



INTEGRATED SDG INSIGHTS SERBIA

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.



HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

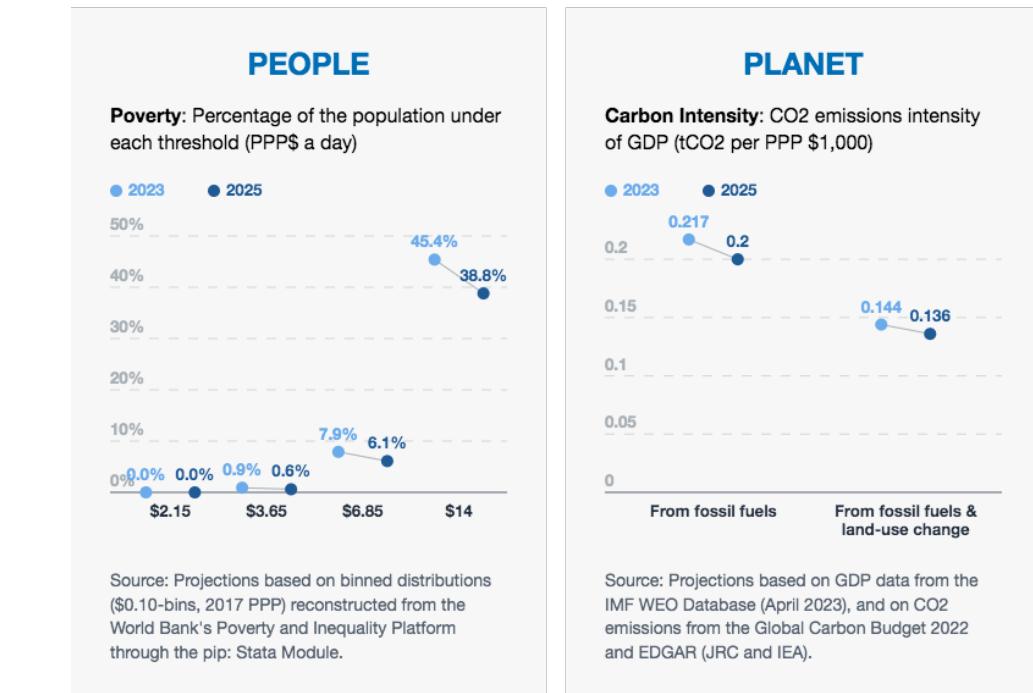
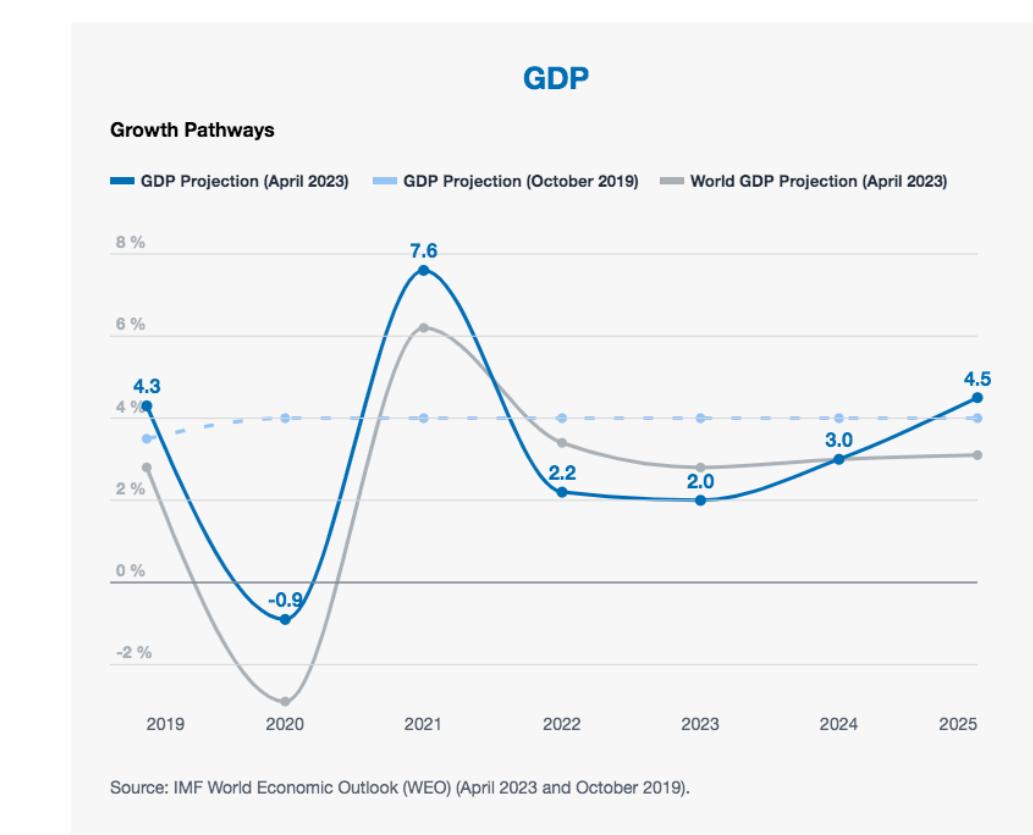
SDG MOMENT: SERBIA

