



# **ENLARGEMENT PACKAGE 2022 SERBIA REPORT**

**DELEGATION OF THE EUROPEAN UNION TO SERBIA**



# MAIN STEPS TO EU ACCESSION

#EUenlargement



**1** Country submits an application to the Council (EU Member States).



**2** Commission submits an Opinion on the application.



**3** EU Member States decide unanimously to grant the country candidate status.



**4** After conditions are met, the accession negotiations are opened with the agreement of all Member States.



**5** Commission proposes a draft negotiating framework as a basis for the talks. Accession negotiations formally start once Member States agree on the negotiating framework.



**6** During negotiations, which are structured according to clusters and chapters, the country prepares to implement EU laws and standards. All EU Member States must agree that all requirements are met in each case.



**7** Once negotiations on all areas are finalised, Commission gives its Opinion on the readiness of the country to become a Member State.



**8** Based on this Opinion, EU Member States decide unanimously to close the negotiation process. The European Parliament must also give its consent.



**9** All EU Member States and the candidate country sign and ratify an Accession Treaty which enables the country to become an EU Member State.

## OVERVIEW

# SERBIA ACCESSION NEGOTIATIONS

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- **December 2009** - **Serbia applied** for candidate country status
- **March 2012** - **Candidate country status** granted
- **September 2013** - **Stabilisation and Association Agreement between Serbia and EU** entered into force
- **December 2013** – EU Council adopted the **negotiating framework**
- **January 2014** First intergovernmental conference - **formal start of Serbia's accession negotiations**
- **By October 2022** – **22 out of 35 chapters** have been **opened**



## ACCESSION NEGOTIATIONS METHODOLOGY

### 6 THEMATIC CLUSTERS

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1. Fundamentals
2. Internal market
3. Competitiveness and inclusive growth
4. Green agenda & sustainable connectivity
5. Resources, agriculture & cohesion
6. External relations





# CLUSTERS OF NEGOTIATING CHAPTERS

1. Fundamentals
2. Internal market
3. Competitiveness and inclusive growth
4. Green agenda & sustainable connectivity
5. Resources, agriculture & cohesion
6. External relations



# SERBIA ACCESSION NEGOTIATIONS

## STATE OF PLAY OVERVIEW

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### 1. Fundamentals

*all chapters open*

### 2. Internal market

*4 chapters open*

### 3. Competitiveness and inclusive growth

*5 chapters open*

### 4. Green agenda & sustainable connectivity

*all chapters open*

### 5. Resources, agriculture & cohesion

*2 chapters open*

### 6. External relations

*1 chapter open*





# ANNUAL PROGRESS REPORT

## PURPOSE & ASSESSMENT

- To assess the **state of play** and **progress** of the accession process in the last 12 months
- **Factual, fair, comprehensive and transparent**
- **Inclusive** – drafted with consultations with the national authorities, civil society, international organisations, business community, EU Member States.

## ASSESSMENT OF STATE OF PLAY AND YEARLY PROGRESS

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- **5 terms** used in assessing the **state of play**



- **6 terms** used in assessing the **yearly progress**





## SERBIA PROGRESS REPORT 2022

### PROGRESS OVERVIEW

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State of play	Yearly progress
Early stage of preparation: 0	Backsliding: 1
Some level of preparation: 9	No progress: 3
Moderately prepared: 24*	Limited progress: 19
<small>* Functioning market economy - moderately/good level</small>	
Good level of preparation: 7	Some progress: 17
Well advanced: 0	Good progress: 0
	Very good progress: 0



