



**DIRECTORATE-GENERAL FOR EXTERNAL POLICIES
POLICY DEPARTMENT**



**Analysis of the 2009
annual programme for
Serbia
under the Pre-accession
Instrument (IPA) in the
context of the 2009
enlargement package**

AFET



EUROPEAN PARLIAMENT

DIRECTORATE-GENERAL FOR EXTERNAL POLICIES OF THE UNION

DIRECTORATE B

POLICY DEPARTMENT

BRIEFING

**ANALYSIS OF THE 2009 ANNUAL PROGRAMME
FOR SERBIA**

**UNDER THE INSTRUMENT FOR PRE-ACCESSION
ASSISTANCE (IPA)**

IN THE CONTEXT OF THE 2009 ENLARGEMENT PACKAGE

Abstract

The Briefing Note provides an analysis of the 2009 Annual Programme for Serbia under the IPA in the context of the 2009 'enlargement package'. It analyses the coherence of the Annual Programme with the EU overall policy objectives as specified in the pre-accession process in general and for Serbia in particular. It provides an analysis of the AP, taking into account the European Commission (EC) communication on the Enlargement Strategy and Main Challenges 2009-2010, 2009 Progress Report and the latest Multi-annual Indicative Planning Document for the Republic of Serbia 2009-2011. The paper is divided into three main parts focusing on political and economic criteria as well as the European standards. Each part provides a short description of the general situation and an analysis of the main problems and then analyses the consistency of the AP with the above-mentioned policy framework. The briefing note closes with conclusions and recommendations.

This study was requested by the European Parliament's Committee on Foreign Affairs.

AUTHOR(S):

Tomáš Strážay heads the research programme Central and South-eastern Europe at the Research Centre of the Slovak Foreign Policy Association.

ADMINISTRATOR RESPONSIBLE:

Ghiatis Georgios
Directorate-General for External Policies of the Union
Policy Department
WIB 06 M 045
rue Wiertz 60
B-1047 Brussels

LINGUISTIC VERSIONS

Original: EN

ABOUT THE EDITOR

Manuscript completed on 20 January 2010.

© European Parliament, 2010

Printed in Belgium

The study is available on the Internet at

<http://www.europarl.europa.eu/activities/committees/studies.do?language=EN>

If you are unable to download the information you require, please request a paper copy by e-mail : xp-poldep@europarl.europa.eu

DISCLAIMER

Any opinions expressed in this document are the sole responsibility of the author and do not necessarily represent the official position of the European Parliament.

Reproduction and translation, except for commercial purposes, are authorised, provided the source is acknowledged and provided the publisher is given prior notice and supplied with a copy of the publication.

EXECUTIVE SUMMARY

The Briefing Note provides an analysis of the 2009 Annual Programme (AP) for Serbia under the IPA in the context of the 2009 'enlargement package'. It analyses the coherence of the AP with the EU overall policy objectives as specified in the pre-accession process in general and for Serbia in particular. It provides a thorough analysis of the AP, taking into account the European Commission (EC) Enlargement Strategy and Main Challenges 2009-2010, 2009 Progress Report and the latest Multi-annual Indicative Planning Document (MIPD) for Serbia 2009-2011. The paper is divided into three main parts focusing on political and economic criteria as well as the European standards. Each part provides a short description of the general situation and an analysis of the main problems and then analyses the consistency of the AP with the abovementioned policy framework. The briefing note closes with conclusions and recommendations.

Main findings:

As regards the congruency of the IPA AP and MIPD with the 2009 Progress Report and 2009-2010 Enlargement Strategy, the AP, to a large extent, addresses the objectives indicated in these EC documents. However, some tasks have not received sufficient attention as yet.

Political Criteria: The projects within the AP only partly reflect Serbia's priorities stated in the 2009 Progress Report, Enlargement Strategy and 2009-2011 MIPD. Although the AP/MIPD address Serbia's needs in areas such as the fight against organized crime, strengthening of the rule of law, better social inclusion of refugees and Internally Displaced Persons (IDPs) as well as the continued support to the civil society, it does not sufficiently address other priorities such as administrative reform, stabilizing Serbian institutions and implementing obligations resulting from the new Constitution. Challenges such as the slow pace of public administration reform, the lack of its transparency, impartiality and accountability, as well as insufficient capacity-building and inadequate human resource management and administration at both central and local levels are issues that may greatly affect Serbia's approximation to the EU, but are non-existent in the AP.

