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**REPORT OF THE TEAM FOR  
ANALYSIS OF STRATEGIC DOCUMENTS OF  
THE GOVERNMENT OF THE REPUBLIC OF  
SERBIA  
(2002-2005)**

**Belgrade, January 2006**

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## INTRODUCTORY REMARKS

The principal aim of the review team was, in a short period of time, to provide an expert opinion concerning the degree to which relevant strategy documents adopted by the Government of the Republic of Serbia between 2002-2005 might be used in the development of the Republic Strategy of Sustainable Development. Specifically, this included:

- First, to indicate what of the existing strategic documents may be used in developing the three fundamental »pillars« of sustainable development – economic, social and *environmental*<sup>\*</sup>, and point to gaps in certain thematic areas;
- Second, to check the degree to which individual strategic documents have been made operational in terms of objectives, institutions, mechanisms, instruments and measures needed for implementation of identified objectives;
- Third, determine the degree to which the existing strategic documents are converging or conflicting in respect to the three fundamental pillars of sustainable development.

In order to respond to this task, the review team identified 15 key principles of sustainable development – five economic, five social and five environmental – that were used to assess the »potential use« of 22 adopted strategies as an input in developing the Republic Strategy of Sustainable Development.

The first part of this report – »Principal Conclusions and Recommendations« - presents a summary assessment for each of the three pillars of sustainable development. The second part – »Review and Evaluation of Strategic Documents« – provides a more detailed review of all strategic documents that were subject to review.

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\* The term *environmental* in this documents refers to that which is related to environmental protection.

## **A. PRINCIPAL CONCLUSIONS AND RECOMMENDATIONS**

### **I. ECONOMIC CRITERIA OF SUSTAINABLE DEVELOPMENT**

The review included 13 strategic documents assessed according to five economic criteria of sustainable development, specifically:

- Serbian Poverty Reduction Strategy Paper (PRSP)
- Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)
- National Strategy of Employment (NSE)
- Strategy for Competitiveness of Serbian Economy (SCSE)
- Serbian National Strategy of Employment (NSE)
- Serbian Energy Sector Development Strategy (SESDES)
- Serbian Agriculture Development Strategy (SADS)
- National Strategy for Refugees and Internally Displaced Persons (NSRIDP)
- Serbian Public Administration Reform Strategy (PAR)
- Social Protection Development Strategy (SPDS)
- National Anti-Corruption Strategy (NSCORR)
- Local Sustainable Development Strategy (LSDS)
- Serbian SME and Entrepreneurship Development Strategy (SMES).

The following five economic criteria of sustainable development have been identified:

- I. Sustainable economic growth and increased employment accompanied by economically and socially acceptable distribution of development achievements among individual social groups and regions
- II. Continued and substantive improvements of human capital – knowledge and its active application
- III. Continued enhancement of the competitive and innovative capacity of the economy
- IV. The market is the fundamental mechanism for economic (business) decision-making, while the state performs its economic functions – protection of property and contracts, developing an incentive environment for the economy, provision of public resources, elimination of negative external effects etc – in public interest and through a democratic political process
- V. Public sector management should provide equality and solidarity of age/generation groups (sustainability with respect to public debt, the development and preservation of economic and social infrastructure, etc.).

**Principal conclusions and recommendations:**

- a. The principal conclusion is that in developing the »economic pillar« of the Serbian Strategy of Sustainable Development should not disregard any of the existing strategy documents.  
Two strategies are of special significance - PRSP and NSEU – as they cover all five economic criteria of sustainable development and at the same time correlate them with the social and (partially) *environmental* criteria. This refers also to the LSDS, with the remark that it refers only to the local aspects of sustainable development.  
The second group of strategy documents – NSE, SKON, SESDS, SADS – are significant in respect of the detailed analysis of individual economic criteria of sustainable development, viewed functionally or by sectors.  
The third group of strategies – PAR, NSRIDP, NES, SRZS, NSCORR, LSDS – mostly do not deal explicitly with economic criteria of sustainable development, but may be of use for a comprehensive approach to the Serbian Strategy of Sustainable Development.
- b. Generally, from the point of view of economic criteria of sustainable development, the principal strategy documents are not in conflict with each other. Except in some exceptions (NES, SRZS), there are no major conflicts with respect to the social or *environmental* criteria.
- c. The first and the fourth criteria are predominant in all strategy documents. Therefore, there is much more emphasis on objectives, while there is lack of more specific operationalisation or measures for implementing the identified objectives. There is especially lack of more detailed quantification in terms of macroeconomic projections, sources of funds and time-dynamics of implementing specific objectives. Exceptions are the strategies enclosing matrices of activities (action plans), although the in which they are usable varies.
- d. Of the five economic criteria of sustainable development, the one that is least elaborated in the fifth one which refers to the issues of equality and solidarity of age/generation groups. In case of the first criterion, too little attention is paid to reducing regional and other disproportions in the distribution of development achievements (with the exception of the PRSP).
- e. The main problem is that all strategy documents developed over the past three years were developed without the National Economic Development Strategy and the Serbian Strategy of Sustainable Development. That is why these strategy documents often had to start from different assumptions, often unrealistic, in order to develop a partial strategy in specific areas. For this reason, some strategy documents is not sufficiently “usable” especially in terms of certain quantifications, financial projections and sources of funding needed for achievement of objectives.
- f. It should be taken into account that some macroeconomic projections were made two or three years ago, so they need to be updated, especially from the point of view of the new situation that exists at the end of 2005, with economic growth exceeding the projected economic growth, with respect to the reforms that have been undertaken or completed so far, and with respect to the beginning of the process of accession to the EU. We therefore propose that all projections of GDO related to

sustainable development be based on two scenarios: a realistic one with annual growth rate of 5% and the optimistic one with annual growth rate of 7%. These macroeconomic projections may serve as a framework (but also as a limitation) for achievement of the major economic, social and *environmental* priorities of the Serbian Strategy of Sustainable Development.

- g. From the point of view of developing the Serbian Strategy of Sustainable Development it is necessary to identify the key development priorities in the area of economy and the development profile of Serbia in the future, which is lacking in the existing strategy papers. Also, more emphasis should be placed to the new role of the state since Serbia is at the turning point from the lower to a higher development stage with new development priorities, and since the first generation of reforms is near finalization (macroeconomic stability, privatization, liberalization) and that the current agenda refers to the second generation of reforms (building institutions of market economy and effective functioning of rule of law).

## **II SOCIAL CRITERIA OF SUSTAINABLE DEVELOPMENT**

The review included 13 strategic documents assessed according to five key social criteria of sustainable development, specifically:

- Serbian Poverty Reduction Strategy Paper (PRSP)
- Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)
- Local Sustainable Development Strategy (LSDS)
- Serbian Public Administration Reform Strategy (PAR)
- Health Care Strategy – Better Health for All in the Third Millennium (HS)
- National Environmental Strategy (NES)
- National Strategy of Employment (NSE)
- National Strategy of Social Protection (SPDS)
- National Plan for Action for Children (NPAC)
- National Strategy for Combating HIV/AIDS (NSHIV)
- National Strategy for Refugees and Internally Displaced Persons (NSRIDP)
- Vocational Education Policy and Strategy (SES)
- Draft Strategy for Integration and Empowerment of Roma (SIR).

The following five social criteria of sustainable development have been identified:

- I. Provide and promote comprehensive health protection and human security
- II. Quality education providing assumptions for individual development and preservation of identity
- III. Promotion of culture, protection and development of social values and increase of social capital
- IV. Equal rights, equality and safety before the law for all, especially equal gender rights, equal rights and protection of minorities and respect of human rights
- V. Solidarity within and among generations and solidarity generally.

### **Principal conclusions and recommendations:**

- a. With the deficiencies stated in the detailed analysis, it seems that the social component is well taken care of in all strategy papers and that they may all be used as good reference for developing the Serbian Strategy of Sustainable Development. Of the existing strategies, the two that have most bearing in terms of future work on developing the Serbian Strategy of Sustainable Development are the PRSP and the NSEU, which cover all social criteria of sustainable development and the LSDS which also covers all criteria relevant to the local level. The second group of strategies includes strategy papers which in principal deal and fully cover individual social criteria while, in respect to the other criteria they reflect the «spirit» of respecting the sustainable development concept regarding its social component: PAR, HS, NES, SPDS and NPAC. The third group consists of strategy papers dealing only with specific individual social criteria and may be of use in building the Strategy of Sustainable Development in considering specific «sector» areas: NSRIDP, SES and SIR.
- b. Although it may seem that Serbia has a situation of «inflation» of strategy papers at different levels it is evident that certain areas are not covered with a specific sector strategies, having in mind the social component of sustainable development. This refers primarily to education (strategy of university education and strategy of primary education missing), science and development of new technologies, culture, etc. On the other hand, the area of health care and social protection is well covered by strategy papers. Also, most strategy papers do not deal adequately with the issue of availability of fundamental social goods and services for certain categories and social groups, as one of the components of social equality (for instance, housing, sanitation and water supply). There is an easily noticeable lack of population policy in most strategies, although aging of population and demographic decline is one of the major problems in Serbia.
- c. With respect to the social component of sustainable development there is no notice of conflict between the analyzed strategy papers. However, there are discrepancies in the treatment of specific criteria: greatest attention is paid to the fourth and the first criteria, while the fifth is dealt with only sporadically (none of the strategies dealt explicitly with global solidarity, whereas the issue of solidarity among generations is treated adequately in only some strategies).
- d. The degree of operationalisation of individual strategies varies. While some are operationalized to the level of action plans, others are much more general in nature and deal with objectives that are yet to be transposed into relevant measures and activities.
- e. The issue of political responsibility and public participation in decision-making are treated in most strategy papers only as issues of secondary significance, without development of mechanisms for implementation of these criteria (with partial exceptions of PRSP, NSEU, LSDS and NPAC). The development of the Strategy of Sustainable Development should pay due attention to these issues, primarily to establishing clear and transparent mechanisms of responsibility by which the Government is accountable to the public with respect to social, economic, development and environmental issues of national importance, as well as providing a consultative process and participation of all social groups in developing and implementing the national development policy and in designing and implementing specific development programs and projects.

### III ENVIRONMENTAL CRITERIA OF SUSTAINABLE DEVELOPMENT

The review included 14 strategic documents assessed according to five environmental criteria of sustainable development, specifically:

- Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)
- Serbian Poverty Reduction Strategy Paper (PRSP)
- Serbian Environmental Strategy (NES)
- Local Sustainable Development Strategy (LSDS)
- Health Care Strategy – Better Health for All in the Third Millennium (HS)
- National Plan for Action for Children (NPAC)
- Social Protection Development Strategy (SPDS)
- Food Safety Strategy (FSS)
- Serbian Energy Sector Development Strategy (SESDS)
- Serbian Agriculture Development Strategy (SADS)
- Water Management Principal Document for the republic of Serbia (WMPD)
- Serbian Forestry Policy (SFP)
- Serbian SME and Entrepreneurship Development Strategy (SMES).
- National Waste Management Strategy (NWMS).

The following five environmental criteria of sustainable development have been identified:

- I. Areas of significance for nature and bio-diversity should be protected
- II. The consumption of renewable resources (forests, fisheries, surface and ground waters, soil) should be maintained below the level of regeneration or natural renewal
- III. The consumption of non-renewable resources (oil and gas, coal, metal raw materials, non-metal raw materials) should be maintained below the level of potential growth of substituting renewable resources
- IV. Any impact of emissions and toxic substances on the environment and human health should be reduced to the safe level (air pollution, climate change, ozone layer depletion)
- V. The impact of environmental incidents should be reduced and the environmental risk may be acceptable only to the extent that in the worst possible situation there is no permanent damage to the environment (chemicals, waste, hazardous waste, noise, ionizing and non-ionizing radiation, incidents).

#### **Principal conclusions and recommendations:**

- a. The principal conclusion is that in developing the »environmental pillar« of the Serbian Strategy of Sustainable Development none of the existing strategies should be neglected.

Three strategy papers are crucial: NES, PRSP, NSEU, because they bring together the three components (economic, social and environmental).

The second group of strategy documents – SESDS, SPOLJ, WMPD, SFP, NWMS and LSDS are very useful in terms of approach to sustainable development.

The third group of strategy documents – HS, FSS and NPAC are significant because of the correlation and the impact of the thematic area they deal with on the environment and vice versa, although they do not explicitly deal with the environmental criteria for sustainable development. SMES, NSCORR, PAR – also do not deal with the environmental criteria for sustainable development.

- b. Generally speaking, from the point of view of environmental criteria for sustainable development, the basic strategy documents are not conflicting. The criterion that has received least emphasis in all strategy documents is the first criterion. All of the strategy documents have identified aims and objectives, but only some of them have identified instruments for achievement of objectives, financing plan and implementation. Some of them include only declaratively stated environmental objectives.
- c. From the point of view of sustainability, the environment should be protected only against unsustainable exploitation leading to its degradation (ex. Inefficient and unplanned exploitation), and not against any form of exploitation leading to economic growth. Lack of exploitation of locally available resources, such as: insufficient use of surface water for energy generation purposes, insufficient use of bio-mass and secondary renewable energy sources, insufficient irrigation of agricultural land, passive exploitation of natural resources, inadequate spatial use and management and a great share of unused potentials from the point of view of purpose and conditions of use, lead to economic loss.
- d. The study „Assessment of Economic Value of Environmental Degradation in Serbia“ (Jantzen, 2004) states that total environmental damages range between € 860 million and 2.5 billion (4.7% to 14% GDP of Serbia, assessed at € 18.3 annually – compared to the assessed value in other countries at 4-8% of the GDP). Greatest damages are caused by air pollution, water pollution, loss of valuable water resources and inadequate practice in waste management. The damages refer to health care expenditures, damages to crops and buildings and loss of revenue, due to, for instance, mortality (after which families are left without income) or due to damage to nervous systems caused by exposure to lead. A review of different policy and economy development scenarios over the next ten years indicates that there will be a reduction of economic damages only if there is economic growth accompanied by harmonization to the EU environmental legislation. This is an important argument for improved environmental legislation and better implementation of environmental legislation; as such policy would lead to benefits (and thereby to reduced environmental damages) for Serbia as a whole. The results of this study are comparable to studies in other countries that were accessing the EU and they indicate to a comparable distribution of damages (and potential benefits) in standard environmental areas – air, water and waste, to which more than 75% of damages refer. Although damages in traditional environmental areas are high, it is necessary to pay attention to depletion of natural resources, such need also being indicated by the partial study of soil erosion. Annual environmental expenditures in accession countries are assessed to be at the level of 15% of total investments (Jantzen).

