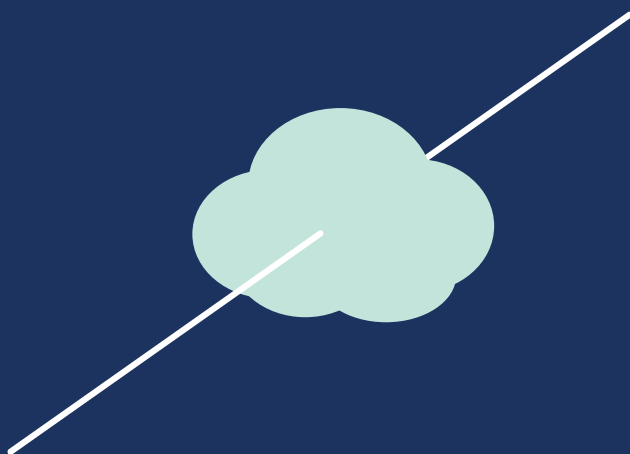


CHAPTER 27 IN SERBIA: STILL UNDER CONSTRUCTION

One year later

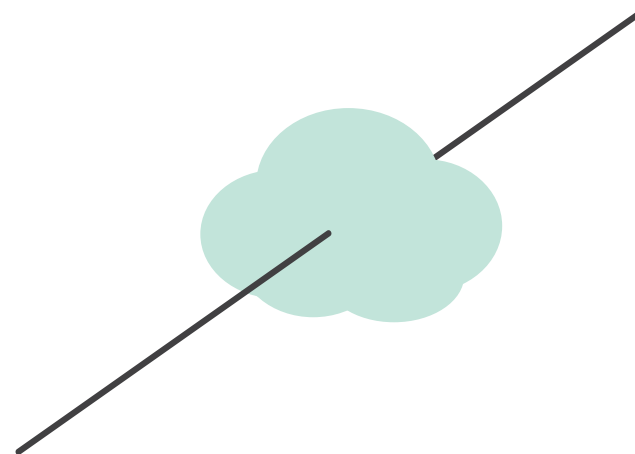


Report on Chapter 27
Environment and Climate Change

November 2016 – September 2017



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IMPRESSUM

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SUMMARY

Analysis of environmental and climate change policy in the Republic of Serbia highlights a wide range of serious challenges in all areas - horizontal legislation, air quality, water quality, nature protection, industrial pollution, chemicals management, climate change and financing of environmental protection. The most prominent challenges in the environmental and climate sector are:

- Regulations are not being adopted on scheduled.
- Too often regulations are adopted with limited public consultation and a failure to involve all stakeholders.
- Implementation of adopted regulations is often inadequate.
- Regulatory, inspection and enforcement capacity is weak.
- Financing of environment and climate change policy is inadequate.
- Funds allocated for environment and climate change policy are often not fully used or are used other purposes.

Unfortunately, there remains a lack of awareness in Serbia about the cause-and-effect relationship between harmful habits and their growing negative consequences for the environment and climate, as well as of the cost of rehabilitating and revitalizing the environment once the damage has been done. As a result, harmful practices continue, such as subsidizing the use of fossil fuels rather than utilizing the limited funds available for important priorities such as investment in renewable energy.

Slow progress in the environmental sector testifies to the deep-rooted and misguided assumption that as a society we cannot afford the perceived high costs of investing in environmental protection, renewable energy and a sustainable future. This is surprising, given the rising agricultural losses due to drought, negative impact on public health, and the human and material losses that we have suffered from natural disasters, to name only three factors that demonstrate the importance of strong commitment to environmental protection and climate change action.

In a word, environment and climate change are (still) not the priority of the Republic of Serbia.

The opening of Chapter 27 in the negotiation process with European Union, which covers environment and climate change policy, remains the best chance we have to change this situation for the better.

We hope that our reports contribute to this goal.

Coalition 27

INTRODUCTION: STILL UNDER CONSTRUCTION

The report *Chapter 27 in Serbia: Still under Construction* is the fourth annual report published by Coalition 27. Previous reports followed the publication of the European Commission's progress report for the Republic of Serbia, and our next Shadow Report will continue this practice. However, given that the publication schedule for the European Commission's report has changed, prolonging the period between the last and next report, while environmental pressures and climate change continue pose ever more serious challenges, we felt that we should not wait.

The present moment is very important. The most significant change that occurred during the previous period was the establishment of the Ministry of Environmental Protection in the Government of the Republic of Serbia. The establishment of the Ministry has finally created the conditions for environmental protection to cease being in the shadow of other sectors. The Ministry has shown early promise in its commitment to establishing necessary organizational capacity and to developing policy in partnership with civil society stakeholders. We hope that this report will support the Ministry in identifying and taking action to address the priority issues in the environment and climate change sector.

It should be noted that the pace of progress this year was slowed due to the presidential elections, which led to broad changes in the Government of the Republic of Serbia. This process took up precious time from the legislative schedule. Preparations for the opening of Chapter 27 also continue to lack structure, with a minimum of participation from stakeholders in the on-going process of preparing Serbia's negotiating position. The importance of Chapter 27, which will put in place a framework to attain the highest level of environmental protection and responses to climate change, requires the full commitment of the Government.

Report Chapter 27 in Serbia: Still under Construction addresses the main developments in the field of Environment and Climate Change (Chapter 27 of the European Union *acquis*) in the Republic of Serbia during the period November 2016 to September 2017. The report assesses these developments and offers recommendations for strengthening the process of transposing and implementing EU legislation covered by Chapter 27 in the Republic of Serbia. Recommendations can be found in Annex 1.

Coalition 27 was established in 2014 by civil society organisations specifically for the purpose of monitoring and contributing to negotiations in Chapter 27. The report was jointly prepared by eleven members of Coalition 27: Belgrade Open School, Bird Protection and Study Society of Serbia, Centre for Ecology and Sustainable Development, Climate Action Network Europe, Environment Improvement Centre, GM Optimist, NGO Fractal, One Degree Serbia, Young Researchers of Serbia, World Organization for Nature (WWF) and Safer Chemicals Alternative.

The report covers seven thematic sections: horizontal legislation, air quality, water management, nature protection, industrial pollution and risk management, chemicals management and climate change. It does not cover the issues of waste management, noise pollution or civil protection. In each thematic section we address policy and legislative developments, implementation and offer our recommendations on how to improve the process. Financing in the areas of environment and climate change is addressed separately.

The report contains two annexes: (1) A comparative table of recommendations from the 2016 report and this year's report, and (2) an explanation of the methodologies and list of the authors (organisations) of each section.

We would like to thank to the Health and Environment Alliance (HEAL) for their contribution during preparation of air quality section.

The report was prepared with the valuable support of the Heinrich Böll Foundation.

01. HORIZONTAL LEGISLATION

POLICY & LEGISLATIVE DEVELOPMENTS

The period covered by this report has been characterized by limited legislative activity. The competent authorities have adopted only one of the seven planned legislative acts related to horizontal legislation¹ during the period.

The Environmental Impact Assessment Directive (2011/92/EU⁶³) has been almost completely transposed, with the exception of Article 7 (which regulates environmental impact assessments in cross-border contexts) and Annexes I and II. However, amendments to the Directive made in 2014 (Directive 2014/52/EU) have not yet been transposed and there is no indication in the NPAA² as to when this new legislation will be adopted.

The Law on Amendments and Modification of the Environmental Impact Assessment Law is in its initial phase. The Ministry of Environmental Protection (formerly the Ministry of Agriculture and Environmental Protection) is establishing a working group to draft the legislation. Directive 2003/35/EG on public participation in drafting certain plans and programmes related to the environment is expected to be fully transposed through the Law on Amendments and Modifications of the Environmental Impact Assessment Law, as well as amendments to the Law on Water, by the end of this year.

Although the Law on National Spatial Data Infrastructure was scheduled to be adopted during the first quarter of 2017, it has not yet been adopted; as a result, the INSPIRE Directive 2007/2/EC has not yet been fully transposed.

Transposition of the Environmental Liability Directive (Directive 2004/35/CE) is still in its initial phase. Parts of the directive were transposed in a set of six legal documents; however the Law on Environmental Liability has not yet been adopted. Development and adaptation of the law and the accompanying bylaws is scheduled for the period 2016-2018, which leaves uncertainty as to whether the process will be completed on time.

IMPLEMENTATION

The competent authorities, particularly local self-governments, have not made any progress in developing capacity to undertake public consultations and facilitate the participation of relevant stakeholders. The lack of capacity to ensure public oversight is a cause of serious concern given the scope of investment necessary in the environmental sector³.