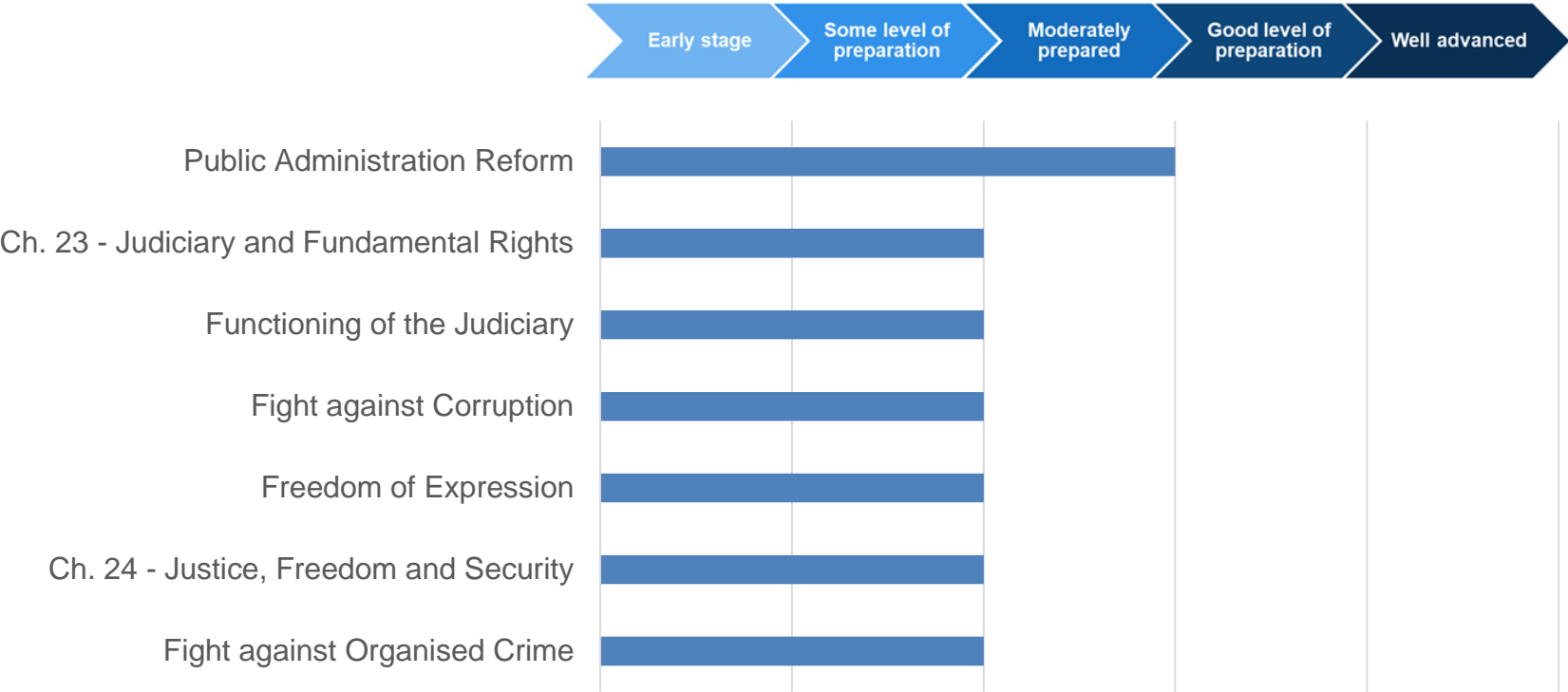


# CLUSTER 1

## FUNDAMENTALS

- FUNCTIONING OF DEMOCRATIC INSTITUTIONS & PUBLIC ADMINISTRATION REFORM
- RULE OF LAW & FUNDAMENTAL RIGHTS
  - Chapter 23 Judiciary and fundamental rights
  - Chapter 24 Justice, freedom and security
- ECONOMIC CRITERIA
- PUBLIC PROCUREMENT, STATISTICS & FINANCIAL CONTROL

# STATE OF PLAY: POLITICAL CRITERIA & RULE OF LAW





Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"><li>• More pluralistic Parliament</li><li>• Constructive engagement in Inter-Party Dialogue, facilitated by European Parliament</li><li>• EU membership as strategic goal</li><li>• Adoption of civil society strategy</li></ul>	<ul style="list-style-type: none"><li>• Implementation of ODIHR/CoE Recommendations</li><li>• Implementation of code of conduct</li><li>• Proactive and objective communication</li><li>• Create enabling environment for CSOs</li></ul>



## POLITICAL CRITERIA PUBLIC ADMINISTRATION REFORM

state of play

Moderately  
prepared

yearly  
progress

Limited

### Key positive takeaways

- Adoption of policy making and regulatory reform programme
- Increased use of the Unified Information System (UIS) for policy planning and reporting
- Increased training offer of the National Academy of Public Administrations for civil servants
- Further simplification and digitalization of administrative procedures and services

### Priorities for next year

- Reduce the excessive number of acting positions, and allocate sufficient resources for effective, merit-based recruitment processes
- Ensure strong quality control role for the Public Policy Secretariat to allow for effective implementation of the Law on the planning system
- Put in place a unified, comprehensive and transparent system for capital investment planning and management



## RULE OF LAW: Chap 23 – OVERVIEW

# JUDICIARY AND FUNDAMENTAL RIGHTS

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Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"><li>• Constitutional referendum to strengthen independence of judiciary</li><li>• Implementation of some recommendations on prevention of corruption</li></ul>	<ul style="list-style-type: none"><li>• Adopt implementing legislation</li><li>• Adopt anti-corruption strategy and action plan</li><li>• Media freedom</li></ul>



## RULE OF LAW - Chap 23 - JUDICIARY AND FUNDAMENTAL RIGHTS

### JUDICIAL SYSTEM

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Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"><li>• Constitutional referendum to strengthen independence of judiciary</li><li>• New human resources strategy adopted</li><li>• Steps towards regional cooperation on prosecution of war crimes</li></ul>	<ul style="list-style-type: none"><li>• Adopt implementing legislation, change of legal culture</li><li>• Implement human resources strategy and centralized case management system, to improve efficiency and effectiveness</li><li>• Cooperate fully with International Residual Mechanism for Criminal Tribunals (IRMCT)</li></ul>





## RULE OF LAW - Chap 23 - JUDICIARY AND FUNDAMENTAL RIGHTS

### FIGHT AGAINST CORRUPTION

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state of play

Some level of  
preparation

yearly  
progress

Some  
progress

#### Key positive takeaways

- Implementation of some recommendations of the Council of Europe's Group of States against Corruption (GRECO) recommendations (framework on conflict of interests for MPs, judges and prosecutors)

#### Priorities for next year

- Improve track record high level cases
- Address all GRECO recommendations
- Adopt new anti-corruption strategy



Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"><li>• New strategies on anti-discrimination and Roma inclusion</li><li>• New action plans on gender equality and Roma inclusion</li></ul>	<ul style="list-style-type: none"><li>• Strengthen human rights institutions (resources)</li><li>• Implementation of various strategies</li><li>• Effective exercise of the rights of individuals belonging to national minorities; adoption of new action plan</li></ul>



## RULE OF LAW - Chap 23 - JUDICIARY AND FUNDAMENTAL RIGHTS

### FREEDOM OF EXPRESSION

state of play

Some level of preparation

yearly progress

No progress

#### Key positive takeaways

- The two working groups on the safety of journalists continued to meet.
- In several cases of attacks and threats, the police and prosecution reacted swiftly in coordination with the two working groups.

#### Priorities for next year

- Implement the media strategy and action plan, including by adopting delayed legislative amendments:
  - security and safety of journalists
  - media pluralism (notably through REM and public broadcasters)
  - transparent and equitable co-funding for media content; and transparency in media ownership and advertising
- Award of 5th national frequency licence should be in transparency and respect of principles of diversity as in AVMS Directive.



## RULE OF LAW - Chap 24 – OVERVIEW

# JUSTICE, FREEDOM AND SECURITY

state of play

Some level of preparation

yearly progress

Some progress

### Key positive takeaways

- Some progress was made through the preparatory work on the Schengen action plan.
- Serbia continued to significantly contribute, as a transit country, to the management of the mixed migration flows towards the EU by playing an active and constructive role and cooperating effectively with its neighbours and EU Member States.

