



The Government of the
Republic of Serbia

THE SECOND THIRD: ACHIEVEMENTS AND RESULTS IN THE PERIOD SEPTEMBER 2020 - JULY 2021

THE POLICY AND LEGAL ADVICE
CENTRE (PLAC III) PROJECT

BELGRADE, SEPTEMBER 2021

CONTENTS

Introduction	4
About the project	5
A word from the beneficiaries.	10
Main achievements in the reporting period – info graphic	12
Legal acts and strategic documents drafted – info graphic	13
Chapter 3	14
Chapter 8	20
Chapter 9	24
Chapter 12	30
Chapter 15	40
Chapter 16	45
Chapter 27	48
Chapter 28	59
Chapter 33	63
Reaching the wider public	65
Photo gallery	66

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Štampao i objavio projekat Pravna podrška pregovorima (PLAC III)

Belgrade, september 2021.

INTRODUCTION

An EU-funded project implemented in Serbia, the Policy and Legal Advice Centre (PLAC III) has, by its nature, a particular place in a large spectre of projects financed by the EU in the country. As of January 2019 when it was started, the project has been providing legal assistance to the Serbian Government in the process of the harmonisation of the national legislation with Union acquis through amending the existing and drafting new legislation and assists in the process of accession negotiations. PLAC III is the fifth project in line providing legal assistance to the process of association with the EU and to the negotiation process, which makes it one of EU projects with the longest “tradition” in Serbia.

Implemented in close cooperation with the beneficiary institutions – the Ministry of European Integration, the Negotiation Team and line ministries, the project supports Serbia on its path to the EU through a diligent work on a main task, which is harmonisation of national legislation with Union acquis. The project's implementation flow reflects the needs of beneficiary institutions, but also mirrors the state of play of the whole process of European integration in Serbia. In order to enable Serbian administration to be acquainted with as large as possible spectre of best EU practices, the project engages experts from all over the European Union.

This brochure presents an overview of the results achieved by the PLAC III project in the period between September 2020 and July 2021. The 11-months period could be seen as the second third of PLAC III. As the main project goal is achieving a high level of effective alignment of national legislation with Union acquis and its implementation, the PLAC III project team will strive to maintain the high level of results also achieved in the last third of project implementation.

ABOUT THE PROJECT

The Policy and Legal Advice Centre (PLAC III) project is managed by the Delegation of the European Union to the Republic of Serbia and implemented by a consortium led by DMI Associates in cooperation with GIZ and ECG. The project provides legal assistance to the Serbian Government in the process of the harmonisation of the national legislation with Union acquis through amending the existing and drafting new legislation. That entails providing a legal basis for the introduction of European standards in all spheres of life and work in Serbia – from financial and market regulations, health and energy to environmental protection. The project also assists in the process of accession negotiations, through a comprehensive assistance provided, among others, through seminars, study tours, workshops and trainings.

The assistance provided by the Project shall contribute to an enhanced compatibility of the national legislation with EU legislation and its effective implementation and further strengthening of the capacities of relevant national structures to successfully carry out accession negotiations. By achieving a high level of effective alignment of the national legislation with Union acquis and its implementation, the Serbian administration will be enabled to effectively conduct accession negotiations and successfully manage overall EU integration and pre-accession assistance geared towards EU membership.

The project started in January 2019. The planned project duration of 30 months has been amended to 42 months, which puts a closing date in July 2022. Like all over the globe, the COVID-19 pandemic has affected the working mode of the project team and project experts and caused a shift to remote work, but did not affect performance.

BENEFICIARIES

The main beneficiaries are the Ministry of European Integration and the Negotiating Team for Accession of the Republic of Serbia to the European Union. The immediate project beneficiaries are line ministries and institutions involved in legal harmonisation in specific areas under different negotiating chapters.

PLAC III covers 11 negotiation chapters as the project's priority areas:

Chapter 3: Right of establishment and freedom to provide services; Chapter 8: Competition policy; Chapter 9: Financial services; Chapter 10: Information society and media; Chapter 12: Food safety, veterinary and phytosanitary policy; Chapter 13: Fisheries; Chapter 15: Energy; Chapter 16: Taxation; Chapter 27: Environment and climate change; Chapter 28: Consumer and health protection; Chapter 33: Financial and budgetary provisions.

Additionally, a horizontal issue of human rights in legislative development is addressed.

CHAPTER	TOTAL NUMBER OF AVAILABLE WORK DAYS	NUMBER OF EXPERTS ENGAGED IN THE PERIOD IX/2020 – VII/2021	NUMBER OF WORK DAYS SPENT IN THE PERIOD IX/2020 – VII/2021
Chapter 3	270	8	103
Chapter 8	197	6	87
Chapter 9	235	5	145
Chapter 10	95	1	26
Chapter 12	664	16	285
Chapter 13	20		
Chapter 15	311	11	176
Chapter 16	35	2	25
Chapter 27	650	16	209
Chapter 28	194	5	50
Chapter 33	35	1	20
Horizontal (HR)	137	1	50
Sub-total		72	1.176
Visibility & capacity building	190	2	57
Total	3.033	74	1.233

The Project work plan envisages the realisation of planned results through 88 activities. In the period September 2020 – July 2021, a total of 43 activities were finalised:

CHAPTER	NUMBER OF ACTIVITIES PLANNED	NUMBER OF ACTIVITIES FINALISED IN THE PERIOD IX/2020 – VII/2021
Chapter 3	11	5
Chapter 8	5	3
Chapter 9	9	5
Chapter 10	3	
Chapter 12	15	9
Chapter 13	1	
Chapter 15	13	6
Chapter 16	2	2
Chapter 27	19	9
Chapter 28	7	3
Chapter 33	2	1
Horizontal (HR)	1	
Total	88	43

PLAC III IMPLEMENTATION

The total budget of the project is EUR 3,623,220.

The Project's work plan envisages the engagement of project experts in various areas under the negotiating chapters mentioned above. Furthermore, 3,033 expert work days will be spent working with beneficiary institutions in providing support to the harmonisation of the national legislation with Union acquis and the institutional capacity-building of relevant national structures for a successful carrying out of accession negotiations. The allocation of the number of work days to a particular chapter corresponds to the project priorities which were agreed upon in consultations with the beneficiary institution. At the same time, it is a reflection of the current state of play of accession negotiations between Serbia and the EU. The project team management demonstrated flexibility in the course of implementation, adapting to the beneficiary needs.

OVERVIEW OF PROCT ACTIVITIESJE

Project activities are diverse and include the following:

- Assisting relevant institutions in the preparation of laws, bylaws, regulations, strategies, action plans and guidelines as well as in developing the necessary implementation follow-up measures in monitoring the implementation of harmonised legislation;
- Preparing the national administration for the practical aspects and challenges in the implementation of harmonised regulations and supporting the establishing of functional coordination mechanisms to facilitate implementation;
- Assisting institutions in assessing the effects of the pieces of legislation to be harmonised and to accurately anticipate the financial implications of their implementation;
- Providing support to relevant institutions and structures in different phases of the negotiation process for accession to the EU;
- Horizontal activities covering issues related to all negotiation chapters and the entire EU accession process.

Activities are designed with the project beneficiaries according to their needs and after thorough discussion, taking into account the current state of play of accession negotiations as well as National Programme for the Adoption of the Acquis (NPAA) priorities. They incorporate the transfer of the know-how from recent accession experiences and the use of examples from the best European practices. For that reason, the PLAC III project gathers experts from all over Europe to be involved in the implementation of project activities, along with their Serbian colleagues.

experts present to the beneficiary institution and relevant stakeholder organisations a comparative analysis on how the EU Member States had harmonised the same area. Recommendations for the alignment of Serbian legislation with Union acquis are drafted in the form of the following:

- Draft laws;
- Amendments to the existing laws;
- Draft bylaws;
- Strategic documents that will serve as a basis for legal harmonisation.

Finally, the expertise and recommendations are shared with representatives of the beneficiary institution during a workshop, training or a retreat.

Another type of activity is the organisation of study tours during which representatives of beneficiary institutions have the opportunity to gain insights and knowledge from their colleagues in the respective EU Member State.

PLAC III has recruited experts from all over Europe that work, along with their Serbian colleagues, on the harmonisation of Serbian legislation with Union acquis. The COVID-19 pandemic has affected the working mode of the project and prevented the organisation of live meetings. However, the project has successfully overcome these challenges and shifted to online working mode, with the remote work of project experts and workshops/ trainings organised via online platforms.

PLAC III experts that were engaged in the reporting period came from the following European countries:

Austria, Bosnia-Herzegovina, Bulgaria, Croatia, Germany, United Kingdom, Greece, France, Ireland, Italy, Montenegro, Romania, Serbia and Slovenia.

HOW DOES THE PLAC III PROJECT IMPLEMENT ITS ACTIVITIES?