The monitoring and disclosure of relevant environmental information continues to be

weak, as numerous cases demonstrate, including the National Emission Reduction Plan, monitoring of air quality⁴, and investment plans, among others.

The lack of capacity for monitoring and control of the state of the environment and policy implementation are notable. The Inspectorate for Environmental Protection has very limited capacity, as noted in the Inspectorate's 2017 report⁵.

Despite the evident negative effects of gravel exploitation⁶ and mini hydropower projects (for which an environmental impact assessment is optional), the Ministry for Environmental Protection has not required an impact assessment for any of the fourteen projects underway in the past year⁷. Environmental impact assessments on the cumulative effects of such projects are also seldom undertaken.

The quality of environmental impact assessments remains very low. Assessments commonly lack a proper analysis of cumulative effects, health data, a public health analysis, and data on heavy metals, while data regarding biodiversity are commonly incomplete, obsolete and too general. It is also necessary to adopt the practice of developing alternative scenarios, ensure compatibility with the relevant 2016 BREF document that is valid for the planned project, as well as connection to the IPPC permit.

Progress has been made by the line Ministry on providing timely and adequate responses to written comments on environmental impact assessments, including if a comment has been accepted or not and, if not, why it has been rejected.

Strategic documents are not fully available to the public. The Ministry of Environment previously developed a draft version of the National Emission Reduction Plan, which was submitted to the Energy Community in December 2015. This document was made available to the public only in July 2017, after the Commissioner for Information of Public Importance and Personal Data Protection intervened to demand its publication. The document has undergone significant changes since it was published, however those subsequent versions have not been made available to the public. Also, no Strategic Environmental Impact Assessment (SEA) has been undertaken.

Information about the state of the environment continues to be disclosed to the public selectively. The Commissioner for Information of Public Importance⁸ and the Ombudsman⁹ reacted in the case of a fire at the Vinča Landfill site in June 2017, urging all institutions of the City of Belgrade and Republic of Serbia responsible for public health and environmental monitoring to publish all relevant information about the condition of the local environment, the monitoring methodology and parameters taken into consideration.

1 http://www.mei.gov.rs/upload/documents/nacionalna_dokumenta/npaa/NPAA_2016_revizija_srp.pdf

2 National programme for adoption of the acquis

3 http://www.pregovarackagrupa27.gov.rs/?wpfb_dl=71

4 <http://www.sepa.gov.rs/download/VAZDUH2015.pdf>

5 http://www.ekologija.gov.rs/wp-content/uploads/izvestaji/Godisnji_izve%C5%A1taj_2016.pdf

6 <https://transformator.bos.rs/vesti/288/odrzan-okrugli-sto-odrzivo-upravljanje-vodama-i-sumama-u-zapadnoj-srbiji.html>

7 <http://www.ekologija.gov.rs/obavestjenja/>

8 <http://www.poverenik.rs/yu/saopstenja-i-aktuelnosti/2609-blagovremeno-potpuno-i-objektivno-obavestavanje-javnosti-o-stanju-zivotne-sredine-nesporna-obaveza.html>

9 <http://www.ombudsman.rs/index.php/2011-12-25-10-17-15/2011-12-26-10-05-05/5328-gr-d-ni-i-u-pr-v-d-zn-u-d-li-usl-d-p-z-r-n-d-p-ni-i-vinc-d-shl-d-z-g-d-nj-v-zduh>

The Commissioner for Information of Public Importance also reacted in the case of the disposal of potentially hazardous waste by Železara Smederevo (a Serbian steel manufacturing conglomerate) in villages near the factory, with a press release titled “The right of public to environmental information is indisputable”¹⁰.

Coalition 27¹¹ has not yet received an answer to requests for access to information of public importance addressed to the Electric Power Industry of Serbia (EPS), sent on the 11th of September 2017, related to the company’s Biodiversity Management Plan, biodiversity data about the locations of planned mines, plans for protecting migratory species at locations in which new hydropower plants are planned, and other questions. We remind that EPS made binding commitments on these issues as part of its restructuring plan, which was developed in cooperation with the European Bank for Reconstruction and Development.

Court Practice in Environmental Law is still in the development phase and problems continue to occur in its implementation. In contradiction to the former Minister’s public claims, the Administrative Court, responding to a request for access to public information received on the 5th of August this year, stated that no cases on the grounds of failure to pay environmental protection fees have been initiated at that Court to date.

Some progress was made by the Institution of Ombudsman of the Republic of Serbia, which signed a Declaration of cooperation in the field of environmental protection and human rights with six other countries in the region¹².

10 <http://poverenik.org.rs/sr/saopstenja-i-aktuelnosti/2581-nesporno-je-pravo-javnosti-na-informacije-o-stanju-zivotne-sredine.html>

11 Center for Ecology and Sustainable Development

12 <http://www.ombudsman.rs/index.php/2011-12-25-10-17-15/2011-12-26-10-05-05/5449-u-ljublj-ni-sn-v-n-r-z-buds-n-u-bl-s-i-ziv-n-sr-din>

02. AIR QUALITY

POLICY & LEGISLATIVE DEVELOPMENTS

The adoption and implementation of regulations related to air quality heavily depend on other sectors, primarily energy, transport and industry. There is a clear need for strong cross-sectoral cooperation in order to implement reforms related to air quality. However, due to a lack of political commitment and strategic planning by the government, action by the various sectors relevant to air quality continues to be incoherent, particularly the energy sector.

Regarding the strategic framework, Serbia still lacks a national Air Protection Strategy. The Ministry of Environmental Protection has stated that work on this document has not yet begun.

The key Directive (2008/50 / EC) relating to air quality has largely been transposed into Serbian legislation. However, the process is not yet complete.

The current status of the National Program for gradual reduction of annual emissions of certain polluting substances and progress toward establishing a mechanism for the implementation of the Monitoring Mechanism Regulation (MMR) are described in the horizontal legislation, industrial pollution and climate change sections of this report.

Air quality plans for the agglomerations of Belgrade and Pančevo were adopted during 2016. However, air quality plans for the towns of Smederevo, Valjevo and Užice have still not been developed, despite air quality in these locations being in the worst category; the local public administration in all three of these locations lacks the necessary human and financial capacity to implement air quality plans. In Užice work on developing an air quality plan has begun. In Smederevo no reliable air quality data is available.

There was no revision of zones and agglomerations in the Republic of Serbia. At the time of the preparation of this report (first half of October 2017), the Air Quality Report for the Republic of Serbia for 2016 had still not yet been published¹³.

IMPLEMENTATION

Air quality in the Republic of Serbia continues to be one of the most complex problems in the environmental sector, with a direct impact on public health. Air quality is steadily declining. The system for monitoring air quality has been inadequately maintained in recent years. Encouragingly, funding to repair the air quality monitoring system was allocated in the state budget at the beginning 2017. In April 2017, the Air Quality Department of the Environmental Protection Agency began necessary maintenance and renewal of the network of automatic monitoring stations. It is expected that about 60% of the malfunctions affecting the network should be resolved by the end of 2017.

13 The Environmental Protection Agency published the Report on 24 October 2017.

The biggest challenges related to the implementation of regulations on air quality are monitoring and the public availability of relevant information.

The quality and validity of data from the national network of automatic stations for air quality monitoring are still not satisfactory, primarily due to the failure to properly maintain the measuring equipment. We remind that in 2015 only 25% of data from the national network of automatic monitoring stations was recognized as valid¹⁴. Further, online real time reports from the automatic monitoring network deviate from the actual time by several hours and reports from some measuring points are not provided, without any explanation¹⁵. The Annual Environmental Agency's Environmental Report for 2016 was not available to the public during the preparation of this report; it is therefore not yet known what proportion of the data collected in 2016 are valid.

The number of sites for the sampling and measurement of heavy metals and polycyclic aromatic hydrocarbons in Serbia has not been increased. Also, only a very small number of stations perform pollution measurements at intersections of roads in urban areas, despite the constant increase in the number of vehicles and the expected inflow of vehicles using diesel from the EU.

There is still no accredited laboratory in the country for the calibration of air quality monitoring devices used in the national monitoring network, despite plans to do so being set out in the Post-Screening Document for Chapter 27¹⁶.

In addition to sources of pollution such as thermal power plants, transport, industry and domestic fireplaces, air quality throughout the country is additionally impacted on by frequent fires at sanitary and illegal landfill sites. In the last seven months, as a result of poor landfill and waste management, the number of fires and explosions in sanitary and illegal landfill sites across Serbia has increased, including fires at sites in Belgrade, Novi Sad, Subotica, Jagodina, Bajmok, and Čelarevo.

does not have specialised equipment for measuring substances released by fires at landfill sites, such as PCDFs and PCDDs¹⁷. The cumulative effects of emissions from prolonged fires have been completely ignored.