### Priorities for next year

- Further increase the technical, financial and human resources capacity of the Prosecutor's Office for Organised Crime.
- Amend the Law on internal affairs to make the police fully autonomous from the Ministry of the Interior and fully accountable only to the Prosecutor's Office during pre-investigation and investigation phases.
- Adopt the Schengen action plan to ensure that all government institutions are properly involved.
- Take concrete steps to fully align with the EU's list of visa required third countries.



## RULE OF LAW - Chap 24 – JUSTICE, FREEDOM AND SECURITY FIGHT AGAINST ORGANISED CRIME

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### Key positive takeaways

- Introduction of charges to improve the measurement of track record on investigation, prosecution and convictions in serious and organized crime cases.
- Continued cooperation with EUROPOL and EUROJUST.

### Priorities for next year

- Increase the number of investigation, prosecution and convictions in serious and organized crime cases, including cases of money laundering.
- Systematically increase the seizure and confiscation of criminal assets.
- Amend the Serbian Criminal code in order to effectively criminalize the trafficking of weapons.



## GOOD NEIGHBOURLY RELATIONS AND REGIONAL COOPERATION

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- Good neighbourly relations and regional cooperation essential part of Serbia's EU integration.
- Serbia remained committed overall to improving bilateral relations with other candidate countries, potential candidate countries and neighbouring EU Member States.
- EU and Western Balkans Leaders Meeting on June 2022, EU-Western Balkans summit in Brdo pri Kranju in October 2021.
- Serbia maintained its engagement in a number of regional cooperation initiatives, such as the Central European Free Trade Agreement (CEFTA), Energy Community, Transport Community, the South-East European Cooperation Process (SEECP) and the Regional Cooperation Council.
- The establishment of a Common Regional Market (CRM) will be critical in increasing the attractiveness and competitiveness in the region. Albania, North Macedonia and Serbia seek to deepen regional co-operation in a number of areas notably economic integration through the Open Balkan Initiative (OBI) by implementing some elements of the CRM on which no formal agreement has been reached yet between the parties.



## NORMALISATION OF RELATIONS BETWEEN SERBIA AND KOSOVO

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- The EU-facilitated Dialogue on the normalisation of relations with Kosovo continued throughout the reporting period with regular meetings on the level of Chief Negotiators and a High-level meeting in Brussels on 18 August 2022.
- No further concrete progress was yet achieved in the negotiations on the comprehensive and legally-binding normalisation agreement, while in the High-level meeting President Vučić and Prime Minister Kurti agreed to regular meetings on the level of Leaders to take the negotiations forward.
- Kosovo and Serbia are now urged to engage constructively and advance the negotiations on the comprehensive, legally-binding normalisation agreement with no further delay. Reaching such an agreement is urgent and crucial so that Kosovo and Serbia can advance on their respective European paths.





# CLUSTER 6:

## EXTERNAL RELATIONS

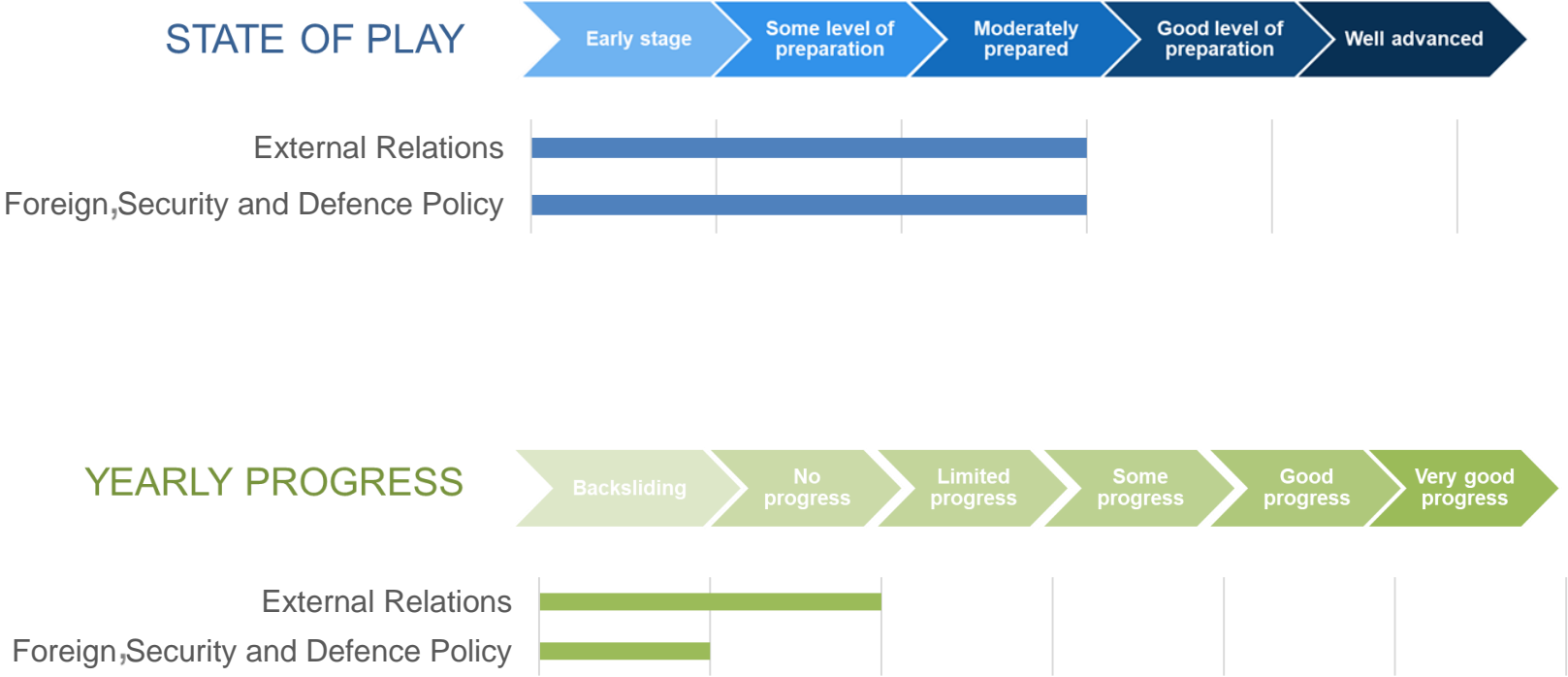
### Chapters:

- 30 – external relations
- 31 – foreign, security and defence policy



2022 SERBIA PROGRESS REPORT

CLUSTER 6



## CHAPTER 30

# EXTERNAL RELATIONS

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### Key positive takeaways

- No progress was made

### Priorities for next year

- Finalize WTO accession including adopting a WTO compliant law on GMOs
- Strengthen administrative capacities of the Ministry of Trade, Tourism and Telecom for handling EU and CEFTA trade handling
- Urgently remove the remaining unjustified trade restrictions in violation of the SAA



## CHAPTER 31

# FOREIGN, SECURITY AND DEFENCE POLICY

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### Key positive takeaways

- Serbia aligned with several EU positions in international fora (including UNGA) following Russia's unprovoked and unjustified aggression against Ukraine

### Priorities for next year

- Improve, as a matter of priority, alignment with EU Common Foreign and Security Policy, including sanctions
- Implement action plans for implementation of national security and defence strategies
- Adopt law allowing for participation in civilian CSDP missions





# **ECONOMIC CRITERIA**

## **SERBIA 2022 PROGRESS REPORT**

- EXISTENCE OF A FUNCTIONING MARKET ECONOMY
- CAPACITY TO COPE WITH COMPETITIVE PRESSURE AND MARKET FORCES WITHIN THE EU

## ECONOMIC CRITERIA

# THE EXISTENCE OF A FUNCTIONING MARKET ECONOMY



### Key positive takeaways

- Authorities remain committed to macroeconomic stability and economic reforms
- Banking sector stability preserved and lending growth remained robust
- Economic rebound and reduction of fiscal support measures helped improve the budget balance in 2021
- Some progress made with tax administration and privatisation of some SOEs

### Priorities for next year

- Plan a further gradual return to a deficit close to balance in the 2023 budget
- Adopt a credible system of fiscal rules
- Contain overall wage spending as a % of GDP
- Implement a time-bound action plan for deployment of SOE ownership and management strategy to improve governance of SOEs and reduce fiscal risks





## Key positive takeaways

- Further improvement of economic structure and EU economic integration remained high
- Public investment increase to address serious infrastructure gaps after years of underinvestment

## Priorities for next year

- Further tailor education and training to the needs of the labour market, especially in vocational education and training (VET)
- Ensure a harmonized cost-benefit approach for prioritizing all public infrastructure investment regardless of financing source
- Advance on green energy transition and begin with decarbonisation of industry, in particular energy sector



## ECONOMIC CRITERIA

# KEY ECONOMIC FIGURES

<i>Table 4.1:</i>	<b>2013-18</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Serbia - Key economic figures</b>	average			
<b>GDP per capita</b> (% of EU-27 in PPS) <sup>1)</sup>	40	41	43	44
<b>Real GDP growth</b>	2.2	4.3	-0.9	7.4
<b>Economic activity rate of the population aged 15-64</b> (%), total <sup>1)</sup>	65.0	66.9	66.4	70.3
<i>female</i>	57.0	59.7	59.2	63.0
<i>male</i>	73.0	74.0	73.6	77.5
<b>Unemployment rate of the population aged 15-64</b> (%), total <sup>1)</sup>	17.4	10.9	9.5	11.4
<i>female</i>	18.4	11.5	9.9	12.4
<i>male</i>	16.6	10.4	9.2	10.6
<b>Employment of the population aged 15-64</b> (annual growth %)	4.0	2.4	-0.2	2.6
<b>Nominal wages</b> (annual growth %)	3.1	10.5	9.4	9.4
<b>Consumer price index</b> (annual growth %)	2.9	1.8	1.6	4.1
<b>Exchange rate against EUR</b>	119.0	117.9	117.6	117.6
<b>Current account balance</b> (% of GDP)	-4.6	-6.9	-4.1	-4.4
<b>Net foreign direct investment, FDI</b> (% of GDP)	5.1	7.7	6.3	6.8
<b>General government balance</b> (% of GDP)	-2.4	-0.2	-8.0	-4.1
<b>General government debt</b> (% of GDP)	63.0	52.8	57.8	57.1