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

Serbia's economic growth rate is projected to be in the 2-4% range during 2023-2025. This pace of growth would be slightly higher than what is forecast for the world economy during this time. Accordingly, Serbia's commitments to achieving the SDGs are focused on increasing people's well-being.

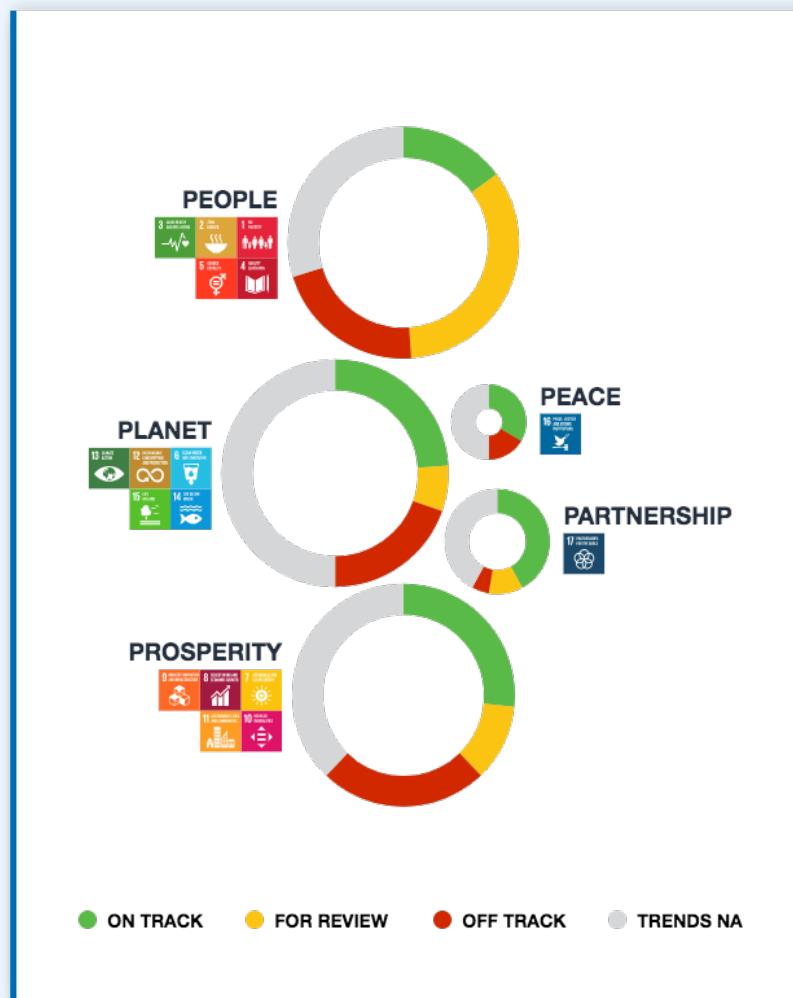
Serbia's pace of GDP growth is expected to contribute to the reduction of poverty at \$6.85 a day and to the share of people living under \$14 a day (i.e. in poverty and vulnerability-to-poverty). Moreover, the economic expansion would be somewhat less dependent on carbon emissions from fossil fuel usage as the country's carbon emissions intensity of GDP is expected to decline at annual rates of 3%-4%.¹

¹ CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



SDG TRENDS

Understanding how Serbia performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



SDG PRIORITIES

Serbia's national priorities are analysed by using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



Key documents for analysis:

1. Prime Minister's address to Parliament
2. Economic Reform Programme 2023-2025
3. Fiscal Strategy
4. Industrial Policy
5. Smart Specialization Strategy
6. Low carbon development strategy up to 2050