The assessment of air quality based on data collected at existing air monitoring stations indicates that concentrations of pollutants in Serbia, especially solid matter, very often exceed levels that are safe for human health.

The concentration of carcinogenic particulate matter is measured at an insufficient number of the automatic monitoring stations in the country. In the last five years, PM10 particles were measured at only 35 of the 45 monitoring stations in the national monitoring network, with long periods – in some cases a year – when measurements were not taken. Only three stations (two in Belgrade and one in Novi Sad) are capable of measuring PM2.5 particles, and only one of these worked without interruption during the last five years. Such interruptions have resulted in the inadequate monitoring of air quality trends and have jeopardized the accuracy of assessments of the impact of air pollution on human health in Serbia.

The official annual SEPA report on air quality in the Republic of Serbia for 2015 noted that the failure to properly maintain air quality monitoring equipment, which worked continuously (without a pause) from 2010 to 2015, resulted in insufficient valid data to assess air quality in three agglomerations.

The practice of recording air quality data using accredited manual methods has continued. The Law on Air Protection clearly states that valid air quality data can only be obtained using the automatic measurement method. For this reason, air quality data for large portions of the country are not reported in official statistics, preventing realistic insight into air quality in areas that are not covered by automatic monitoring stations.

The public availability of information about air quality remains restricted. Particularly problematic is the publication of monthly air quality reports on the official websites of cities and municipalities. These reports are released a month after measurements are taken, are commonly posted in hard-to access sub-domains, and often lack narrative explanations about what the data means. When data is displayed in this way, it is difficult to find and interpret. Consequently, it is very difficult for members of the public to monitor local air quality.

Fires at sanitary and illegal landfill sites dramatically affect air quality. The fire at the Vinča landfill site, which is near the largest agglomeration in Serbia (the city of Belgrade), directly threatened the air quality in the most populated municipalities in the country. The Vinča landfill fire, which began on the 18th of April, 2017, took twenty-four days to bring under control. The fire has continued deep underground (20-30m) and continues to release harmful substances. Institutions responsible for monitoring air pollution issued a statement stating that particles released during the fire at the Vinča landfill are not harmful to health and that the concentrations of pollutant particles were at safe levels. It should be noted that information on the changed composition of the particles was not released, even though they were within the allowed limits. The Belgrade Faculty of Chemistry has publically warned that the state

14 <http://www.sepa.gov.rs/download/VAZDUH2015.pdf>

15 <http://www.amskv.sepa.gov.rs/stanicepodaci.php>

16 http://www.pregovarackagrupa27.gov.rs/?wpfb_dl=69

17 https://www.youtube.com/watch?time_continue=546&v=CrXxAMPMh2M

03. WATER QUALITY

POLICY & LEGISLATIVE DEVELOPMENTS

At the end of 2016 two documents relevant for water management were adopted:

- The Strategy on Water Management in the Republic of Serbia until 2034, and
- Changes and Amendments to the Law on Waters (Official Gazette of the Republic of Serbia, no 101/2016).

Both documents were developed in alignment with the EU Water Framework Directive and EU Floods Directive. However, at present the environmental and nature conservation elements of the legislative framework for water management remain insufficiently connected and integrated. Primarily this relates to harmonization with the EU Habitats Directive and Birds Directive. Public consultations on both documents were organised by the Ministry of Agriculture and Environmental Protection¹⁸; however, the scale of the consultations was limited, meeting only the minimal legal requirements (a public discussion on the final draft and the period for written comments). Such complex documents, with such a large number of stakeholders, require a more structured consultation processes, beginning at the outset of the process of drafting the document.

A Water Management plan for the Danube Basin was developed prior to the period covered by this report. The public consultation for the plan was concluded in 2015; however, the plan has still not been adopted. According to information provided by the Directorate for Waters, the plan was withdrawn because it was not properly harmonized with the new amendments to the Law on Waters¹⁹.

In 2017, the then Ministry of Agriculture and Environmental Protection began development of the Directive on Specific Implementation Plans (DSIP), which covers the EU Water Framework Directive, Nitrates Directive, Urban Waste Waters Treatment Directive and Drinking Water Directive. From the outset, the development of the DSIP has been participatory, including civil sector participation in the working groups developing the directive. The Ministry has also established a working group to develop parts of the water management plans, in which the civil sector has also been involved. The working group was recently established and at the time of writing no meetings have yet taken place.

In June 2017, the Ministry of Agriculture and Environmental Protection divided into two ministries: the Ministry for Environmental Protection and the Ministry of Agriculture, Forestry and Water Management. Responsibility for water related issues are now shared

between the two new ministries, which can be expected to cause difficulties in the application of regulations related to water quality and protection in the future.

IMPLEMENTATION

There are still many challenges to the implementation of plans and regulations in the water management sector. There were no significant advancements in the development of the capacity of responsible institutions and organizations in the sector. Among the most problematic issues are the control and prevention of water pollution, control of extraction of river sediments, control of the use of ground waters and control and prevention of illegal construction within water zones.

Given numerous interests overlap the water sector, the lack of structured inter-sectoral cooperation remains the main challenge. Enhancing cooperation with the energy, spatial planning, environment and agricultural sectors is vital. Better cooperation with the environmental sector is particularly important in order to effectively integrate EU nature directives (Habitat and Bird Directives) into water management practice.

¹⁸ At the time of the consultation the Ministry responsible for water management was the Ministry of Agriculture and Environmental Protection, which in June 2017 was divided into two ministries: the Ministry for Environmental Protection and the Ministry of Agriculture, Forestry and Water Management.

¹⁹ A request for access to information of public importance about this situation was sent to the Republic Directorate for Water at the Ministry of Agriculture, Forestry and Water Management on June 23, 2017, by CEKOR (a member of the Coalition 27). The request is filed under number 011-00-33 / 12 / 2017-07.

04. NATURE PROTECTION

POLICY & LEGISLATIVE DEVELOPMENTS

The legislative process continues to be characterized by inadequate public participation and an overall lack of transparency.

The Strategy for Nature Protection of the Republic of Serbia 2016-2026 was published in November 2016. Drafting of the strategy began in 2014. There was no public participation during drafting the process. No information on the status of the strategy has been provided publically to date, nor any indication as to if or when public consultations will be held.

The City of Belgrade Development Strategy 2017-2021 was adopted in June 2017. There was no public participation in the process of drafting the strategy and no information was made available to the public before it was adopted. The strategy includes plans for a new harbour in the City of Belgrade, within an Important Bird Area and a potential Natura 2000 site.

Regulation on Appropriate Assessment has been drafted but not yet adopted.

In December 2016, the then Ministry of Agriculture and Environment adopted amendments to the Rulebook on the declaration and protection of protected and strictly protected species of plants, animals and fungi ("Official Gazette of Republic of Serbia", No 98/2016). The amendments transferred competency for management of four birds species (Northern Goshawk, Grey Heron, Hooded Crow and Great Cormorant) to the hunting authorities, contrary to the EU Birds Directive and the Bern Convention.

Procedures necessary for the adoption of the Law on the Confirmation of the Agreement on the Conservation of Populations of European Bats are on-going; however, no information about public participation in this process has been released.

Some progress has been achieved in the process of establishing coordination between public institutions responsible for cases of destruction of nature, through the preparation of Protocol on cooperation of institutions and organizations in combating illegal killing, trapping and trade of wild animals. CSOs were invited to provide expert opinion on the Protocol. However, no information has been provided on the current status of the Protocol; it is therefore unclear if the document has been completed or if the process of adopting it has begun.

In 2017, the Ministry of Environmental Protection initiated the process for protecting twenty four new areas of land, which cover slightly less than sixty-three thousand hectares²⁰.

²⁰ The budget is based on available information on the website of the Ministry of Environmental Protection.

IMPLEMENTATION

Institutional capacity to implement laws and bylaws relating to nature protection remains weak, especially the police and inspectors for environmental protection, as well as local government bodies, with political influence noticeable.

The poor integration of nature protection principles and weak implementation of nature protection measures in other sectors continues to be a problem.

Illegal killing of wild animal species, especially birds, has been identified as a serious problem in Serbia for many years. Destruction of habitats by illegal construction in protected areas and intensive logging has been documented in 2017, but no official information on the reasons for this or the scale of it is publicly available. The capacities of management bodies in protected areas to implement protection measures are insufficient.