*Notes:*

1) Eurostat

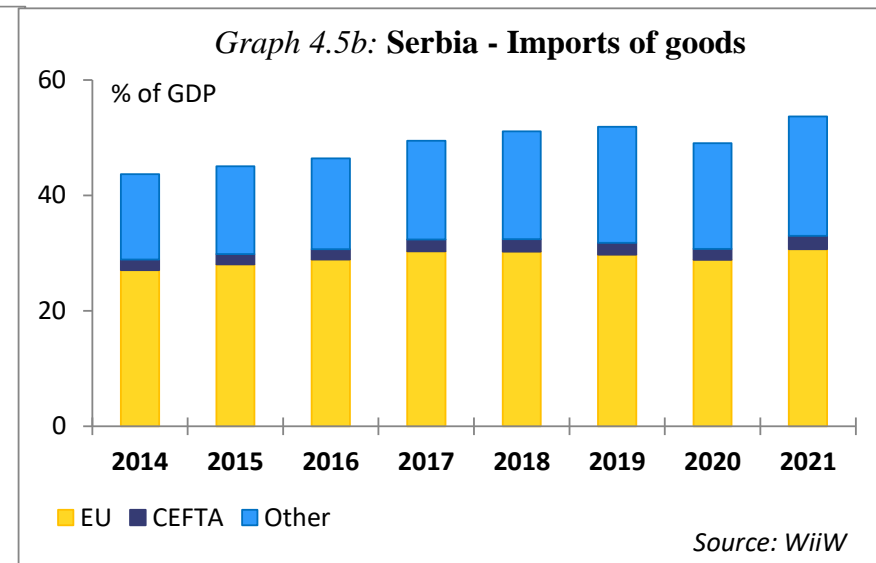
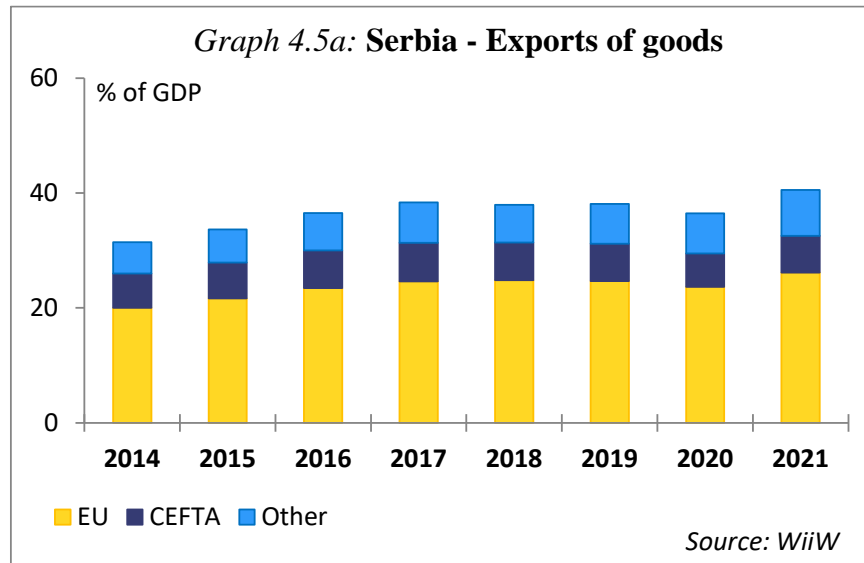
Source: national sources



## ECONOMIC CRITERIA

# ECONOMIC INTEGRATION WITH THE EU

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## CHAPTER 5

# PUBLIC PROCUREMENT

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Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"><li>• No progress.</li></ul>	<ul style="list-style-type: none"><li>• Repeal the law on special procedures for linear infrastructure projects</li><li>• Ensure full alignment with 2014 EU Directives on public procurement</li><li>• Continue strengthening the capacity of the Public Procurement Office</li></ul>





### Key positive takeaways

- Preparations for the population and housing standards in line with EU standards
- Improved macroeconomic statistics

### Priorities for next year

- Adopt the new independent statistical law
- Carry out the population and housing census in line with EU standards
- Further Improve macroeconomic statistics in line with European system of accounts (ESA 2010)



## CHAPTER 32

# FINANCIAL CONTROL

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### Key positive takeaways

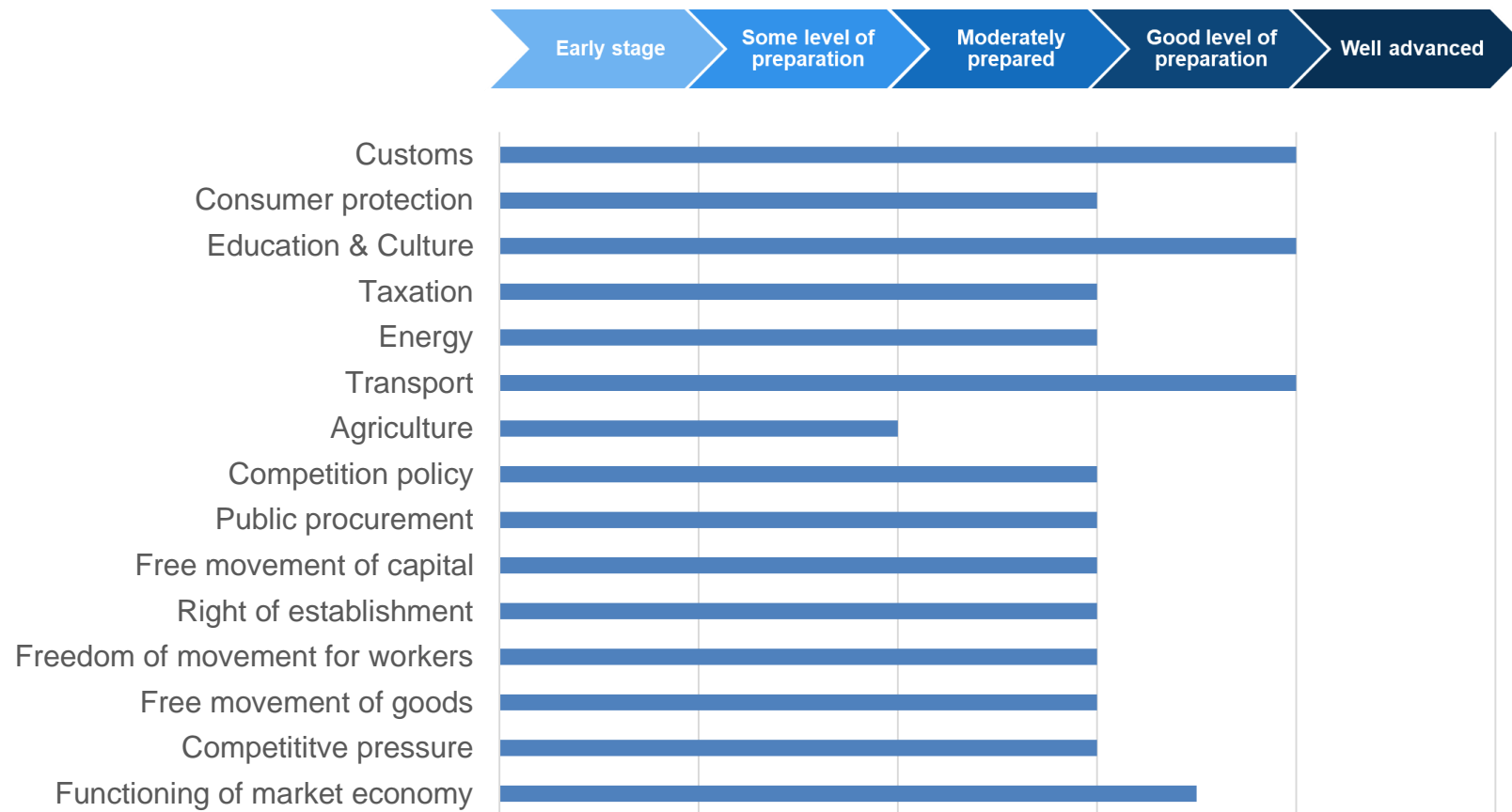
- Implemented recommendation on internal audit arrangements, progress on implementation on public internal financial control (PIFC) approach
- Guidelines on managerial accountability and irregularity reporting ongoing