SYNERGY OF EU ACCESSION AND THE SUSTAINABLE DEVELOPMENT GOALS

- European integration and membership in the European Union represent the national interest and strategic commitment of the Republic of Serbia
- The Republic of Serbia acquired the status of membership candidate on 1 March 2012
- The Economic Reform Programme 2023-2025 is focusing on two key directions – EU accession and the SDGs
- An analysis of integrated policymaking for EU accession and achieving the SDGs points to the following:
 - About 65 percent of the SDG targets (109 of 169 targets), have a strong link with the chapters of the Acquis Communautaire
 - However, that means 60 targets – or 35% of the total – are not addressed through this process
 - These targets are mostly clustered in SDG 17 – Partnership for the goals, SDG 10 – Reduced inequalities and SDG 4 – Quality education
- Serbia's priorities for EU accession include the following:
 - Improve governance (rule of law and democracy)
 - Strengthen economic governance and trade integration
 - Upgrade human capital
 - Foster green growth



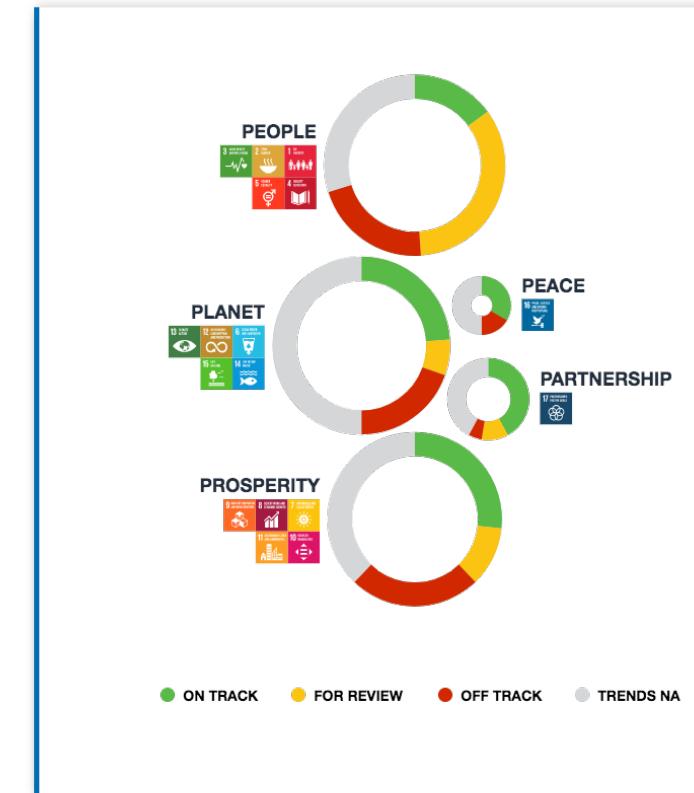
SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Serbia to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, Serbia's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Serbia:

- Target 4.4: Skills for employment
- Target 8.3: Promote development-oriented policies
- Target 12.2: Achieve the sustainable management and efficient use of natural resources
- Target 16.6: Develop effective, accountable and transparent institutions at all levels
- Target 16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels



ACCELERATION PATHWAYS



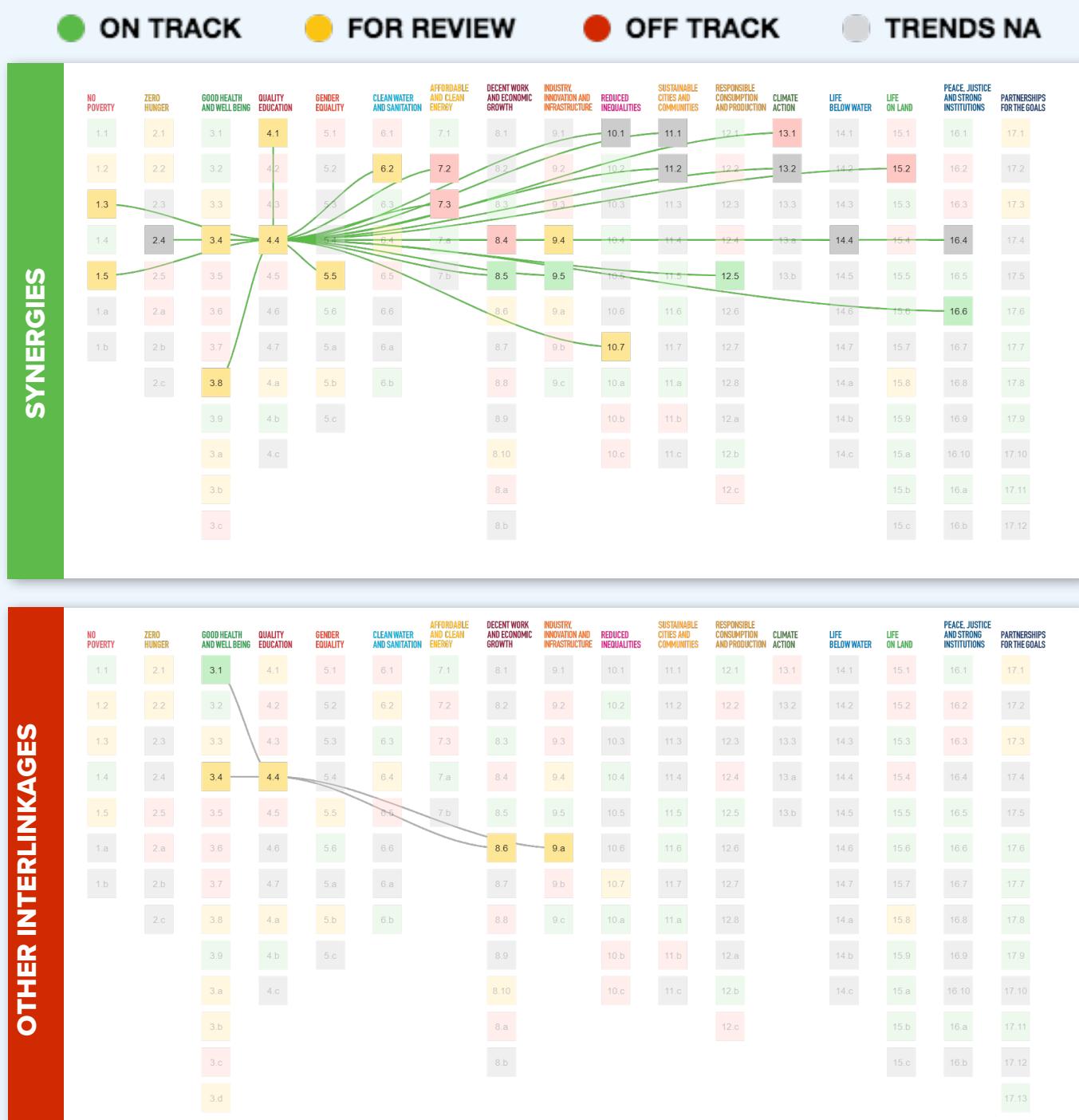
SDG INTERLINKAGES

4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

Investments in human capital is a crucial accelerator for the whole EU and SDG agenda for Serbia. Ensuring relevant skills (4.4) for youth is a key in the age of rapid economic and social changes. In the Organisation for Economic Co-operation and Development (OECD) Programme for International Student Assessment (PISA) 2018, Serbia lagged OECD averages in reading literacy (439 vs 487), in mathematics (448 vs 489), and in science (440 vs 489).

Investments in secondary education (4.1) and competitive skills (4.3) could help young people to set out on solid future paths, ensuring employment (8.6) and contributing to accelerating economic convergence with the EU (8.1).

Addressing evident differences (10.1) in education (see PISA 2018) by expanding options for boys and girls, including in science, technology, engineering, mathematics (STEM) and in information and communications technology (ICT) skills, will contribute to women's empowerment (5.5, 5.b). Sustainable urbanization, including transportation services (11.1, 11.2) and targeted inclusion policies for disadvantaged group (1.3, 10.3) will contribute to improving equality of opportunities.



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/SRB/synergies-and-tradeoffs>

SDG INTERLINKAGES

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

The policies for accelerated, inclusive and sustainable growth of Serbia's economy (8.3) are fully compatible with both the EU integration agenda and the SDGs and can serve as powerful catalysts for growth and development. These policies are aimed at achieving faster economic growth for convergence with the EU (8.1), and are based on increased agricultural productivity (2.3) and industrial productivity (9.2, 9.3).

Policies for sustainable growth also include those aimed at recognizing unpaid care and providing public care infrastructures and services (5.4), enhancing women's participation in decision-making and women's empowerment (5.5), including through STEM and ICT education (5.b), and ensuring them equal rights to access and control of resources (5.a).