Economic Criteria: The projects assigned to the socio-economic priority axis are in line with the needs in this area as stated in the 2009 Progress Report, Enlargement Strategy and 2009-2011 MIPD. They seem to be identified according to the criteria of social issues, while economic efficiency plays a minor role. While the AP stresses activities that make the EU more visible, like transit infrastructural development and youth education, it does not sufficiently address the need for enhancing access to employment and participation in the formal labour market, vocational training and lifelong learning scheme. The AP also does not sufficiently address the need to assist in finalizing the privatisation of socially and state owned enterprises and the development of Serbia's capacity to manage its macro-economic and strategic economic planning and forecasting. Most pressing issues like the need to accelerate structural reforms, lack of structural reform strategy and missing legal productivity do not find their place in the AP.

European Standards: The projects chosen for funding are in line with the areas identified by the 2009 Progress Report, Enlargement Strategy and 2009-2011 MIPD. They particularly focus on environment, public health policies and consumer protection. Although the AP envisages assistance in supporting the approximation of Serbia to EU standards in agricultural sector, environmental and consumer protection, it does not respond to the need to develop the capacity to meet the Energy Community Treaty requirements. At the same time, the AP does not envisage support in increasing administrative capacity in the area of standardization and does not support capacity building of technical and human resources dealing with environmental protection at the local level.

Main Conclusions:

- Even though the Progress Report and the MIPD put the fight against corruption high on the priority list, the AP does not sufficiently respond to the needs of the country in this regard. The fight against

corruption will not become more efficient and intensive unless the Law on the Anti Corruption Agency is properly implemented. The judiciary's independence, accountability and efficiency also need to be enhanced.

- The AP does not sufficiently address capacity building of the war crimes prosecutor's office. The Progress Report recognized that significant challenges remain regarding domestic prosecution of war criminals, even more so that the entry into force of the 2006 Criminal Procedure Code was postponed until the end of 2010. The AP does not sufficiently recognize also the need for improvement of conditions in prisons.
- The AP does not adequately address administrative reform and decentralization. Enhancing capacities at both central and local levels is crucial for the absorption of potential transfer of authority.
- The AP does not sufficiently address the need for enhancing access to employment and participation in the formal labour market, vocational training and lifelong learning schemes.
- While there have been some efforts within the Serbian administration to improve cooperation with civil society organizations (CSOs), this aspect needs to be further developed. Though the AP recognizes the importance of civil society, support to CSOs should be more intensive and better targeted. Relations with Kosovo¹ remain one of the most sensitive political issues in Serbian politics; supporting cooperation between Serbian and Kosovo CSOs could be a possible priority under the AP. In addition, the AP does not recognise adequately the role of non-governmental organisations in raising people awareness on the EU related issues.
- The AP does not sufficiently address the need to assist in finalizing the privatisation of socially and state owned enterprises and the development of Serbia's capacity to manage its macro-economic planning and forecasting, as stated in the MIPD. As the privatisation of socially-owned companies has been almost finalized, but is still lagging behind the plan, the state-owned companies remain mainly non-restructured. Therefore, a competitive and dynamic private sector has not been established. In addition, the private sector has been further weakened by the ongoing liquidity crisis.
- While the AP envisages assistance in supporting the approximation of Serbia to EU standards in agriculture, environmental and consumer protection, it does not address the need to develop Serbia's capacity to meet the requirements of the Energy Community Treaty in line with the *acquis*.

Main Recommendations:

- Under the AP, increase support for capacity-building at both central and local levels. The support for fiscal and territorial decentralization and support for strengthening of local governing bodies should also be increased in order to enable them to absorb potential transfer of authority.
- Build capacities of anti-corruption bodies and support for the fight against corruption. More support should be given to the newly established Anti-corruption Agency to enhance its capacities
- Further support the reform of the judiciary system, continue empowering the judiciary system and enhancing the judiciary's independence, accountability and efficiency. Capacity building of the war crimes prosecutor's office should become more intensive.
- Further support development of civil society and promote civil dialogue. Support should be more diversified and flexible in order to respond to the needs of a broad range of organizations. Support

1 Kosovo being under UNSCR 1244/1999

for the intensification of dialogue between CSOs in Serbia and Kosovo should be considered in order to overcome the communication gap between the Serbian and Kosovo governments.