05. INDUSTRIAL POLLUTION AND RISK MANAGEMENT

POLICY & LEGISLATIVE DEVELOPMENTS

The Law on Mining and Geological Exploration ("Official Gazette of the Republic of Serbia" No. 101/2015) transposed the main principles and priorities set out in the European Parliament and Council Directive 2006 / 21EC on the management of waste from extractive industries, as well as the relevant European Commission development decisions that have since updated the Directive (2009 / 335EC, 2009 / 358EC, 2009 / 359EC and 2009 / 360EC). The Government regulation, as well as bylaws, adopted on the basis of the Law on Mining and Geological Exploration, which regulates the conditions and procedure for issuing permits for waste management, as well as the criteria for characterization, classification and reporting on mining waste, was adopted on the 29th of May, 2017, and will come into force on the 1st of January, 2020 ("Official Gazette of the Republic of Serbia", No. 53/2017). The adoption of these regulations has established the necessary legal basis for the implementation of the procedure for issuing permits for mining waste management in accordance with the provisions of EU regulations.

As part of the IPA 2011 Project "Implementation of laws in the field of industrial pollution control, chemicals prevention and the establishment of the EMAS system", a draft plan for the implementation of the Industrial Emissions Directive 2010/75 / EU (DSIP) was developed. This first draft covered 22 industrial plants.

IMPLEMENTATION

According to the Ministry of Mining and Energy, the project "Development of cadastre of mining waste," began on the 1st of February, 2017. Through this project data will be collected to fulfil the cadastre of mining waste and cadastre of abandoned mines and mining facilities. The project will conclude on the 31st of January 2020, following which the data will be made available to the public.

The National Emission Reduction Plan (NERP) in the electricity sector has not yet been released to the public, despite being scheduled to come into force on the 1st of January, 2018.

The capacity of the public administration to implement the Law on Integrated Pollution Prevention and Control (Official Gazette of the Republic of Serbia, No. 135/2004, 25/2015) remains very low. During the reporting period three applications for integrated licenses were submitted, four drafts for integrated permits were prepared, and three integrated permits were issued²¹.

The special distribution of stations for measuring air pollution is still not appropriate (there is a bias toward agglomerations and population density, at the expense of proximity

to pollutants). Citizens have no rights or means of participating in decision making on the position of measuring stations. Further, the obligations of municipal authorities in regard to measuring air quality are loosely defined.

There is a clear, justifiable reason for the state to intervene to increase the number of measuring stations, in particular where communities are at risk of air pollution, in order to provide accurate data about air quality that would be credible in court cases related to polluters and their impact on citizens. The Environmental Protection Agency is willing to incorporate any new measuring station in its reporting system; however, it requires permission from the Ministry of Environmental protection to do so.

Due to deficiencies in the Law on Local Government Financing and the way funds are allocated, the current situation favours large polluters, who can continue business as usual.

According to the Head of the Sector at the EU Delegation to Serbia, Richard Masa, 40% of Serbia's employees work in sectors covered by the Industrial Emissions Directive, including 250 industrial plants and 56 combustion plants²².

21 <http://www.ekologija.gov.rs/obavestjenja/integrisane-dozvole/>

22 <http://www.euractiv.rs/odrzivi-razvoj/8405-potrebniprelazni-rokovi-sa-eu>

06. CHEMICALS MANAGEMENT

POLICY & LEGISLATIVE DEVELOPMENTS

With the adoption of the Law on Chemicals and the Law on Biocidal Products and their bylaws, a modern system of chemicals management based on the EU model was established. However, the chemicals management system requires further development, through continued harmonization with updated EU regulations and capacity building, both of which are necessary for effective implementation of regulations.

Although the process of aligning the chemicals management framework with relevant EU regulations has generally slowed since 2012 (described in detail in the previous report), certain progress was achieved in 2017.

Some progress has been made in updating regulations pertaining to classification and labelling to ensure adaptation to technical and scientific progress (ATP)²³. In the course of 2017, a Rulebook on amendments of the Rulebook on classification, packaging and labelling of chemicals and certain products in accordance with the UN Globally Harmonised System for classification and labelling ("Official Gazette of RS", no. 52/2017) was adopted, and the Rulebook on the List of classified substances ("Official Gazette of RS", no. 50/2017) was updated, thereby harmonising Serbian legislation with the EU regulations up to the seventh ATP. However, further harmonisation in these sub-areas is necessary as relevant EU regulations have been additionally updated.

With regard to updating regulations on bans and restrictions on production, placing on the market and the use of chemicals during 2017, some amendments have been adopted ("Official Gazette of RS", no. 44/2017). The List of candidate substances for the List of substances of very high concern (SVHC) was adopted in mid-2016, which enables the exercise of consumer rights to information on SVHCs in products. However, the Serbian List must be further harmonised, as the EU List has been additionally updated to include, *inter alia*, the substance Bisphenol A (BPA), which is widely used.

The alignment of regulations on testing methods for the evaluation of hazardous properties of chemicals lags significantly behind the updated EU regulations (Serbian regulations have not been updated since 2012).

Alignment with Regulation EU 528/2012 on biocidal products is planned for the first quarter of 2018. During 2017, the drafting of a new Law on Biocidal Products began. The List of biocidal products listed in the Registry of biocidal products during 2015 and 2016 was also updated. As was the Rulebook on the content of basic information that must be provided about biocidal products and active substances contained in biocidal products.

There has been no significant development in the past year regarding **administrative**

capacity to perform expert work related to chemicals management. Despite the clear need to increase administrative capacity, particularly in chemicals regulation expertise, the limitations currently in place on hiring civil servants indicates it is unrealistic to expect improvement of the capacity of the Chemicals Department in the near future, notwithstanding the recent establishment of the Ministry of Environmental Protection.

It is important to note that through the implementation of activities within international projects in the area of chemicals and biocidal products management²⁴, a number of training courses have been organised for representatives of the state authorities dealing with these issues as well as the wider professional community, with the aim to strengthen **professional capacities in the scientific and academic sector** for effective implementation of legal regulations, primarily related to regulatory risk assessment.

Given that the legislation on chemicals covers only one phase of the life cycle of chemicals, i.e. placement on the market and use of chemicals, and that there are other phases in the chemicals life cycle, from production to disposal, it is essential to establish adequate cooperation and coordination between the authorities responsible for implementing regulations on chemicals and other relevant sectors, primarily in the field of environmental protection. To date, no information has been made available about the establishment and work of the Joint Body for Integrated Chemicals Management or the adoption of the Integrated Chemicals Management Programme, which are envisaged as key coordination mechanisms to ensure safe management of chemicals throughout entire life cycle.

IMPLEMENTATION

The adoption of the new Rulebook on permits for performing business activities and/or permits for the use of particularly hazardous chemicals ("Official Gazette of RS" no. 6/2017) has caused additional problems for the implementation of this regulation in practice. The problem has been caused by the classification of chemicals in the hazard class *skin corrosion/irritation* (subcategory 1B) as particularly hazardous chemicals. Firstly, there are no clear scientific criteria for the including chemicals classified in this subcategory of hazards as particularly hazardous chemicals. Secondly, given that a large number of products contain so-called household chemicals, primarily degreasers used for cleaning fat deposits, the number of persons in need of a permit to trade in particularly hazardous chemicals has increased significantly, including individual shops selling chemicals in this subcategory and hazard class. Thirdly, the permitting system for distributors, which is supposed to be located in local self-governments, is not yet sufficiently functional. The new regulation on very dangerous chemicals does not ensure the protection of end-users (which was one of the goals of the regulation), because in the majority of cases a person using a chemical for general use is not subject to the regulation. The introduction of this measure is not based on the real danger that subcategory 1B chemicals pose in practice; is it neither applicable to the type of product to which it is currently applied, nor to the companies that must implement it.

²⁴ Training courses were conducted within the IPA project "Further Development of Chemicals and Biocidal products Management in the Republic of Serbia" (ref.br. Twinning project SR 13 IB EN 03)

It is important to acknowledge that further alignment of regulations in the area of classification and labelling has been achieved. However, problems have occurred in the implementation of regulations related to chemicals labelling. Specifically, the modification of wording in precautionary phrases (P-phrases) on labels has been problematic, particularly in situations where no substantive changes were made to the text (in cases the P-phrase is only reformulated). The deadline for compliance with the changes –approximately three months– was too short. As a result, some chemical products placed on the market have labels that are now inconsistent with the relevant regulations. Replacing labels also carries a significant cost to the suppliers. The way the regulation was conceived and implemented was unsatisfactory. There has been a lack of transparency in the adoption of regulations and the predictability of costs related to trading in chemicals in the Serbian market has been undermined. It is important for companies that are affected by changes in regulations to be informed in a timely and clear manner.