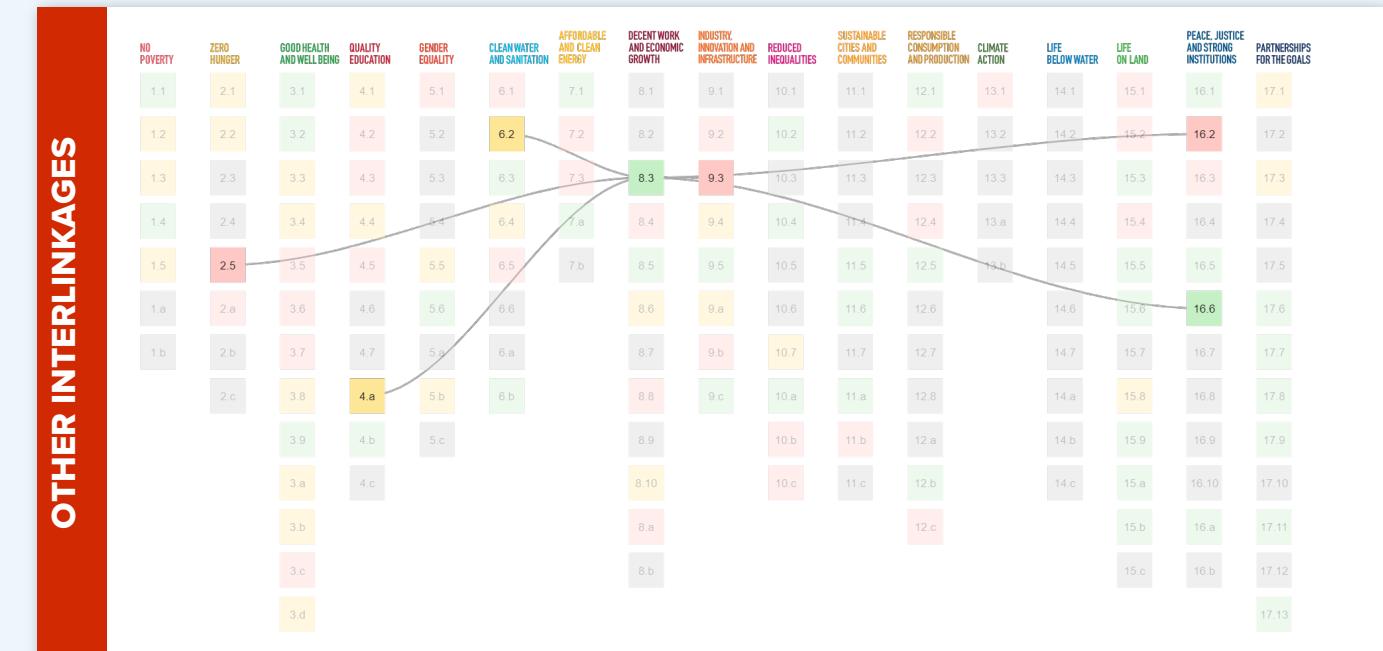
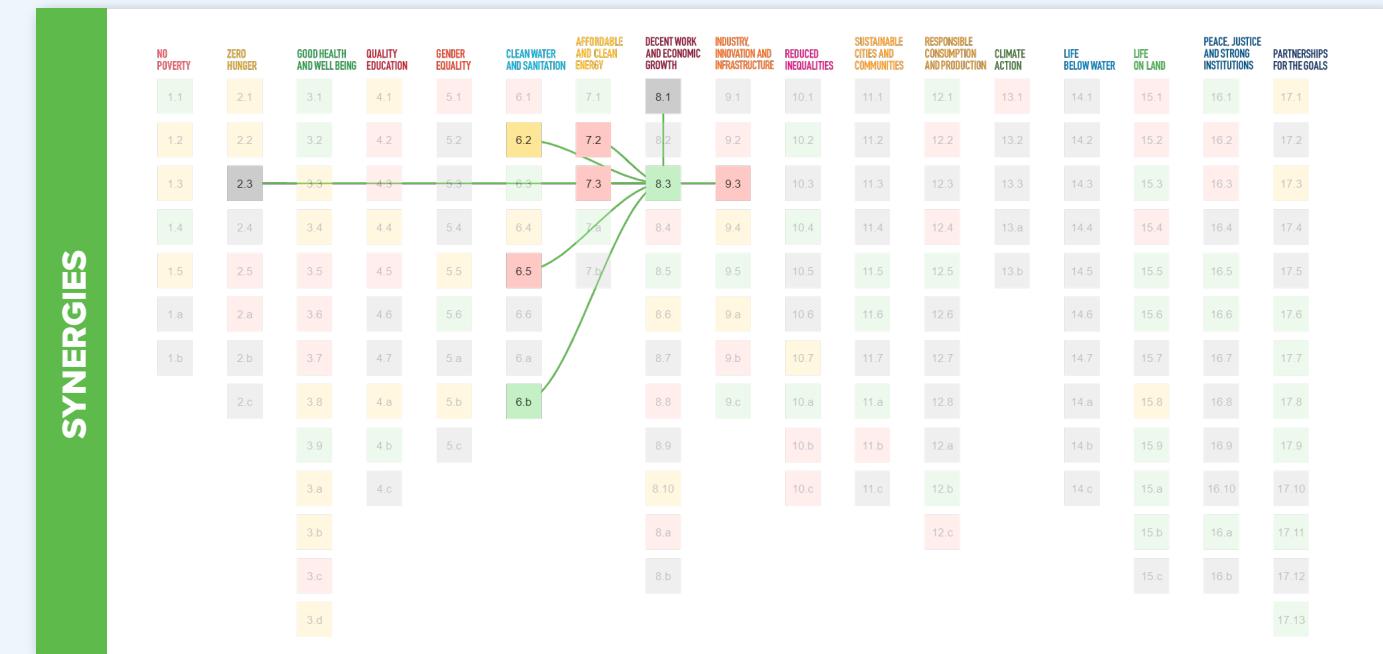
Digitalization, which lies at the heart of these policies, requires developing quality, reliable, sustainable and resilient infrastructures, including ICT (9.1, 9.c). Economic growth policies should resolve trade-offs with the quality of economic growth, namely global resource efficiency (8.4), increased energy efficiency (7.2, 7.3), and ultimately lead to decoupling economic growth from environmental degradation while ensuring climate resilience (13, 14, 15).

