



COUNTRY PROFILE

MAY 2009



USAID's new Competitiveness and Agribusiness Projects help Serbian companies reintroduce their products in regional and international markets. Participation in international trade fairs helped Serbian companies to sign tens of millions of dollars in export contracts in 2008 alone.

OVERVIEW

USAID programs in Serbia, operating under a five-year approved strategy (2006-2011), support the U.S. foreign policy objective of seeing the country complete its transition to a democratic, prosperous state, and



moving rapidly toward European Union (EU) membership. Serbia's positive transition to a market-oriented, consolidated democracy is essential for facilitating the country's full integration into Europe and for maintaining peace and stability in the Balkans.



Belgrade

From 2001 to 2008, nearly \$670 million in U.S. assistance was provided to Serbia, of which approximately 80 percent was managed by USAID. This investment by the American people helped Serbian local governments to be more responsive to their

citizens; municipalities to attract significant investments by becoming more business-friendly; implement reforms to produce the highest growth in the region for Serbia's banking sector; modernize commercial courts to become more efficient and transparent; and, make independent media more professional and financially viable. USAID programs continue to promote democratic governance and sustained economic growth while building the capacity of key counterparts at the national and local levels to move the country toward lasting political and economic stability. At the same time, USAID is helping Serbian companies to be more competitive in global and regional markets.

Since the May 2008 victory of a pro-European coalition government, Serbia has demonstrated its determination to move toward EU membership. However, it still faces a number of domestic and international challenges, including accelerating a stalled reform agenda while mitigating the impact of the global financial crisis on Serbia; taking the necessary steps to combat corruption; responsibly expressing the country's opposition to Kosovo's independence; and, reforming the electoral system which is not yet fully transparent nor accountable to citizens and allows political parties to wield excessive power over public life and business development.

SERBIA SNAPSHOT

Capital: Belgrade
Population: 7.38 million
(2009 est.)
GDP per capita: \$10,900
(2008 est.)

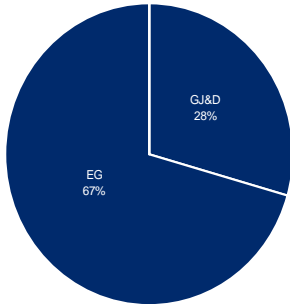
**For more information,
see www.usaid.gov
Keyword: Serbia**



COUNTRY PROFILE CONTINUED



FY 2008 Budget Allocation by Objective



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

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

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PROGRAMS

STRENGTHENING DEMOCRACY AND GOVERNANCE

USAID supports a number of programs to help Serbia deepen its democratic culture and practices. USAID provides funding and technical assistance to NGOs across Serbia so that they can mobilize citizens to understand and support necessary reforms, while also serving as watchdogs of national and local government operations. Assistance to independent, local media outlets makes reliable news and information available to citizens and helps ensure their longer-term sustainability. Support provided to democratic political parties emphasizes the need for internal party democracy, policy development, and citizen communications. A new program is helping the judiciary to manage its financial affairs and to improve court efficiency, while also aiding the parliament to develop a sophisticated budget and planning office. Other USAID assistance supports the participation of young politicians and women in Parliament, and encourages better functioning of parliamentary committees, party caucuses, and cross-party forums.

BUILDING A STRONG INVESTMENT CLIMATE

While Serbia's economic situation has improved in a number of areas, further progress is needed in creating a legal and policy framework for economic growth; in shoring up privatization and regulatory capacities to realize a transparent, competitive, and vibrant private sector; and in improving economic opportunities for vulnerable communities. USAID works with selected Government counterparts, NGOs, international donors, and other U.S. agencies to deepen structural reforms, foster implementation and enforcement of necessary legislation to support business growth and attract foreign direct investment, and to strengthen the capacity of municipalities to drive local economic development.

FUELING ENTERPRISE DEVELOPMENT

As Serbia moves closer to EU and World Trade Organization accession, Serbian enterprises are encountering both new opportunities and competitive challenges. In order to benefit from the changes that trade liberalization will bring, Serbia's businesses need to modernize and increase efficiency. USAID works with promising SMEs in agricultural, industrial, and service sectors to improve productivity, upgrade the quality of their products and expand into new markets. USAID assists with the introduction of new technology, improving business practices, developing the workforce, enhancing marketing, and compliance with international standards. Building a strong and competitive business environment offers the best promise for long-term, sustained economic growth and employment.