- Further support activities related to spreading awareness about the European Union, its policies and instruments (including IPA). A regular and structured debate on the issues related to European integration should involve all parts of society. To achieve this, it is necessary to support projects that include representatives of both governmental institutions and civil society organizations.
- Support development of social dialogue and capacity-building of social partners.
- Support development of a competitive business environment and a dynamic private sector, e.g. through support to SMEs in the approximation to EU standards of doing business.
- Support education reform, including promotion of lifelong learning and vocational training; attention should be paid to requalification for workers, especially in times of economic crisis. The number of scholarships for students and trainings for employees in the EU countries should be increased.
- Support development of the country's capacity to meet the requirements from the Energy Community Treaty in line with the *acquis* and consider support for developing natural gas interconnections between Serbia and other countries of the region.
- Continue engaging national bodies in the EC programming process to increase ownership and create more appropriate and efficient financial support schemes. Application and decision-making procedures should be shortened, while the whole process should remain transparent at all levels.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	III
MAIN FINDINGS:	III
MAIN CONCLUSIONS:	III
MAIN RECOMMENDATIONS:	IV
1 INTRODUCTION	2
2 POLITICAL CRITERIA	2
2.1 POLITICAL SITUATION	2
2.2 ANNUAL PROGRAMME	3
2.3 ASSESSMENT	3
3 ECONOMIC CRITERIA	4
3.1 ECONOMIC SITUATION	4
3.2 ANNUAL PROGRAMME	5
3.3 ASSESSMENT	5
4 EUROPEAN STANDARDS	5
4.1 SITUATION WITH REFERENCE TO THE ABILITY TO ASSUME THE OBLIGATIONS OF EU MEMBERSHIP	5
4.2 ANNUAL PROGRAMME	6
4.3 ASSESSMENT	6
5 CONCLUSIONS	6
RECOMMENDATIONS	7
BIBLIOGRAPHY	9

1 INTRODUCTION

The Briefing note, requested by the European Parliament AFET Committee, provides an analysis of the 2009 Annual Programme² (AP) for Serbia under the IPA in the context of the 2009 'enlargement package'. The request specifies that the Briefing note should:

- Analyse the coherence of the AP with the EU overall policy objectives as further specified in the pre-accession process in general and for Serbia in particular.
- Assess the pertinence of the elements of analysis included in the AP and their potential to respond to the conditions/needs identified in the country concerned.
- Provide recommendations concerning the adjustments that could be made to planning and implementing future EU activity in the country concerned.

2 POLITICAL CRITERIA

2.1 Political Situation

Following the 2000 ousting of Slobodan Milosevic's regime, Serbia has gone through a slow process of political stabilization and institution building. In July 2008, following two months of negotiations, the coalition under the leadership of DS's Mirko Cvetkovic was created. The coalition also includes G17 Plus, and minority parties from the DS-led pre-election camp, and the United Pensioners' Party of Serbia (PUPS) and the United Serbia (JS) from the SPS-headed pre-election coalition. The new executive, which replaced the *Eurosceptic* government of the Democratic Party of Serbia's (DSS) Vojislav Kostunica, stated getting Serbia closer to the European Union as its main priority.

The 2009 Progress Report states that Serbia has made progress in meeting the political criteria and addressing key European Partnership priorities. However, the political sensitivity of the issue of Kosovo's independence and the new government's continued pledge to keep Kosovo, combined with the inability to meet the crucial condition of full cooperation with the Hague Tribunal, the arrest of Ratko Mladic and Goran Hadzic, somewhat hampered the European integration efforts. Nevertheless, the end of 2009 saw the unfreezing of the Interim Trade Agreement with the EU, the establishment of the visa-free regime with the Schengen countries and finally, the filing of an application for EU membership in late-December.

