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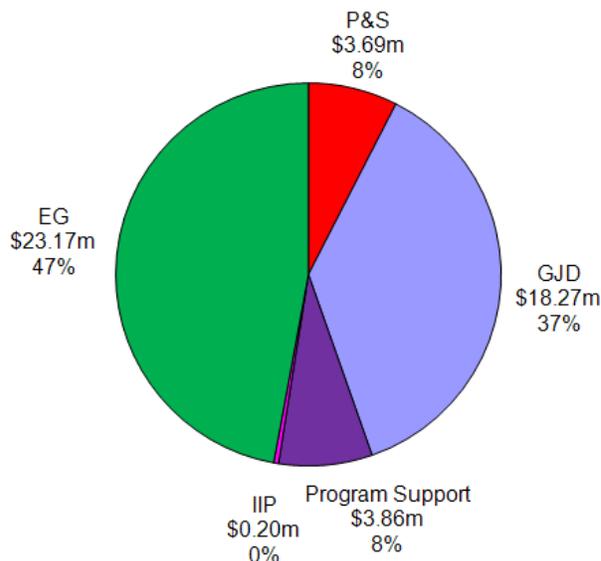
SERBIA

U.S. FOREIGN ASSISTANCE PERFORMANCE PUBLICATION Fiscal Year 2009

FY 2009 FOREIGN ASSISTANCE GOALS

The stability of Serbia, and to a considerable extent, of the western Balkans as a whole, depends on Serbia's progress toward sustained democratic standards and practices, the economic advancement of its people, and its political stability. U.S. Government (USG) assistance programs foster democratic governance, promote sustained economic growth, build capacity in the Serbian Government, and move the country toward lasting stability. Success in these areas will encourage productive regional partnerships and help expedite Euro-Atlantic integration. Significant steps have been taken to rein in corruption, strengthen the rule of law, and encourage a more active role for civil society in public decision-making.

TOTAL FY 2009 FOREIGN OPERATIONS APPROPRIATED ASSISTANCE: \$49.19 MILLION*



FY 2009 Areas of Focus

EG: Economic Growth

P&S: Peace and Security

GJD: Governing Justly and Democratically

IIP: Investing in People

(*Foreign Operations funding appropriated for FY 2009, not including centrally managed, regional Foreign Operations funding that is not budgeted for specific countries.)

HIGHLIGHTS OF FY 2009 PERFORMANCE BY AREA OF FOCUS

Peace and Security

In FY 2009, USG assistance:

- Enabled Serbia to create its first Police Undercover Unit, which is used to combat organized crime, terrorism, and corruption. In addition, the USG assisted the Ministry of Interior (MOI) to develop and implement its first Asset Forfeiture Unit.
- Assisted Serbian authorities to pursue a growing initiative against corruption. During FY 2009, the Serbian police arrested 45 persons on charges related to corruption. The arrestees included 1 mayor, 16 members of the Serbian border police, 8 customs and 6 police officers, 2 doctors, 2 high school teachers, 2 company directors, and 8 employees of a railway company. In March 2009, the Special Organized Crime Prosecutor's Office issued an indictment against the mayor of Zrenjanin and 20 other persons on allegations of abuse of office and giving and receiving bribes. In August 2009, the Organized Crime Prosecutor's Office also indicted 17 persons suspected of giving and receiving bribes related to assigning housing and granting disability pensions in the Ministry of Defense. The Organized Crime Prosecutor's Office forwarded to the Belgrade District Prosecutor's Office an indictment concerning public officials from the Ministry of Economy and Ministry of Tourism. The trial for corruption at the Kragujevac Law School started in September 2009, with 23 professors, 33 students, and over 30 mediators charged with crimes including bribery and abuse of office.
- Facilitated the participation of Serbia's Organized Crime Investigators in a joint international narcotics case with the U.S. Drug Enforcement Administration and the Uruguay military that resulted in the seizure of 2.8 tons of cocaine. Information and investigative leads in war crimes cases are being shared between Serbia's War Crimes Investigation Service, the European Union Rule of Law Mission (EULEX), and the United Nation's International Criminal Tribunal for the Former Yugoslavia. Regular meetings are being held between the MOI War Crimes Investigative Service and EULEX -- the last such meeting was held in December 2009. Cooperation with the Southeast European Cooperative Initiative (SECI) Regional Center for Combating Transborder Crime is also continuing, with the MOI sending one of its Organized Crime (OC) managers to SECI for training and the OC police cooperating in SECI coordinated regional initiatives. The MOI also continues to provide MOI liaison officers to the SECI Center.
- Enhanced Serbia's strategic trade control system through workshops on brokering controls, end-use/end-user checks, and advanced licensing concepts
- Bolstered Serbia's border control capabilities by providing Customs and Border Police courses on targeting risky cargo shipments, passenger surveillance, illicit trafficking in radioactive and chemical materials, patrol boat operations and logistics support, and inspection/detection equipment use. The USG provided inspection, detection, and surveillance equipment valued at more than \$350,000.