- e. From the point of view of developing the Serbian Strategy of Sustainable Development there is need to identify key environmental priorities:
- Reduce the impact of industry on climate change
  - Promote the sustainable use of natural resources, reduce energy and raw materials consumption and promote waste recycling, raise environmental awareness and awareness of quality of life
  - Strengthen energy efficiency and use of renewable energy sources
  - Implement a reform of environmental charges
  - Promote sustainable consumption
  - Promote development and application of environmentally-friendly technologies
  - Promote sustainable transport
  - Provide adequate drinking water quality and adequate water management
  - Stop the loss of bio-diversity
  - Strengthen administrative capacity in the area of environmental legislation and economy
  - Support the role of consultative and advisory bodies in developing proposals (Council for Sustainable Development, inter-sectoral consultative bodies, inter-sectoral working groups, etc.).
- f. The Serbian Strategy of Sustainable Development needs to integrate the following environmental objectives:
- Reduce air pollution, cooperation towards stabilization of climate changes and depletion of the ozone layer, implementation of the framework UN Convention
  - Sustainable use of natural resources (renewable and non-renewable)
  - Promote renewable energy sources
  - Develop an educational system meeting the needs of environmental protection and undertake a comprehensive review of the education system from elementary to university level
  - Develop environmental management objectives in industry and establish environmental standards and clean technologies standards and reduce emissions
  - Develop a Program for rational use of energy and increase energy efficiency, Program for selective use of new renewable energy sources and Program of environmental protection in the energy sector
  - Develop a National Action Plan for Improvement of Health and Environment
  - Develop a Strategy of sustainable use of natural resources and values
  - Develop a Strategy for Preservation of Bio-Diversity
  - Implement the principles of sustainable use of forests, with more intensive activities on afforestation and increase the share forests in Serbia
  - Increase the present share of protected areas to 11%–12%
  - Increase the efficiency in energy use
  - Reduce the share of solid fuels used in households to 10%;
  - Increase the connection to water supply systems, primarily in rural areas and improve drinking water quality;
  - Increase the number of households connected to the sewerage systems, and the volumes of municipal and industrial waste water that undergoes adequate treatment by constructing new waste water treatment plants;

- Establish a system of management of municipal and hazardous waste, and within this increase the share of population covered by waste collection; improve recycling systems, build regional sanitary landfills, recultivate existing landfills and dumpsites and construct a facility for treatment of hazardous waste and landfill.
- Establish the independent Environmental Protection Agency, as stipulated in the feasibility Study, which will operate as an inter-sectoral environmental service and establish the Ministry for Environmental Protection
- Efficiently implement a series of new environmental regulation
- Build capacity at local level for implementation of new environmental legislation.

## **B. REVIEW AND ASSESSMENT OF ADOPTED STRATEGY PAPERS**

### **I. ECONOMIC CRITERIAL OF SUSTAINABLE DEVELOPMENT**

#### **VI. I Criterion: Sustainable economic growth and increased employment accompanied by economically and socially acceptable distribution of development achievements among individual social groups and regions**

##### **National Poverty Reduction Strategy Paper (PRSP)**

The first criterion is fully covered in the PRSP as it is an integral part of basic aims and strategic objectives and activities – dynamic economic growth with emphasis on new employment, reducing disproportions in the distribution of national income and regional levels of development. In order to implement the identified priorities, adequate institutional solutions, mechanisms, instruments, measures and activities and specific programs are needed.

The total expenditures needed for the PRSP have been estimated, including total budget funds, donor funds and other funds and funds have been allocated to specific execution actors for a three year period.

The whole process of implementation and monitoring of the PRSP has been developed. In the year 2005, the Implementation team submitted its first report on poverty reduction achievements.

New macroeconomic projections need to be measured.

PRSP is convergent with NSEU in respect to this criterion.

##### **Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

The first criterion is to a great level covered in the NSEU, especially in the part relevant to Serbian strategic development goals. The assumptions of sustainable growth are expressed also through the relevant quantifications in the multi-annual macroeconomic projections. A separate chapter deals with reducing the great disproportions in the level of regional development. What is lacking is the explicit analysis of economically and socially acceptable distribution of development results,

except for the parts dealing with re-distribution of domestic product through a further reform of the tax system. NSEU is convergent with PRSP in respect to this criterion.

### **National Strategy of Employment (NSE)**

NSE, generally speaking, integrates the major economic criterion of sustainable development. The objectives of the NSE are aimed primarily at resolving the problems of unemployment, but the overall strategy concept is based on the principles of sustainable development. The NSE also incorporates the regional aspect as the issues of faster employment and economic growth are considered from the regional perspective – Belgrade, Vojvodina, Central Serbia and 25 districts. And finally, the NSE is closely related to the PRSP, meaning that it is harmonized with the component of reducing inequalities in distribution of development achievements. The first criterion is covered by a separate section of this strategy paper dedicated to reducing disproportions in regional labor markets, support to gender equality in terms of salaries and employment, and combating discrimination of marginalized social groups.

### **Strategy for Competitiveness of Serbian Economy (SCSE)**

The first criterion is for the most part covered by the SCSE. It identifies alternative scenarios of sustainable economic growth providing for internal and external macroeconomic balance of the Serbian economy. Special attention was paid to the relation between dynamic economic growth and competitiveness of the export sector of the Serbian economy. SCSE does not deal directly with problems of employment nor issues relevant to distribution of GDP at regional level or between different income groups of the population.

### **National Environmental Strategy (NES)**

In view of its basic environmental principles, objectives and mechanisms, the NES is fully in accordance with the principles of sustainable development. The first criterion is incorporated in the NES in terms of correlation between sustainable growth and expenditures (loss of GDP) compared to the benefits (the possibility of increasing GDP with an adequate program of investing in environmental protection). The NES strategy paper does not deal with the aspects of economically and socially acceptable distribution of development achievements among different social groups and regions.

### **Serbian Energy Sector Development Strategy by 2015 (SESDDS)**

The first criterion is for the most part integrated in the SESDDS. This strategy paper accurately defines the development trend of the energy sector of Serbia in two possible scenarios of economic growth by 2015. The main problem is that the SESDDS was developed before the Strategy of Sustainable Development, so new cost estimates are needed although approximate projections are probably still acceptable. The SESDDS emphasized the component of sustainable development and the aspect of distribution as it includes special programs for lower income groups of the population. The environmental aspect is incorporated throughout the SESDDS.

### **Serbian Agriculture Development Strategy (SADS)**

SADS meets this criterion through its definition of fundamental objectives and activities for their achievement. There is a strong link between economic and social objectives of sustainable development. Special attention is paid to the *environmental* aspect of development of agriculture. Missing in the strategy is the quantification

based on which it would be possible to analyze the future role of agriculture in generating GDP, its share in exports, increase of employment, etc. Missing also are the financial analyses, with the exception of water management.

#### **National Strategy for Refugees and Internally Displaced Persons (NSRIDP)**

This criterion is partly incorporated in the NSRIDP because it defines the economic and social aspects of integration of refugees and IDPs. The quality of the Strategy is that it developed detailed programs with accompanying expenditures regarding the closing of collective centers, resolving the housing problems and employment of this big and especially vulnerable group. Missing are the macroeconomic projections of sustainable development and realistic potentials for financing from the budget as most programs rely on foreign donor support.

#### **Public Administration Reform Strategy (PAR)**

PAR does not deal with this criterion.

#### **Social Protection Development Strategy (SPDS)**

SPDS deals comprehensively with the development of a sustainable system of social protection as an integral part of comprehensive reforms of Serbia. However, this strategy does not include any quantifications from the point of view of sustainable economic growth and other economic criteria nor does it identify the potential material limitations relevant to the implementation of the Strategy.

#### **Strategy for Combating Corruption (NSCORR)**

NSCORR does not explicitly deal with this criterion. However, since corruption results in decreased GDP, decreased local and foreign investments and increased national indebtedness, it is obvious that combating corruption at the same time increases the opportunities to achieve economic growth, increase employment and reduce disproportions in distribution.

#### **Local Sustainable Development Strategy (LSDS)**

LSDS fully incorporates this criterion and at the same time attempts to accommodate the relevant objectives, instruments and measures to the potentials of local sustainable development. Maybe it pays too much attention to the past, and some statistical data are no longer applicable due to the introduction of international statistical standards (GDP instead of the national income, or social product, unemployment measured by ILO methodology, etc.)

#### **Serbian SME and Entrepreneurship Development Strategy (SMES)**

This criterion is fully integrated in the SMES. The principal objective of this strategy is to build a sustainable sector of small and medium enterprises which would, inter alia, be the sector with fastest growing employment, and which would contribute to reducing regional disproportions in development and inequality in distribution of the GDP. It is possible to conclude today that the objectives set by this strategy in terms of the time frame and the increased number of SMEs and new employment generated through them was overestimated. The SMES is compatible with PRSP, NSEU, NES and SKON.

## **II. Criterion: Continued and substantive improvements of human capital – knowledge and its active application**

### **National Poverty Reduction Strategy Paper (PRSP)**

This criterion is implicitly incorporated in the PRSP from the point of view of privatization, modernization and restructuring of the Serbian economy and the announced changes of the sectoral structure of generating the GDP, with an increasing share of trade, traffic, telecommunications, finance, IT and other services. Within this context, the PRSP emphasizes the need for reform of the overall system of education and permanent programs intended for adjusting the qualification structure to the future needs of the economy and society.

The PRSP does not include an explicit analysis of the perspectives of future development of Serbia based on a »*knowledge based economy*«, meaning that this criterion is not directly integrated in the strategic objectives of the PRSP, but it is not in conflict with the basic principles of the strategy.

### **Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

This criterion is integrated in detail as a strategic objective and as a trend of actions within developing a “knowledge based economy”. There is a separate section dealing with the availability of human resources and the opportunities for increasing the human capital in Serbia. The strategy lists priorities and mechanisms needed for full promotion of this key factor. With respect to this criterion, the PRSP and NSEU are converging.

### **National Strategy of Employment (NSE)**

The fourth chapter of the NSE – Towards higher productivity and quality of labor, provides detailed objectives and trends needed to achieve higher and better investment in human capital.

### **Strategy for Competitiveness of Serbian Economy (SCSE)**

This criterion is elaborated in detail in the SCSE. It provides an analysis of the process of transformation from education to knowledge and then to innovation as a significant factor of strengthening competitiveness.

### **Serbian Energy Sector Development Strategy until 2015 (SESDS)**

This criterion is elaborated in the SESDS in a section dealing with stimulating scientific-research work, vocational education and additional professional training of HR for the needs in this area.

### **Serbian Agriculture Development Strategy (SADS)**

This criterion is included in the SADS. Separate chapters of the strategy identify the directions in which changes are needed in the education system in order to promote knowledge needed for agricultural and rural development. More specific analyses and quantifications are needed.

### **National Environmental Strategy (NSE)**

This criterion is included in the NES in a separate chapter – Education and Increasing Public Awareness – with proposals of specific short-term and long-term actions. It is

obvious that in this area there is more qualified staff in the fields of technical, medical, and bio-chemical qualification, while there is a lack of environmental economists and lawyers.

**National Strategy for Refugees and Internally Displaced Persons (NSRIDP)**

This criterion is not included in the NSRIDP.

**Public Administration Reform Strategy (PAR)**

The PAR strategy does not deal specifically with this criterion except partially in the section devoted to building a professional (and depoliticized) public service.

**Social Protection Development Strategy (SPDS)**

The SRZS strategy does not deal with this criterion.

**Strategy for Combating Corruption (NSCORR)**

The NSCORR strategy does not deal with this criterion.

**Local Sustainable Development Strategy (LSDS)**

This criterion is incorporated in the LSDS strategy in the section dealing with the principal directions of sustainable development.

**Serbian SME and Entrepreneurship Development Strategy (SMES)**

This criterion is incorporated implicitly in the SMES because the strategy deals not only with ways of including the human capital in active life through small and medium enterprises, but also it deals with the necessary educational and other institutions, especially at local level, which should facilitate the acquisition of the needed entrepreneurial and other knowledge to start up and manage private business.

**III Criterion: Continued enhancement of the competitive and innovative capacity of the economy**

**National Poverty Reduction Strategy Paper (PRSP)**

This criterion is incorporated only implicitly in the PRSP, from the point of increasing human capital in the section dealing with education reform and fiscal projections up to the year 2010 indicate a greater share of education (and scientific research work) in the GDP. The PRSP is not conflicting with this criterion.

**Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

This criterion is explicitly integrated in the NSEU as the *spiritus movens* of economic progress and a crucial assumption of successful accession to the EU. This paper lacks a specific analysis of the low competitiveness of Serbian economy and a comprehensive presentation of the required activities to increase macroeconomic and business competitiveness. A separate section of the NSEU is dedicated to research and development including priorities, mechanisms, measures and activities which would provide more funds for this purpose and efficient use in practice. NSEU and PRSP are not conflicting with respect to this criterion.

**National Strategy of Employment (NSE)**

This criterion is elaborated in NSE in a chapter dealing with assumptions for sustainable growth and new employment: support to direct foreign investments, a more active role of national savings, entrepreneurship and building a more conducive environment for business.

**Strategy for Competitiveness of Serbian Economy (SCSE)**

This criterion is the central content of the SCSE. It provides a detailed analysis of all aspects of macro and micro economic competitiveness of Serbia and potentials to increase it. Emphasis is put on building Serbian comparative advantages, not only its comparative competitiveness.

**Serbian Energy Sector Development Strategy up to 2015 (SESDDS)**

This criterion is significant for the SESDDS as it indicates how much the competitiveness of Serbian economy could be increased by achieving the strategic objectives of development in the energy sector.

**Serbian Agriculture Development Strategy (SADS)**

Increasing competitiveness is the first objective of the SADS. Most proposed activities are related exactly to institutions, mechanisms, instruments and measures aimed at increasing competitiveness of this sector, especially in the process of accession to the EU and the WTO.