Although there is dialogue between the competent authorities and the chemicals industry and other stakeholders, it is necessary to improve communication in order to better inform companies about their obligations related to implementation of the EU regulations in the area of chemicals and biocidal products.

07. CLIMATE CHANGE

POLICY & LEGISLATIVE DEVELOPMENTS

The Republic of Serbia submitted the Second National Communication under the United Nations Framework Convention on Climate Change on the 23rd of October, 2017²⁵. This was an opportunity to correct the shortcomings made in the First Two-Year Updated Report²⁶.

The Serbian Parliament ratified the Paris Agreement on the 29th of May, 2017. This is an important development that provides a legal basis to step up the ambition of Serbia's contribution to the Paris Agreement. Previously, in March 2017, the Parliament also ratified the Doha amendment to the Kyoto Protocol.

Coalition 27 has not been officially informed of any progress on the National Climate Change Strategy between March and September 2017. It is urgent that the process continues as soon as possible and that it offers initial results for discussion by all stakeholders. As part of this process, it is important for Serbia to set more ambitious climate targets that ensure a meaningful decrease of emissions.

The adoption of climate change related legislation – transposing the Monitoring Mechanism Regulation and the Monitoring, Reporting and Verification for EU ETS – has not progressed along the legislative procedure.

The National Climate Change Council met in its new set-up in March 2017 and offered opportunities for civil society to ask questions and make suggestions to the broader group of participants. Unfortunately, the outcome of this engagement²⁷ does not indicate that the Council will deliver meaningful progress on cross-sectoral cooperation in the future.

The Ministry of Mining and Energy has begun the development of the Regulation on the Energy Strategy Implementation Programme for the period 2017-2023. The Ministry organized a public consultation process, including a workshop for interested parties. This approach has been much appreciated by the civil society sector. The Programme includes a list of energy projects for which state support is foreseen (mainly fossil fuel projects), while for the list of renewables projects financing is envisaged from the private sector. Although the Programme proposes some measures for the promotion of renewables, it is insufficient, particularly compared to the funding allocated for fossil fuel projects. This approach is clearly not in line with the objectives of the Paris Agreement.

No progress was recorded in the area of climate change adaptation, despite severe droughts in summer 2017 that caused significant damage to the Serbian economy²⁸. The

25 The date of submission of the document is after the period of the Report K27 (October 2016 - September 2017)

26 For more details see previous Coalition 27 report: www.rs.boell.org/sites/default/files/koalicija_27_-_izvestaj_iz_senke_2016.pdf

27 www.energetskiportal.rs/odrzana-4-sednica-nacionalnog-saveta-za-klimatske-promene/

28 www.euractiv.rs/vesti/102-srbija-i-eu/11690-sua-uzela-danak-ekonomskom-rastu-srbije.html

First National Adaptation Plan has not yet been adopted by the Government. Participation in the Covenant of Mayors and Mayors Adapt initiatives has been very low.

IMPLEMENTATION

There has been little progress on the implementation of measures aimed at climate mitigation or adaptation, particularly in the priority areas identified in the previous report: administrative capacity, mainstreaming of climate action across sectors and inter-sectoral cooperation.

A four-year project (Climate Smart Development at Local Level) has been initiated in order to identify innovative ideas and projects to improve climate change adaptation and mitigation data, with the aim of creating economic, social and environmental benefits for local communities. The project is implemented by the Ministry of Environmental Protection, with the support of United Nation's Development Programme, and financed by the Global Environmental Facility (GEF), the Ministry of Environmental Protection and United Nation's Development Programme.

08. FINANCING IN THE FIELD OF ENVIRONMENT AND CLIMATE CHANGE

It is evident from the manner in which the principles of financing environmental policy are implemented in Serbia that this policy area is not a priority for the Government of the Republic of Serbia.

The Republic of Serbia has not made progress toward implementing the three key recommendations made in the European Commission's 2016 report on Chapter 27²⁹ regarding the Green Fund, which was established in 2016 to finance environmental protection activities. Despite announcements by the Ministry of Environmental Protection on several occasions, the Green Fund remains a budget line with limited effect. The Government has adopted a Decision on the Establishment of the Green Fund³⁰; however, the envisaged by-laws that should regulate the fund have not been adopted. Despite this, the Law on the Budget of the Republic of Serbia for 2017 foresees the allocation of a total of 2.29 billion RSD (about 19.3 million euros) for the protection of the environment through the Green Fund. 2.19 billion RSD (approximately 18.4 million euros) have been allocated as incentives to the recycling industry and 100 million RSD (about 842,000 euros) for financing intervention measures related to environmental emergencies, re-cultivation and the rehabilitation of polluted land.

The establishment of a system for financing environmental protection, particularly at a local level, remains far from being properly realized. Amendments to the Law on the Budget System³¹ made it possible to allocate revenue from environmental taxes to other sectors and unrelated activities at national and local levels. The lack of allocated public funds for environmental protection cannot be replaced by other, mainly EU, sources.

In 2016, the Republic of Serbia allocated less than 0.5% of GDP for environmental policy, while European Union countries spent 2% of GDP on average on environmental policy³². In 2014, environmental taxes averaged about 1.56% of GDP among member states of the Organization for Economic Cooperation and Development (OECD)³³.

According to the Statistical Office of the Republic of Serbia³⁴, the average annual growth of environmental tax revenues in the period 2008-2015 was 12.5%. The average annual share of environmental tax revenue of gross domestic product (GDP) in the period 2008-2015 was 3.4%. The Statistical Office of the Republic of Serbia includes energy taxes, taxes in the field of transport, pollution taxes and taxes on the use of resources as environmental taxes. According to the research by the *Staniste* Ecological Association

29 http://seio.gov.rs/upload/documents/eu_dokumenta/godisnji_izvestaji_ek_o_napretku/godisnji_izvestaj_16_eng.pdf

30 www.paragraf.rs/izmene_i_dopune/101116-odluka_o_osnivanju_zelenog_fonda_republike_srbije.html

31 www.trezor.gov.rs/uploads/file/Zakoni/Zakon%20o%20budzetskom%20sistemu%2016.12.2016.pdf

32 [www.ec.europa.eu/eurostat/statistics-explained/index.php/File:National_expenditure_on_environmental_protection_EU-28_2006%E2%80%939315_\(million_EUR_and_%25_of_GDP\)_V2.png](http://www.ec.europa.eu/eurostat/statistics-explained/index.php/File:National_expenditure_on_environmental_protection_EU-28_2006%E2%80%939315_(million_EUR_and_%25_of_GDP)_V2.png)

33 www.oecd.org/env/tools-evaluation/environmentaltaxation.htm

34 www.stat.gov.rs/WebSite/public/PublicationView.aspx?pKey=41&pLevel=1&pubType=2&pubKey=4378

and the European Policy Centre³⁵, most local governments spend less on environmental policy than they collect through environmental tax revenue: 6.5 billion RSD of collected environmental taxes were not spent on environment related activities in the past six years. It is commonplace that expenditure by local government that should be allocated to environmental policy is not used in accordance with the Rulebook on the Standard Classification Framework and the Chart of Accounts for the Budget System. Research has shown that, in a large number of local self-governments, the following activities are financed from the environmental protection budget: maintenance of rural roads, maintenance of the manmade waterways network, hail protection systems, construction of sports facilities, asphaltting streets, pest control, zoos, animal control services, court fines for dog bites, winter maintenance, replacement of asbestos pipes and water supply network maintenance, subsidies for water, gas debt, heating, boilers, and flood recovery measures, among others.

The Ministry of Finance has stated that a Working Group for drafting of the Law on Fees for the Use of Public Goods³⁶ has been established and that a draft version of the law should be developed in 2017. It is envisaged that fees paid for use of certain types of public goods will be determined by a single law rather than several special laws and numerous by-laws, as has been the case to date. Taxes are currently prescribed by 13 different laws, including laws on water, agricultural land, mineral deposits, spas, and packaging waste. The legislation has been in development for four years. According to the National Strategy for the Suppression of the Shadow Economy, it is expected that the number of para-fiscal levies and taxes will be cut in half, from the current number of 371, and that tariffs will be the same throughout Serbia.