### Priorities for next year

- Ensure Coherence of public internal financial control with legal framework
- Improve effectiveness of internal audit in central budget institutions
- Facilitate and standardize peer review processes in internal audit of public fund beneficiaries

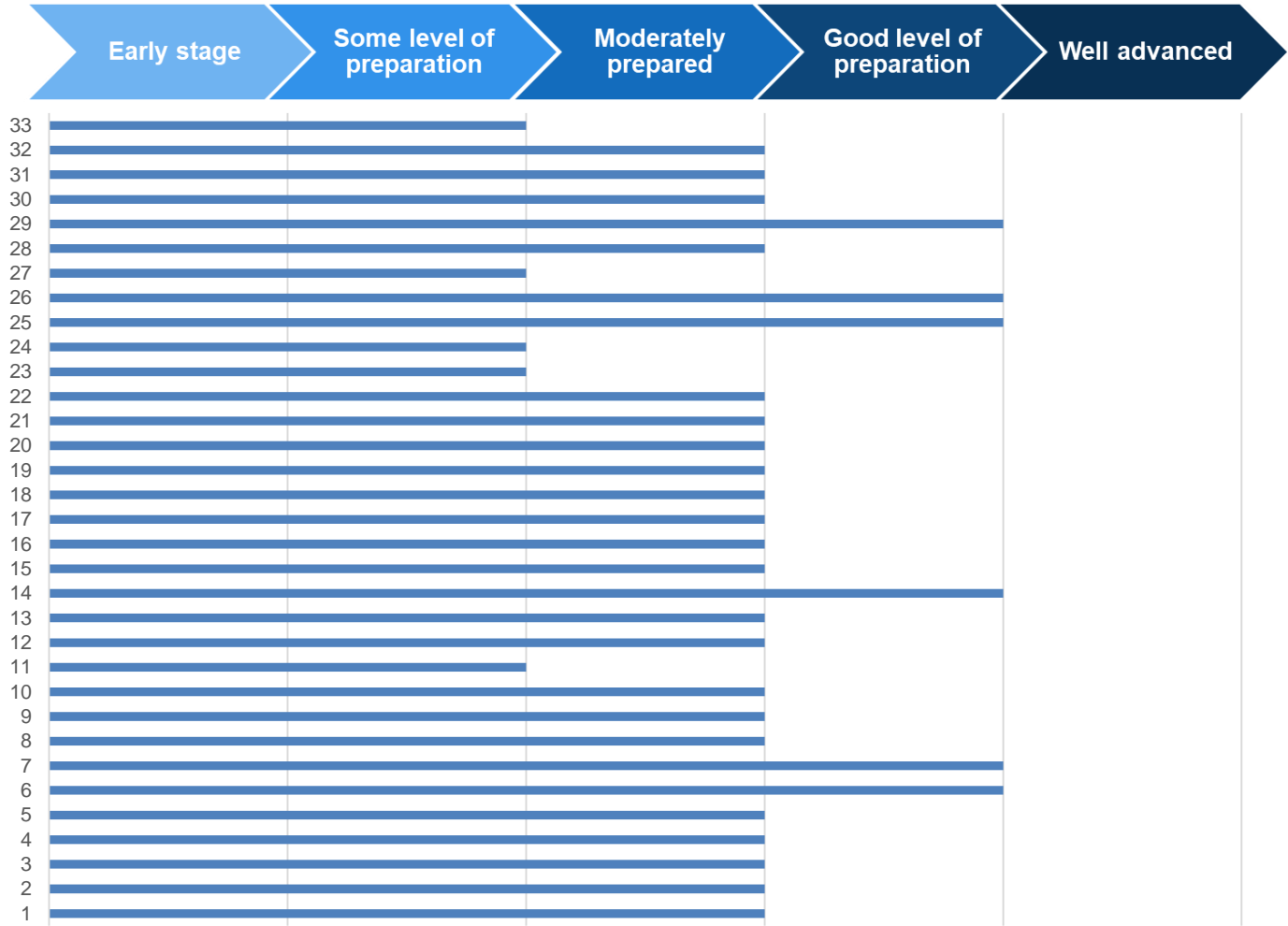


# STATE OF PLAY – SELECTED ECONOMIC AREAS



2022 SERBIA PROGRESS REPORT

# STATE OF PLAY – SELECTED ECONOMIC AREAS





# CLUSTER 2:

## INTERNAL MARKET

### Chapters:

- 1 – free movement of goods
- 2 – freedom of movement for workers
- 3 – right of establishment and freedom to provide services
- 4 – free movement of capital
- 6 – company law
- 7 – intellectual property law
- 8 – competition policy
- 9 – financial services
- 28 – consumer and health protection