Despite the progress that was made in 2009, the Serbian government remains vulnerable, with a slim majority in parliament. The latest polls have shown that the largest opposition party, the Serbian Progressive Party led by former Serbian Radical Party deputy leader Tomislav Nikolic, has 27% of popular support, while DS has some 28%. The SPS has 7% support, while G17 Plus would not make the threshold to enter the parliament.³

The fight against corruption remains one of the most important challenges the executive faces. However, Serbia's main political problem remains the Kosovo issue. Even though it signed a police cooperation protocol with EULEX in September which is expected to help improve the control of Serbia's administrative

2 Official title of the document is the National Programme for Serbia under the IPA Transition Assistance and Institution Building Component for the year 2009.

3 <http://www.blic.rs/Vesti/Politika/126995/CeSID-SNS-za-petama-DSu>.

line with Kosovo and facilitate the fight against organized and other forms of crime, relations with Kosovo are set to remain a problem for quite some time.

Furthermore, the country's relations with its neighbours have been affected by the series of recognitions of Kosovo's independence and the establishment of diplomatic ties with the breakaway province. Regional cooperation continues to be one of the main conditions for EU membership, but the latest spats in relations with Croatia and Montenegro hinder the progress in that area.

2.2 Annual Programme

IPA AP for Serbia addresses the objectives indicated in the MIPD 2009-2011, but at the same time it recognizes the current financial and economic crisis with a view to help the country in short term stabilization.

In terms of *Political criteria*, the 2009 AP focuses on capacity building of the Directorate for Confiscated Property and improving the system of Criminal Asset Confiscation, as well as developing sustainable solutions for refugees and displaced persons, and civil society development according to the stated objectives in the MIPD.

The 2009 AP chose to support (with EUR 17.15 million) the following measures in reaching the goals set out in the MIPD:

- Capacity building of the Directorate for Confiscated Property and Improving the system of Criminal Asset Confiscation with EUR 2.5 million.
- Supporting access to rights, employment and livelihood enhancement of refugees and IDPs with EUR 12.65 million.
- Support to Civil Society with EUR 2 million.

2.3 Assessment

The projects within the AP only partly reflect Serbia's priorities which were stated in the 2009 Progress Report, Enlargement Strategy and further developed in the 2009-2011 MIPD. The AP fully addresses Serbia's need for a more efficient fight against organized crime and strengthening of rule of law. It also recognizes the need for better social inclusion of refugees and IDPs, but somewhat disregards other minority and vulnerable groups.

However, the AP does not sufficiently address other priorities stated in the analysed documents, such as administrative reform, stabilizing Serbian institutions and implementing obligations resulting from the new Constitution. Challenges such as the slow pace of reform of public administration, the lack of its transparency, impartiality and accountability, as well as insufficient capacity-building and inadequate human resource management and administration at both central and local levels are issues that may greatly affect Serbia's approximation to the EU, but are non-existent in the AP.

Furthermore, the judiciary system is still burdened with a heavy backlog of cases, with court procedures not streamlined and court management system not introduced. These issues significantly impede the efficiency of the court system, but are lacking in the AP. According to the Progress Report, corruption remains one of the biggest challenges to the country's EU integration, but the AP does not envisage support to the newly established Anti-corruption Agency which is seriously understaffed and still subject to political pressures.

The continued support to the civil society comes as recognition of its role in the process of EU approximation. Nevertheless, the timing and appropriate targeting of the support are important preconditions for the successful launching of the civil society projects and their maintenance and should

therefore not be undervalued. Civil society organizations' projects and initiatives aiming to increase public awareness on the EU and spread information about the EU related processes should be given particular importance.

3 ECONOMIC CRITERIA

3.1 Economic Situation

The *economy* of Serbia was severely hit by the global economic downturn with growth initially slowing down at the end of 2008 and the economy entering into recession in 2009.⁴ Serbia's GDP in the third quarter of 2009 shrank 2.3% in real terms against the same period a year earlier, bringing year-on-year contraction to 3.5% in the first three quarters. As a result, macro-economic stability has deteriorated and, combined with previously expansionary policies and lack of discipline, led to a significant fiscal deterioration. The EC found that Serbia made only limited progress towards establishing a functioning market economy requiring further efforts to enable the country to cope with the competitive pressures and market forces within the EU in the medium-term.