Governing Justly and Democratically

In FY 2009, USG assistance:

- Supported the drafting of amendments to the Criminal Code, which entered into force in September 2009, introducing plea-bargaining to improve conviction rates and case processing times, and providing law enforcement with the opportunity to use special investigative techniques in a wider variety of serious crimes. The amendments also established higher penalties, including mandatory minimum penalties, for a range of serious crimes, including trafficking in persons and narcotics.
- Supported the drafting of amendments to the Law on Organized Crime, which entered into force in September 2009 and strengthens the key Office of the Organized Crime Prosecutor (OCPO) by extending the term of office to four years, and providing the OCPO with jurisdiction over high-level corruption cases for the first time
- Supported the drafting of the Asset Forfeiture Law enacted in 2009, which now requires that a defendant prove the origin of assets in a case involving the forfeiture of illegal assets. The USG also provided training to the Serbian judiciary, resulting in several successful forfeitures in 2009.
- Supported the drafting of new legislation enacted in December 2008 to initiate major changes in Serbia's network of prosecutors, including the system of selection and supervision
- Supported initiatives aimed at reforming political party and election legislation, and strengthening links between parliamentarians and citizens by opening constituency offices in Leskovac, Novi Pazar, and Belgrade. In Leskovac, the constituency office received public comments on the draft Law on Rehabilitation and Employment of People with Disabilities, which were taken into account in the revision of the draft law.
- Successfully concluded a multi-year advocacy effort, which led to the adoption of the Law on Associations. The law regulates the non-governmental sector, including both local and foreign non-governmental organizations, and constitutes the basic legal framework for civil society in Serbia, replacing several pieces of overlapping and unclear legislation.
- Supported the work of journalists to research and produce articles on the civic and political participation of youth at the local and national level. The research primarily focused on issues such as voter apathy, attitudes towards political involvement, and membership in radical nationalist parties. Twenty articles were published on the internet and in 21 local newspapers with a total print run of approximately 450,000 copies; the newspapers reached approximately 2 million readers in cities and towns across Serbia.

Investing in People

In FY 2009, USG assistance:

- Helped the Academic Advising Center to reach over 5,000 students through direct and online advising and testing. The Center will continue its regular advising services while reaching out to a broader base of students through direct participation in academic fairs, conferences, and increased internet services. Successful students will attend programs in community colleges, state universities, and private universities in the United States.

- Enabled over 60 Serbian youth to spend a year attending high school in the United States while living with an American family. In addition, over 100 youth have visited the United States through a short-term program designed to foster mutual understanding and volunteerism.
- Improved linkages between academia and the private sector through career placement centers and private sector internships. Support for the newly established University Career Centers has generated 300 internships, and outreach to the private sector is raising awareness of best practices in the area of internships. The USG also supported the establishment of the CISCO Entrepreneurship Center at the University of Novi Sad, which trained more than 130 individuals in 2009.

Economic Growth

In FY 2009, USG assistance:

- Increased agricultural product sales, with \$34.2 million delivered out of \$50.3 million contracted. Sales of processed and fresh fruits and vegetables accounted for 80 percent of the total delivered sales registered, while exports accounted for 63 percent.
- Supported Serbia's World Trade Organization (WTO) accession effort. With USG assistance, Serbia has succeeded in bringing the accession process to its final stages. Necessary legal reform is nearly complete, and most of the required laws and regulations, which were drafted with USG assistance, were enacted during the first half of 2009.
- Trained staff in 32 Local Economic Development Offices, increasing their capacity to improve conditions for economic development in their municipalities. Strategic plans setting development priorities and promoting job creation and investment were created in 26 municipalities.
- Increased private sector competitiveness in agribusiness by developing locally packaged and branded food products, and trained food processors in international marketing skills. Agribusiness employment increased, with a total of 269 registered (full-time and part-time) jobs created and 847 seasonal jobs created. Out of these, 59 percent of all new employees were women and 17 percent were youth.
- Provided support that resulted in the passage by the Serbian Parliament of two major agricultural laws on food safety and plant health, in compliance with the Agreement on the Application of Sanitary and Phyto-sanitary Measures of the WTO
- Worked with the Serbian Government to launch a national agricultural extension program, including a description of farm records collection and elements of farm management training that the USG implemented from 2005 to 2008. Sustainable agriculture and environmental protection includes the ongoing conservation tillage program and a marketing information system based on a USG model.
- Facilitated business linkages in non-agricultural sectors, including 86 linkages between Serbian suppliers and international buyers totaling \$31.3 million in sales and exports. The film and convention tourism sectors continued to produce the most significant portion of these results. Film and television sales and production service deals added \$7 million in sales facilitated by USG support. The USG also provided extensive training and technical support

to the tourism sector, facilitating \$16 million in sales through the Serbian Convention Bureau.

- Enabled the Opportunity Bank Serbia (OBS) to continue to expand its geographic reach. At the end of FY 2009, the bank was serving 6,442 loan clients, with an active portfolio of more than 28 million euros. The OBS is the only financial services provider for small businesses in many areas, and in practice the only bank in Serbia lending to start-up businesses.
- Increased sales by micro- and small-scale businesses receiving USG assistance by 33 percent, an overall increase of more than \$6 million in new sales by these enterprises
- Provided technical support and inputs to 318 firms, resulting in the creation of 135 new jobs and an average 33 percent increase in sales, despite the economic downturn. Activities have reached youth, women, and other disadvantaged and marginalized groups.
- Provided direct assistance to 30 agribusinesses either owned or managed by women, of which 14 are microenterprises. In addition, a total of 134 women were employed in either full-time or part-time jobs in agribusinesses that received USG assistance.
- Supported Junior Achievement Serbia (JAS) in its efforts to become a more effective and sustainable national entrepreneurship program. The number of students participating quadrupled during this reporting period. JAS engaged 2,700 students (of whom 55 percent were female) in 90 schools across the country, and is on track to becoming a self-sustaining organization as a result of the strategic support provided by the USG.
- Provided technical expertise to develop reform legislation and regulations, including public utilities reform, anti-money-laundering and counterterrorism financing legislation and training, and a bankruptcy law approved by Parliament in December 2009