**National Environmental Strategy (NES)**

The NES does not explicitly include this criterion. It is however clear that Serbia will be able to achieve its development advantages and strengthen its international competitiveness only if it respects the standards and criteria of environmental protection. The Strategy deals with these issues in the sections regarding the environmental policy objectives and policy measures.

**National Strategy for Refugees and Internally Displaced Persons (NSRIDP)**

This criterion is not integrated in the NSRIDP.

**Public Administration Reform Strategy (PAR)**

The PAR strategy does not deal with this criterion.

**Social Protection Development Strategy (SPDS)**

The SRZS strategy does not deal with this criterion.

**Strategy for Combating Corruption (NSCORR)**

The NSCORR strategy does not deal with this criterion.

**Local Sustainable Development Strategy (LSDS)**

This criterion is integrated in the LSDS in the part dealing with fundamental principles of sustainable development.

**Serbian SME and Entrepreneurship Development Strategy (SMES)**

This criterion is included in the SMES starting from principal assumptions necessary for building an export competitive economic sector, strengthening the links between the educational and scientific-research system of the SME sector and increasing the

competitiveness of the SME sector through programs aimed at enhancing company management and adopting the system of quality and innovation.

**IV Criterion: The market is the fundamental mechanism for economic (business) decision-making, while the state performs its economic functions – protection of property and contracts, developing an incentive environment for the economy, provision of public resources, elimination of negative external effects etc – in public interest and through a democratic political process**

#### **National Poverty Reduction Strategy Paper (PRSP)**

This criterion is present throughout the PRSP. There is a clear distinction between the development activities in which it is primarily through market mechanisms that the assumptions of economic growth and employment are achieved, in contrast to activities supported by the government and the budget for programs aimed at poverty reduction. In this context, new institutional solutions are proposed and economic and social reforms aimed at creating an incentive environment for an accelerated economic growth and employment. Neutralizing negative external effects is elaborated in a section dealing with the *environmental* aspects of poverty reduction, as the poorest segments of the population are most seriously affected by environmental issues. The PRSP and the NSEU are compatible with respect to this criterion.

#### **Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

The most detailed elaboration of this criterion is included in the NSEU, especially with respect to measures taken by the state in order to accelerate reform and transition processes. It provides a detailed analysis of macroeconomic and microeconomic policies, reform and structural changes in the economy, sector policies and the market of goods, labor, capital and services. It includes a review of present status in these areas and the gaps with respect to the requirements of a modern market economy and efficient government. Neutralization of negative external effects is provided through the analysis of the state of the environment, primarily in the light of the missing legislative solutions compatible with the requirements of the EU. The NSEU and the PRSP are compatible with respect to this criterion.

#### **National Strategy of Employment (NSE)**

This criterion is integrated in the NSE through the major actors responsible for implementing the Strategy and through their competences: the state through the ministries and other government organizations, the National Employment Service, centers for social work, and education and qualification service providers through developing adequate qualification programs; a wide network of stakeholders (associations of employers and trade unions, the Economic-Social Council, professional and NGO organizations).

#### **Strategy for Competitiveness of Serbian Economy (SCSE)**

This criterion is dealt with extensively in the SCSE. The strategy offers full strategy and policy basis that should lead Serbia towards increased competitiveness. At the same time, it provides a detailed action plan to be undertaken by enterprises in order to increase their own business (micro) competitiveness.

#### **Serbian Energy Sector Development Strategy up to 2015 (SESDDS)**

This criterion is elaborated in detail in the SESDS, especially in terms of institutions, mechanisms, instruments and measures for development of the energy sector until 2015. This document is missing a detailed analysis of possible sources of financing of the energy sector (US\$ 11 billion). Also, it does not specify the forms of ownership restructuring of public utility companies in the field. The SESDS is fully compatible with the Strategy of Accession to the EU.

#### **Serbian Agriculture Development Strategy (SADS)**

This criterion is elaborated at the highest level of detail in this strategy, due to the specific conditions of doing business in this field, due to the inherited properties of the Serbian agriculture, and due to the requirements for accession to the EU and the WTO. The strategy identifies the time frames and the institutions responsible for implementation of activities.

#### **National Environmental Strategy (NES)**

The NES elaborates this criterion from the aspect of identifying measures needed for the implementation of the national environmental program: reforms of regulatory bodies, reform of economic instruments, the environmental financing system. On the other hand, it identifies the level of expenditures needed for implementation of NES (investments and operational expenditures) as well as the sources of financing. Since a great part of funds is expected from the implementation of the "polluter pays" principle and the "user pays" principle, there is a question of how realistic this concept is, at least in the short-term, having in mind the modest financial potentials of the population and also of the part of the economy. The possibility of foreign loans for procurement of *environmental* equipment is limited due to the overall level of national debt. Finally, these requirements may be in conflict with the objectives of macroeconomic stability which, among other things, requires restrictive fiscal policy. There is also a certain level of doubt as to the projections of increasing expenditures for implementation of the Program from 0.1% of GDP in 2005 to 1.2% in 2009 and to 2.1% in 2014, because this raises the question whether there is sufficient room for these purposes in the projections of total investments in the said time period.

#### **National Strategy for Refugees and Internally Displaced Persons (NSRIDP)**

NSRIDP includes this criterion by identifying specific state programs aimed at supporting the economic and social integrations of refugees and internally displaced persons.

#### **Public Administration Reform Strategy (PAR)**

This criterion is included in the very concept and the starting principles of the PAR strategy. Its objective is to demonstrate how to secure the principles of "good governance" and "open civil service" which enable efficient execution of economic and other government functions in a modern market economy and democratic society.

#### **Social Protection Development Strategy (SPDS)**

SRZS deals with specific mechanisms, measures and activities and relevant authorities providing better protection of the poorest population, developing a network of services in local communities, introducing a quality assurance system in social protection, etc. However, the strategy does not include the expenditures for the implementation of such programs not a time schedule for their implementation.

### **Strategy for Combating Corruption (NSCORR)**

This criterion is elaborated in more detail in the NSCORR from the aspect of strategic objectives aimed at reducing corruption in the public finance and economic system as a whole. The strategy lacks specific mechanisms, instruments and measures used by the government and the civil society to contribute to reducing corruption.

### **Local Sustainable Development Strategy (LSDS)**

This criterion is included in the LSDS in a matrix of measures and activities, time schedule of implementation, stating responsible institutions and expected outcomes.

### **Serbian SME and Entrepreneurship Development Strategy (SMES)**

This criterion is elaborated in detail in the SMES. It specifies the institutions, mechanisms, instruments and measures to be used by the government to accelerate the development of small and medium enterprises. Special attention is paid to support during provision of loans to start a new private business and a network of regulatory agencies, centers and offices for SME development which would also have an information and advisory role.

### **V Criterion: Public sector management should provide equality and solidarity of age/generation groups (sustainability with respect to public debt, the development and preservation of economic and social infrastructure, etc.)**

#### **National Poverty Reduction Strategy Paper (PRSP)**

This criterion is only partially integrated in the PRSP. Greatest emphasis is on inter-agency solidarity regarding the ensuring of a stable pension and social protection system (children, elderly, at risk). Within the macroeconomic projections, there is an analysis of the public debt of Serbia (internal and external) but this analysis is made more in the context of sustainability relevant to other assumptions of dynamic economic growth (level of investments, balance of foreign trade and balance of payments). There is elaboration and partial quantification of changes in modernization of the economic and social infrastructure for the purpose of accelerated economic growth and development, which actually refers to the activities of new generations in achieving the major economic and social objectives in the coming period and for the future generations. The PRSP is not in conflict with this criterion.

#### **Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

The NSEU does not deal explicitly with the issue of inter- and intra- generation equality as a separate issue. Still, this criterion is integrated within macroeconomic projections of economic growth (sustainability of foreign debt) and employment. The aspect of solidarity between generations is included in detail in the chapter dealing with social security which, inter alia, deals with reforms of the pension and health care systems and the system of social protection with specifically identified priorities, institutional solutions and specific programs. The NSEU also deals with the analysis of the status in the economic infrastructure: traffic, energy sector, telecommunications – and it identifies priorities and mechanisms for their modernization, greater effectiveness of the existing capacities and implementation of EU standards in these areas. The NSEU is not in conflict with this criterion.

### **National Strategy of Employment (NSE)**

The NSE does not deal directly with this criterion, but it is implicitly integrated in the main goal of the Strategy, which is to provide a better future for the young generation through sustainable economic growth and planned increase of employment (it is expected that by 2010 the share of labor in the work-capable population will reach 72%). This goal, through increased GDP, higher employment and higher salaries, has a positive feedback effect on stable financing of pension system and social security of the old, guaranteeing at the same time solidarity between generations. This strategy lacks macroeconomic projections which would indicate possibilities of achieving the desired objectives in the field of employment.

The NES is fully compatible with the strategies relevant to poverty reduction, accession to EU and development of small and medium enterprises.

### **Strategy for Competitiveness of Serbian Economy (SCSE)**

This criterion is not explicitly integrated in the SCSE.

### **Serbian Energy Sector Development Strategy up to 2015 (SESDDS)**

This criterion is included implicitly in the SESDDS as it deals with the development of the energy sector up to 2015 which is the basis for sustainable development of the sector available for the coming generation.

### **Serbian Agriculture Development Strategy (SADS)**

This criterion is included implicitly in the SADS. The issues of solidarity inside and between generations are discussed in the chapters on rural development, forests protection and bio-diversity and socially-acceptable solutions for old households and activities aimed at attracting the young to stay in rural areas.

### **National Environmental Strategy (NES)**

NES incorporates this criterion by considering long-term benefits of implementing the Program and thereby providing for the future generations sustainable living conditions. It is also significant that the programs of modernizing the industry and other sectors and especially infrastructure have direct and indirect effects both on improving the environment and creating a better environment for direct foreign investments, increased overall economic activity and creating new employment.

### **National Strategy for Refugees and Internally Displaced Persons (NSRIDP)**

This criterion is implicitly integrated in the NSRIDP. This refers to inter- and intra – generation solidarity of citizens of Serbia whereby a part of achieved development results, through fiscal and other measures be directed to several thousands of refugees and internally displaced persons in economic and social life in Serbia.

### **Public Administration Reform Strategy (PAR)**

This criterion is not explicitly integrated in the PAR. Still, the implementation of the Par would provide for a sustainable public administration that would benefit the future generations as well.

### **Social Protection Development Strategy (SPDS)**

This criterion is integrated in the SPDS. One of the major aims of this Strategy is to identify a program of social protection which would prevent the creation and transfer

of social problems from generation to generation and would take special care of children and the elderly.

#### **Strategy for Combating Corruption (NSCORR)**

NSCORR does not deal with this criterion.

#### **Local Sustainable Development Strategy (LSDS)**

This criterion is included in the LSDS in the fundamental principles of sustainable development.

#### **Serbian SME and Entrepreneurship Development Strategy (SMES)**

This criterion is not explicitly included in the SMES. Implicitly, this is a strategy that should open up wide possibilities, especially for the young, for employment in the coming period and thereby ensure material basis for realistic sources of financing the pension system and the system of social security for the old.

## **II SOCIAL CRITERIA OF SUSTAINABLE DEVELOPMENT**

### **I Criterion: Provide and promote comprehensive health protection and human security**

#### **National Poverty Reduction Strategy Paper (PRSP)**

Health and safety protection and promotion are an integral part of this strategy. One of the three strategic objectives of the Poverty Reduction Strategy puts emphasis on efficient implementation of existing and development of new programs, measures and activities aimed directly at vulnerable groups, and these measures should also bring about positive changes in the whole population health care reforms, primarily in terms of a more just distribution of funds, improved primary health care, and a higher level of access to health care services for vulnerable groups).

PRSP puts special emphasis on sustainable financing of health care, accompanied with the promotion of the criterion of more just geographical distribution of funds, and re-distribution of funds from higher to lower levels of health care protection. The strategy includes a separate activity aimed at improving the health care and social protection of the rural population. It includes methods, mechanisms and estimated funds for implementation of the strategy in this area of health care.

Although emphasized as one of the major aspects of the strategy, promotion of health care and healthy living styles among the especially vulnerable social – economic groups, this segment is not elaborated through specific measures needed.

#### **Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

The principle of sustainable development is stated explicitly in this strategy as one of strategic objectives of Serbia (Chapter 3.1.), which is not the case with most strategy papers in Serbia. In terms of practical operationalization of strategic measures and activities, it is evident that the strategy includes very detailed and comprehensively elaborated measures relevant to structural adjustments in the area of macroeconomic management (primarily monetary and fiscal policy, competitiveness of the economy and employment), whereas strategic measures and activities relevant to criteria of

sustainability in the area of social development mostly followed certain already known and tested solutions in the relevant sector strategies.

The fields of health care and pension protection are harmonized with the principal concept of sustainability and also with the solutions proposed in the PRSP and the relevant sector strategies, while the area of social protection was considered to less detail and with a lower level of designing specific activities. Special quality is recognized in the fact that there is a separate consideration and identification of specific measures and activities relevant to protection and safety at work.

### **Local Sustainable Development Strategy (LSDS)**

Local Sustainable Development Strategy is designed as a strategic framework to be used by all local self-governments in Serbia to develop their own strategies at local level. Social development is emphasized as one of the six fundamental components of the Strategy within which the strategy considered measures in the field of health care and social protection, education, care for vulnerable groups, and promotion of social values. Apart from this, in the section «Poverty Reduction» the strategy considered additional measures relative to this criterion.

Local Sustainable Development Strategy is fully based on the fundamental principles of sustainability and, as such, it may serve as the basis for further development in the field of strategic planning of sustainable development, both at local and at national level.

In the area of health care and human security, this strategy promotes two groups of measures: measures for promotion of health for all, and measures for easy and just access to rights in health care and social protection in local communities. All measures are harmonized with measures identified for the national level of Serbia, and above all with the measures identified in the PRSP and are operationalized to the level appropriate to strategy objectives (it is obvious that certain measures were formulated generally and are not elaborated to sufficient detail due to the fact that their more detailed elaboration is expected to follow in local strategies for towns and municipalities).

The principal deficiency of this strategy is that it lacks clearly identified sources of financing for measures and activities, and anticipated funds. On the other hand, it seems that instruments for implementation of the strategy are elaborated to a sufficient level, primarily having in mind the fact that this strategy has to be accompanied by relevant strategies at local level.