In close cooperation with beneficiary institutions and representatives of the working group for each negotiation chapter, the PLAC III project team defines areas in which activities will be implemented. In practice, that means that the beneficiary institution chooses priority areas for the harmonisation of relevant national legislation with Union acquis. In the next step, PLAC III chooses a legal expert or a group of experts whose expertise is adequate to the needs of the beneficiary. The process of selection is done in a maximally transparent way and is open for all European citizens. The most important part is the expert work in close coordination with the beneficiary institution, in order to have a detailed overview of the existing legislative framework in this particular area, to produce a legal gap analysis of a level of compliance of legislation with Union acquis and finally, to draft recommendations for harmonisation. Most often, PLAC III



A WORD FROM THE BENEFICIARIES

Ministry of Trade, Tourism and Telecommunications - Ms. Slavica Kukolj, Head of the Department for European Integration and for managing the EU and other international projects

PLAC III has provided significant expert support to the Ministry of Trade, Tourism and Telecommunications and the member institutions of four negotiating chapters managed by the Ministry (Chapters 3, 8, 10 and 28) in the process of the harmonisation of the legislative framework with Union acquis, its implementation and capacity building, by using the best European practices. Significant improvements have been made in all negotiation chapters, a number of laws have been aligned with the acquis, and strategically important documents have been drafted (such as the Strategy for meeting the benchmarks for Chapter 3, the Strategy for the development for postal services, etc.). Support has been provided in preparation of negotiating positions for Chapters 3 and 28, which will enable the opening of chapters and the start of negotiations, primarily in Chapters 3 and 10. We want to emphasize that the support has contributed to creating a better business environment and in preparing business entities for easier integration into the European single market. This creates the conditions for exercising the freedoms on which the EU is based, prescribed by the Treaty on the Functioning of the European Union and necessary for the effective functioning of the EU internal market and free market competition. In that way, both entrepreneurs and consumers can fully enjoy benefits provided by the single market (for example, freedom of movement for workers - mutual recognition of professional qualifications, freedom to provide services - implementation of the Services Directive and removal of barriers).

Commission for State Aid Control

The aim of the project is to encourage the process of accession negotiations of the Republic of Serbia until supporting the effective harmonisation of national legislation with the Union acquis and its implementation up to further strengthening the capacity of the involved stakeholders in the EU integration process in the Republic of Serbia. Support is provided in the following:
- Harmonisation of state aid rules with the European Union in the culture and media sector, an online workshop held;
- Harmonisation of state aid rules with the European Union in the environmental and energy sector, an online workshop held;
- Harmonisation of state aid rules with the European Union acquis. The next assignment is to provide expert assistance to the Commission more specifically as well as support to the professional service in implementing EU state aid acquis in area of research, development and innovation. The assistance will enhance harmonisation with relevant EU regulations and their proper implementation and provide support in meeting the opening benchmarks set for Chapter 8. The project helps us with European integration and further harmonisation with EU acquis. Cooperation with project experts is commendable.

Ministry of Health - Ms. Mirjana Veljković, Head of the Border Sanitary Inspection Department

I take this opportunity, as a beneficiary of the Policy and Legal Advice Centre (PLAC III) project, to express great satisfaction with the successful cooperation and for obtaining the draft national legislation harmonised with the Union acquis, all with the aim to protect health and consumer rights. By drafting the harmonised legislation, we have fulfilled a part of the obligations in the negotiation process. In the period October 2020 - June 2021, with the assistance of PLAC III, the following legal acts were written:

1) Draft Rulebook on food for specific population groups; 2) Draft Rulebook on food with altered nutritional composition; 3) Draft Rulebook on processing aids in food production (extraction solvents); 4) Draft Rulebook on general conditions of food hygiene at any stage of production, processing and trade in order to reduce the presence of acrylamide; 5) Procedures for conducting official controls in accordance with the regulation on maximum concentrations of certain contaminants in food, which determine mitigation measures and reference levels for reducing the amount of acrylamide in food.

The mentioned regulations represent an obligation arising from Negotiating Chapter 12 and were drafted in cooperation with a national expert and experts from the Republic of Montenegro, and the Republic of Croatia and Ireland, with all of whom we have had successful long-term cooperation thanks to the PLAC III project. Despite the fact that we all had to respect anti-epidemic measures due to the current epidemiological situation in the world caused by the COVID-19 pandemic, and although meetings and workshops were held online, all were organised and held at a high professional level and a valuable transfer of knowledge and exchange of experiences was secured. Project experts demonstrated a great knowledge of regulations and good European practices in the required areas. We sincerely hope that the activities of this project will continue after the PLAC III project implementation period ends, as the benefits achieved through the long-term cooperation with this project are exceptional.

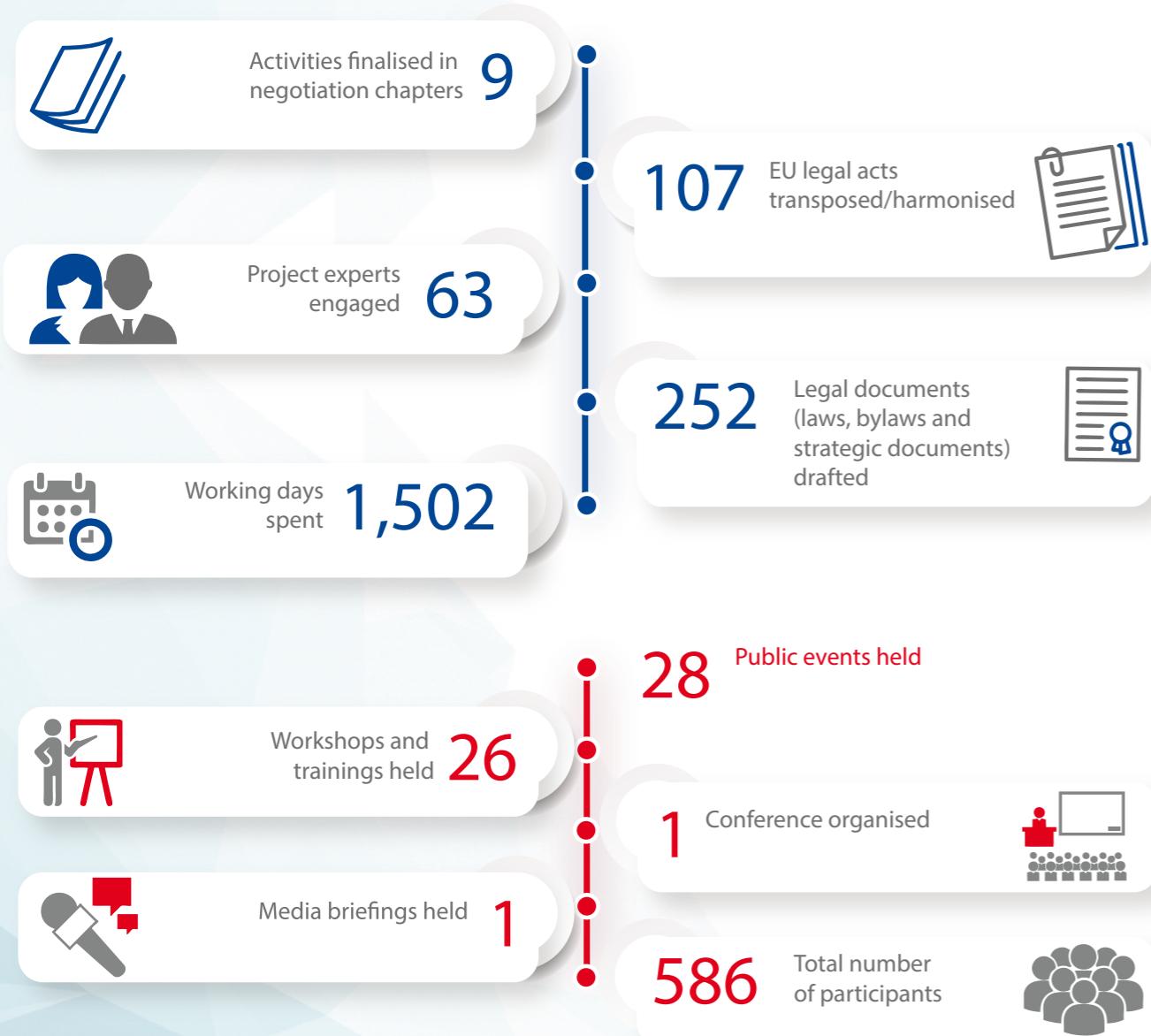
Serbian Radiation and Nuclear Safety and Security Directorate (SRBATOM) - Ms. Jasmina Joksić, PhD, Adviser for European Integration

In the period from September 2020 to July 2021, the Serbian Radiation and Nuclear Safety and Security Directorate (SRBATOM) has implemented seven project activities within the EU-funded project Policy and Legal Advice Centre (PLAC III) with the aim of harmonising national legislation with the Council Directive 2013/59 in the field of ionising radiation protection and Council Directive 2011/70 in the field of spent fuel and radioactive waste management. Within the mentioned projects, proposals of rulebooks, instructions and methodologies were drafted, as well as a review of draft strategies in the fields of radiation and nuclear safety and radioactive waste management.