The situation became even more complicated due to rising unemployment and decreasing industrial production. According to the Statistics Office's data, Serbia has 517,000 job seekers and a 16.6% unemployment rate. In January-November, industrial output decreased 13.1% against the same period last year.

The Serbian banking sector maintained liquidity, while on the external side, the country's economy is going through a process of rapid external adjustment which is reflected in a substantial decrease in the current account deficit.⁵ Consensus on the fundamentals of a market economy has been maintained, but the government lacks a medium-term structural reform strategy.

In response to the deepening economic crisis, Serbia requested assistance from the IMF and the EU. As the crisis aggravated, the IMF programme was revised. The government injected some EUR 1.2 billion into the economy through anti-crisis stimulus measures in 2009, and announced that it will continue the measures into 2010. In addition, Serbia is receiving EUR 100 million of exceptional budgetary support from the 2009 national IPA envelope. Moreover, a EUR 200 million IPA crisis package has been created for the Western Balkans. It is expected to leverage investments of at least EUR 1 billion, co-financed by the partner financial institutions. Serbia will receive a share to finance projects on competitiveness, SMEs, energy efficiency and banking sector regulation from this multi-beneficiary fund.

However, some independent think-tanks, such as the Belgrade-based Economic Institute, as well as the Serbian Chamber of Commerce, believe that the government's measures have not been comprehensive and have had a short-lived effect. At the same time, government officials said that foreign direct investment inflow to the country in 2009 is expected to remain unchanged from 2008, at about USD 2 billion.

Serbia needs however to step up reforms in order to record a further progress towards a fully functioning market economy. Most notably, maintain the dinar's stability, bring discipline to debt collection, continue investing in infrastructure, secure lower interest rates on loans, improve the work of the Business Registers Agency, amend the law on state aid control, and let companies boost capital without seeking the Securities Commission's approval.

4 Real GDP fell by 3% in 2009. Source: <http://www.mfin.gov.rs/src/3532/>.

5 The current account deficit shrank to 3% of GDP in the third quarter of 2009 and is projected at 9% of GDP in 2010. Source: <http://www.mfin.gov.rs/news-src/1488/>.

3.2 Annual Programme

In line with the stated goals, the 2009 AP focuses on areas that will help generate employment including measures to support the development of transport infrastructure, implementation of the national cancer screening programme and the improvement of preschool education.

The 2009 AP will particularly focus on the following programmes (with EUR 40.35 million):

- Rebuilding Serbian Infrastructure; Reconstruction of Zezelj Bridge with EUR 30 million;
- Implementation of the National screening programme for colorectal, cervical and breast cancer with EUR 6.6 million;
- Improvement of the preschool education in Serbia (IMPRES project) with 3.75 million.

3.3 Assessment

The projects assigned to the Socio-Economic priority axis are in line with the needs in this area as stated in the 2009 Progress Report, Enlargement Strategy and further developed in the 2009-2011 MIPD. They seem to be identified according to criteria of social issues, while economic efficiency plays a minor role. However, the activities score high in terms of EU visibility *on the ground*, yet, despite the recognition that the country's economy was severely hit by the global economic and financial crisis, the AP proscribes only close to one quarter of its funds in this axis to non-infrastructure projects.

The most pressing issues like the need to accelerate structural reforms, lack of structural reform strategy, missing legal productivity do not find their place in the AP. Furthermore, the AP does not sufficiently address the need to increase employment, and despite the plan to support preschool education, it does not adequately address a more urgent need which is the vocational training, adult education and requalification for workers made redundant by the global economic downturn and privatisation, especially in light of the EC's conclusion that there is a shortage of skilled employees.

With regards to the existence of a market economy from the Progress Report, the AP does not address stalled state of privatisation and restructuring of state-owned companies, lack of a dynamic private sector and excessive bureaucratic requirement hampering business.

4 EUROPEAN STANDARDS

4.1 Situation with reference to the ability to assume the obligations of EU membership

As noted in the EC Progress Report, Serbia has made progress in aligning its legislation and policies to European standards. It started to implement the Interim Agreement according to the provisions and schedules established in that agreement.