### **Public Administration Reform Strategy (PAR)**

Public Administration Reform Strategy does not deal with this criterion.

### **Health Care Strategy – Better Health for All in the Third Millennium (HS)**

This strategy may be considered to be the «sector strategy» for the said criterion as it is in the basis of the overall approach to the issues, objectives and expected outcomes, and all individual measures and activities planned for their achievement.

Promotion of health care for all and setting the citizen as the beneficiary in the centre of the health care reform in Serbia are present throughout the strategy. Along with this, the proposed solutions are based on comprehensive analysis of social-economic conditions and related to them wherever possible, primarily for the purpose of realistic and sustainable achievement of objectives.

The strategy also includes an action plan with specific measures for individual objectives, programs and projects, identifying also the institution in charge and the relevant time schedule.

#### **National Environmental Strategy (NES)**

The NES Strategy does not deal explicitly with the issues covered by this criterion, although the criterion itself is indirectly highly positioned in identifying strategy objectives and lies beneath practically all measures and actions. The problem of public health degradation is emphasized as one of the fundamental problems, and the problem of security is dealt with in this strategy in a more direct way. It is certain that measures and actions identified in the NES have to be included in any future strategy of sustainable development in Serbia.

#### **National Strategy of Employment (NSE)**

National Strategy of Employment does not deal with the issues of public health. This strategy, however, does deal specifically with the issues of security and health at work, emphasizing it as one of the priorities in achieving the employment policy. The principle offered in this strategy in the field of safety and health at work is harmonized with the EU guidelines in this area, although the strategy lacks specific operationalization through concrete measures and actions.

#### **Social Protection Development Strategy (SPDS)**

This strategy is based on the Poverty Reduction Strategy and it represents in fact a further operationalization of measures and actions in the field of social protection. Again, the fundamental concept of the strategy is compatible with most other strategy papers that were considered in this review.

The criterion of health protection and security is not elaborated explicitly, although when viewed in a broader context this criterion is incorporated in the principle context of the strategy through measures and actions aimed at protection of children, elderly and vulnerable groups.

#### **National Plan Action for Children (NPAC)**

Better health for all children is one of the priorities of the National Plan Action for Children, and it is stated in the introduction, as well as in one of the strategic goals and a series of strategic objectives. This document is harmonized primarily with the PRSP (which is stated explicitly in the introduction), but also with the Strategy of health care reform. The specific objectives and activities accompanying them are very much action-oriented, identifying specific time frames, institutions in charge and, where possible, financing and indicators of achievement. The strategy is harmonized with the requirements in the field of decentralization, emphasized in other documents considered within this review, so it builds on adoption of action plans at local level.

#### **National Strategy for HIV/AIDS (NSHIV)**

This criterion is included implicitly in this strategy. Accompanying the strategy is the action plan with specific measures, institutions in charge, time frames and indicators.

#### **National Strategy for Refugees and Internally Displaced Persons (NSRIDP)**

This strategy only lightly touches the issues of health care for the category of refugees and internally displaced persons, through the responsibility of the state and the relevant authorities to provide the exercise of these rights. Indirectly the provision of

health care is supported within the measures relevant to providing permanent housing and care of the refugees and internally displaced persons.

On the other hand, the issues of security are given special attention. These issues are anticipated through measure and activities of safe and secure return of refugees and IDPs to Croatia, Bosnia and Herzegovina, and Kosovo and Metohia.

The strategy identifies the institutions in charge and the methods of financing.

### **Vocational Education Policy and Strategy (SES)**

The SES strategy does not deal with this criterion.

### **Draft Strategy for Integration and Empowerment of Roma (SIR)**

Draft Strategy for Integration and Empowerment of Roma in its chapter 8 deals with the issues of health care protection for the Roma population, and in chapter 7 with the issues of social protection and rights of the Roma population. It is obvious that this draft was developed before the adoption of the PRSP strategy paper and the Strategy of health care reform, so there are certain discrepancies between these strategy papers. The strategy incorporates an elaboration of measures and activities identifying also the institution in charge. This document needs to be harmonized with the solutions adopted through other strategy papers or a new strategy should be adopted at the level of the Republic of Serbia.

## **II Criterion: Quality education providing assumptions for individual development and preservation of identity**

### **National Poverty Reduction Strategy Paper (PRSP)**

Education as a function of poverty reduction is one of the seven strategic goals identified by this strategy, to be achieved through several major measures and activities (reform of pre-school education, changes in the system of primary education and massive integration of children with disabilities in the education system, increasing the general level of education of the Roma, higher coverage of adults in the education system and enhancing the qualification structure of the labor capable population). The principal purpose of all strategic goals relevant to education could be expressed as increasing the integration of subjects included in education activities accompanied at the same time by optimization and improved relevance and effectiveness of the network of educational institutions. Decentralization and greater responsibility of local authorities is emphasized as a need.

Anticipated expenditures for the implementation of the PRSP in the field of education represent about one third of total funds.

### **Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

With respect to this criterion, the strategy is fully compatible with the PRSP, both in terms of strategic goals and in terms of their operationalization. The principles applied in identifying the strategic goals were both enhancing education aimed at increased level of employment (primarily through a flexible system of vocational training and through the concept of life-long learning) and enhancing the quality of the present system of education and making education to be accessible to all.

The proposed measures and activities do not include environmental education as one of the priorities, nor is it mentioned as a significant aspect of sustainable development.

### **Local Sustainable Development Strategy (LSDS)**

Decentralization in all segments is one of the fundamental organic concepts of this strategy and it is fully founded on principles of decentralization in decision-making and planning.

Education is not a separate issue of the LSDS strategy. Still, measures and activities relevant to quality education are integrated in each specific segment (infrastructure, spatial and urban planning, economic and social development, poverty reduction). Measures and activities in the field of education are aimed at building qualified human resources in the field of municipal management, promotion of life-long learning principle, some strictly sector-specific and technical aspects of capacity building at local level, and providing equal opportunities of access to education.

Special emphasis is made of the need to introduce new forms of high education for sustainable development, although it seems that this strategy does not have the mandate to resolve the problems relevant to lack of university qualified staff specialized in planning sustainable development and such emphasis should in fact be made in the Strategy of Sustainable Development.

### **Public Administration Reform Strategy (PAR)**

The Serbian Public Administration Reform Strategy does not deal specifically with the issues of education. However, the criterion of increasing the education level is implicitly included in the objectives of this strategy and it refers to one of the two major goals of the PAR: building a civil service directed to citizens capable of providing to citizens and to the private sector a high quality of services. The achievement of this goal, accompanied with the respect to the stated principles – the principle of decentralization and the principle of professionalization – includes a number of measures in the area of organization and education for civil servants and employees in public administration, which is fully compatible with the principles of sustainable development. The strategy lists specific measures and mechanisms to achieve this criterion.

The principle of decentralization of power is harmonized both with other strategy papers and with the contemporary practice in this field. This issue was given special attention and justification was provided for a combined model of decentralization.

### **Health Care Strategy – Better Health for All in the Third Millennium (HS)**

The Strategy does not explicitly deal with this criterion, although one of the goals («Improving the HR basis in health care»), as well as the strategic objectives resulting from it, are harmonized with the criterion under consideration.

### **National Environmental Strategy (NES)**

The NES does not explicitly deal with this criterion, although it does include as one of its measures the introduction and strengthening of specialized environmental education programs at all levels of education.

### **National Strategy of Employment (NSE)**

The national strategy promotes the concept of life-long learning and qualification through work, as well as the concept of informal education, its certification and incorporation in the system of formal education. The solutions offered by the strategy are compatible with other strategies although there seems to be a need to further operationalization through relevant regulation and adoption of some additional

sectoral strategies. It is noticed that the strategy lacks justification regarding the financing of proposed measures and activities.

#### **Social Protection Development Strategy (SPDS)**

The strategy deals only indirectly with this criterion, through measures and activities directed at raising the capacities and professionalization of social protection services. The strategy includes operationalization of measures and activities, time frames and institutions in charge, but it lacks cost estimates and sources of financing (this refers also to other criteria).

#### **National Plan Action for Children (NPAC)**

Quality and accessible education for all children is one of the priorities of the National Plan Action for Children, and it is stipulated both in the introductory remarks and in the general goals and several specific strategic objectives of this strategy paper. With respect to education, this strategy is in compliance with the Millennium Development Goals, Agenda 21 and other international documents (some strategic objectives go even beyond them and state stricter requirements for the institutions in charge). The identified strategic objectives and activities are very concrete, identifying also the institution in charge and time schedules.

The paper lacks economic evaluation of strategic objectives for this criterion (this refers primarily to the percentage share of the GDP to 6% by 2011 for education).

With respect to this criterion the National Plan Action for Children may be very useful in the preparation of the Serbian Strategy of Sustainable Development.

#### **National Strategy for HIV/AIDS (NSHIV)**

The National Strategy for combating HIV/AIDS does not deal explicitly with this criterion.

#### **National Strategy for Refugees and Internally Displaced Persons (NSRIDP)**

The National Strategy for Refugees and IDPs does not deal with this criterion.

#### **Vocational Education Policy and Strategy (SES)**

The concept of this strategy paper includes a criterion which is considered as a leading criterion. Development goals, measures and activities are harmonized with the social context of sustainable development and provide a good basis for integration of specific solutions into the Serbian Strategy of Sustainable Development. This strategy does not include an action plan, so it is not indicated visibly who is the institution in charge of implementation of measures and activities, except for financing, which is elaborated through a relevant dynamic model.

The development of policy and strategy of vocational training does not at all mention the lack of environmental programs (environmental regulation, environmental economics, environmental policy and strategy, etc.), not does it include objectives in this respect.

#### **Draft Strategy for Integration and Empowerment of Roma (SIR)**

Draft Strategy for Integration and Empowerment of Roma deals in great detail with the provision of right to education and specific measures and activities aimed at increasing the education level of the Roma population.

### **III Criterion: Promotion of culture, protection and development of social values and increase of social capital**

#### **National Poverty Reduction Strategy Paper (PRSP)**

This criterion is incorporated only implicitly in the PRSP, through specific objectives, measures and activities in the area of education and through promotion of social inclusion of marginalized social groups. This refers especially to empowering the Roma through their integration and promotion of Roma culture in the educational programs.

The paper lacks a strong link between poverty and promotion of social values, especially tradition and regional cultural specific values, and the potential for valuation of traditional values and their impact on economy and employment.

#### **Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

This strategy does not include the issues of social development through cultural policy and development of social values. The only section of the paper touching upon this criterion is the one dealing with the development of civil society. It includes a «moderate» statement that public participation in decision-making is not at an enviable level, apart from which it seems that the stated recommendations (mostly conditional – «could be provided...») are not sufficiently elaborated through concrete measures and activities nor are they mandatory or encouraging to decision-makers to strengthen public participation in planning and decision-making.

The issues of strengthening patriotism and national identity through appropriate cultural and national policy, protection of cultural and national identity and the cultural heritage have not been sufficiently analyzed. Therefore, the paper lacks measures and activities that would promote changes in the system of values, build awareness of the significance of national, regional and local values and, thereby, lead to increased social capital.

#### **Local Sustainable Development Strategy (LSDS)**

The Local Sustainable Development Strategy deals with issues of developing social values and increasing the social capital by developing measures and activities in the area of social development. One of the strategic objectives in development of towns and municipalities states the valuation of traditional values through economic activity (promotion of traditional values of the region and the local community, use of the cultural heritage for diversification of economic activity, empowerment of families through measures promoting family economy and support to rural development aimed at preservation of traditional values). Great emphasis is made of preservation of local specific features, tradition and culture. In terms of changes in the system of values of the population, this strategy limits itself mostly to the issues of the sentiment of belonging to the local community and local-patriotism, which is mentioned as a significant issue. However, the strategy does not fully elaborate on the measures and activities related to the change of the said system of values. As with other stated criteria, this strategy does not clearly identify the sources of financing of the stated measures and activities.

Public participation in planning and decision-making is one of the focuses of this strategy paper and is present practically in all of its segments. Special emphasis is

made on the public right to information and a series of measures aimed at encouraging public participation in decision-making at local level.  
One of the advantages of this strategy is its insisting on communication between different social groups and the role of information and media.

#### **Public Administration Reform Strategy (PAR)**

The Public Administration Reform Strategy does not deal explicitly with this criterion, although its fundamental principles are harmonized with the requirement for promotion and protection of social values and building of social capital.

It should be remarked that the Public Administration Reform Strategy in its introduction does emphasize that «the public administration reform process should be accompanied by relevant frameworks and programs», with specific reference to the Strategy of Sustainable Development.

#### **Health Care Strategy – Better Health for All in the Third Millennium (HS)**

This strategy does not deal explicitly with this criterion, but the fundamental principles and objectives of the strategy are compatible with the principles of increasing social capital through implementation of specific measures and activities, primarily through improved living styles and health care culture. Special emphasis is made of efforts that through specific measures, activities and concrete projects in the area of health promotion attempts are made to change living styles within the population, promoting healthy and sustainable habits regarding smoking, abuse of alcohol and psychoactive substances, inadequate diet and lack of physical activity. All such measures are harmonized with relevant national strategy papers in Serbia (primarily with the PRST), as well as with the UN Millennium Development Goals and the European health Policy (making reference to quotations from these documents).

The strategy was developed through a comprehensive and inclusive consultative process and it promotes public participation as an important principle.

#### **National Environmental Strategy (NES)**

NES does not explicitly deal with this criterion.

#### **National Strategy of Employment (NSE)**

National Strategy of Employment is written in the spirit of promoting the culture of work and social values relevant to it, which gives it a certain level of compatibility with the said criterion. In terms of operationalization of measures and activities, this strategy paper does not deal with the said criterion.

#### **Social Protection Development Strategy (SPDS)**

The national SPDS is harmonized with this criterion. It includes specific measures and activities relevant to prevention in community, relevant to change of life styles and social inclusion.

#### **National Plan Action for Children (NPAC)**

National Plan Action for Children does not deal with this criterion.

#### **National strategy for HIV/AIDS (NSHIV)**

The National Strategy for HIV/AIDS does not deal with this criterion.

### **National Strategy for Refugees and Internally Displaced Persons (NSRIDP)**

The context of the National Strategy for Refugees and IDPs is focused primarily on return, property and other acquired rights, while at the same time dealing much less with the issues of integration of refugees and IDPs, preservation of their identify and cultural specific characteristics and social inclusion.