MAIN ACHIEVEMENTS AND RESULTS

in the period September 2020 – July 2021

During 11 months of implementation, the Policy and Legal Advice Centre (PLAC III) project has finalised 43 activities in areas related to 9 negotiation chapters (chapters 3, 8, 9, 12, 15, 16, 27, 28 and 33). Beneficiary institutions were line ministries, government agencies and regulatory bodies. In addition, 28 public events of various types with almost 600 participants were organised.



RESULTS

Overview of legal acts and strategic documents drafted with the support of PLAC III project

In the period September 2020 – July 2021, 252 legal acts and strategic documents were drafted with the support of the Policy and Legal Advice Centre (PLAC III) project.

Drafted documents will provide a basis for full harmonisation of national legislation with Union acquis in various areas, from financial services, recognition of professional qualifications to consumer and health and environmental protection



CHAPTER 3

RIGHT OF ESTABLISHMENT AND FREEDOM TO PROVIDE SERVICES

EU natural and legal persons have the right to establish themselves in any Member State and to provide cross-border services. For certain regulated professions, there are rules on mutual recognition of qualifications. Postal services are gradually being opened up to competition. The PLAC III project has provided assistance to beneficiary institutions in relation to all three areas of the chapter – services, mutual recognition of professional qualifications and postal services

1. SUPPORT TO THE NATIONAL ADMINISTRATION IN THE IDENTIFICATION OF SERVICES AND PROFESSIONAL QUALIFICATIONS IN THE FIELD OF ENVIRONMENTAL PROTECTION IN LINE WITH UNION ACQUIS

1.1. HARMONISATION OF SECTORAL LAW IN THE FIELD OF ENVIRONMENTAL PROTECTION WITH THE PROFESSIONAL QUALIFICATIONS DIRECTIVE

One of the main pieces of legislation in the Union acquis in Chapter 3, Directive 2005/36/EC, on the recognition of professional qualifications is a horizontal directive covering a whole range of regulated professions. The Directive has been fully transposed in the Republic of Serbia into the Law on the Recognition of Professional Qualifications, and all other sectoral laws must be harmonised with this umbrella law. The area of environmental protection is a very complex one consisting of a number of independent fields such as air protection, water protection, noise protection, environmental protection, waste management and protection against industrial pollution. Project assistance focused on a detailed analysis of national regulations in the field of environmental protection and determination of which regulated professions in this area would fall within the scope of the Directive. Project support has contributed to the achievement of full harmonisation in the sector of environmental protection.

Beneficiary institution: Ministry of Environmental Protection

Number of experts engaged: 1

Number of working days: 15

Outputs:

- A legal gap analysis that provides a comparison between the provisions of the Directive and the corresponding provisions of Serbian legislation in the field of environmental protection;
- Recommendations for future harmonisation with Directive 2005/36/EC.

Harmonisation with Union acquis: Directive 2005/36/EC on the recognition of professional qualifications

Recommendations

It is recommended to equalise the conditions for performing activities for natural persons (entrepreneurs) and legal entities. Although at the moment none of the professions in the field of environmental protection are regulated, given the speed of technological change and scientific development, lifelong learning is of particular importance since it ensures a higher quality of work and allows greater mobility in employment. In this context, the implementation of professional training ensures knowledge of new European legislation and thus also a higher quality of work, as well as allowing greater mobility in the employment marketplace.

1.2. IDENTIFICATION OF SERVICES IN THE FIELD OF ENVIRONMENTAL PROTECTION

The Republic of Serbia, following the example of most EU Member States, has decided to transpose the Services Directive by adopting a horizontal piece of legislation – the Law on Services, and to harmonise all sectoral regulations accordingly. PLAC III has provided assistance in identifying all services in the field of environmental protection that fall within the scope of the Services Directive. In close cooperation with the beneficiary institution, the project's expert has reviewed as many as 250 pieces of legislation in the field of environmental protection and performed a detailed analysis of 28 laws, regulations and bylaws containing provisions falling with the relevant articles of the Directive.

Beneficiary institution: Ministry of Environmental Protection

Number of experts engaged:	1
Number of working days:	25

Outputs:

- An analytical Review Table of environmental legislation (laws and bylaws) of the Republic of Serbia was prepared. The Table included findings on the compatibility level of harmonisation in environmental sub-sectors as well as in related sectors;
- A Legal Gap Analysis report on the compatibility of national environmental legislation with the requirements set in the Services Directive;
- Recommendations for further harmonisation with Services Directive.

Harmonisation with Union acquis: Directive 2006/123 on services.

2. HARMONISATION OF REGULATIONS RELATED TO HEALTH WORKERS AND ASSOCIATES

The professions of health workers and health associates (medical doctors, nurses, dentists) fall into the scope of regulated professions where it is necessary to follow a common minimum educational programme in order for the acquired qualification to be automatically recognised in an EU Member State. PLAC III has provided assistance to the Serbian Ministry of Health in aligning the already existing bylaw on the specialisation of health workers and health associates with the Directive on the recognition of professional qualifications. The aligning was done through amending the bylaw – the Rulebook on specialisation of health workers and health associates. The proposed new part of the Rulebook refers to a new specialty programme entitled “community medicine” which focuses on the relationship between societal conditions and the health of the population. Serbia is planning to introduce this new specialty programme into its health system.

Beneficiary institution: Ministry of Health

Number of experts engaged:	1
Number of working days:	15

Outputs:

- A draft Rulebook on specialisations and sub-specialisations of health workers and health associates;
- A draft list of titles and the duration of training courses of specialised medical doctors;
- A draft programme of specialisation “community medicine” in accordance with the Directive.

Recommendations

Schools of Medicine/Dental medicine and the Ministry of Health should continuously follow European standards for the postgraduate medical training and regularly adopt the requirements adopted in the European Union.

Harmonisation with Union acquis: Directive 2005/36/EC on the recognition of professional qualifications.

3. MUTUAL RECOGNITION OF PROFESSIONAL QUALIFICATIONS – CAPACITY BUILDING FOR COMPETENT AUTHORITIES

Mutual recognition of professional qualifications is set as one of benchmarks for the opening of Negotiation Chapter 3. As the European Commission states in its Country Report, the Republic of Serbia should submit “a comprehensive and detailed strategy for alignment with the professional qualifications acquis.” The strategy must also cover any adjustments to the training of doctors, dentists, nurses responsible for general care, midwives, pharmacists, veterinary surgeons, and architects necessary to comply with the minimum training requirements outlined in Directive 2005/36/EC. These professions are listed as regulated in the EU. In Serbia, the Law on Regulated Professions and Recognition of Qualifications is in the procedure of adoption by the National Assembly. The next step of alignment with Union acquis is the harmonisation of sectoral laws and bylaws. PLAC III has provided support to the national administration in drafting harmonised legislation in education (nurses), economy (crafts) and sport sectors in order to be fully harmonised and to accurately anticipate the implications of its implementation.

Beneficiary institutions: Ministry of Education, Science and Technological Development; Ministry of Economy

Number of experts engaged:	2
Number of working days:	25

Outputs:

- A draft Curriculum for general care nurses harmonised with the Directive was developed that will considerably improve the development of harmonised rules and practices in the sector;
- A list of recommendations related to the profession of general care nurse;
- An analysis across EU Member States on the regulated professions in the area of craft; a workshop for representatives of the Ministry of Labour, Ministry of Trade, Tourism and Telecommunications, Ministry of Education, Chamber of Commerce, professional organisation was held;
- An analysis across EU Member States on the regulated professions in the area of sport; a workshop for the representatives of the Ministry of Sport and Youth, Ministry of Education, Qualifications Agency was held;
- Two trainings for representatives of the Ministry of Trade, Ministry of Education, health care institutions, educational institutions, government agencies and NGOs were held.

Recommendations

It would be necessary to include at least one professional nurse familiar with the training of nurses into the Negotiation working group. It would be helpful in the sectors of crafts and sport if the beneficiary provided further trainings for the representatives of different institutions and their role within the recognition of professional qualifications and inclusion of different stakeholders in the process (ministries, employees, chambers, etc.).