The abolition of the Environmental Protection Fund in 2012 (which was replaced by the Green Fund only in 2016) dramatically disrupted the automatic system for monitoring air quality, due to the lack of funds for regular maintenance. Financing in this area is problematic due to the inadequate allocation of funds collected from fees paid by polluters, which are currently being fed directly into the state budget.

The total national budget allocation for **water management** in 2017 is ca. 3.4 billion RSD, approximately 0.3% of the total national budget³⁷. The budget of the Republic Water Directorate is ca. 1.1 billion RSD, while the remaining 2.3 billion RSD is allocated to the Budgetary Fund for Waters of the Republic of Serbia. The largest portion of the water management budget continues to be allocated to river management and flood prevention related construction and infrastructure (ca. 50% of the total budget). The budget allocation for inspection accounts for less than 1% of the budget allocated for water management.

According to the Law on the Budget of the Republic of Serbia for 2017, 19.5 RSD has been allocated to the establishment of the **Ecological Network** and 11.3 million RSD to **Natura 2000**. A further 214.5 million RSD has been allocated for subventions for the management of protected areas of national interest, which is an alarmingly small amount for

nature protection in Serbia. No information has been made public as to whether the funds allocated for the Ecological Network and NATURA 2000, as well as the Green fund, have been spent for those purposes.

Financing of **chemicals and biocidal products management** was analysed in detail in the previous report³⁸. There have been no changes to financing of chemicals management since the previous report was published. In summary, the financing system for chemicals and biocidal products management has not been in compliance with the basic principles set out in REACH and the EU Regulation of biocidal products, or the accompanying EU implementing regulations on fees (Regulation (EC) No.340/2008 and Regulation (EU) No.564/2013) since 2012, according to which the costs for regulatory procedures related to chemicals and biocidal products should be borne by economic entities that generate revenue from placing regulated products on the market.

Funds have not been allocated from the Green Fund for 2017 to begin the process of implementing measures to adapt to **climate change** in all sectors. No progress has been made with regard to the reform of subsidies on fossil fuels.

35 www.cep.org.rs/wp-content/uploads/2017/10/Lokalne-finansije-i-%C5%BEivotna-sredina.pdf

36 www.naled.rs/images/preuzmite/Izvestaj-za-I-i-II-kvartal-o-statusu-regulatorne-reforme-2017.pdf

37 www.paragraf.rs/propisi/zakon_o_budzetu_republike_srbije_za_2017_godinu-5.html

38 www.rs.boell.org/sites/default/files/koalicija_27_-_izvestaj_iz_senke_2016.pdf

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Horizontal Legislation



● Adopted
 ● Not adopted
 ● Partially adopted
 ○ New recommendation

RECOMMENDATION FROM THE PREVIOUS REPORT	COMMENT	RECOMMENDATION FOR 2018			
● Pass all necessary bylaws in order to ensure proper functioning and independent monitoring of the Green Fund.	Announcements have been made through the media by the competent authorities about the Green Fund but no public consultation/dialogue about the fund's structure and operation have been undertaken. Necessary bylaws have not been adopted and the Fund has not been established despite the deadline set by the law (i.e. one year after the adoption of the law).	Pass all necessary bylaws in order to ensure proper functioning and independent monitoring and oversight of the Green Fund.	● Improve Strategic impact Assessment (SEA) and Environmental impact Assessment (EIA) procedures and expand the list of projects for which SEA and EIA procedures are required.	The next opportunity to make improvements to SEA and EIA procedures will be through the next planned amendments of the EIA and SEA Laws, in 2017 and 2018.	Improve SEA and EIA procedures and expand the list of projects for which SEA and EIA procedures are required.
● Enhance participation in public consultation procedures through making the process more transparent and inclusive, especially through providing timely information about the hearings and published reports.	The Ministry of Mining and Energy has made notable efforts to organize public consultations. Local authorities significantly lack capacity. In some cases authorities conducted a proper public consultation process, while in other instances there was no public consultation held at all. For example, the Proposal for a Regulation defining the Programme for the Implementation of the Energy Development Strategy of the Republic of Serbia until 2025 with projections until 2030, for the period 2017-2023, as well as the Proposal for a Regulation on the Energy Strategy Programme, were open to public participation to a greater extent than the law requires (there were two rounds of public consultations), while the Development Strategy of the City of Belgrade was adopted without any public participation.	Enhance participation in public consultation procedures undertaken by local authorities through making the process more transparent and inclusive, especially through providing timely information about the hearings and publishing reports.	● Ensure cumulative environmental impact assessments are conducted, particularly for small hydro plant projects, wind parks, gravel exploitation, etc.	Cumulative impact is rarely assessed when conducting EIAs for List II projects (projects for which the EIA is optional, such as small hydro power projects, gravel exploitation, deforestation, etc.). The failure to assess cumulative impact can be found across Serbia, where local communities often protest against such projects, as they threaten their livelihoods.	Ensure cumulative environmental impact assessments are conducted, particularly for small hydro plant projects, wind parks, gravel exploitation, etc.
			● Utilize available information channels to inform interested stakeholders and publish information related to EIAs on official websites of local municipalities.	No progress towards the provision of relevant information regarding EIAs on municipal websites has been recorded in reporting period.	Utilize available information channels to inform interested stakeholders and publish information related to EIA on official websites of local municipalities.
			● Publish investment plans for improvement of water and waste management at a local level.	Large scale investment in water and waste management is envisaged in the coming years. The capacity of the authorities to conduct proper consultation processes is weak. In some cases the failure to follow proper procedures has caused projects to be delayed or cancelled. Publishing investment plans and improving transparency is likely to result in investment that answers the needs of local communities and in higher quality projects.	Publish investment plans for improvement of water and waste management at a local level and include local communities in consultation processes.
			● Ensure proper implementation of the Aarhus Convention and prevent selective implementation and tendentious interpretation of the Convention by the authorities.	Contrary to the INDC development process, in which public participation was not properly managed, some progress has been noted with regard to the development of the First National Report for the UNFCCC, which was open to public participation.	Ensure proper implementation of the Aarhus Convention and prevent selective implementation and tendentious interpretation of the Convention by the authorities. Raise the capacities of the authorities in order to provide proper access to relevant information about the environment.

 Recognize environmental taxes and other income earmarked for the Green Fund as a source of public income that is reserved for funding environmental protection and preservation.	Provisions made in 2015, within the latest Amendments to the Budget System Law (Article 2, para. 15), made it possible for funds raised from environmental taxes to be used for purposes other than environmental protection and preservation.	Recognize environmental taxes and other income earmarked for the Green Fund as a source of public income that is reserved for funding environmental protection and preservation.	 Local governments/cities should improve the quality, visibility and accessibility of air quality monitoring data.	No progress has been identified.	Local governments/cities should improve the quality, visibility and public accessibility of air quality monitoring data provided from local monitoring networks.
 /	/	Establish the practice of quality control in EIAs as well as revision of EIAs every five years.	 /	/	Improve national environmental regulations in order that the public are informed when allowed thresholds are exceeded and of the presence of PM particles, O ₂ , NO ₂ and ozone, which are currently not covered by the Regulation for air quality monitoring and air quality requirements.

Air Quality



 Adopted
  Not adopted
  Partially adopted
  New recommendation

 Responsible stakeholders for air quality monitoring should ensure that the measuring system is well maintained and that data is made available to the public, particularly in urban agglomerations such as Belgrade.	No progress has been identified.	Responsible stakeholders for air quality monitoring should ensure that the measuring system is well maintained and that data is made available to the public, particularly in urban agglomerations such as Belgrade.	 /	/	Provide sustainable funding for the maintenance of the national network of automatic stations for monitoring air quality.
 Inter-sectoral cooperation needs to improve in order to enable full implementation of the legislation already in place in the country.	No progress has been identified.	Inter-sectoral cooperation needs to improve in order to enable full implementation of the legislation already in place in the country.			

Water Quality



Adopted

Not adopted

Partially adopted

New recommendation

RECOMMENDATION FROM THE PREVIOUS REPORT

COMMENT

RECOMMENDATION FOR 2018

Develop and consolidate the capacity of public institutions for water management, particularly at the local level: The complexity of the water management issues demand much more human and technical capacities. Responsible institutions should analyse existing capacities and develop a plan to improve them as soon as possible. To succeed in this, expert institutions as well as CSOs should advocate for better political and financial support for water the management sector.

No progress has been identified.

Develop and consolidate the capacity of public institutions for water management, particularly at the local level: The complexity of the water management issues demand much more human and technical capacities. Responsible institutions should analyse existing capacities and develop a plan to improve them as soon as possible. To succeed in this, expert institutions as well as CSOs should advocate for better political and financial support for water the management sector.