### **Vocational Education Policy and Strategy (SES)**

This strategy does not deal with the said criterion.

### **Draft Strategy for Integration and Empowerment of Roma (SIR)**

The issue of social inclusion of Roma through development and preservation of cultural values is given significant emphasis in this strategy.

## **IV Criterion: Equal rights, equality and safety before the law for all, especially equal gender rights, equal rights and protection of minorities and respect of human rights**

### **National Poverty Reduction Strategy Paper (PRSP)**

This criterion is included in the principles of practically all strategic objectives of the PRSP. This refers especially to efforts that through the measures and activities identified in the strategy equal rights should be provided for vulnerable and marginalized groups, especially persons with disabilities and the Roma.

### **Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

As rule of law, equality and security of citizens are built into the foundations of the overall EU legislation, it is logical that this is one of the criteria to which great emphasis was made in the development of the National Strategy for Accession of Serbia and Montenegro to the EU. The strategy includes specific strategic measures and activities in the area of human rights and protection of minorities, democracy and rule of law, property rights and development of civil society. There are specific measures and activities aimed at inclusion and education of minorities and Roma. Apart from the identified strategic objectives, measures and activities, the chapter IV of the Strategy includes a detailed operationalization of measures.

### **Local Sustainable Development Strategy (LSDS)**

Although it does not deal explicitly with this criterion, the Local Sustainable Development Strategy is permeated throughout with the spirit of equality and tolerance and legal security.

### **Public Administration Reform Strategy (PAR)**

This criterion is included through the spirit of equality and tolerance which is present throughout the Strategy. One of the two major goals of the strategy is to build a state based on the rule of law, public responsibility, effectiveness and efficiency. Operationalization of this goal with reference to this criterion is not included, except partially through specific measures relevant to the rule of law and security before the law.

### **Health Care Strategy – Better Health for All in the Third Millennium (HS)**

Equality in exercising the right to health care is one of the fundamental goals of this paper and is explicitly identified as one of the goals of health care policy. The strategy includes measures and activities directed towards harmonizing the regional distribution, towards different social-economic, education and other population groups, and right of specific under privileged groups and groups with special needs. The operationalization of this criterion includes a whole series of measures and activities. Special attention is paid to the poor and exercising and better access to the group of rights relevant to health care and social protection for this category of the population. The Strategy explicitly states the rights of citizens stemming from the fundamental human rights which will be achieved through the implementation of the strategy, as well as social rights in the field of equality in access to health care.

The Strategy does not explicitly deal with gender equality although some of the included solutions support the concept of gender equality (primarily programs in the area of reproductive health and prevention of violence against women).

### **National Environmental Strategy (NES)**

NES does not explicitly deal with this criterion.

### **National Strategy of Employment (NSE)**

The respect of human rights is present throughout this Strategy, The National Strategy of Employment in its fifth chapter seals with the issues of equality, equal rights and protection of those at risk. By emphasizing the need for social dialogue between all stakeholders, the strategy pays special attention to the issues of combating poverty through active labor market policies for vulnerable groups (persons with disabilities, Roma, internally displaced persons). The measures and activities identified for the achievement of these objectives are elaborated and accompanied with relevant performance indicators, although some of the measures are not made concrete to a sufficient level.

The strategy identifies specific measures aimed at achieving gender equality, which makes this strategy unique with respect to other strategies reviewed (except the PRS). Although the strategy clearly names the institutions in charge, it lacks an analysis of cost estimates and justification of sources from which funds will be provided. This is significant since for most activities the institutions in charge are state bodies leading to the conclusion that the activities will be financed from the state budget.

### **Social Protection Development Strategy (SPDS)**

The strategy fully supports this criterion. The fundamental principles of the strategy imply correction of inequalities in the access to social services in the community, putting the beneficiary in a central position, through a multi-sectoral approach, and special care of vulnerable and marginalized social groups. A whole series of measures and activities is identified to promote active public policy, but also activities of the NGO sector and the private sector towards respect of this criterion.

Through a series of measures aimed at decentralization and transfer of competences in social protection to the local level, the strategy should provide for correction of disparities in regional distribution and should ensure higher level of equality of beneficiaries irrespective of their local or regional place. On the other hand, the mechanisms for provision of competences are not accompanied by relevant fiscal decentralization mechanisms, so this emphasis on decentralization of competences may easily prove to be counter-productive.

With respect to this criterion, the strategy is also compatible with other strategies subject to this review.

#### **National Plan Action for Children (NPAC)**

The respect of human rights and rights of children is the pillar of all objectives, measures and activities identified in this strategy. All seven priority areas of the strategy deal exactly with achievement of this criterion. The identified measures and activities are elaborated sufficiently, stating clearly institutions in charge and time frames.

#### **National Strategy for HIV/AIDS (NSHIV)**

This criterion is explicitly included in the Strategy. Equality and respect of human rights, along with measures preventing stigmatization of those infected or suffering from HIV-AIDS is one of the objectives of the strategy. The strategy also includes a number of measures for social inclusion of this population. Measures and activities are concretely elaborated, accompanied by an action plan, with specifying institution in charge, time frames and manner of financing.

#### **National Strategy for Refugees and Internally Displaced Persons (NSRIDP)**

Although the principal concept of this strategy is the respect of human rights and equality, it seems that apart from the right to residence, housing and property rights, this strategy does not have specific measures and activities relevant to other rights of refugees and IDPs.

#### **Vocational Education Policy and Strategy (SES)**

This criterion is stipulated explicitly as one of the principles on which the strategy is based. Apart from declarative reference to the respect of the principle of equality, there are no specific measures or activities that would be directly related to this criterion.

#### **Draft Strategy for Integration and Empowerment of Roma (SIR)**

Draft Strategy for Integration and Empowerment of Roma is based on the concept of respect of human and minority rights and all measures and activities stipulated in this strategy are harmonized with this concept. Special attention is paid to gender equality and women rights.

### **V Criterion: Solidarity within and among generations and solidarity generally**

#### **National Poverty Reduction Strategy Paper (PRSP)**

Inter-generations solidarity is specially emphasized as one of the strategic objectives of the strategy. It includes an analytical and comprehensive consideration of the position of pensioners and the old people, and the measures aimed at strengthening the social protection for these groups include a number of activities for rectifying or improvement of the situation. The second group of measures and activities related primarily to the reform of the existing pension system aims rather to establish a sustainable and consolidated system of financing than to establish a just system of distribution based on solidarity.

Effectiveness and sustainability of the stated strategic objectives depends directly on achieving the economic objectives of the strategy.

### **Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

As in the case of the PRSP, much focus is put on the position of vulnerable social groups. This refers primarily to pensioners and the proposed solutions are compatible with other strategy papers. Within the measures and activities in individual sectors (industry, primarily) there are no strategic objectives relevant to the position of the «losers of transition».

### **Local Sustainable Development Strategy (LSDS)**

Although it deals primarily with the issues and development of local communities, it is possible to notice in the LSDS the intention of its authors, where adequate, to emphasize the global solidarity and responsibility of local actors for degradation of the environment at national and global level.

By emphasizing separately the issues and problems relevant to the young and the old, this strategy reflects on their different social position. Although states as separate vulnerable social groups theoretically, the measures and activities of the strategy do not include more concrete measures specific for these population groups.

### **Public Administration Reform Strategy (PAR)**

The PAR does not deal with this criterion.

### **Health Care Strategy – Better Health for All in the Third Millennium (HS)**

Inter-generation solidarity is emphasized through measures and activities aimed at sustainable financing and functioning of the health care funds and special measures and activities for the health care of the old. In all areas of public health there are identified measures adjusted to the different age groups of the population. All measures are harmonized with the solutions proposed in other strategies (PRSP and the LSDS, primarily) and together with them they represent a whole.

### **National Strategy of Employment (NSE)**

The objectives and activities proposed in the NSE are harmonized with this criterion, primarily with the criterion of global solidarity.

### **National Strategy of Employment (NES)**

National Strategy of Employment does not deal with this criterion.

### **Social Protection Development Strategy (SPDS)**

This strategy respects this criterion in a measure in which it attempts to establish a sustainable system of special protection, capable of providing basic services within the limits of funds available. However, it lacks cost estimates and it is therefore impossible to assess how sustainable the system is in terms of inter-generation equality.

Intra-generation solidarity is present throughout the whole strategy and in respect to this criterion the SPDS is compatible and harmonized with other strategies under review.

### **National Plan Action for Children (NPAC)**

National Plan Action for Children does not deal explicitly with this criterion, although it is identified as one of the principles of the overall context.

**National Strategy for HIV/AIDS (NSHIV)**

National Strategy for HIV/AIDS does not deal with this criterion.

**National Strategy for Refugees and Internally Displaced Persons (NSRIDP)**

The National Strategy for Refugees and IDPs does not deal with this criterion.

**Vocational Education Policy and Strategy (SES)**

This strategy does not deal with the criterion under review.

**Draft Strategy for Integration and Empowerment of Roma (SIR)**

Draft Strategy for Integration and Empowerment of Roma does not deal with this criterion.

**III ENVIRONMENTAL CRITERIA OF SUSTAINABLE DEVELOPMENT****I Criterion: Areas of significance for nature and bio-diversity should be protected*****The present situation***

Due to a complex and specific flora-geographical position, Serbia is an abundant source of autochthonic plant and animal resources. The number of 4300 plant species identifies for the territory of Serbia and the Balkans as a significant centers of flora diversity of Europe. Institutional, financial, economic and other deficiencies (illegal and unplanned construction, traffic and forestry activities in protected natural values) have an impact on forests and sensitive eco-systems and lead to reduction and loss of biodiversity. The total territory of protected natural areas represents about 6.5% of the territory of Serbia. Apart from national parks (6), natural reserves (98), areas of exceptional scenery (16), monuments of nature (296) and natural parks (24), Serbia has under protection 215 plant and 426 animal species as natural rarities. Protection status is granted according to the Ramsar Convention to the following areas of international significance: the Ludaško lake, Obedska bara, Stari Begej – Carska bara and Slano kopovo, and according to the Convention of natural and cultural heritage: Golija-Studenica, as biosphere reserve.

Further harmonization of national legislation with the UE legislation is needed. The laws on ratification are needed for the following Conventions:

- Convention on Conservation of Migratory Species of Wild Animals, Bonn, 1979.
- Convention on the Preservation of European Wildlife and Natural Habitats, Bern, 1979.
- The Convention on Protection and Sustainable Development of the Carpathian, 2003.
- The Protocol on Biological Safety to the Convention on Biodiversity, 2000.

## *Review of strategy documents*

### **Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

This criterion is integrated in NSEU. The chapter of the strategy dealing with the environment in identifying strategic objectives underlines that action plans should be adopted for protected areas, that institutions should be built and capacities strengthened, that strategies should be adopted for nature protection and protection of biodiversity, that laws on nature and biodiversity protection should be adopted and that laws should be adopted for ratification of international environmental conventions, as well as that ear-marked funds should be provided to finance the preservation of biodiversity.

### **National Poverty Reduction Strategy Paper (PRSP)**

The criterion is included in the PRSP. One of the objectives identified in the chapter dealing with the environment is the preservation of biodiversity. There is a conclusion that there is need for improved biodiversity management in Serbia, but the strategy lacks mechanisms and cost estimates.

### **National Environmental Strategy (NES)**

The criterion is explicitly included in NES. One of the objectives identified in the NES is to develop a strategy for the protection of nature and biodiversity. The criterion is fully included in the document, problems are identified and causes of problems as well. A number of objectives are identified which support this criterion (establishing a register of biodiversity, especially a register of endangered ecosystems and habitats of rare and endemic species; establishing a monitoring system for elements of biodiversity; halting the loss of biodiversity in line with the Kiev declaration; increasing the area under protection to 10% of the national territory; developing an action plan for preservation and sustainable use of wet habitats; improving management systems for protected areas of national and international importance etc.). The strategy includes developed instruments for achievement of objectives and cost estimates are provided. The monitoring and implementation process is developed. The detailed action plans are in preparation.

### **Local Sustainable Development Strategy (LSDS)**

The criterion is included in LSDS. The objective of the LSDS with respect to this criterion is the adoption of strategy papers and improved environmental protection at local level. The identified measures and actions to achieve the objectives imply the development of programs for protection and enhancement of protected areas for the purpose of their sustainable commercialization.

### **Health Care Strategy – Better Health for All in the Third Millennium (HS)**

HS does not deal with this criterion, but it does make reference to the Millennium Development Goals, one of which is environmental sustainability.

### **National Plan Action for Children (NPAC)**

NPAC does not deal with this criterion, but it does make reference to the Millennium Development Goals, one of which is environmental sustainability.

### **Social Protection Development Strategy (SPDS)**

**SPDS** does not explicitly deal with this criterion, but it does state that the Ministry of Labor, Employment and Social Policy, in cooperation with the Ministry of Science and Environmental Protection, shall cooperate towards achievement of goals identified in the NES, by taking part in the development of action plans.

**Food Safety Strategy (FSS)**

FSS does not explicitly deal with this criterion.

**Serbian Energy Sector Development Strategy up to 2015 (SESDS)**

SESDS does not deal with this criterion.

**Serbian Agriculture Development Strategy (SADS)**

SADS does not explicitly deal with this criterion.

**Water Management Policy Document (WMPD)**

WMPD does not deal with this criterion.

**Serbian Forestry Policy (SFP)**

The criterion is included in **SFP**. The principal goals of SFP are the preservation and adequate enhancement of forest biodiversity, as well as sustainable management of such species of flora and fauna that are an integral part of the forest areas, the establishment and maintenance of protection systems in protected natural areas, and sustainable use aimed at raising public awareness of the significance of forests etc. The strategy identified measures proposed for the achievement of identified objectives, it identifies the instruments and the implementation, the roles of responsibility of actors in the area of forestry.

**Serbian SME and Entrepreneurship Development Strategy (SMES)**

SMES does not deal with this criterion.

**National Strategy of Waste Management (NWMS)**

NWMS does not deal with this criterion.