Harmonisation with Union acquis: Directive 2005/36/EC on the recognition of professional qualifications

4. HARMONISATION OF LEGISLATION IN THE FIELD OF CULTURE AND MEDIA WITH THE UNION ACQUIS ON SERVICES

With the support of the PLAC III project, the screening of national sectoral legislation compatibility with the provisions of the Directive on Services in key sectors (e.g. trade, tourism, construction and certain number of business services) has already been done in 2020. In further harmonisation with the Directive on Services, the project has provided support to the line Ministry in the harmonisation of laws and relevant bylaws in the field of culture and media with the Directive. As was the case in screening done in other sectors, the whole action was carried out under new methodology for screening that was introduced in the EU Member States and implemented in Serbia for the first time. A total of seven sub-sectors in the field of culture and media have been screened; 8 laws and 14 bylaws, regulating 60 services/professional activities in Serbia, were identified as falling under the scope of the Directive. The screening showed that only 2 laws and 3 bylaws have to be slightly amended in order to bring them into conformity with the Directive.

Beneficiary institutions: Ministry of Culture and Information;
Ministry of Trade, Tourism and Telecommunications

Number of experts engaged: 1

Number of working days: 15

Outputs:

- Screening tables for seven sub-sectors (Publications, Information and Media, Law on Culture, Cinematography, Archiving, Cultural goods, Museums);
- An overview of screening was prepared.

Recommendations

It is recommended that in the future, the Ministry of Culture and Information's bylaws, primarily in the area of new laws on archives and museums, are drafted in full compliance with Directive on Services requirements on the minimal number of employees, prevention of arbitrary decision making and promotion of secondary establishment (by means of subsidiaries, branches, agencies).

Harmonisation with Union acquis: Directive 2006/123 on services.

5. ASSISTANCE IN DRAFTING A NEW STRATEGY FOR THE DEVELOPMENT OF POSTAL SERVICES IN THE 2020-2024 PERIOD

In the sub-chapter Postal services, the governing legal framework in the Republic of Serbia is the Law on Postal Services, harmonised with the Postal Directive in November 2019. During the process of further alignment with the Union acquis, support has been given to the line ministry in drafting a new Strategy for the development of postal services for the 2020-2024 period. Expert support enabled the transposition of Regulation 2018/664 on cross-border parcel delivery services and some provisions of the so-called Third Postal Directive into the national legislation, having in mind that these legal acts were subsequently adopted in the EU.

Beneficiary institution: Ministry of Trade, Tourism and Telecommunications

Number of experts engaged: 2

Number of working days: 50

Outputs:

- A Legal Gap Analysis determining the level of harmonisation of the Law on Postal Services and bylaws in force with the Third Postal Directive as well as with EU Regulation on cross-border parcel delivery services;
- A draft of a new Strategy (with an action plan) on postal services for the 2020-2024 period;
- Amendments to the existing bylaws drafted (to the Rulebook on the sustainability and improvement of universal postal services and the Rulebook on fulfilment of conditions for the commencement of performing activities of postal services);
- A workshop for the representatives of line Ministry, regulatory body (RATEL) and the Public Company "Post of Serbia" was held.

Recommendations

It is recommended that further assistance should be provided in order to plan correctly legislative and implementing measures for reaching full harmonisation and implementation of the EU postal acquis.

Harmonisation with Union acquis: Directive 97/67/EC (Postal Directive); Directive 2002/39/EC on further opening of postal service market; Directive 2008/06/EC (Third Postal Directive); Regulation 2018/664 on cross-border parcel delivery services.

CHAPTER 8 COMPETITION POLICY

EU rules protect free competition. They include antitrust rules against restrictive agreements between companies and abuse of dominant position, and include rules on concentrations between companies which would significantly impede competition. EU rules also set out a system of state aid control. Governments are only allowed to grant state aid if restrictive conditions are met, with a view to preventing distortion of competition. Negotiation Chapter 8 is one of the most crucial and demanding chapters in the process of Serbia's accession negotiation with the EU, especially in the area of state aid. PLAC III assistance has focused on drafting secondary legislation on rules for state aid granting to various categories of horizontal aid (aid for regional development, for research and development, for training, etc.).

1. ASSISTANCE IN DRAFTING SECONDARY LEGISLATION ON RULES FOR STATE AID GRANTING TO VARIOUS CATEGORIES OF HORIZONTAL AID

In close cooperation with the Commission for State Aid Control, PLAC III experts have drafted a set of secondary legislative acts that are in line with the EU state aid rules adopted within the process of the Modernisation of EU state aid (SAM reform) in 2012. The new Law on State Aid Control in Serbia has been adopted in 2019 and is in force as of January 2020. The secondary legislation drafted with the assistance of PLAC experts refers to the following categories of state aid: regional state aid, state aid for environmental protection and energy, state aid for rescue and restructuring undertakings in difficulties, horizontal state aid, state aid for specific financial instruments and aid for transport sector. The drafted documents were shaped by project experts in accordance with Serbian legal order requirements set in the Methodology for drafting legal acts. In total, six regulations were drafted.

Beneficiary institution: Commission for State Aid Control

Number of experts engaged: 2

Number of working days: 45

Outputs:

- Six Regulations for criteria and condition were drafted: for regional state aid; for state aid for environmental protection and energy; for state aid for the rescue and restructuring of non-financial undertakings in difficulties; for horizontal state aid; for state aid for specific financial instruments; for state aid in the transport sector;
- A table of Correspondence for GBER Regulation;
- 13 Tables of Concordance related to draft regulations were prepared.

Recommendations

Consultations with relevant European Commission services prior to the adoption of legislative acts are recommended in order to obtain positive feedback on the methodology applied in the alignment process as well as confirmation that the sufficient level of harmonisation has been achieved.

Harmonisation with Union acquis: GBER (General Block Exemption Regulation (EU) 651/2014); European Commission Guidelines setting out criteria for the analysis of compatibility of the state aid granted with the internal market subject to the mandatory notification to the EC in accordance with Article 108 of the Treaty on the Functioning of the EU.

2. HARMONISATION OF STATE AID RULES WITH THE EUROPEAN UNION IN THE CULTURE AND MEDIA SECTOR

PLAC III project experts provided support to the Commission for State Aid Control in enhancing harmonisation with the relevant EU regulations, especially regarding the alignment of the existing state aid schemes in the culture and media sector. After the analysis of all existing state aid schemes in these two sectors, an inventory was drafted and a comparative analysis of financing culture and media sector (including audiovisual services) in selected EU Member States (Hungary, Sweden, Finland, Spain, Austria, Croatia) was prepared. A draft Guidelines on the harmonisation of existing schemes in the culture and media sectors with EU state aid rules shall contribute to meeting the opening benchmarks set for Chapter 8.

Beneficiary institution: Commission for State Aid Control

Number of experts engaged: 2

Number of working days: 47

Outputs:

- An inventory of existing state aid schemes in the culture and media sector in the Republic of Serbia was prepared;
- Draft Guidelines on the harmonisation of the schemes in line with EU state aid rules (including a comparative analysis on financing of culture and media in Serbia and selected EU Member States and an analysis of the position of the existing schemes and individual aid in Serbia in relation to EU state aid rules).

Harmonisation with Union acquis: Article 107 of the TFEU; GBER Regulation; Communication from the Commission on state aid for films and other audiovisual works; Communication from the Commission on the application of state aid rules to public service broadcasting.

3. HARMONISATION OF STATE AID RULES WITH THE EUROPEAN UNION IN THE SECTORS OF ENERGY AND ENVIRONMENTAL PROTECTION

In order to assist the harmonisation of national legislation with EU state aid rules, the PLAC III project provided assistance in the sectors of energy and environmental protection. Project experts analysed legislation in the area of energy (21 laws and bylaws) and environmental protection (21 laws, bylaws and strategic documents) and made an inventory of existing state aid schemes in both sectors. The expertise included a comparative analysis with several EU Member States, i.e. a presentation of modalities of financing in the energy and environmental sectors in these countries, with more than 20 cases presented. The comparative analysis included Denmark, Latvia, Spain, Germany, Poland, the Czech Republic, Croatia and Portugal. Recommendations on how to achieve harmonisation with the relevant Union acquis were compiled into guidelines delivered to the beneficiary institution – the Commission for State Aid Control.

Beneficiary institution: Commission for State Aid Control

Number of experts engaged: 2

Number of working days: 50

Outputs:

- A draft Guidelines on the harmonisation of non-harmonised state aid schemes in the environment and energy sector in the Republic of Serbia with the rules of the European Union on state aid;
- A comparative analysis of financing of energy and environmental sectors in the Republic of Serbia and EU Member States;
- An analysis of the position of the existing schemes and individual state aid in the Republic of Serbia in relation to the EU state aid rules;
- A report on the collection and process of data/information on relevant cases of financing the environmental and energy sector in RS and EU Member States in relation to the state aid rules;
- A state aid inventory in the energy sector in the Republic of Serbia;
- A state aid inventory in the environmental sector in the Republic of Serbia;
- A workshop for representatives of the beneficiary institutions as well as of the Ministry of Environmental Protection and the Ministry of Mining and Energy was held.

