks to expand its funding base in Serbia, decisions on new programming opportunities should serve to strengthen the role of UNDP as a provider of strategic advice.

Care should be taken to ensure that the increased use of government cost-sharing does not limit UNDP to a purely executor role. In this respect, UNDP should identify the areas in which its expertise can add value to government policies in order to remain an agent of change capable of influencing government choices in line with the SDGs, and the priorities set out in the DPF and CPD.

The effort to diversify funding sources, including new forms of financing (e.g. public-private partnerships, crowdfunding), presents important opportunities to test out innovative approaches. This is in line with the UNDP Strategic Plan 2018-2021, which seeks to improve the UNDP business model by putting emphasis on innovation and organizational efficiency.

UNDP should continue to build on its successful utilisation of funds from the GEF, including for regional environmental projects, and seek opportunities to tap into UNDP global success as an implementing partner for the Green Climate Fund.

Management Response: As government financing is increasingly important, UNDP will pursue different partnership modalities to respond to needs of national partners. The emerging cooperation with development banks (EIB, CEB, & WB) will be built on the country office’s strong partnership with the Government and geared at increased project funding channelled through the Government. Traditional bilateral donors like SIDA and SDC will continue working with UNDP through new phases of projects (support to Parliament, public finance, gender-based violence). The country office will also attempt to mobilise additional resources from emerging donors (i.e. the Slovak Republic, Norway) to support the reform agenda in Serbia.

UNDP will continue working on further improving the relations with the EU Delegation as well as with China around support for the SDGs and areas of common interest. The EU Delegation will continue providing assistance to help Serbia for future membership of the European Union and support their accession process. The EU Council agreed its position on the draft Regulation establishing the Instrument for Pre-accession Assistance (IPA III) for the period 2021–2027, with a focus on “fundamentals first” – the rule of law and fundamental rights, economic governance and the strengthening of democratic institutions and public administration. UNDP will continue supporting Serbia in drawing funds from the Global Environment Facility and Green Climate Fund, as well as other vertical funds, to leverage further budget (including development loans) and private investment into environment- and climate-friendly initiatives. The private sector is an important player influencing development, but current engagement is limited and worth exploring, including with domestic companies. The convening role of UNDP will add value in building and nurturing non-financing partnerships in addition to donor relationships.
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<th>Tracking* Status</th>
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<tr>
<td>3.1. Provide support to the Public Investment Management Office, the Ministry of Education, Ministry of Mining and Energy and the City of Belgrade for complex construction-related procurement processes by building institutional and human capacities of respective institutions and by installing quality assurance processes in order to ensure efficient and fair competition.</td>
<td>December 2025</td>
<td>Resilience team</td>
<td>Ongoing</td>
<td>UNDP already provides implementation support services at the request of the Government.</td>
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<tr>
<td>3.2. In creating the next phase energy portfolio, try to blend GEF funds with Council of Europe Bank (CEB) investment project and technical assistance from other sources.</td>
<td>December 2021</td>
<td>Resilience team</td>
<td>Ongoing</td>
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<tr>
<td>3.3. Further enhance cooperation between Serbia and China through initiative for establishing of the Belt and Road Institute in Belgrade and use it for attracting more SDG-related investments and better align procurements with EU standards.</td>
<td>December 2023</td>
<td>SDG Integration Centre team</td>
<td>Ongoing</td>
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<td>3.4. Further enhance cooperation with the EU.</td>
<td>December 2025</td>
<td>Resident Representative, Programme team</td>
<td>Ongoing</td>
<td>During the Covid crisis, UNDP managed to organise 15 flights full of medical equipment with EU support.</td>
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<tr>
<td>3.5. Explore engagement with large corporations on how to align their ways of working and investments with sustainable development, particularly in the area of circular economy.</td>
<td>December 2025</td>
<td>SDG Integration Centre team</td>
<td>Ongoing</td>
<td>We will also explore ways of attracting additional investment for the SDGs, such as through impact investment, green bonds, and other innovative financing instruments. The capacity of the Innovative Finance Specialist has been engaged by the country office to help towards that end.</td>
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3.6. Explore ways of working with micro, small and medium sized businesses to promote inclusive growth, local entrepreneurship and job opportunities, especially among young people.

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<td>December 2025</td>
<td>Programme Team</td>
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The office has already piloted innovation awards for companies that were best in identifying climate-smart and Covid-19 related innovative solutions as well as performance based payments.

**Recommendation 4.** Improvements in project design should be launched during the next CPD to strengthen impact and sustainability.

The country office should ensure that all projects support the CPD priorities, with more robust indicators describing the causal pathways connecting interventions to outputs, outcomes and impact. This is in keeping with the new UNDP requirements for ‘theories of change’ for new programming.

Sustainability aspects should be integrated into all country office projects, with disengagement strategies planned and agreed with beneficiary organizations at national and local levels, to ensure that they can take full responsibility for the results and remain committed to long-term intervention objectives.

**Management Response:** UNDP will ensure that all projects support CPD priorities, with more robust indicators describing the causal pathways connecting interventions to outputs, outcomes and impact. Sustainability aspects will be integrated into all country office projects, with disengagement strategies planned and agreed with beneficiary organizations at national and local levels, to ensure that they can take full responsibility for the results and remain committed to long-term intervention objectives.
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<tr>
<td>4.1. Reinvigorate project cycle management operating procedures and institute more robust programme and project assurance mechanisms.</td>
<td>December 2021</td>
<td>Deputy Resident Representative, Programme team</td>
<td>Ongoing</td>
<td>The country office has engaged a full-time Monitoring and Evaluation and Assurance Analyst to ensure that corporate policies and standards are followed as well as an additional layer of Programme Analysts in charge of overseeing the implementation of the portfolios.</td>
</tr>
<tr>
<td>4.2. Conduct regular consultations with stakeholders in order to ensure national ownership and engagement, help validate the suitability of interventions and inform adaptive management.</td>
<td>December 2025</td>
<td>Resident Representative, Deputy Resident Representative, Programme team</td>
<td>Ongoing</td>
<td>Few formats already in place e.g. Council meetings, portfolio reviews, mandatory Project Boards, regular donor briefings.</td>
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<tr>
<td>4.3. When appropriate, use diverse programming instruments for the effective delivery of results, such as the engagement facility, development services and memorandums for provision of services in addition to standard development projects.</td>
<td>December 2025</td>
<td>Programme team</td>
<td>Ongoing</td>
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<tr>
<td>4.4. Institute transparent and compliant processes, closely monitor media and news and ensure proper external communication to address operational risks and continue looking for entry points to achieve transformational change.</td>
<td>December 2025</td>
<td>Communications Unit</td>
<td>Ongoing</td>
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* Status of implementation is tracked electronically in the Evaluation Resource Centre database.
Annexes

Annexes to the report (listed below) are available on the website of the Independent Evaluation Office at: [https://erc.undp.org/evaluation/evaluations/detail/12619](https://erc.undp.org/evaluation/evaluations/detail/12619)

Annex 1. Terms of reference
Annex 2. Evaluation matrix
Annex 3. Country at a glance
Annex 4. Country office at a glance
Annex 5. Reconstructed theory of change per outcome area
Annex 6. List of projects selected for in-depth review
Annex 7. List of documents consulted
Annex 8. List of people consulted
Annex 9. Country office indicator reporting