**II Criterion: The consumption of renewable resources (forests, fisheries, surface and ground waters, soil) should be maintained below the level of regeneration or natural renewal**

*The present situation*

**Forests** and forest land represent 28 % of the total territory of Serbia, while forests alone represent somewhat under 26%. About 56% is state owned. The present status of forests is characterized by an unfavorable structure in terms of origin. The unsatisfactory health status of forests is primarily a consequence of excessive environmental pollution. The status of forests, as a resource, is unsatisfactory in every respect. Besides, there is an increased pressure on forests resulting from difficult economic conditions and increased demand for forest products. **Fishery** – from the point of view of the evaluated ratio of fishing, illegal fishing and increasing the fish fund, the actual state of the fish fund, as a natural resource, can be assessed as

satisfactory. The draft Fishing Law is in the procedure of adoption. **Surface and ground waters** – Serbia has available sufficient quantity of water to meet all its needs, but only provided that they are used rationally and protected against pollution. Of great significance is also the development of regional cooperation in the field of water resources management. Both surface and ground waters are used for public drinking water supply. According to the status in 1991, the quantities of intakes of ground waters were used with 80%, and surface sources with 66% of their respective total capacity. The quality of drinking water in Serbia generally is unsatisfactory. About 60% of the Serbian population has access to **drinking water supply**, and another 15% of the population has some form of water supply. The number of public water supply systems is 153. Treatment of drinking water supply in many locations is inadequate. The water supply distribution network in many locations is old, with high losses. This fact, together with lack of incentives for rational use of water, leads to excessive demand and excessive exploitation of resources. About 33% of the population in Serbia used public **sewer systems**. One of the major causes of water pollution is inadequate sewerage infrastructure, i.e. collection and treatment of waste water. Major towns in the country, Belgrade, Novi Sad and Niš do not have a municipal waste water treatment plant. **Soil** – The occurrence and strengthening of erosion processes is one of the major caused of soil degradation and its decreased quality. The soil quality is also under the impact of uncontrolled and inadequate use of fertilizers and pesticides, and lack of quality control for water used for irrigation purposes. A widespread use of leaded fuel causes soil pollution along the major roads. Inadequate waste and chemicals management causes soil degradation. The country does not have a strategy paper for sustainable use of resources and natural values which is identified as a need in the Law on Environmental protection of the Republic of Serbia.

Further harmonization of national legislation with that of the EU is needed. Need has been identified to sign and ratify the following conventions and protocols, which implies also undertaking a responsibility for implementation:

- Convention on Protection and Use of Cross-Border Watercourses and International Lakes, Helsinki, 1992.
- Framework Agreement for the Sava River Watershed, 2002.
- UN Convention to Combat Desertification in Countries Experiencing Severe Draught, Paris, 1994.

### *Review of strategy documents*

#### **Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

The criterion is included in NSEU. The chapter **Agriculture** identifies as one of the strategic objectives the protection of the environment against the effects of agricultural production. The identified instruments are related to the Strategy for Development of Agriculture. The chapter **Energy sector** recognizes as one of the priority objectives the use of the hydro-potential of small watercourses and bio-mass as renewable resources. It states that this is one of the priorities whose implementation is a pre-condition for development of the energy sector in the coming period. The identified instruments are related to the Strategy for Development of the Energy Sector up to 2015 and it states that there are plans to develop an environmental

program for the energy sector. Since Serbia has signed the Agreement to establish the energy community with countries of the SEE at the end of 2005, it is expected that Serbia will, within the identified deadlines, implement the relevant EU environmental regulation. In the chapter on the **environment**, the objectives refer to the adoption of laws on waters, forests, fishing (sustainable use and protection of the fish fund), forests strategy, as well as action plans based on the Law on Environmental Protection. The objectives also include development of full cooperation on protection and sustainable use of the rivers Danube, Sava, Drina and Tisa. One of the objectives is to develop a national strategy for sustainable use of natural resources and goods.

#### **National Poverty Reduction Strategy Paper (PRSP)**

This criterion is fully incorporated in the **PRSP**. The chapter referring to the environment includes objectives relevant to the preservation and sustainable use of renewable resources (sustainable use of soil, sustainable management of forest resources, sustainable approach to quality drinking water, environmental sustainability) according to the Millennium Development Goals. Implementation of the PRSP with respect to the environment is reflected in investments in infrastructure for water supply, waste water treatment and programs for clean up of environmental hot spots. In order to achieve better waste managements, several projects have been co-financed for rehabilitation and remediation of municipal landfills and preparation of design documents for regional sanitary waste landfills.

#### **National Environmental Strategy (NES)**

This criterion is fully integrated in the **NES**. There is not sufficient emphasis on the potential of renewable resources in Serbia. The objectives in the area of water refer to harmonization of national regulations with those of the EU, establishing a sustainable use of sources of ground water, improving the quality of water in watercourses, treatment of municipal waste waters with significant effect on the direct recipient and the quality of water in settlements with over 100.000 equivalent inhabitants, except settlements discharging into the Danube and Sava rivers, increasing the degree of coverage by public sewerage systems, sanitary quality of drinking water in line with the Drinking Water Directive 98/83/EC etc., the adoption of strategic planning documents in the fields of forestry and hunting. These objectives include: preservation, improvement and increasing the existing forests (increasing the area under forests and improving forest structure), introducing sustainable forest management systems, introducing modern monitoring in forestry and hunting, improving management in hunting and fishing, reducing the discharge of nutrients and other harmful substances according to the Directive 91/676/EEC, introducing controlled production systems and controlled use of fertilizers on farming land in order to reduce the environmental impacts, etc. The strategy identified institutional, economic and incentive instruments and provided cost estimates for the achievement of all objectives, as well as monitoring and implementation. It states the need to implement the „polluter pays“ (fee for pollution) and „user pays“ principles (the use of resources has its price: water, wood, etc.). Detailed action plans are in the process of preparation.

#### **Local Sustainable Development Strategy (LSDS)**

This criterion is included in the LSDS strategy. **LSDS** objectives include introducing economic instruments as incentives for rational resources management, promotion of rational consumption (stimulation for the use of renewable resources), protection and

use of natural resources according to principles of sustainable development and support to the promotion of sustainable use of resources. It identifies measures and activities needed for the achievement of objectives and time frames for implementation. It does not provide a consideration of monitoring implementation and cost estimates.

**Health Care Strategy – Better Health for All in the Third Millennium (HS)**

HS does not explicitly deal with this criterion, but it does make reference to the Millennium Development Goals, one of which is environmental sustainability.

**National Plan Action for Children (NPAC)**

NPAC does not explicitly deal with this criterion, but it does make reference to the Millennium Development Goals, one of which is environmental sustainability.

**Social Protection Development Strategy (SPDS)**

SPDS does not explicitly deal with this criterion, but it does state that the Ministry of Labor, Employment and Social Policy, in cooperation with the Ministry of Science and Environmental Protection, shall cooperate towards achievement of goals identified in the NES, by taking part in the development of action plans.

**Food Safety Strategy (FSS)**

FSS does not explicitly deal with this criterion.

**Serbian Energy Sector Development Strategy up to 2015 (SESDS)**

This criterion is included in the SESDS. SESDS is fully harmonized with the NSEU. One of the priorities is the use of hydro potential and the construction of small hydro power plants. One of the objectives is an increased share of new, renewable energy sources. The strategy includes institutional, economic, organizational and system instruments for the achievement of objectives.

**Serbian Agriculture Development Strategy (SADS)**

The criterion is included both in the part dealing with agriculture and in the part dealing with forest and water resources. The objective of this strategy is identical to that of the NSEU. The sustainability concept is an integral part of development programs for all forms of agricultural production, it has to include environmental impact assessment and promote environmentally friendly technologies. The support in all measures for market based management is now accompanied with achieving the legally prescribed standards for environmental protection, food safety, plant and animal health, and animal welfare. It also includes a new explicit requirement for agricultural producers: to maintain the soil in good farming and *environmental* state („cross-matching“ implies the obligation that lasting meadows and pastures are not transformed into farming land and that the budget subsidies in agriculture are opened gradually for protection and improvement of the environment). The strategy includes an action plan and implementation time frame, but not a cost estimate. The strategy is general, while specific measures for implementation and elaborated solutions should be provided through the Law on Agriculture and the National Program for Development of Agriculture.

The Strategy includes a chapter of Management of **forest resources**, which is fully compatible with the Serbian Forestry Policy, and a chapter on Water resources Management.

The objectives identified in the chapter on **water resources** include: providing adequate drinking water; providing infrastructure pre-conditions to stabilize agricultural production; improving social and economic infrastructure in the area of water; harmonization with EU standards (a good *environmental* water status) and starting up a new investment cycle in the country. It sets out the principles in the field of development of the water sector and the reform objectives. Principal reform objectives in the water sector are to be implemented through: the sustainable water management policy, economic growth, EU integrations and establishment of a water system compatible with the EU requirements; sustainable water management – achieving a good *environmental* water status: through construction of waste water treatment plants; improved water supply (increasing the water volumes and improving water quality); increasing territory under irrigation; improving the level of water protection systems (flood control, irrigation) and improvement of other areas (erosion, etc.), as well as establishing a system compatible with EU requirements: compatible regulation, institutions, financing system, and organization of the water sector. The stated objectives are to be achieved through valuation of water resources and process in the field of water, with adequate legal, financial, organizational and policy pre-conditions and mechanisms. A draft Law on Water and Law on Financing of the Water Sector have been prepared. It is proposed that a Water Fund be established. The objectives accompanied with action plans are the following: to create a self-sustainable organization for management of water resources which would be in a position to meet the needs of users, improve the status of resources and develop the forest sector, to protect the environment against pesticides and veterinary medicinal products.

#### **Water Management Policy Document (WMPD)**

The criterion is included. **WMPD** is a strategy paper for water supply in Serbia in the period 2002-2012. In order to meet the growing demand and to provide a higher coverage by water supply systems, the document recommends the continuation of development of the water supply systems, which was initiated during the 1980s, in those regions where the capacities of local sources are exceeded. It recommends to finalize construction of all accumulation lakes where construction started (for instance, Stubo Rovni, Prvonek, Selovabut). It also recommends comprehensive activities regarding the protection, melioration and renewal of ground water sources, induction of artificial filling and use of modern treatment technologies where necessary. The strategy plans that by 2012 the sewer network covers 82 % of the population. Revenues from water supply services at present do not cover the operative costs. A price reform needs to be implemented and the collection rate increased in order to resolve financial issues. In this respect, it is very important to protect poor categories of population and provide adequate subsidies for those categories which will not be able to take such a burden.

#### **Serbian Forestry Policy (SFP)**

The criterion is included. The principal objectives of the **SFP** are preservation and improvement of the status of forests and development of forestry as a sector of the economy, increase of the share of the forestry sector to the economic and social

development (increase the territory under forests, increased productivity, etc.), increase the level of sustainable management of state owned forests through their preservation, improvement and growth, establish an efficient system of support to private forest owners in order to meet personal and general interests and achieve sustainable management, education of qualified staff for the forestry sector which will be able to efficiently meet the objectives of sustainable management of forest resources, create a sustainable and financially efficient sector of wood industry which will be competitive on the global market and thereby contribute to the forestry sector, environmental protection and development of the local economy. The strategy identified specific measures for the achievement of objectives, it identified the instruments and implementation, the roles and responsible institutions in the forestry sector. The strategy lacks more detailed action plans and cost estimates.

### **Serbian SME and Entrepreneurship Development Strategy (SMES)**

SMES does not explicitly deal with this criterion.

### **National Strategy of Waste Management (NWMS)**

NWMS supports this criterion through its promotion of use and recycling of waste with the aim of preserving natural resources.

## **III Criterion: The consumption of non-renewable resources (oil and gas, coal, metal raw materials, non-metal raw materials) should be maintained below the level of potential growth of substituting renewable resources**

### *The present situation*

**Oil and gas** are concentrated primarily in Vojvodina, in the area of Banat. Oil balance reserves are estimated at about 9.5 million tons, and of gas at about 200 billion m<sup>3</sup>. **Coal** consists predominantly of lignites (95% of all available resources). A favorable tectonic structure, high depth of layers and potential for surface exploitation are the characteristics of lignite deposits. The coal basins are: Kolubarski, Kovinski and Kostolački basins (lignite); Sokobanjski, Sjenički, Lubnički, Rembas and Krepoljinski basins (dark coals) and Ibarski basin (stone coal). Economic reserves of lignite in the mines of Kolubara and Kostolac are sufficient for a period of approximately 50 years. An example of unsustainable use of resources is the floating ash from coal burning power plants. At present, all quantities of floating ash (a by-product of coal burning) are disposed of in ash deposits in the vicinity of power plants. According to the data available, such landfills cover a total of 1,800 hectares. The cement plant Holcim Popovac has started with the use of alternative fuels as a substitute for fissile fuels. **Metal raw materials** (black and colored metals) are located at numerous layers in Serbia. Copper is economically most significant, and is located in the Majdanpečko-Borska and Ridanjsko-Krepoljinska zone. A similar economic significant can be attached to lead and zinc, with numerous deposits and 13 active mines. Among molybdenum layers, Mačkatica is the biggest one in South-East Europe. There is also the ore of mercury, cinabarite. Aluminium ore, bauxite, has limited reserves. Occurrences and layers of gold, platinum and palladium are located in eastern part of Serbia. The remaining economic reserves are considerable, but require underground exploitation. **Non-metallic raw materials** – have numerous and versatile layers. Of greatest economic significant are those of: magnezite, dolomite, phosphorite,

considerable reserves of cement shale, lime, quartz sand, clays, fluorite, technical and architectural stone, etc. The mining basins in Serbia are characterized by long mass exploitation. Intensive exploitation of minerals, apart from depletion of non-renewable natural resources and pollution of water, air and soil, has also caused significant degradation of land. Most of the terrain is degraded in surface mining of coal and copper ore. Great areas are covered with tailings which, in most cases, are disposed of in inadequate locations.

Further harmonization with EU regulation is needed.

### ***Review of strategy documents***

#### **Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

The criterion is included in the NSEU. The section Sector Policies – **Energy Sector**, states that the scope and structure of energy reserves are very unfavorable. Institutionally, The Energy Efficiency Agency supports and promoted the use of renewable energy sources. Strategic priorities of energy policy fully support this criterion which is to be achieved through: rational use of high quality energy sources; selective use of new and renewable energy sources, reducing negative environmental impacts; gradual introduction of *environmentally-friendly technologies, etc.* Strategic objectives in the chapter on the **environment** refer to the need to adopt strategy papers for sustainable use of natural resources and to the adoption of action plans for sustainable energy management.