Recommendations

The majority of legal acts analysed require substantial amendments and revision in line with respective State aid rules in order to represent a proper legal base for State aid schemes to be adopted on the basis of these legal acts. The schemes needed to be adopted before the publication of tenders and public calls for future State aid beneficiaries.

Harmonisation with Union acquis: Article 107 (3) of the Treaty on the Functioning of the European Union; Regulation 651/2014; Communication from the Commission – EU Guidelines on state aid for environmental protection and energy 2014-2020.

CHAPTER 9

FINANCIAL SERVICES

Financial services are of a great importance for the functioning of the EU internal market, which is one of the foundations of European integration. EU rules aim at ensuring fair competition and the stability of financial institutions, namely banking, insurance, supplementary pensions, and investment services and securities markets. They include rules on the authorisation, operation and supervision of these institutions. Negotiating Chapter 9 is of a crucial importance to the Republic of Serbia as it is to ensure financial stability and adequate consumer and investor protection. PLAC III project assistance focused on aligning with evolving Union acquis as well as on ensuring the proper implementation of already harmonised legal acts, many of which were drafted with the assistance of previous PLAC projects.

1. HARMONISATION OF NATIONAL LEGISLATION WITH THE DIRECTIVE ON MARKETS IN FINANCIAL INSTRUMENTS (MiFID II) AND THE REGULATION ON MARKETS IN FINANCIAL INSTRUMENTS (MiFIR)

Directive 2014/65/EU on markets in financial instruments (MiFID II) is a key document of EU regulation in the field of capital markets; as well as the accompanying MiFIR Regulation it has been in force since January 2018, when the amendments to the first MiFID Directive (from 2007) were adopted. Through the PLAC II project, amendments to the Law on Capital Market of the Republic of Serbia have already been drafted, implementing MiFID and MiFIR. However, in order to ensure alignment with EU acquis, it is necessary to transpose a large number of legislative acts based on that directive and MiFIR Regulation into the Serbian legal framework. This includes the transposition of delegated acts, implementing regulatory technical standards and guidelines of the European Securities and Markets Authority (ESMA), the so-called Level 2 and Level 3 Union acquis. A PLAC III project expert has provided assistance to the Securities Commission in drafting an Action plan to support the harmonisation of the existing bylaws (rulebooks) with Level 2 and Level 3 Union acquis. The Action plan specifies which Level 2 and Level 3 legal acts should be transposed in the Serbian legislative system. A total of 9 rulebooks of the Securities Commission were analyzed against 46 relevant EU legal acts from Level 2 and 3. The Action plan contains, among other, a list of suggested rulebooks to be adopted with priority assessment.

Beneficiary institutions: Ministry of Finance; Securities Commission; Central Securities Depository and Clearing House

Number of experts engaged: 1

Number of working days: 20

Outputs:

- An action plan for the transposition of delegated acts, regulatory technical standards, implementing technical standards and ESMA Guidelines related to MiFID and MiFIR;
- A workshop for the Securities and Exchange Commission members was held.

Recommendations

Some provisions of MiFID II and MiFIR and the corresponding Level 2 and Level 3 acts will probably require a long preparation period on the side of market participants and might entail significant costs. To ensure a timely and smooth implementation, it is recommended to adopt a consultative and educative approach where market participants will be given the opportunity to express their views and concerns in the early stage of the process.

Harmonisation with Union acquis: MiFID II Directive; MiFIR Regulation

2. HARMONISATION WITH THE REGULATION ON IMPROVING SECURITIES SETTLEMENT IN THE EUROPEAN UNION AND ON CENTRAL SECURITIES DEPOSITORIES

Serbia's legislation is not aligned with the Regulation 909/2014/EU on improving securities settlement in the European Union and on central securities depositaries (CSDR) including the provisions of Directive 98/26/EC on settlement finality in payment and securities settlement systems (SFD). Further alignment with both legal acts will be conducted by the adoption of the new Capital Market Law by the Ministry of Finance and the relevant bylaws of the Central Securities Depository and Clearing House. The conditions for the full implementation of Regulation 909/2014/EU will be created prior to Serbia's EU accession. One of the recommendations from the previous PLAC Project (PLAC II) was that the Securities and Exchange Commission and Central Securities Depository and Clearing House need further assistance in drafting bylaws related to implementation of CSDR and SFD. The PLAC III project has provided this assistance, which included the following: identification of the priority areas for harmonisation and major gaps between CSDR and SFD and the relevant Serbian legislation, as well as the drafting of an Action Plan for transposing Delegated acts, Implementing and Regulatory Technical Standards and ESMA guidelines necessary for implementing CSDR and SFD. In total, 13 relevant Level 2 and Level 3 legal acts were transposed into rulebooks drafted for the Securities and Exchange Commission.

Beneficiary institutions: Ministry of Finance; Securities Commission; Central Securities Depository and Clearing House

Number of experts engaged: 1

Number of working days: 40

Outputs:

- An action plan for transposing Union acquis into the national legislation;
- Six Rulebooks were drafted on the following: the authorisation of central depositaries, participation of CSDs in other legal persons and delegation of activities; on approvals for acquisition of qualifying holdings in market operators, investment firms and CSDs; on approvals for appointment of directors of market operators, investment firms and CSDs; on supervision exercised by Securities Commission; on reporting of CSDs; on organisational and conduct of business requirements for CSDs; on settlement discipline;
- Central Securities Depository and Clearing House Statute;
- Central Securities Depository and Clearing House Operating Rules.

Recommendations

Because the draft Law on Capital Market shares responsibility for the authorisation and supervision of CSDs between the Securities and Exchange Commission and National Bank of Serbia (NBS), it is recommended that NBS is involved in the rule-making process at an early stage.

Harmonisation with Union acquis: Regulation 909/2014/EU on improving securities settlement in the European Union and on central securities depositaries (CSDR); Directive 98/26/EC on settlement finality in payment and securities settlement systems (SFD).

3. HARMONISATION WITH THE REGULATION ON OTC DERIVATIVES, CENTRAL COUNTERPARTIES AND TRADE REPOSITORIES AND THE REGULATION ON TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS AND OF REUSE

The Negotiating Position of the Republic of Serbia for Chapter 9 states that Serbia's legislation in the area of OTC (over-the-counter) derivatives, central counterparties and trade repositories is not aligned with the Regulation on OTC derivatives, central counterparties and trade repositories. Also, Serbia's legislation is not aligned with the Regulation on transparency of securities financing transactions and of the reuse and amending of Regulation 648/2012. According to the National Programme for the Adoption of the Acquis, Serbia should create the conditions for full implementation of the Regulation on OTC derivatives no later than six months prior to the date of accession by enacting the law governing exclusively OTC derivatives. Concerning Regulation 2015/2365, the changes taking place at EU level will be followed in order to create the conditions for its application by the date of Serbia's accession to the European Union. The PLAC III project provided assistance in the harmonisation of national legislation with these two EU legal acts, which resulted in producing two draft laws.

Beneficiary institutions: Ministry of Finance; Securities Commission; Central Securities Depository and Clearing House

Number of experts engaged: 1

Number of working days: 30

Outputs:

- A gap analysis of the compliance of Serbian legislation with the Regulation on OTC derivatives and Regulation 2015/2365;
- A draft Law on OTC derivatives; Table of Concordance of the draft law and the Regulation on OTC derivatives;
- A draft Law on securities financing transactions; Table of Concordance of the draft law and Regulation 2015/2365;
- Six consultative meetings with beneficiary institutions were held, during which relevant Union acquis was presented and outstanding issues related to drafts laws were discussed and agreed upon.

Recommendations

Having in mind that the European legislative framework in the financial sector is evolving, especially in recent years, a constant monitoring of the new EU legislation in the area is recommended.

Harmonisation with Union acquis: Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories; Regulation 2015/2365 on transparency of securities financing transactions.

4. HARMONISATION OF SERBIAN LEGISLATION WITH THE REGULATION ON KEY INFORMATION DOCUMENTS FOR PACKAGED RETAIL AND INSURANCE-BASED INVESTMENT PRODUCTS (PRIIP)

According to the National Programme for the Adoption of Union Acquis, Serbia is not aligned with Regulation (EU) 1286/2014 on Key information documents for packaged retail and insurance-based investment products (PRIIPs). Assistance from the PLAC III project was provided to the Ministry of Finance to enhance compatibility and alignment with relevant Union acquis pertaining to packaged retail and insurance-based investment products as well as to contribute to the protection of the retail investor. European regulations are of direct application and enter into effect only upon accession to the EU. A project expert provided a gap analysis of the relevant Serbian legislation (7 laws in total) and a concordance matrix comparing the legislation with PRIIPS. Proposals to align the Serbian Law with Regulation 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPS) were drafted.