Build and improve collaboration with other sectors: Better involvement of other sectors in the development of water management policy should be ensured.

Some improvements have been made, in the form of the involvement of representatives from the environmental sector in the development of DSIPs for directives related to water management.

Develop structured cooperation with other relevant sectors: environment, energy, agriculture, and spatial planning. This should involve establishing permanent communication and information exchange between these sectors.

Further improvement of public participation in policy development in water management sector: Some advances have clearly been made to date; however, both public institutions and CSOs should make further efforts to bring water related issues into the focus of the wider public.

Some advancement is evident (public discussions, working groups) but not consistently (for all documents).

Further improvement of public participation in policy development in the water management sector is needed. Consultations should be developed beyond the minimal legal requirements and should begin at the earliest stages of a policy development.

Integration of natural solutions in water management and better consideration of ecological service.

Natural solutions were considered in some recent projects funded by EU (for example, the FORRET project)

Integration of natural solutions in water management and better consideration of ecological service. Specific capacities for these issues should be developed in relevant institutions.

More decisive approach in water pricing policy.

No progress has been identified.

More decisive approach in water pricing policy.

Concrete plan and measurements for improvement of monitoring of waters according to the WFD requirements.

No progress has been identified.

Concrete plan and measurements for improvement of monitoring of waters according to the WFD requirements.

Improve control and mitigation of the main identified threats: intensive and poorly planned mini-hydropower developments, gravel extraction, pollution, uncontrolled use of ground waters, illegal construction along rivers: River habitats, wetlands and water resources in general are highly threatened in Serbia. Immediate action at a national level is needed.

Some measures are supported in the Amendments to the Law on waters.

Improve control and mitigation of the main identified threats: intensive and poorly planned mini-hydropower developments, gravel extraction, pollution, uncontrolled use of ground waters, illegal construction along rivers: River habitats, wetlands and water resources in general are highly threatened in Serbia. Immediate action at a national level is needed.

Integration of nature directives (Birds and Habitat Directive) in water management.

Some advances have been made in the Amendments to the Law on waters.

Integration of nature directives (Birds and Habitat Directive) in water management. Better coordination between water management sector and environmental sector in regard to implementation of EU directives.



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Develop specific strategies, supported by economic analyses, to improve investment in waste water treatment facilities. Consider development of strategies and models for knowledge transfers on waste water treatment technologies to reduce the costs and mobilize domestic capacities.

Nature Protection



● Adopted
 ● Not adopted
 ● Partially adopted
 ○ New recommendation

RECOMMENDATION FROM THE PREVIOUS REPORT

COMMENT

RECOMMENDATION FOR 2018

● Strengthen cooperation between all actors to prevent corruption in nature protection sector (particularly related to illegal use of forestry, water resources and hunting).

Protocol on cooperation by institutions and organizations in combating illegal killing, trapping and trade of wild animals has been drafted.

Complete the Protocol on cooperation by institutions and organizations in combating illegal killing, trapping and trade of wild animals; conclude consultations with the expert and scientific community. Adopt the Protocol by mid-2018. Strengthen cooperation between all actors to prevent corruption in the nature protection sector (particularly related to illegal use of forestry, water resources and hunting).

● Amend the Law on National Parks to include more efficient protection objectives and management systems. Strengthen procedures for decision making related to the borders of national parks, including rules and procedures for changing park borders.

No progress in this sector.

Amend Law on National Parks. Complete announced amendments to the Law on Nature Protection. Complete the Strategy for Nature Protection of Serbia, including proper public participation. Adopt all bylaws that are already completed (e.g. Regulation on Appropriate Assessment).

● Fully implement the principles of sustainable development and safeguard natural protected areas from new energy projects that may negatively impact on the environment.

No progress in this sector. Energy projects continue to be planned and implemented in protected areas.

Improve cooperation in developing legislation and implementation of regulations between nature protection, energy, construction and urban planning sectors, particularly in EIA and SEA processes.

● Improve cooperation between institutions and civil society organizations in the field of nature protection, particularly during the revision of legislation and by allowing CSOs to participate in research.

No progress. Civil society is not tangibly included in decision making processes. Opinions and recommendations of civil society stakeholders are rarely considered and/or adopted.

Improve cooperation between institutions and civil society organizations in the field of nature protection, particularly in the process of preparing new strategic and legal documents and in data collection.

● Improve coordination and capacities of national institutions for nature protection (increase the number of staff and technical capacity).

The nature protection sector does not have adequate support from the Government of the Republic of Serbia. Budget provisions are insufficient for proper functioning of this sector.

Strengthen coordination and the capacities of national institutions for nature protection (increase the number and qualifications of staff, as well as technical capacities).

Allocate national funding in 2017 to strengthen capacities at local and national levels for the implementation of legislation.

It has been unofficially indicated that organization of personnel within the Ministry has been completed, as well as plans for employing more staff. However, the public has not been officially provided with details.

Allocate national funding in 2018 to strengthen capacities at local and national levels for the implementation of legislation.

● Ensure the Green Fund provides adequate financing of nature protection in 2017 (identify priorities and criteria for allocating funds). Fulfil implementation of the Natura 2000 project (EuropeAid/133834/ C/SUP/RS).	No data is available on the expenditure of funds allocated to the ecological network and nature protection in the Republic of Serbia in 2017.	Improve planning and allocation of budgetary funds for the ecological network and protected areas in 2018. Ensure the Green Fund provides adequate financing of nature protection in 2018 (identify priorities and criteria for allocating funds). Fulfil implementation of the Natura 2000 project (EuropeAid/133834/ C/SUP/RS).
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● Build the implementing capacities of police, inspectors and judges regarding regulations on species protection.	No available data on capacity building processes.	Strengthen the capacity of police, inspectors and the judiciary regarding species protection regulations.
○ /	/	In 2018 strengthen inspection procedures/capacity in protected areas in order to prevent illegal construction and logging.
○ /	/	Complete the harmonization of the regulatory framework, particularly regarding laws affirming international agreements.
○ /	/	Improve regulatory framework on protected areas, particularly regulations on management, categorization, and implementation of protective measures and inclusion of interested parties in management of protected areas.

Industrial Pollution and Risk Management



● Adopted
● Not adopted
● Partially adopted
○ New recommendation

RECOMMENDATION FROM THE PREVIOUS REPORT	COMMENT	RECOMMENDATION FOR 2018
● The Republic of Serbia should take immediate steps to comply with the Industrial Emissions Directive and to harmonize procedures for obtaining the various permits required for the integrated permit.	The Specific Implementation Plan for the Industrial Emissions Directive (IED), which was supposed to set out steps for harmonization and projected costs, has not yet been completed. Procedures for obtaining an integrated permit have not yet been harmonized.	Take necessary steps to achieve full transposition of the Industrial Emissions Directive until 2018, as planned. Harmonize procedures for obtaining different licenses that precede an integrated permit. Accelerate the issuance of integrated permits.
● The competent Ministry and all relevant stakeholders should inform the public in Serbia, in a transparent manner, about all steps taken to create the specific plans for implementation of the Industrial Emissions Directive (IED) and law enforcement in this field.	No information is publically available about the precise step-by-step data, costs, and time to comply with IED provided by industry operators, or information about what the provided data are. In the previous period, the Ministry undertook some activities related to the Integrated Pollution Prevention and Control (IPPC) permit for farms.	Improve public availability of information about Directive Specific Implementation Plans (DSIP) for IED, as well as law enforcement in this field.
● Fully ensure the public's right to participate in decision-making in cases when amendments are being made to integrated permits.	The Law on Integrated Pollution Prevention and Control has not changed in this respect.	Fully ensure the public's right to participate in decision-making in cases when amendments are being made to integrated permits.

Chemicals Management



● Adopted
 ● Not adopted
 ● Partially adopted
 ○ New recommendation

RECOMMENDATION FROM THE PREVIOUS REPORT

COMMENT

RECOMMENDATION FOR 2018

● Establish adequate dynamics for alignment with relevant amendments to EU regulations in this field, particularly in regard to adaptation to technical and scientific progress.	A positive trend has been noticed, particularly in terms of adaptation to technical and scientific progress (ATP).	Establish adequate dynamics for alignment with relevant amendments to EU regulations in this area.
		Adopt a new Law on Biocidal Products harmonised with EU Regulation 528/2012 on biocidal products to the extent to which it is possible due to centralised procedures at the EU level.
		Amend the Rulebook on permits for performing business activities and/or permits for use of particularly hazardous chemicals: Delist the hazard class skin corrosion/irritation (subcategory 1B) from criteria for particularly hazardous chemicals. When the Law on Chemicals is next amended, delete provisions pertaining to particularly hazardous chemicals (they do not exist in the EU), taking into account the existence of other risk control measures for hazardous chemicals that have been implemented in practice for some time.