#### **National Poverty Reduction Strategy Paper (PRSP)**

The criterion is included. One of the objectives of the **PRSP** is to ensure environmental sustainability. Fundamental objectives until 2015 include increased energy efficiency and reduced use of solid fuels in households, which will lead to lower use of non-renewable resources.

#### **National Environmental Strategy (NES)**

The criterion is included. **NES** recognizes the lack of Strategy for sustainable use of resources and goods, which is identified as one of the NES objectives. The chapter on **energy sector** includes objectives relevant to increasing the use of renewable energy sources and gas, connection of individual households in towns with over 20000 inhabitants to distant heating systems, increasing energy efficiency and reducing heat losses in boiler houses and distribution network, increasing the energy efficiency of the energy sector and reducing waste generation, using 20% of fly ash from power plants by 2010. The strategy identified instruments for achievement of these objectives, cost estimates and time frames for implementation. Detailed action plans are in the process of development.

#### **Local Sustainable Development Strategy (LSDS)**

The criterion is included explicitly in the strategy. **LSDS** includes objectives of introducing incentive instruments to support rational management of resources, protection and use of natural resources according to principles of sustainable development, support to promote sustainable use of resources. The strategy includes measures and activities for the achievement of objectives and time frames for implementation. It lacks cost estimates and monitoring of implementation.

**Health Care Strategy – Better Health for All in the Third Millennium (HS)**

HS does not deal with this criterion, but it does make reference to the Millennium Development Goals, one of which is environmental sustainability.

**National Plan Action for Children (NPAC)**

NPAC does not deal with this criterion, but it does make reference to the Millennium Development Goals, one of which is environmental sustainability.

**Social Protection Development Strategy (SPDS)**

The criterion is not included, but SPDS does state that the Ministry of Labor, Employment and Social Policy, in cooperation with the Ministry of Science and Environmental Protection, shall cooperate towards achievement of goals identified in the NES, by taking part in the development of action plans.

**Food Safety Strategy (FSS)**

FSS does not deal with this criterion.

**Serbian Energy Sector Development Strategy up to 2015 (SESDS)**

The criterion is included. The objectives of SESDS include rational and efficient use of energy, promotion of renewable energy sources for the purpose of conservation of non-renewable sources of energy. It includes decreased use of fossil fuels, while electrical energy and new, renewable energy sources have an increasing trend. The Strategy is compatible with NSEU and PRSP. According to the Law on Energy Sector, there is an obligation to adopt a Program for rational use of energy and increasing energy efficiency, Program for selective use of new renewable sources of energy, and Program of environmental protection. This program considers conditions and ways of environmental protection in the context of energy facilities etc. The Strategy includes instruments for implementation, measures/activities, cost estimates of required investments, reform time schedule, financing and monitoring of implementation.

**Serbian Agriculture Development Strategy (SADS)**

SADS does not explicitly deal with this criterion.

**Water Management Policy Document (WMPD)**

WMPD does not explicitly deal with this criterion.

**Serbian Forestry Policy (SFP)**

SFP does not explicitly deal with this criterion.

**Serbian SME and Entrepreneurship Development Strategy (SMES)**

SMES does not deal with this criterion.

**National Strategy of Waste Management (NWMS)**

NWMS supports this criterion as it promotes use and recycling of waste for the purpose of preservation of natural resources.

#### **IV Criterion: Any impact of emissions and toxic substances on the environment and human health should be reduced to the safe level (air pollution, climate change, ozone layer depletion)**

##### *The present situation*

The major sources of **air pollution** include: power generation plants (power plants, district heating plants), oil refineries, chemical industry, products of burning fossil fuels in households, industry, individual boiler houses, traffic, construction, inadequate storage of raw materials, waste landfills, etc. The greatest air pollution results from burning low quality lignites (power plants in Obrenovac, Lazarevac and Kostolac) and motor fuels. The ambient air quality is a result of emissions of SO<sub>2</sub>, NO<sub>x</sub>, SO, soot, dust, etc from power facilities and industrial plants. **Climate changes and depletion of the ozone layer** – there is no national cadastre of air pollution emission for "greenhouse gases", list of substances depleting the ozone layer, and there is lack of financial incentives to reduce emissions. The existing emissions and ambient air regulations are not harmonized with the regulation of the EU, while incomplete monitoring and its inadequate implementation give an inaccurate picture of the degree of air pollution in Serbia. Regulations have been adopted for emission charges, waste water discharge and waste generation (the „polluter pays“ principle). These charges are revenues of the Environmental Protection Fund.

Further harmonization of the national regulations is needed with the regulation of the EU. The strategy identified the need to ratify the following conventions and protocols:

- Convention of Environmental Impact Assessment in a Transboundary Context, Espo, 1991.
- The Quito Protocol to the UN Framework Convention on Climate Change, 1997.
- Amendments to the Vienna Convention on Ozone Depleting Substances (London amendment, 1990, Copenhagen amendment, 1992., Beijing amendment, 1999.)
- Protocols to the Convention on Long-Range Transboundary Air Pollution, Geneva, 1979 (The Convention was ratified in 2001)
  - Protocol on reduced emission of sulphur and its transboundary flows by at least 30 %, Helsinki, 1985.
  - Protocol on reduced emission of nitrogen oxides and their transboundary flows, Sofia, 1988.
  - Protocol on emission control for volatile organic compounds and their transboundary flows, Geneva, 1991.
  - Protocol on further reduction of sulphur emissions, Oslo, 1994.
  - Protocol on heavy metals, Aarhus, 1998.
  - Protocol on persistent organic pollutants, Aarhus, 1998.
  - Protocol on reduction of acidification, eutrophication and ozone, Gothenburg, 1999.

##### *Review of strategy documents*

### **Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

The criterion is included, although it is not integrated to the same degree in the different chapters. The chapter **Energy Sector** makes emphasis of the need to implement measures for the ratification of the Quito Protocol, as a major step towards achieving sustainable development as it implies long-term reduction of greenhouse gases emissions, in order to establish an environmentally acceptable energy sector. The chapter **Environment** includes, among its objectives, the ratification of international agreements – 26 identified as priority, primarily the Quito Protocol. The chapter **Industry** does not include the need to implement the Law on Integrated Pollution Prevention and Control, as a major item in achieving sustainable development, nor the introduction of environmental management systems in enterprises. Strategy does not deal with the issues of environmental pollution caused before privatization, nor the introduction of cleaner technologies and environmentally-friendly technologies. The industry can not be competitive on the market if it does not comply with environmental standards and if it has not resolved the issues of obsolete and „dirty“ technologies. The chapter **Transportation** states the need to develop a strategy paper for development of a national transportation system. Adoption of strategy papers on transport and construction of relevant infrastructure would result in reduced air emissions. The chapter **Environment** identifies as one of the objectives the monitoring of the implementation of the Law on environmental impact assessment, strategic environmental assessment and IPPC. There is a separate objective to improve the integration of environmental considerations into other sector policies and to raise environmental awareness among all segments of society. Another objective refers to the adoption of strategy papers on climate change. It does not include instruments and cost estimates. The environmental chapter refers primarily to the legislative-legal framework and the institutional framework. It lacks economic incentives, financing mechanisms and infrastructure requirements.

### **National Poverty Reduction Strategy Paper (PRSP)**

The criterion is included. One of the goals of the **PRSP** is to ensure environmental sustainability. The identified tasks until 2015 imply the increase of energy efficiency and reduced use of fossil fuels in households, which will be reflected in reduced air emissions.

### **National Environmental Strategy (NES)**

The criterion is explicitly included. A cadastre of polluters should be developed for Serbia in order to enable a true implementation of the „polluter pays“ principle, and a National Program is needed for Climate Change. Other objectives include: harmonization of national air quality and air emission regulation with the EU, improved monitoring program and the assessment of ambient air quality, modernization of the monitoring and laboratory network and installation of automatic measuring stations for continued monitoring of ambient air quality, improved air quality according to reduced emission standards from the sectors of energy, industry, transport, etc., adopt and implement international agreements on air protection, climate change and the ozone layer, gradual elimination of leaded petrol by 2010, improve fuel quality according to Directive 2003/17/EC etc. The NES identifies instruments needed for achievement of policy objectives, as well as cost estimates, monitoring and implementation. The assessed share of expenditures for implementation of the NES in the year 2005 is 0.1%, in 2009 -1.2 %, and in 2014 –

2.4%. The required investments for implementation of NES and the % share in GDP are estimated based on the assumption that by 2014 EU standards should be achieved to such a level that would enable negotiations on accession. Other SE European countries invested an even higher share of their GDP (Slovenia 1.3% -2001). Detailed action plans are in preparation.

#### **Local Sustainable Development Strategy (LSDS)**

The criterion is included. **LSDS** goals include improvement of the environment, through development of LEAP-s, introduction of monitoring systems and measures of environmental protection and improvement (undertaking of measures whereby the environmental impacts are minimized). However, the objectives are not accompanied by implementation instruments and do not include cost estimates for implementation.

#### **Health Care Strategy – Better Health for All in the Third Millennium (HS)**

The criterion is included. **HS** deals with the environmental issues and their impact on human health. Objective number 10 refers to the environment. Assessments made by experts of the Belgrade Institute of Public Health indicate that about 15% of deaths may be related to or are caused by air pollution (Jentzen). Special attention must be paid to environmental factors such as: housing, adequate diet, working conditions, drinking water supply, adequate waste disposal, and control of environmental pollution. Specific measures may be designed to target specific diseases, such as safe food production aimed at preventing disease by food, use of work safely equipment, etc. Within the objective identified as providing and enhancing just and equal access to health care for all citizens of Serbia and improved health care for vulnerable population there is a section Environment and Health, recognizing the need to adopt the food safety law and strategy paper. The specific implementation of the environmental objectives is not elaborated as it is within the competences of the Department for Environmental Protection, but it is stated that the Ministry of Health will cooperate in the development of strategies and programs relevant to this significant aspect of public health. There is no recognized need for the development of a National Environmental and Health Action Plan (NEHAP), which is one of the objectives of the World Health Organization stated in the document European Health in the 21<sup>st</sup> century. The Strategy does not provide cost estimates for implementation or monitoring of implementation.

#### **National Plan Action for Children (NPAC)**

The criterion is included implicitly. In the section on international obligations, the **NPAC** only makes mention of the UN Millennium Development Goals and the Environmental Action Plan and Child Health in Europe. One of the specific objectives is to provide a safe, supporting, non-violent environment for the growing up of children indicated by the incidence of respiratory disease in children. The plan however, does not include instruments whereby the objectives are to be achieved. There is lack of strong link with the objectives of the UN Convention on the Rights of Children (the right to a healthy environment): access to adequate drinking water, access to better sanitation, municipal waste disposal.

#### **Social Protection Development Strategy (SPDS)**

The criterion is not included, but it does state that the Ministry of Labor, Employment and Social Policy, in cooperation with the Ministry of Science and Environmental

Protection, shall cooperate towards achievement of goals identified in the NES, by taking part in the development of action plans.

**Food Safety Strategy (FSS)**

The criterion is included implicitly in the FSS.

**Serbian Energy Sector Development Strategy up to 2015 (SESDS)**

The criterion is included. **SESDS** has identified measures and instruments needed to achieve the objectives of energy sector policy, including the need to ratify the Quito Protocol and implement the obligations resulting from it, including institutional setups in order to have access to incentives and benefits under specific mechanisms of the Protocol, as well as rational and efficient use of energy. The Strategy is compatible with the NSEU and PRSP. It specifies the legislative, institutional, economic, organizational and system instruments for the achievement of objectives. According to the Energy Sector Law, there is an obligation to adopt the Program for rational use of energy and improved energy efficiency, Program for selective use of new renewable sources of energy and Program of environmental protection. This program considers conditions and ways of environmental protection in the context of energy facilities etc. The Strategy includes instruments for implementation, measures/activities, cost estimates of required investments, reform time schedule, financing and monitoring of implementation.

**Serbian Agriculture Development Strategy (SADS)**

The criterion is included implicitly in the SADS.

**Water Management Policy Document (WMPD)**

The criterion is included implicitly in the WMPD.

**Serbian Forestry Policy (SFP)**

The criterion is included implicitly in the SFP.

**Serbian SME and Entrepreneurship Development Strategy (SMES)**

SMES does not deal with this criterion.

**National Strategy of Waste Management (NWMS)**

The criterion is included implicitly in the NWMS.

**V Criterion: The impact of environmental accidents should be reduced and the environmental risk may be acceptable only to the extent that in the worst possible situation there is no permanent damage to the environment (chemicals, waste, hazardous waste, noise, ionizing and non-ionizing radiation, incidents)**

*The present situation*

There is no comprehensive information on activities relevant to **chemicals management**. The use and consumption patterns are deduced from interviews and surveys and do not provide a full picture of these activities. The initial cadastre of hazardous substances was developed in 2000. Industrial (chemical and petrochemical) and energy generating facilities potentially cause major environmental **accidents** and

risks. Numerous accidents causing environmental pollution are reported during the transport of hazardous substances. About 60-70 % of municipal **waste** in Serbia is collected (about 2.2 million tons per year). The waste collection is organized in towns, while in rural areas it does not exist. Waste generated in rural areas is burnt in backyards. Waste disposal sites do not meet the technical requirements of sanitary landfills. There is no reliable source of information concerning the quantities of **hazardous waste** generated by industry. It is estimated that Serbia generates 460,000 t/year of hazardous industrial and medical waste. There is no facility for treatment and disposal of hazardous waste, nor an adequate storage capacity. Hazardous waste is stored temporarily in inadequate storages (some of which exist for several decades). About 6-7 tons of fly ash is disposed inadequately annually from power plant.

**Ionizing and non-ionizing radiation** – Of the total number of sources of ionizing radiation used in the Republic of Serbia about 80% are used in medicine, and about 15 % in industry and 5 % in other activities. The major problem is the radioactive waste that is stored temporarily in the Institute for Nuclear Science "Vinča". There are 4 sites contaminated with depleted uranium. The field of non-ionizing radiation is not dealt with in laws, which additionally deters the resolution of problems related to the installation and use of base stations in mobile telephony. The information regarding the level of **noise** in Serbia is limited as noise levels are monitored only in a few big towns (Belgrade, Novi Sad, Niš and Subotica). Reliable information on noise levels in locations of industry facilities, airports and major roads are not available.