Beneficiary institutions: Ministry of Finance, Securities Commission

Number of experts engaged: 1

Number of working days: 20

Outputs:

- A Table of Concordance for Regulation 1286/2014;
- A Table of Concordance for Commission Delegated Regulation 2017/653;
- Draft proposals to align the RS Law with Regulation 1268/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPS);
- A workshop for representatives of the Ministry of Finance, Securities and Exchange Commission and the National Bank of Serbia was held.

Harmonisation with Union acquis: Regulation 1286/2014 on Key information documents for packaged retail and insurance-based investment products (PRIIPs); Commission Delegated Regulation 2017/653 supplementing the previous one by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents.

5. ASSISTANCE IN DRAFTING AMENDMENTS TO THE RELEVANT BYLAWS AND IN DRAFTING OF NEW BYLAWS THAT WOULD INCORPORATE SPECIFIC EU ACTS ON MiFID II AND MiFIR

As a result of the activity of the previous PLAC III project, an Action Plan was produced that specifies which Level 2 and Level 3 legal acts (Delegated Acts, Regulatory Technical Standards, Implementing Technical Standards and ESMA guidelines) need to be transposed into the Securities Commission of the Republic of Serbia's rulebooks (bylaws) in order to fully implement the Directive on markets in financial instruments (MiFID II) and the Regulation on markets in financial instruments (MiFIR). In the framework of new activity, the PLAC III project provided assistance in drafting amendments to 11 Securities Commission's rulebooks, thus enabling the finalisation of the alignment process with MiFID II and MiFIR, i.e. in the corporation of relevant Level 2 and Level 3 legislative acts.

Beneficiary institutions: Securities Commission; Central Securities Depository and Clearing House

Number of experts engaged: 1

Number of working days: 35

Outputs:

- In total, 11 Rulebooks were drafted: on licensing investment firms; on organisational requirements for the provision of investment services and performance of investment activities and ancillary services; on rules of conduct for investment firms when providing investment services; on licensing and operating requirements for market operators and operators of Multilateral Trading Facilities (MTFs) and Organised Trading Facilities (OTFs); on approvals for acquisition of qualifying holdings in market operators, investment firms and Central Securities Depository and Clearing House; on assessment of suitability of members of the management body and approvals for appointment of directors of market operators, investment firms, CSDs and data reporting service providers; on authorisation, organisational requirements and the publication of transactions for data reporting services; on transparency for trading venues, systematic internalizers and investment firms trading over the counter; on supervision and product intervention powers exercised by Securities Commission; on criteria and procedure for the adoption of an equivalence decision; on clarification of certain terms related to derivative instruments;
- A workshop was held for the representatives of Securities Commission and Central Securities Depository and Clearing House.

Harmonisation with Union acquis: MiFID Directive; MiFIR Regulation

CHAPTER 12

FOOD SAFETY, VETERINARY AND PHYTOSANITARY POLICY

EU hygiene rules for foodstuff production ensure a high level of food safety. Animal health and welfare and the safety of food of animal origin are safeguarded together with quality of seeds, plant protection material, protection against harmful organisms and animal nutrition. The Republic of Serbia is intensively preparing for negotiations with the EU regarding Chapter 12. The PLAC III project singled out Chapter 12 as one of the most important of all chapters, allocating around one quarter of all working days to it. Assistance in the reporting period focused, *inter alia*, on harmonisation of national legislation on official controls, food for special groups, and authorization of official laboratories on food testing.

1. ASSISTANCE IN DRAFTING THE ACQUIS-COMPLIANT LEGISLATION FOR SPROUTS AND SEEDS INTENDED FOR THE PRODUCTION OF SPROUTS

The legislation on sprouts and seeds intended for production of sprouts is applying the main principles on food safety as set in Regulation 184/2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety. The main principles are: 1) Traceability; 2) Approval of establishments producing sprouts and 3) Imports into the Union of sprouts and seeds intended for the production of sprouts. Procedures evolving from each of the principles are set in three European Commission Regulations. PLAC III has provided expert support in the transposition of regulations into the Serbian legislative system as well as in preparing national administration for the practical aspects and challenges in the implementation of harmonised regulations.

Beneficiary institution: Ministry of Agriculture, Forestry and Water Management

Number of experts engaged: 2

Number of working days: 60

Outputs:

- A Rulebook on the manner and procedure for issuing the international certificate on the safety of foods (being exported), the contents of the international certificate form, the official records of the issued certificates;
- A Decree on the approval of establishments for production, marketing and traceability of sprouts and seeds intended for the production of sprouts;
- A Checklist on the Official Control of Facilities for primary production of food of plant origin that serves to check the hygiene requirements in an establishment producing sprouts and seeds for sprouting;
- A Checklist for facilities for the production of sprouted seeds which serves to check if the criteria for approving establishments that produce sprouts and seeds for sprouting are met;
- A Checklist for Traceability intended to facilitate the control of traceability of sprouts and seeds for sprouting that serves to check the traceability requirements for sprouts and seeds for sprouting;
- Tables of Concordance for relevant EU Regulations: Regulation 208/2013, Regulation 210/2013 and Regulation 211/2013;
- A workshop gathering representatives of the Ministry of Agriculture, Forestry and Water Management (Plant Protection Directorate) and stakeholders – sprouts producers and nutritionists was held.

Recommendations

It is recommended that the line Ministry extends the official controls at primary production level to implement sampling and analysis regarding microbiological risks in food of non-animal origin, including seeds intended for the production of sprouts to be exported to the EU.

Harmonisation with Union acquis: Regulation 208/2013 on the traceability requirements for sprouts and seeds intended for the production of sprouts; Regulation 210/2013 on the approval of establishments producing sprouts; Regulation 211/2013 on the certification requirements for imports into the Union of sprouts and seeds intended for the production of sprouts.

2. ASSISTANCE IN THE IMPLEMENTATION OF ACQUIS-COMPLIANT LEGISLATION FOR THE REDUCTION OF ACRYLAMIDE IN FOOD

European Food Safety Authority (EFSA) adopted in early June 2015 a scientific opinion on acrylamide in food according to which acrylamide is a carcinogenic substance. Furthermore, the current levels of dietary exposure to acrylamide indicate a concern with respect to carcinogenic effects. The main contributors to the exposure are potato-based products, cereal based products and coffee (along with coffee substitutes). In order to reduce acrylamide levels in food to the lowest possible level, the European Commission adopted Regulation 2017/2158 establishing mitigation measures and benchmark levels for the reduction of the presence of acrylamide in food. PLAC III has provided assistance to the line Ministry of Agriculture, Forestry and Water Management and the Ministry of Health in harmonising national laws as well as in the implementation of harmonised legislation (in terms of official controls of acrylamide levels in food).

Beneficiary institution: Ministry of Agriculture, Forestry and Water Management;
Ministry of Health

Number of experts engaged: 2

Number of working days: 40

Outputs:

- A legal gap analysis identifying the level of compliance of relevant Serbian legislation with Union acquis;
- A Table of Concordance for Commission Regulation 2017/2158;
- Draft amendments to the Rulebook on food for special purposes related to reduction of acrylamide in food (baby food and cereal-based food intended for infants and young children);
- A draft procedure document for inspectors relating to official controls for acrylamide, with a Checklist;
- A guidance document on acrylamide for food business operators on the reduction of the presence of acrylamide in food, with accompanying explanations;
- Explanations on the food groups and food products covered by the legislation; Explanation on reference values; Scheme for FBOs to identify applicable mitigation measures; Template for analysis of applicable mitigation measures; Measures for reduction of acrylamide; Legends for colours; Checklist for food business operators for internal audit; Mitigation measures and reference values for baby food and processed cereal-based food intended for infants and young children;
- Three workshops were held for representatives of line Ministries, stakeholders and food business operators.

Recommendations

It is recommended that the line Ministry continue with its consultations with the food industry, having in mind that some questions remain open on food categories and products as well as on reference values of acrylamide in food. In addition, the line Ministry should consider the publication of the Guidance Document that should be later distributed among all Ministries, the stakeholders and the food sector, along with its publication on the official Ministry's web site.

Harmonisation with Union acquis: Commission Regulation (EU) 2158/2017 on acrylamide in food; Council Regulation (EEC) 315/93 on procedures for food contaminants.

3. TRANSPOSITION OF THE DIRECTIVE ON THE CONSERVATION OF TRADITIONAL AGRICULTURAL PLANT VARIETIES

In order to preserve traditional agricultural plant varieties, it is necessary to enable their registration in accordance with EU laws that make it possible in the Member States. PLAC III has provided support to the line Ministry in transposing relevant EU legislation into national legislation. EU Directive 2009/145/EC regulates what is needed for the registration of traditional plant varieties that are threatened by extinction and are not intended to be a commercial crop, how to organise their marketing as well as their labelling for samples and control. PLAC III has provided support in transposing the Directive into a bylaw which will enable traditional plant varieties – agricultural and vegetable varieties, including old agricultural and fruit varieties – to be accepted as vegetable landraces and varieties. Having in mind that most often varieties are grown traditionally in particular regions of Serbia, the assistance will help the preservation of traditional varieties and could boost local competitiveness and tourism.