Four chapters opened: 4, 5, 7, 9

Opening benchmarks to be met for Chapters 1 and 8

## CHAPTER 1

# FREE MOVEMENT OF GOODS

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### Key positive takeaways

- Aligned with EU acquis on cultural objects
- Removed transitional provisions with the Serbian conformity mark

### Priorities for next year

- Provide resources for surveillance, vehicle homologation, and REACH implementation
- Comply with Articles 34-36 of the TFEU and implement the EU acquis in the chapter



## CHAPTER 2

# FREEDOM OF MOVEMENT FOR WORKERS

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Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"><li>• Some progress on cooperation with Member States on social security systems</li><li>• Continued preparations to join European employment services network</li></ul>	<ul style="list-style-type: none"><li>• Continue to enhance cooperation with EU Member States on coordination of social security systems.</li></ul>





## CHAPTER 3

# RIGHT OF ESTABLISHMENT AND FREEDOM TO PROVIDE SERVICES

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Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"><li>• Further alignment of sectoral laws with EU acquis</li><li>• Adoption of the Strategy for the development of postal services for 2021-2025</li></ul>	<ul style="list-style-type: none"><li>• Adopt horizontal law on services and align sectoral laws with EU acquis</li><li>• Further align with EU postal acquis</li><li>• Further harmonization on mutual recognition of professional qualifications</li></ul>



## CHAPTER 4

# FREE MOVEMENT OF CAPITAL

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### Key positive takeaways

- Adoption of national money laundering and money laundering risk assessment in virtual assets
- Adoption of national terrorism financing risk assessment and risk assessment in weapons of mass destruction in proliferation financing

### Priorities for next year

- Liberalise capital movements in line with the SAA, especially the acquisition of agricultural land restrictions
- Demonstrate, through a track record, increasing effectiveness in monitoring, supervision, financial intelligence, investigation and reporting.



## CHAPTER 6

# COMPANY LAW

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### Key positive takeaways

- Adoption of the Law on the capital market
- Amendments to the Law on companies

### Priorities for next year

- Further align with EU acquis on company law, especially company takeovers



## CHAPTER 7

# INTELLECTUAL PROPERTY LAW

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Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"><li>• Adoption of amendments to the law on patents</li><li>• Development of a platform for information exchange and coordination among different IPR enforcement stakeholders</li></ul>	<ul style="list-style-type: none"><li>• Harmonize copyright legislation with EU directives</li><li>• Strengthen enforcement by improving capacities and coordination between stakeholders</li></ul>



## CHAPTER 8

# COMPETITION POLICY

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### Key positive takeaways

- Legislative alignment of state aid rules with EU acquis: adoption of implementing legislation, submitting a draft inventory of state aid schemes

### Priorities for next year

- Align existing fiscal state aid schemes and work towards aligning the law on multilateral interchange fees and special operating rules for card-based payment transactions
- Ensure notification and standstill obligations are respected for all state aid measures, solid track record
- Finalize the inventory and define an action plan for alignment of aid schemes incompatible with SAA obligations



## CHAPTER 9

# FINANCIAL SERVICES

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### Key positive takeaways

- Adoption of the Law on the capital market

### Priorities for next year

- Continue implementation of outstanding Basel III standards in line with their implementation at EU level
- Work towards full alignment with the Solvency II directive in the area of insurance



## CHAPTER 28

# CONSUMER AND HEALTH PROTECTION

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### Key positive takeaways

- Digitalisation of health sector
- Increase in number of healthcare professionals

### Priorities for next year

- Ensure institutional, administrative and technical capacity for EU acquis implementation
- Strengthen managerial capacity, HR and financial sustainability of the health insurance fund
- Further align with the EU acquis on human origin substances, and patients rights in cross border healthcare





# **CLUSTER 3:**

## **COMPETITIVENESS AND INCLUSIVE GROWTH**

### **Chapters:**

- 10 – information society and media
- 16 – taxation
- 17 – economic and monetary policy
- 19 – social policy and employment
- 20 – industrial policy
- 25 – science and research
- 26 – education and culture
- 29 – customs

**Five chapters open: 17, 20, 25, 26, 29**

**Two chapters provisionally closed: 25 and 26**



## CHAPTER 10

# INFORMATION SOCIETY AND MEDIA

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### Key positive takeaways

- Digitalization in e-government and alignment with EU digital single market objectives
- Development of ultra-fast broadband infrastructure in rural areas and continuation of school digitalization

### Priorities for next year

- Align electronic communication legislation with updated EU regulatory framework
- Ensure financial and operational independence of RATEL and REM
- Ensure implementation of competitive safeguards and market operators access to relevant infrastructure





### Key positive takeaways

- Further implementation of the programme of transformation of the Tax Administration

### Priorities for next year

- Continue implementation of Tax Administration reform programme to improve tax collection and combat informal economy
- Progress with alignment on VAT, excise duties and direct taxation



## CHAPTER 17

# ECONOMIC AND MONETARY POLICY

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Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"><li>• Some improvement on the implementation of the budgetary procedure</li></ul>	<ul style="list-style-type: none"><li>• Further alignment of legislation on the National Bank with EU acquis to ensure full independence</li><li>• Strengthen fiscal rules</li><li>• Further align the budget system law with EU Directive 85/2011</li></ul>



## CHAPTER 19

# SOCIAL POLICY AND EMPLOYMENT

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### Key positive takeaways

- Progress towards establishing the Youth Guarantee scheme

### Priorities for next year

- Ensure adequate resources for employment and social policies to target the youth, females, and long-term unemployed
- Ensure timely implementation of action plan for chapter 19, and adopt the new law on health and safety at work
- Improve coverage of social benefits for people below the poverty threshold