Customs duties were lowered with effect from 30 January 2009, and relevant measures were taken in the areas of competition, state aid and transit traffic. Furthermore, Serbia has adopted important legislation in a number of areas including agriculture, environment, employment, competition, public procurement and justice, freedom and security.

Administrative capacity has been improved in key areas for the implementation of the Stabilization and Association Agreement. Less progress was made in ensuring effective implementation and enforcement of EU-related legislation. With regard to the internal market, Serbia has made some progress in aligning its legislation, and strengthening institutional capacities. New legislation on consumer protection has yet to be adopted.

4.2 Annual Programme

The 2009 AP will prioritize the following areas (with EUR 11.5 million in assistance):

- Support for the control/eradication of classical swine fever and rabies in Serbia (with EUR 6 million);
- Technical Assistance to Hazardous Waste Treatment Facility (with EUR 3 million);
- Strengthening Consumer Protection in Serbia (with EUR 2.5 million).

4.3 Assessment

The MIPD states that this is the axis which is given priority, but the AP has awarded the least money of all three axes to this one.

Generally, the projects chosen for funding are in line with the areas identified by the 2009 Progress Report, Enlargement Strategy and 2009-2011 MIPD. They particularly focus on environment, public health policies and consumer protection correspond to the special demands Serbia has in this phase. However, the EC's Report in this area mainly states that 'Serbia needs to make further efforts to ensure effective implementation and enforcement of EU-related legislation.' Most notably, deficits in areas of corruption market surveillance system have not been addressed. At the same time, the AP does not envisage support for increasing administrative capacity in the area of standardization.

Despite the EUR 3 million awarded to hazardous waste treatment, the AP does not support capacity building of technical and human resources dealing with environmental protection at the local level. Although the AP envisages assistance in supporting the approximation of Serbia to EU standards in agricultural sector, environmental and consumer protection, it does not respond to the need to develop the capacity to meet the Energy Community Treaty requirements.

5 CONCLUSIONS

- Even though the Progress Report and the MIPD put the fight against corruption high on the priority list, the AP does not sufficiently respond to the needs of the country in this regard. The fight against corruption will not become more efficient and intensive unless the proper implementation of the Law on the Anti Corruption Agency. The judiciary's independence, accountability and efficiency also need to be enhanced.
- The AP does not sufficiently address further capacity building of the war crimes prosecutor's office, especially since the Progress Report recognized that significant challenges remain regarding domestic prosecution of war criminals, even more so that the entry into force of the 2006 Criminal Procedure Code was postponed until the end of 2010. It also does not sufficiently recognize the need for improvement of conditions in prisons.
- The AP does not adequately address the administrative reform, decentralization, as well as the better functioning municipalities. Capacity-building, adequate human resource management and administration at both central and local levels are crucial for the absorption of potential transfer of authority, but are not mentioned in the Annual Programme.
- While the AP stresses activities that make the EU more visible, like transit infrastructural development and youth education, it does not sufficiently address the need for enhancing access to employment and participation in the formal labour market, vocational training and lifelong learning schemes.
- While there have been some efforts within the Serbian administration to improve cooperation with civil society but this aspect needs to be further developed. Though the AP recognizes the importance

of civil society, the support for the civil society organisations should be even more intensive and better targeted. Relations with Kosovo⁶ remain one of the most sensitive political issues in Serbian politics, but the support for the cooperation between Serbian and Kosovo civil society organisations has not been addressed as a possible priority in the AP. The AP also does not recognise adequately the role of non-governmental organisations in raising people awareness on the EU related issues.

- The AP also does not sufficiently address the need to assist in finalizing the privatisation of socially and state owned enterprises and the development of Serbia's capacity to manage its macro-economic and strategic economic planning and forecasting, as stated in the MIPD. As the privatisation of socially-owned companies has been almost finalized, but still lagging behind the plan, the state-owned companies remain mainly non-restructured. Therefore, a competitive and dynamic private sector has not been established. In addition, the private sector has been further weakened by the ongoing liquidity crisis.
- While the AP envisages assistance in supporting the approximation of Serbia to EU standards in agriculture, environmental and consumer protection, it does not address the need to develop the capacity to meet the requirements of the Energy Community Treaty in line with the *acquis*.