Beneficiary institutions: Ministry of Agriculture, Forestry and Water Management
– Plant Directorate

Number of experts engaged: 1

Number of working days: 15

Outputs:

- A legal gap analysis on the level of compliance of relevant Serbian legislation with Union acquis;
- A proposal to amend the existing Law on the registration of agricultural plant varieties;
- A draft Rulebook for acceptance of vegetable landraces and varieties that have been traditionally grown in particular localities and regions and are threatened by genetic erosion;
- A workshop for the representatives of the Ministry of Agriculture – the Plant Protection Administration, the Institute for Crops and Vegetables of Vojvodina, the Serbian Association of Seed Producers, the National Reference Laboratory and stakeholders was held. PLAC experts and guest speakers presented the experiences of France and Netherlands.

Recommendations

It would be productive if in the future the study tour that was cancelled due to the COVID-19 pandemic to the Netherlands and France was organised when possible.

Harmonisation with Union acquis: Commission Directive 2009/145/EC providing for certain derogations for acceptance of vegetable landraces and varieties which have been traditionally grown in particular localities and regions and are threatened by genetic erosion and of vegetable varieties with no intrinsic value for commercial crop production.

4. ASSISTANCE IN DRAFTING GUIDELINES FOR THE BORDER VETERINARY INSPECTION IN THE AREA OF FOOD FRAUD

In the set of recommendations to the Republic of Serbia in Chapter 12, the European Commission in its Country Report 2020 states that Serbia “should consistently apply and improve the risk-based approach to sanitary control at borders.” To that aim, the application of Regulation (EU) 2017/625 on official controls is crucial to ensure the compliance of the rules laid down in the Animal Health Law, Plant Health Law and in other legislations regulating food safety. The Regulation aims to create an integrated and uniform approach to official controls along the agri-food chain. PLAC III has provided assistance to the line Ministry in drafting the Guidelines for veterinary border inspectors in line with Union acquis which enable the fight against food fraud through a rigorous, systemic approach, i.e. using the Food Fraud Vulnerability Assessment Methodology that is in place across the EU. It has also provided trainings for border veterinary inspectors.

Beneficiary institution: Ministry of Agriculture, Forestry and Water Management

Number of experts engaged: 2

Number of working days: 40

Outputs:

- A draft Guidelines for border veterinary inspectors in the area of food fraud;
- A food fraud legal gap analysis;
- An imported food controls programme assessment checklist;
- A template for food fraud vulnerability assessments;
- Two training sessions for Serbian veterinary border inspectors were held with the aim to provide participants with knowledge and skills needed to utilise the contents of the Guidelines, thus facilitating food fraud risk mitigation.

Recommendations

The adoption and implementation of all or some of the suggestions outlined in the draft Guidelines would be extremely beneficial. The gap analysis provides recommendations with proposal for amending legislation and defining a job description for a civil servant to be solely dedicated to the fight against food fraud.

Harmonisation with Union acquis: Regulation (EU) 2017/625 on official controls and other official activities

5. HARMONISATION OF THE LEGISLATION ON OFFICIAL CONTROLS ON FOOD AND LEGISLATION ON THE AUTHORISATION AND DESIGNATION OF OFFICIAL AND REFERENCE LABORATORIES

According to the European Commission’s Country Report 2020, Serbia should continue strengthening the administrative capacity of the veterinary, phytosanitary and national reference laboratories directorates, complete the ongoing recruitment procedure, and retain competent staff. PLAC III support was directed towards this goal – assistance to the Ministry of Agriculture and the Ministry of Health in drafting a national regulation on official control of food and a Rulebook on the criteria related to the authorisation of laboratories for performing official control of food which are in line with the EU Regulation on official controls and other official activities. The Official Controls Regulation has been applied in the European Union as of December 2019. It replaced several EU legal acts and now covers the entire agri-food chain. The regulation strengthens the risk-based approach, as well as the trend of strengthening controls carried out by production entities, and introduces new terms such as food fraud and e-commerce. Project assistance has contributed to both creating a legal base for Serbia to apply official controls on food in line with Union acquis as well as to strengthen capacities for enacting food controls by drafting procedures for authorisation of national reference laboratories.

Beneficiary institutions: Ministry of Agriculture, Forestry and Water Management; Ministry of Health

Number of experts engaged: 2

Number of working days: 40

Outputs:

- A draft Rulebook on official controls on food;
- A draft Rulebook for authorisation and designation of laboratories;
- A Table of Concordance for the Regulation (EU) 2017/625 on official controls of food and other official activities;
- Procedures for authorisation of official laboratories;
- Procedures for authorisation of national reference laboratories;
- Procedures for authorisation of Trichinella laboratories;
- Checklists to control requirements set by the Rulebook for authorisation and designation of laboratories (official laboratories, national reference laboratories and Trichinella laboratories);
- Operational instruction to perform an official control;
- Clarifications on the questions raised by the beneficiaries;
- A workshop for the representatives of the Veterinary Directorate and the Sector for Agricultural Inspections of the Ministry of Agriculture, as well as the Directorate for Sanitary Inspection and the Directorate for Sanitary Border Inspection of the Ministry of Health was held.

Recommendations

It is recommended that a single piece of legislation on official controls of food is adopted by both ministers – Minister of Agriculture and Minister of Health, given the fact that each shall enact legislative act on official controls in the area of their competencies and that the rules are the same.

Harmonisation with Union acquis: Regulation (EU) 2017/625 on the official controls and other official activities.

6. HARMONISATION OF LEGISLATION IN THE AREA OF PROCESSING AIDS IN FOOD PRODUCTION, FOOD FOR SPECIAL GROUPS AND FOOD WITH AN ALTERED NUTRITIONAL COMPOSITION

The proposal of the new legislative framework of the Republic of Serbia in the field of processing aids in food production, food for special groups and food with an altered nutritional composition was drafted in the framework of support provided by the PLAC III project to the competent Ministry of Health. Union acquis in this area is very complex and consists of six regulations and three directives. Processing aids in food production are extraction solvents used in the production of foodstuffs and food ingredients. Food for special groups includes food intended for infants and young children, food for special medical purposes and a total diet replacement for weight control. The notion of "food with an altered nutritional composition" encompasses food for persons intolerant to gluten, substitutes for salt for human consumption, foods with added vitamins, minerals and other substances with a nutritional or physiological effect, etc. In close cooperation with the Ministry of Health, PLAC III experts drafted bylaws and procedures that should represent a road map for the transposition of these EU legal acts into the Serbian legislative system.

Beneficiary institution: Ministry of Health (Sanitary Inspection Department)

Number of experts engaged: 2

Number of working days: 70

Outputs:

- A legal gap analysis report of the Serbian legislation in relation to the relevant EU laws in the area of food for special groups;
- A Table of Concordance outlining the level of compliance of the draft Rulebook on processing aids in food production with Union acquis;
- A Table of Concordance outlining the level of compliance of the draft Rulebook on food with an altered nutritional composition;
- A Table of Concordance outlining the level of compliance of the draft Rulebook on food for special groups;
- A draft Rulebook with annexes on processing aids in food production;
- A draft Rulebook with annexes on food with an altered nutritional composition;
- A draft Rulebook with annexes on food for special groups;
- A draft Guideline for the production of gluten free food;
- A workshop for the representatives of the Ministry of Agriculture, the Institute of Public Health of Serbia, the Institute of Public Health of Vojvodina, the Serbian Chamber of Commerce and the Serbian Celiac Association as well as food producers' representatives was held.

Recommendations

In order to secure a coherent and consistent transposition of EU legislation principles in Serbia, the amendment of Unique Methodological Rules should be considered. To help the Ministry of Health as a competent authority dealing with the obligations and requirements that arise from EU legislation in this field, it is recommended to continue participating in the work of the Standing Committee of the Food Chain and Animal Health of the European Commission. Strengthening of administrative capacities (number of border and sanitary inspectors) and trainings of civil servants is recommended.

Harmonisation with Union acquis: Directive 2009/32/EC on the approximation of the laws of the Member States on extraction solvents used in the production of foodstuffs and food ingredients; Regulation 609/2013 on food intended for infants and young children, food for special medical purposes, and a total diet replacement for weight control; Commission Delegated Regulation 2016/127 supplementing Regulation 609/2013 as regards the specific compositional and information requirements for infant formula; Commission Delegated Regulation 2016/128 supplementing Regulation 609/2013 as regards the specific compositional and information requirements for food for special medical purposes; Commission Directive 2006/125/EC on processed cereal-based foods and baby foods for infants and young children; Commission Directive 96/8/EC on foods intended for use in energy-restricted diets for weight reduction; Commission Delegated Regulation 2017/1798 supplementing Regulation 609/2013 as regards the specific compositional and information requirements for total diet replacement for weight control; Commission Implementing Regulation 828/2014 on the requirements for the provision of information to consumers on the absence or reduced presence of gluten in food; Regulation 1925/2006 on the addition of vitamins and minerals and of certain other substances to foods.