● Improve existing administrative capacities for performing tasks related to chemicals management and create mechanisms and conditions for engaging external experts in order to compensate for the lack of capacities for regulatory risk assessment.

International projects in the area of chemicals and biocidal products management have provided training courses for representatives of state authorities and the wider professional community, with the aim of strengthening professional capacities in scientific and academic sector for effective implementation of regulatory risk assessment of chemicals and biocidal products.

The number of employees working on chemicals

● Improve implementation of administrative procedures through establishing information infrastructure for electronic data submission, with appropriate protection and levels of data access.

No progress has been identified.

Improve existing administrative capacities for performing tasks related to chemicals management and create mechanisms and conditions for engaging external experts in order to compensate for the lack of capacities for regulatory risk assessment.

● Establish a joint body for planning, monitoring, alignment and undertaking joint measures of inspectorates with responsibilities relating to chemicals and biocidal products.

No progress has been identified.

Establish a joint body for planning, monitoring, alignment and undertaking joint measures of inspectorates with responsibilities relating to chemicals and biocidal products.

● Strengthen inter-sectoral cooperation among state authorities responsible for good laboratory practice (GLP), protection of animals and chemicals, in order to create conditions for the application of regulations on testing methods for the evaluation of dangerous properties of chemicals.

To our knowledge, no progress has been identified.

Strengthen inter-sectoral cooperation among state authorities responsible for GLP, protection of animals and chemicals, in order to create conditions for the application of regulations on testing methods for the evaluation of dangerous properties of chemicals.

Establish the Joint Body for Integrated Chemicals Management in order to provide satisfactory cooperation and coordination between all relevant sectors and ensure safe chemicals management throughout their entire life cycle (i.e. adoption and implementation of the Integrated Chemicals Management Programme).	No progress has been identified.	Establish the Joint Body for Integrated Chemicals Management in order to provide satisfactory cooperation and coordination between all relevant sectors and ensure safe chemicals management throughout their entire life cycle (i.e. adoption and implementation of the Integrated Chemicals Management Programme).
Prescribe fees for administrative procedures related to chemicals and establish financial mechanisms to ensure that costs of regulatory procedures related to chemicals and biocidal products are borne by economic entities that generate revenue from their placement on the market.	No progress has been identified.	Prescribe fees for administrative procedures related to chemicals and establish financial mechanisms to ensure that costs of regulatory procedures related to chemicals and biocidal products are borne by economic entities that generate revenue from their placement on the market.

Climate Change



Adopted
Not adopted
Partially adopted
New recommendation

RECOMMENDATION FROM THE PREVIOUS REPORT

COMMENT

RECOMMENDATION FOR 2018

Revise and increase the INDC by the end of 2018 at the latest, in order to align it with the EU 2030 target of at least a 40% reduction of emissions compared to 1990 levels, ensuring that the country achieves true reduction of emissions.	The recommendation is time-bound and we will only be able to fairly evaluate it in the end of 2018. However, the fact that representatives of Coalition 27 – who are members of both the Working group for the National Climate Change Strategy and the National Climate Council - have not been informed of any progress on the NCCS since March 2017 raises concern. We continue to hope that the process will continue as soon as possible and soon offer initial results for discussion by all stakeholders.	Revise and increase the INDC by the end of 2018 at the latest, in order to align it with the EU 2030 target of at least a 40% reduction of emissions compared to 1990 levels, ensuring that the country achieves true reduction of emissions.
Make better use of the National Climate Change Council, ensure real inter-sectoral coordination and mainstreaming of climate action into other policies.	The National Climate Change Council has been reformed so as to include new members and civil society representatives. Members of Coalition 27 attended the meeting of the Council in March 2017 but have not witnessed true readiness to improve inter-sectoral coordination from other relevant Ministries (energy, finance, etc.).	Climate Change Council, ensure real inter-sectoral coordination and mainstreaming of climate action into other policies.

Address the shortcomings of the First Biennial Update Report in the next communication to the UNFCCC, in accordance with the issues raised by the civil society stakeholders.	Serbia submitted the Second National Communication to the UNFCCC on the 23rd of October, 2017.	Address the shortcomings of the First Biennial Update Report in the next communication to the UNFCCC, in accordance with the issues raised by the civil society stakeholders.
Build on the progress made in 2016 on stakeholder engagement and continue good cooperation with civil society; ensure the widest possible public involvement and fair public consultation processes enabling local municipalities, civil society and citizens to actively participate in the development of the NCCS and the revision of the INDC.	Public and civil society participation was undermined by the lack of progress of the National Climate Change Strategy, which was supposed to be a showcase for the broad inclusion of civil society in the decision-making process. Opening up the National Climate Change Council was an important step forward; however, the Council has only met once so far in 2017.	Build on the progress made in 2016 on stakeholder engagement and continue good cooperation with civil society; ensure the widest possible public involvement and fair public consultation processes enabling local municipalities, civil society and citizens to actively participate in the development of the NCCS and the revision of the INDC.
Increase the number of civil servants within the ministries that deal with sectorial climate change impact and focus on raising their capacities.	We are aware that restructuring of units inside the Ministry of Environment is on-going; however, at this time it is not clear if the capacity of the climate unit has been increased.	Increase the number of civil servants within the ministries that deal with sectorial climate change impact and focus on raising their capacities.
Provide obligatory trainings for local municipalities to assess climate change exposure and vulnerabilities and produce action plans for mitigation and adaptation.	A project titled Climate Smart Development at Local Level has been initiated, which we believe to be a positive step toward strengthening capacities in local communities. However, it is unclear if the project will lead to obligatory trainings for all municipalities.	Provide obligatory trainings for local municipalities to assess climate change exposure and vulnerabilities and produce action plans for mitigation and adaptation.
Develop a domestic financing mechanism to support strategic priority needs, inter alia, by shifting funds from polluting fossil fuel subsidies to climate action.	The Green Fund has not delivered on climate action as hoped and no real reform of fossil fuel subsidies has been undertaken.	Develop a domestic financing mechanism to support strategic priority needs, inter alia, by shifting funds from polluting fossil fuel subsidies to climate action.

HORIZONTAL LEGISLATION



Methodology:

- Policy analysis – analysis of national legal and strategic documents and comparing with acquis – relevant documents and information were collected from official sources available on the Internet
- Analysis of relevant studies and projects
- Data regarding the implementation of the EIA and SEA procedures is collected through participation in the public consultations and consultations with local authorities and CSO's

List of the Authors (Organizations)

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- Young Researchers of Serbia
- Centre for Ecology and Sustainable Development

AIR QUALITY



Methodology:

- Policy analysis – analysis of national legal and strategic documents and comparing with acquis – relevant documents and information were collected from official sources available on the Internet
- Direct communication with experts in air quality (meetings, workshops, interviews)
- Consultations with competent public institutions
- Media monitoring

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WATER QUALITY



Methodology:

- Policy analysis – analysis of national legal and strategic documents and comparing with acquis – relevant documents and information were collected from official sources available on the Internet
- Analysis of relevant studies and projects
- Direct communication with experts in water quality (meetings, workshops)

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- Young Researchers of Serbia

NATURE PROTECTION



Methodology:

- Policy analysis – analysis of national legal and strategic documents and comparing with acquis – relevant documents and information were collected from official sources available on the Internet
- Analysis of relevant studies and projects
- Direct communication with experts in nature protection (meetings, workshops)
- Scientific field work, collecting and analyzing data on species and habitats
- Participation in working groups for drafting by-laws and national implementation plans (organized by Ministry of Environmental Protection)

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INDUSTRIAL POLLUTION AND RISK MANAGEMENT



Methodology:

- Policy analysis – analysis of national legal and strategic documents and comparing with acquis – relevant documents and information were collected from official sources available on the Internet
- Analysis of relevant studies and projects

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CHEMICALS MANAGEMENT



Methodology:

- Policy analysis – analysis of national legal and strategic documents and comparing with acquis – relevant documents and information were collected from official sources available on the Internet
- Analysis of institutional and administrative capacities and implementation in practice

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CLIMATE CHANGE



Methodology:

- Policy analysis – analysis of national legal and strategic documents and comparing with acquis – relevant documents and information were collected from official sources available on the Internet
- Analysis of relevant studies and projects
- Media monitoring

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