Recommendations

- Increase support for administrative reforms and capacity-building and support for improving human resource management and administration at both central and local levels. The support for fiscal and territorial decentralization and support strengthening of local governing bodies should also be increased in order to enable them to absorb potential transfer of authority.
- Build capacities of anti-corruption bodies and support for the fight against corruption. More support should be given to the newly established Anti-corruption, especially in terms of its capacity building. The supervision of the financing of political parties should also be increased.
- Further support the reform of the judiciary system, continue empowering the judiciary system and enhancing the judiciary's independence, accountability and efficiency. Capacity building of the war crimes prosecutor's office should become more intensive.
- Further support development of civil society and promote civil dialogue. Support should be more diversified and flexible in order to respond to the needs of a broad range of organizations. Support for the intensification of dialogue between civil society organizations in Serbia and Kosovo should be considered in order to overcome the communication gap between the Serbian and Kosovo governments.
- Further support activities related to spreading awareness about the European Union, its policies and instruments (including IPA). A regular and structured debate on the issues related to European integration should involve all parts of society. To achieve this, it is necessary to support projects that include representatives of both governmental and civil society organizations.
- Support development of social dialogue and capacity-building of social partners. Especially in times of crisis the meetings of the Economic and Social Council should be held on a constructive and regular basis. Equally important is the support to the sectoral social dialogue, since some sectors are more affected by the crisis than others.
- Support development of a competitive business environment and dynamic private sector. The restructuralisation of the state-owned companies creates an important part of these processes and

6 Kosovo being under UNSCR 1244/1999.

should be therefore enforced. Equally important in this regard is to support SMEs in approximation to EU standards of doing business.

- Support education reform, including promotion of lifelong learning and vocational training; attention should be paid to requalification for workers, especially in times of economic crisis. The number of scholarships for students and trainings for employees in the EU countries should be increased.
- Support development of the country's capacity to meet the requirements from the Energy Community Treaty in line with the *acquis* and consider support for developing natural gas interconnections between Serbia and other countries of the region.
- Continue engaging national bodies in the EC programming process to increase ownership and create more appropriate and efficient financial support schemes. Application and decision-making procedures should be shortened, while the whole process should remain transparent at all levels.

Tomáš Strážay heads the research programme Central and South-eastern Europe at the Research Centre of the Slovak Foreign Policy Association.

BIBLIOGRAPHY

COMMISSION OF THE EUROPEAN COMMUNITIES (2009a): Serbia 2009 Progress Report (SEC(2009) 1339), Brussels. http://ec.europa.eu/enlargement/press_corner/key-documents/reports_oct_2009_en.htm.

COMMISSION OF THE EUROPEAN COMMUNITIES (2009b): Enlargement Strategy and Main Challenges 2009-2010 (COM(2009) 533), Brussels.

http://ec.europa.eu/enlargement/pdf/key_documents/2009/strategy_paper_2009_en.pdf.

COMMISSION DECISION C(2009)8693 of 12/11/2009 adopting a National Programme for Serbia under the IPA Transition Assistance and Institution Building Component for the year 2009;

Annex Financing proposal for IPA 2009 Component I of National Programme for Serbia

INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA), Multi-annual Indicative Planning Document (MIPD) Republic of Serbia 2009-2011 (2009), <http://www.delscg.ec.europa.eu/code/navigate.php?id=752>.

INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA), Multi-annual Indicative Planning Document (MIPD) for the Republic of Serbia 2008-2010 for Serbia (2008),

http://ec.europa.eu/enlargement/pdf/mipd_serbia_2008_2010_en.pdf.

DIRECTORATE-GENERAL FOR EXTERNAL POLICIES

POLICY DEPARTMENT

Role

Policy departments are research units that provide specialised advice to committees, inter-parliamentary delegations and other parliamentary bodies.

Policy Areas

Foreign Affairs
Human Rights
Security and Defence
Development
International Trade

Documents

Visit the European Parliament website: <http://www.europarl.europa.eu/studies>