● ON TRACK

● FOR REVIEW

● OFF TRACK

● TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/SRB/synergies-and-tradeoffs>

SDG INTERLINKAGES

12.2: By 2030, achieve the sustainable management and efficient use of natural resources

The policies for accelerated growth would not be relevant if they were not delivering inclusive and sustainable growth. Target 12.2, focusing on sustainable use of natural resources, lies at the heart of the Green Economy. Progress in this area is closely linked with advancement in sustainable and inclusive agricultural practices (2.3, 2.4, 2.5), energy transition (7.2, 7.3), sustainable infrastructure (9.1, 9.4), an inclusive economy (1.4, 2.3, 4.4, 5.5, 10.3) and women's empowerment, being associated with women's participation in decision-making (5.5) and access to and control over natural resources (5.a).

The goal of the green economy is decoupling economic growth from environmental degradation while ensuring climate resilience (13, 14, 15).

Building a green economy requires short term trade-offs with the pressing needs of accelerated growth. It requires providing transition social protection measures to those affected by the transition (1.3), building skills for the future (4.4) and investments in sustainable infrastructure (9.1, 9.4) using innovative finances (17.3).



Explore the interlinkages a

<https://data.undp.org/sdg-push-diagnostic/SRB/synergies-and-tradeoffs>

SDG INTERLINKAGES

16.6: Build effective institutions and 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

Policies for achieving the SDGs require strong (16.6) and inclusive (16.7) institutions. Not surprisingly, SDG 16 is at the centre of both the SDGs and the EU Accession for Serbia, covered by chapters 23 – The judiciary and fundamental rights, and 24 – Justice, freedom and security. These two chapters are considered to be the backbone of the whole negotiation process.

Policy investments have a key acceleration effect across several SDGs through improving equality of opportunities and thus economic inclusion (10.1, 10.3) through implementation of specific policies aimed at women's empowerment and participation in decision-making (5.5), accompanied by policies aimed at reducing and redistributing unpaid care work (5.4), reducing territorial inequalities (11.2) and promotion and protection the human rights of the most vulnerable groups, such as Roma, children and LGBTIQ (10.3, 1.5).