## CHAPTER 20

# ENTERPRISE AND INDUSTRIAL POLICY

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Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"><li>• Adoption of an action plan for the strategy on state ownership</li><li>• Creation of the “e-consultation” portal aimed at increased business participation in public consultations</li></ul>	<ul style="list-style-type: none"><li>• Further improve the predictability of business environment</li><li>• Adopt a new SME and entrepreneurship policy strategy</li><li>• Reallocate budgetary resources for FDI incentives to SMEs for financial and technical support</li></ul>



## CHAPTER 25

# SCIENCE AND RESEARCH

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### Key positive takeaways

- Adoption of new strategy for start-up ecosystem development for 2021-2025
- New law on innovation activity

### Priorities for next year

- Increase national funding for research and innovation
- Enact the European Research Infrastructure Consortium (ERIC) Regulation into national law
- Follow up on European Research Area actions



## CHAPTER 26

# EDUCATION AND CULTURE

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Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"><li>• Consolidation of the national qualifications framework (NQF) system</li><li>• Steps taken to ensure compliance of the quality assurance system in higher education with the European Association for Quality Assurance in Higher Education (ENQA)</li></ul>	<ul style="list-style-type: none"><li>• Increase early childhood education and care participation, especially for disadvantaged backgrounds</li><li>• Continue operationalization of NQF system</li><li>• Ensure full compliance of the policy and institutional framework with ENQA recommendations</li></ul>



## CHAPTER 29

# CUSTOMS UNION

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Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"><li>• Adoption of further amendments to customs law</li><li>• Alignment of legislation on cultural goods with relevant EU acquis</li></ul>	<ul style="list-style-type: none"><li>• Upgrade customs processing system by integrating risk management</li><li>• Further develop the IT system of national customs to enable integration with EU systems</li></ul>







# **CLUSTER 4:**

## **THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY**

### **Chapters:**

- 14 – transport policy
- 15 – energy
- 21 – trans-European networks
- 27 – environment and climate change

**Cluster opened in December 2021**

## CHAPTER 14

# TRANSPORT POLICY

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### Key positive takeaways

- Improvement in the administrative capacity in the road and rail sector

### Priorities for next year

- Continue rail reform
- Transport: improve strategic framework and implementation
- Prioritise investments based on their relevance for Serbia's economic development and EU integration





Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"><li>• Some progress on last year's recommendations</li></ul>	<ul style="list-style-type: none"><li>• Finalise and implement the National Energy and Climate Plan (NECP) and the Energy Sector Development Strategy following the Green Agenda</li><li>• Finalise gas sector unbundling</li><li>• Determine net transmission capacities and establishing of a regional electricity market</li></ul>



## CHAPTER 21

# TRANS-EUROPEAN NETWORKS

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### Key positive takeaways

- Construction of gas interconnector with Bulgaria
- Overall infrastructure upgrading

### Priorities for next year

- Modernise its transport and energy infrastructure connections in line with the EU
- Prioritise reducing Serbia's dependency on Russian energy sources in line with Repower EU communication
- Continue building the Serbia Bulgaria gas interconnector



## CHAPTER 27

# ENVIRONMENT AND CLIMATE CHANGE

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### Key positive takeaways

- Continuation of environmental funding increases and investments
- Developing the national energy and climate plan and improving trans-boundary cooperation

### Priorities for next year

- Adopt and implement an ambitious national energy and climate plan consistent with the zero emission target for 2050 and the Green Agenda
- Intensify implementation and enforcement
- Enhance administrative and financial capabilities of central and local authorities





# **CLUSTER 5:**

## **RESOURCES,**

## **AGRICULTURE AND**

## **COHESION**

### **Chapters:**

- 11 – agriculture and rural development
- 12 – food safety, veterinary and phytosanitary policy
- 13 – fisheries
- 22 – regional policy & coordination of structural instruments
- 33 – financial & budgetary provisions

**Open chapters: 13 and 33**

## CHAPTER 11

# AGRICULTURE AND RURAL DEVELOPMENT

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Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"><li>• Adoption of amendment of the law on Agriculture</li><li>• Improvement in the efficiency of IPARD applications processing</li><li>• Timely submission of IPARD III programme for the period 2021-2027</li></ul>	<ul style="list-style-type: none"><li>• Further improve implementation and avoid further loss of IPARD II funds</li><li>• Ensure smooth roll-over of entrusted IPARD measures to the 2021-2027 period</li><li>• Continue implementation of the action plan for EU acquis alignment in agriculture and rural development</li></ul>





Key positive takeaways	Priorities for next year
<ul style="list-style-type: none"> <li>• Adoption and implementation of the Law on plant protection products and the provisions regarding the training of professional users</li> <li>• Periodic inspections of pesticide application devices</li> </ul>	<ul style="list-style-type: none"> <li>• Align, implement, and enforce the EU <i>acquis</i> on food safety, veterinary and phytosanitary policy and adopt a strategy and action plan</li> <li>• Further strengthen capacities of the line Directorates and inspection services</li> <li>• Improve the risk-based approach to official controls for imports</li> </ul>





## CHAPTER 13 FISHERIES

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### Key positive takeaways

- Completion of an institutional capacity assessment report
- Presenting of an advanced draft action plan for the alignment with the EU *acquis*

### Priorities for next year

- Adopt an action plan for full compliance with EU *acquis* requirements
- Address the severe understaffing of competent authorities responsible for policy formulation and anti-fraud controls for fisheries





### Key positive takeaways

- No progress

### Priorities for next year

- Urgently implement an action plan on cohesion policy, including nominating institutions to ensure timely preparation of IPA programmes
- Further improve capacity for indirect management of IPA programmes
- Ensure all instruments are compliant with EU requirements in terms of programming and partnership principles



## CHAPTER 33

# FINANCIAL AND BUDGETARY PROVISIONS

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### Key positive takeaways

- Limited progress made regarding the correct functioning of the own resources system

### Priorities for next year

- Further strengthen the administrative capacity of the coordination group and institutions involved in the own resources system
- Develop organisational and procedural links between institutions
- Step up preparations to meet administrative conditions for own resources