Further harmonization of the national regulations is needed with the regulation of the EU. The strategy identified the need to ratify the following conventions and protocols:

- Convention on Transboundary Effects of Industrial Accidents, Helsinki, 1992.
- Rotterdam Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade, 1998.
- Convention on Persistent Organic Pollutants, 2001.
- Protocol to the Basel Convention on Liability for Damages due to Transboundary Movement of Hazardous Waste and its Disposal, 1999.
- Protocol on Cadastre of Pollution and Transfer of Pollutants – PRTR, Kiev, 2003.

### *Review of strategy documents*

#### **Serbian National Strategy for Accession of Serbia and Montenegro to EU (NSEU)**

The criterion is included. The goals identified in the NSEU in the chapter of **environment** include adoption of legislation on waste management, chemicals management, non-ionizing radiation, protection against ionizing radiation, and nuclear safety, protection against noise and vibrations, as well as action plans required by the Law on Environmental Protection. The strategy lacks specific objectives. It states institutional instruments needed for achievement of goals.

#### **National Poverty Reduction Strategy Paper (PRSP)**

The criterion is included. **PRSP** recognizes that there is lack of Strategy for mitigation of consequences of floods and earthquakes (readiness, mitigation of consequences, recovery and reconstruction). Clean up of environmental hot spots is included in the cost estimates for the implementation of the Strategy. The Roma communities have no

or only limited access to sanitation and utility services, and the major problem is the lack of access to electricity, water, sewerage and waste disposal. The strategy identifies areas requiring investments, but it does not elaborate the mechanisms needed. The cost estimates for the investments in the period 2004-2006 equal 0.1% of the GDDP (for clean up of hot spots and harmonization of legislation with EU).

### **National Environmental Strategy (NES)**

The criterion is included. The chapters of the **NES** dealing with management of **chemicals** and protection against **accidents** has identified policy objectives to set up and develop an information system, build professional and institutional capacities for management of chemicals, establish and develop risk management systems and response to chemical accidents in industry and transport. The chapter dealing with **waste** identified policy objectives including development of integrated regional waste management plans, increasing the coverage of population covered by waste collection systems to 80 %, establishing a national capacity for treatment of hazardous waste, development of waste recycling, composting, etc. The chapter dealing with **noise** identified the following objectives: establish noise zones in settlements and a system of noise monitoring, establish targeted noise monitoring in most frequent traffic routes, reduce noise emission in locations mostly effected. In the chapter dealing with **ionizing and non-ionizing radiation** the objectives include: developing a program of management of radioactive waste and provide capacities needed, implement full decontamination of soil contaminated with depleted uranium, modernize and extend the radioactivity monitoring network, etc. The strategy includes instruments for achievement of objectives, cost estimates and monitoring of implementation. The projected share of expenditures for the implementation of NES in the year 2005 is 0.1%, in 2009 it is 1.2 %, and in the year 2014 it is 2.4% of the DGP. The required expenditures for implementation of NES and the share of GDP are calculated on the basis of the assumption that by 2014 EU standards will be met in a level that will enable negotiations on accession. Other countries of SE Europe had investments representing an even higher share of the GDP (Slovenia 1.3%-2001.). Detailed action plans are being prepared.

### **Local Sustainable Development Strategy (LSDS)**

The criterion is partially included. The **LSDS** has among its objectives the development and upgrading of infrastructure and establishing standards in management of infrastructure systems. It lacks cost estimates and instruments needed to achieve the objectives.

### **Health Care Strategy – Better Health for All in the Third Millennium (HS)**

**HS** does not deal with this criterion, but it does make reference to the Millennium Development Goals, one of which is environmental sustainability.

### **National Plan Action for Children (NPAC)**

**NPAC** does not deal with this criterion, but it does make reference to the Millennium Development Goals, one of which is environmental sustainability.

### **Social Protection Development Strategy (SPDS)**

**SPDS** does not deal with this criterion, but it does state that the Ministry of Labor, Employment and Social Policy, in cooperation with the Ministry of Science and

Environmental Protection, shall cooperate towards achievement of goals identified in the NES, by taking part in the development of action plans.

**Food Safety Strategy (FSS)**

The criterion is included. The environmental objectives are not identified explicitly. Since the year 2006, food safety standards, especially the HACCP, have become mandatory in the markets of the EU and the WTO, and manufacturers not having certificates of compliance with these standards will not be able to market their products outside the Serbian market. HACCP is a food safety system based on seven principles which efficiently enable full food safety in all segments of production and processing, from "farm to table". This makes it possible to identify all critical points for food contamination in all segments of production. All of these segments are closely linked with the state of the environment. The strategy objectives include: consumer health protection in Serbia, by reducing incidence of diseases passed on by food and food poisoning, while special emphasis has to be put on serious diseases which represent a threat to life, supporting the development of profitable and competitive food industry in Serbia by strengthening exports and substituting for imports.

**Serbian Energy Sector Development Strategy up to 2015 (SESDS)**

The criterion is included implicitly in the SESDS.

**Serbian Agriculture Development Strategy (SADS)**

The criterion is included implicitly in the SADS.

**Water Management Policy Document (WMPD)**

The criterion is included implicitly in the WMPD.

**Serbian Forestry Policy (SFP)**

The criterion is included implicitly in the SFP.

**Serbian SME and Entrepreneurship Development Strategy (SMES)**

SMES does not deal with this criterion.

**National Strategy of Waste Management (NWMS)**

The criterion is included in the strategy. The NWMS identified the strategic goals of waste management with emphasis on regional approach, which was adopted and implementation is under way. The strategy has identified priorities (construction of regional sanitary landfills, recycling centers, composting centers, hazardous waste treatment plant, waste incineration plant, etc.). The strategy identified measures and activities needed to achieve the goals. The Strategy did not estimate the expenditures. Implementation is under way but not according to time frames identified in the strategy. Waste management as identified in the NES is not in conflict with this strategy, but the time frames of implementation are different.

## CLOSING REMARKS

Twenty-two strategy papers that the Government of the Republic of Serbia adopted in the period 2002 – 2005 were reviewed on the basis of 15 criteria of sustainable development – five economic, five social and five environmental. The principal objective of the review was to assess the degree to which these strategy papers can be used in the forthcoming development of the National Strategy of Sustainable Development of Serbia. The assessments and recommendations in that respect are presented in the first part of this Report. Therefore, we here present only the principal findings and priorities which should in respect to their significance and identified gaps in the existing strategy papers, be integrated in the development of the National Strategy of Sustainable Development.

As it has already been decided that the Strategy of Sustainable development should rely on three pillars – knowledge-based economy, the social-economic component and the environmental protection – we believe that, above all, the following remarks should be made:

- The first pillar – knowledge-based economy – is the aspect that is the least elaborated in the existing strategic documents. The inclusion and partial elaboration of the significance of the human factor for increased efficiency and competitiveness of the Serbian economy and its integration in the global trends of economic and technological development is only partial and insufficient in the existing strategy papers. This pillar of sustainable development is yet to be developed, practically, from the beginning.

- The second, socio-economic pillar, of the future strategy of sustainable development may to a great extent rely on two comprehensive strategies – The Poverty Reduction Strategy Paper and the Serbian National Strategy for Accession of Serbia and Montenegro to EU. Other strategy papers should be consulted because they provide a more detailed analysis of specific components of socio-economic development.

- The third – environmental pillar – is analyzed in detail only in the draft National Environmental Strategy (NES), and is partly included also in the Poverty Reduction Strategy Paper and the Serbian National Strategy for Accession of Serbia and Montenegro to EU and in individual “sector” strategies.

1. The work on the economic pillar of the future strategy of sustainable development may to a great extent rely on two comprehensive strategies – The Poverty Reduction Strategy Paper and the Serbian National Strategy for Accession of Serbia and Montenegro to EU – because these strategies provide all relevant factors of economic development and its relation to social aspects of development. The second group of strategies - Strategy of Employment, Strategy of competitiveness, Strategy of the Energy Sector, Strategy of Agriculture – shall facilitate the authors of the Strategy of Sustainable Development in the analysis of individual sector and functional aspects of development.

Based on this fundamental finding, we believe that note should be taken of the following priority tasks in developing the economic pillar of the future Strategy of Sustainable Development:

- Development of new macroeconomic projections of Serbian economic growth (establishing consistent links between the economic growth rates and principal factors of growth and, on the other hand, maintaining internal and external macroeconomic equilibrium).
- Analysis of the degree of discrepancies in distribution of income and regional disparities in Serbia accompanied with recommendations for their mitigation (as such recommendations are extremely rare in the existing strategy papers).
- The issues of inter and intra generation solidarity from the point of view of the economic aspect of sustainable development should be considered from the beginning (as such recommendations are extremely rare in the existing strategy papers).
- The priorities identified in the Strategy of Sustainable Development should include, apart from knowledge-based economy, also all aspects of improving competitiveness of the Serbian economy, development of infrastructure and technological modernization of the Serbian economy.
- Special attention should be paid to the export strategy and strategy of attracting direct foreign investments, without which it is not possible to ensure sustainable economic growth in Serbia in the future period.
- The Strategy of Sustainable Development should identify solutions which at the same time provide improved competitiveness and increased employment, as one of the major socio-economic problems.
- On the basis of a critical analysis of the existing reforms of the economic system and building market institutions, the strategy should recommend a new approach of the Government which will provide a comprehensive economic system and institutional framework and provide for full protection of property and contract obligations.
- The strategy should recommend a strategy for Public-Private partnership (PPP) especially with respect to restructuring of the public sector and reform of social activities.
- The strategy should offer a new program for strengthening the professional capacity of the government in practicing its economic functions.
- The strategy should identify, for all three pillars of the strategy, assessment indicators based on which the implementation of the strategy is to be monitored.

2. Having in mind the social component of sustainable development and the present situation with respect to the existing strategy papers at republic level, the work of the work groups in developing the national strategy of sustainable development should be based, primarily, on the Poverty Reduction Strategy Paper and the Serbian National Strategy for Accession of Serbia and Montenegro to EU. All strategies that were subject to review may, despite the deficiencies stated in this report, be of use for specific «sector-related» considerations. Special attention should be paid to the following:

- Identify the key strategic priorities for strengthening social cohesion and stability through
  - Support to development of human resources, education and research. Strategic priorities in education and science should be identified, with special support to university programs for education of future experts in sustainable development.

- Strengthening reforms in the field of health and social protection, accompanied with elimination of social inequalities in the provision of health services. It is also necessary to consider measures and activities strengthening citizen's individual responsibility for their health.
  - Support to poverty reduction through measures and activities harmonized with the Poverty Reduction Strategy Paper in RS.
  - Promote strategic objectives related to support to increases birth rates. A more comprehensive strategy in this area is much needed.
  - Promote the development of culture and reform of cultural policy. A more comprehensive strategy in this area is much needed.
- Special attention should be paid to political responsibility for development, establishment and strengthening of relevant institutions, decentralization and public participation, through
- Building and strengthening of institutions at republic, but primarily at local level, responsible for planning and monitoring.
  - Identifying concrete measures supporting public participation in the planning and decision-making process.
  - Identify the status and competencies of the National Council for Sustainable Development, accompanied with strengthening of its role.

3. In view of the work of the work groups in the field of environmental protection, the key strategies are the draft National Environmental Strategy (NES), the Serbian National Strategy for Accession of Serbia and Montenegro to EU and the Poverty Reduction Strategy Paper, as well as all relevant sector strategies.

The principal task is to integrate the environmental considerations and considerations of sustainable use of natural resources into other sector policies.

Special attention should be paid to the harmonization of national regulation with those in effect in the EU, and ratify the priority conventions and protocols and their implementation.

The key priorities of the Strategy of Sustainable Development, in accordance with the Millennium Development goals, should be identified through:

- Reduction of air pollution, stabilization of climate changes and of the depletion of the ozone layer – strategy and action plans should be developed and relevant international agreements should be ratified;
- Reduced use of non-renewable and rational use of renewable natural resources – strategy should be developed for sustainable use of natural resources and goods;
- Promotion of renewable energy sources – emphasis should be made of country capacities and a strategy should be developed;
- Increasing energy efficiency – strategic objectives should be identified in accordance with the Strategy for the development of the energy sector up to 2015;
- Reducing the loss of biodiversity –strategy of nature and biodiversity protection should be developed and the relevant international agreements should be ratified;
- Improving the quality of drinking water and increase the share of population covered by water supply services – measures and activities

should be identified in accordance with the Poverty Reduction Strategy Paper and the Water Management Policy Document

- Treatment of municipal and industrial waste waters by constructing new and rehabilitating the existing waste water treatment plants and increase the share of the population connected to sewerage systems - measures and activities should be identified in accordance with the Poverty Reduction Strategy Paper, the National Environmental Strategy, and the Water Management Policy Document;
- Establishing an integral system for management of municipal and hazardous waste and chemicals – support should be provided to the implementation of NES, the Poverty Reduction Strategy Paper and the Strategy of Waste Management, and international agreements relevant to management of chemicals should be ratified;
- Support to sustainable production and consumption; support to cleaner production – a strategy for this field should be developed;
- Promote sustainable transport – a comprehensive strategy should be developed.

## References

1. Serbian Poverty Reduction Strategy Paper
2. Serbian National Strategy for Accession of Serbia and Montenegro to EU
3. National Strategy of Employment
4. Strategy for Competitiveness of Serbian Economy
5. National Environmental Strategy
6. Serbian Energy Sector Development Strategy up to 2015
7. Serbian Agriculture Development Strategy
8. National Strategy for Refugees and Internally Displaced Persons
9. Public Administration Reform Strategy in RS
10. Social Protection Development Strategy
11. National Anti-Corruption Strategy
12. Local Sustainable Development Strategy
13. Serbian SME and Entrepreneurship Development Strategy
14. Health Care Strategy – Better Health for All in the Third Millennium
15. National Plan Action for Children
16. National Strategy for HIV/AIDS
17. Vocational Education Policy and Strategy
18. Draft Strategy for Integration and Empowerment of Roma
19. Food Safety Strategy
20. Water Management Policy Document
21. Serbian Forestry Policy
22. National Strategy of Waste Management
23. UN Millennium Development Goals
24. Report on Implementation of Millennium Development Goals, 2005.