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



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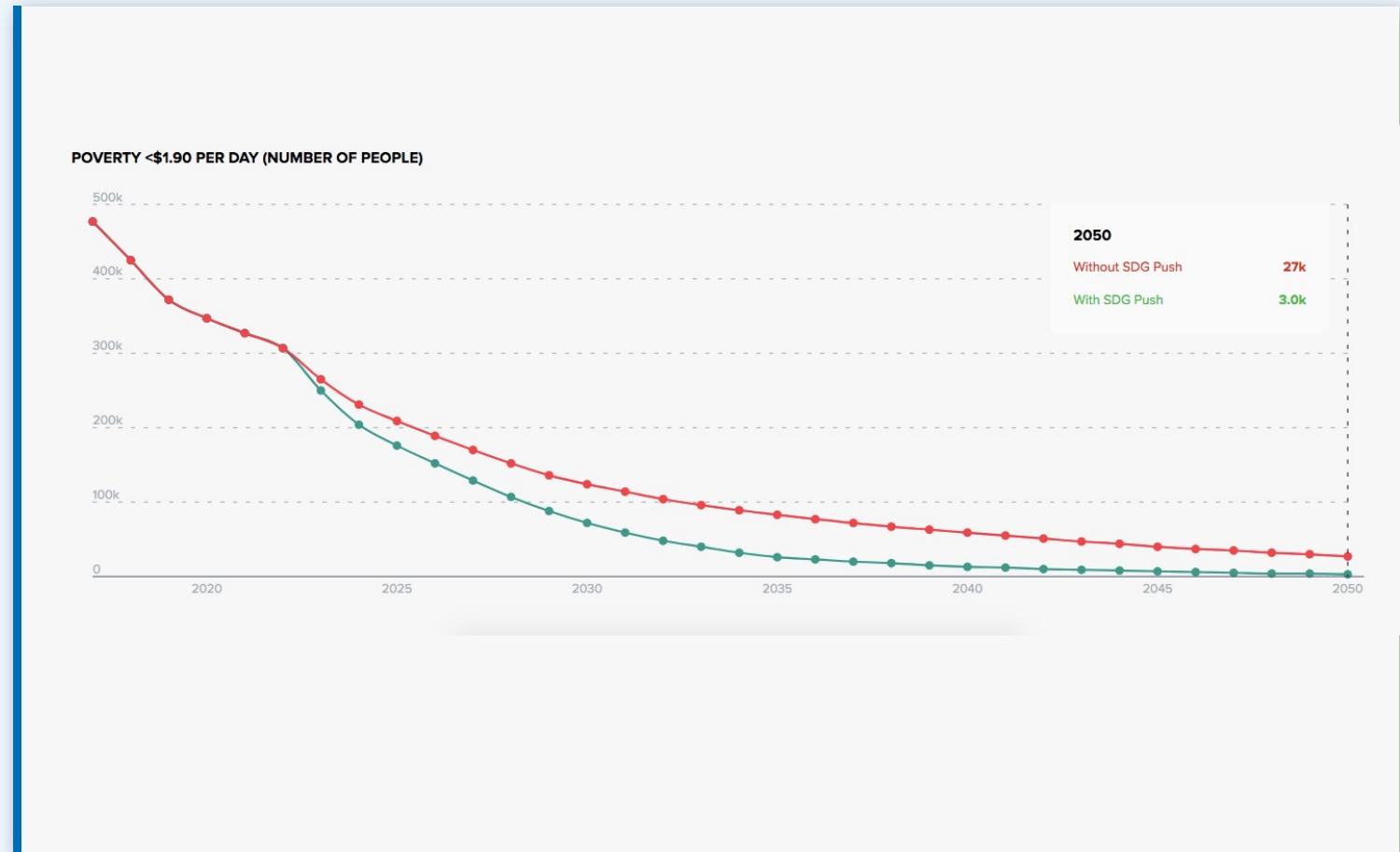
FUTURES SCENARIOS

Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, the Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators.

Incorporating ‘SDG Push’ accelerators into development interventions in Serbia can reduce the number of people living in poverty over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	120,000	27,000
With the SDG Push	72,000	3,000



Explore SDG Futures Scenarios at:

<https://data.undp.org/sdg-push-diagnostic/SRB/future-scenarios>

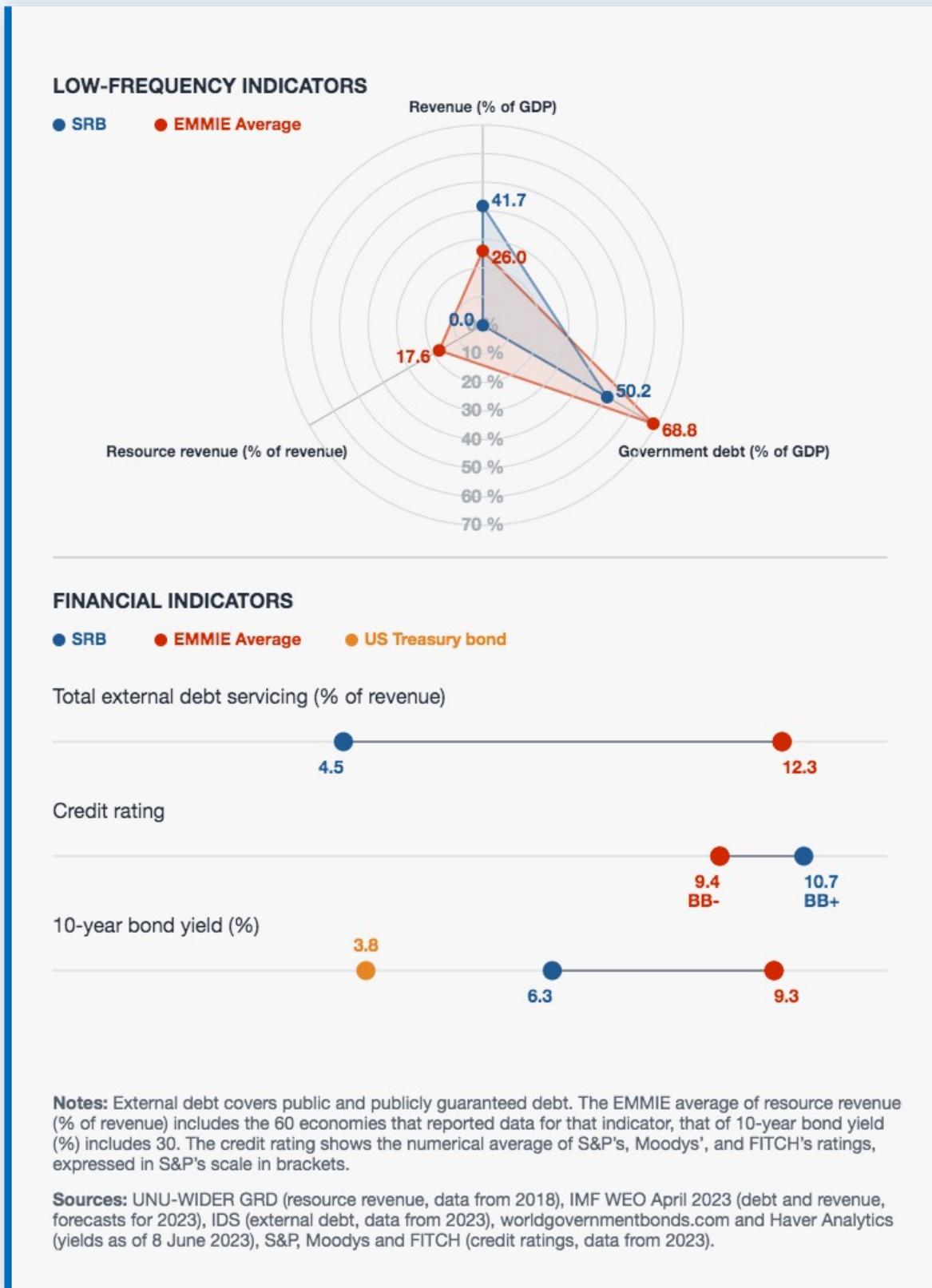
FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

The radar diagram shows low frequency data points linked to government revenue and debt as a proportion of GDP and the natural resource share of total revenue. The financial indicator graphs show higher frequency data on external debt servicing relative to revenue, the country's sovereign credit rating, and 10-year bond yield.

Serbia's gross government debt, projected at 52.3% of GDP in 2023, is nearly a fourth less than the emerging market and middle-income economies' (EMMIE) average of 68.8%. The country is expected to collect 41.7% of GDP in revenue this year, thus 1.6 times the average EMMIE country's figure of 26%.

Serbia's external debt servicing this year is projected to reach 4.5% of revenue, which is almost a third of the EMMIE group's 12.3%. As with the average EMMIE country, the country's credit rating is in the 'non-investment grade speculative' category, but slightly above the EMMIE average. The country's 10-year bond yield is trading at 6.3% – 3 percentage points (pp) below the EMMIE average of 9.3%, thus suggesting higher investor confidence than in comparable economies – and 2.5 pp above a 10-Year US Treasury bond.



SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by Serbia, possible financing options for the investments derived from the identified interlinkages are as follows:

- Tax and revenue reform
- Debt for SDGs (Thematic bonds)
- Climate finance
- Blended and public-private finance
- SDG-aligned business environment and investment
- Accessing insurance
- Capital market development
- Remittances, philanthropy and faith-based financing

United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030

FEBRUARY 2023



METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



SDG MOMENT

Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO₂ emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



TRENDS & PRIORITIES

Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



INTERLINKAGES

Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



FINANCE & STIMULUS

Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).