7. ASSESSING THE NEW ACQUIS IN THE FIELD OF PLANT HEALTH AND DRAFTING A TECHNICAL DOSSIER FOR PESTS ON GENUS PRUNUS

New EU Plant Health Law – Regulation (EU) 2016/2031 on protective measures against plant pests establishes the rules to determine the phytosanitary risks posed by any species, strain or biotype of pathogenic agents, animals or parasitic plants injurious to plants or plant products and measures to reduce those risks to an acceptable level. As a continuation of the previous activity related to plant health, PLAC III has provided assistance to the Ministry of Agriculture in assessing the new Union acquis in the field of plant health and in drafting necessary documentation for pests registered in Serbia on 8 species from the genus Prunus. A thorough analysis of collected databases of published papers and bibliographic units describing the presence of pests registered in Serbia on these 8 species was done. A technical dossier was drafted, containing 38 regulated non-quarantine pests and 54 non-regulated pests that can be found on fruit reproductive and planting material intended for fruit production on each of the selected Prunus species. The molecular diagnostic protocols for three the most significant and already spread viruses and two newly detected viruses in Serbia were written or revised for authorised Serbian diagnostic laboratories and presented in the form of leaflets. The aim was to improve the application of appropriate phytosanitary measures in the control of their presence on Prunus planting material.

Beneficiary institution: Ministry of Agriculture, Forestry and Water Management (Plant Protection Directorate)

Number of experts engaged: 1

Number of working days: 55

Outputs:

- 9 different documents, analyses and technical dossiers related to the pest presence registered in Serbia on Prunus species were drafted.

Harmonisation with Union acquis: Regulation 2016/2031 on protective measures against plant pests; Commission Implementing Regulation 2018/2018 concerning the procedure to be followed in order to carry out the risk assessment of high-risk plants and plant products; Commission Implementing Regulation 2018/2019 establishing a provisional list of high risk plants, plant products or other objects.

8. ASSESSING THE LEVEL OF HARMONISATION OF SERBIAN LEGISLATION WITH UNION ACQUIS IN THE FIELD OF MARKETING OF FOREST REPRODUCTIVE MATERIAL

The European Union accounts for approximately 5% of the world's forests and, contrary to what is happening in many other parts of the world, the forested area of the EU is slowly increasing (by almost 10% in the period 1990 – 2020). Forestry and logging accounted for 0.2% of the total GDP in 2018, while about 520,000 people worked in the forestry and logging sector in the EU, according to Eurostat data. Council Directive 1999/105/EC regulates the marketing of forest reproductive material. In Serbia, the national Law on Forest Reproductive Material is harmonised with the Directive, and three bylaws were adopted, which makes the legislation being partially harmonised with relevant Union acquis. PLAC III has provided support to the Ministry of Agriculture, Forestry and Water Management in the form of an analysis of the achieved level of harmonisation and identification of additional EU acts that need to be transposed into Serbian legislation.

Beneficiary institution: : Ministry of Agriculture, Forestry and Water Management

Number of experts engaged: 1

Number of working days: 15

Outputs:

- A legal gap analysis report outlining the present level of harmonisation of Serbian legislation with Union acquis in the field of forest reproductive material;
- A Table of Concordance for the Directive on the marketing of forest reproductive material;
- A Table of Concordance for Commission Regulation 1597/2002;
- A Table of Concordance for Commission Regulation 2301/2002.

Harmonisation with Union acquis: Council Directive 1999/105/EC on the marketing of forest reproductive material; Commission Regulation (EC) 1597/2002 laying down detailed rules for the application of Directive 1999/105/EC as regards the format of national lists of the basic material of forest reproductive material; Commission Regulation (EC) 2301/2002 laying down detailed rules for the application of Directive 1999/105/EC as regards the definition of small quantities of seed.

9. ASSISTANCE IN DRAFTING THE NATIONAL FEED LAW AND BYLAWS RELATED TO THE REQUIREMENTS FOR FEED HYGIENE

The implementation of feed legislation is a precondition for food safety and animal health, as well as organisation of official control of feed and food. Regulation 183/2005 of the European Parliament and of the Council laying down requirements for feed hygiene combines different types of feed: feed materials, feed additives, compound feed including pet food, and medicated feed which makes this area quite important part of agri-food chain. In the Republic of Serbia, some provisions are implemented and stipulated in different laws or by-laws (Law on Veterinary Matters, Law on Food Safety), but the transposition has not been done at the desirable level. PLAC III has provided assistance and support to the line Ministry in drafting a Law on the requirements for feed hygiene and a Rulebook on the placing on the market and use of feed in line with relevant Union acquis to harmonise the conditions for the placing on the market and the use of feed, in order to ensure a high level of feed safety and thus a high level of protection of public health, as well as to provide adequate information for users and consumers and to strengthen the effective functioning of the market.

Beneficiary institution: Ministry of Agriculture, Forestry and Water Management

Number of experts engaged: 2

Number of working days: 55

Outputs:

- Draft Feed Law;
- Draft Rulebook for general and special conditions for placing feed on the market;
- Draft Rulebook establishing a list of intended uses and additional mandatory labelling requirements for feed intended for particular nutritional purposes;
- Draft Rulebook on general and special conditions for feed hygiene;
- Draft Rulebook on registration and approval of establishments and authorisation and specific authorisation of specific activities of feed business operators;
- Table of Concordance for Regulation 183/2005/EC;
- Draft Manual for food business operators for registration and approval of feed establishments;
- Procedures for the competent authority for registration and approval of feed establishments.

Recommendations

PLAC III experts recommend that the beneficiary continue discussion with other competent authorities responsible for the implementation of the Law. The experts also recommend the beneficiary to start consultations with the industry as soon as possible since the adoption of the Feed Law will significantly influence operation of their business.

Harmonisation with Union acquis: Regulation 183/2005 of the European Parliament and of the Council laying down requirements for feed hygiene; Regulation 178/2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety; Regulation 767/2009 on the placing on the market and use of feed.

CHAPTER 15 ENERGY

Energy is traditionally the most important field of operations of the European Union. Today, management of the energy sector is one of the most important activity areas of EU institutions. EU energy policy covers energy supply, infrastructure, the internal energy market, consumers, renewable energy, energy efficiency, nuclear energy, nuclear safety and radiation protection. PLAC III has provided assistance in further harmonisation of national legislation with key Directive 2013/59/Euratom laying down the Basic Safety Standards for Protection against the Dangers arising from Exposure to Ionising Radiation, by drafting, inter alia, amendments to the Radiation and Nuclear Safety Strategy and Radioactive Waste Management Strategy.

1. THE AUTHORISATION OF PRACTICES IN MEDICAL APPLICATION OF RADIATION SOURCES

The Law on Radiation and Nuclear Safety and Security came into force in Serbia in December 2018. The law is partially harmonised with the Council Directive 2013/59; one of the most demanding parts for the harmonisation and future implementation is establishing a system for the recognition of Medical Physics Experts. Another long-lasting and demanding, in terms of human capacity and activity is the estimation of population doses in medical exposure for radio-diagnostic and interventional radiology purposes. The Directive stipulates that those should be determined taking into consideration the distribution by age and gender of the exposed and taking into account the European Commission issued publications on radiation protection. PLAC III has provided assistance to the competent authority (SRBATOM) by drafting guides and methodologies and by transfer of knowledge in the area based on the best European and world practices. As part of the activity, the two-day international conference "Justification of practices and justification of nonmedical imaging exposure" was held, with the participation of the representatives of the European Commission, the International Atomic Energy Agency, the European Association of Nuclear Medicine, the EU Member States.

Beneficiary institution: Serbian Radiation and Nuclear Safety and Security Directorate (SRBATOM)

Number of experts engaged: 1

Number of working days: 50

Outputs:

- A guidance document for the recognition of Medical Physics Experts;
- A draft Rulebook on the formal recognition of Medical Physics Experts;
- A draft Rulebook for establishing quality assurance programmes;
- A draft Rulebook for accidental and unintended exposures;
- A draft methodology for the estimation of population doses from medical exposure for radio diagnostic and interventional purposes;
- Guidance for accidental and unintended exposures;
- The international conference "Justification of practices and justification of nonmedical imaging exposure" was held, with the participation of the representatives of the European Commission, the IAEA, the European Association of Nuclear Medicine, the EU Member States, etc. was held.

Recommendations

Medical physics staffing levels in Serbia are low compared with EU median staffing levels, which could result in a heavy workload for the staff. It was also noted that institutions lack the equipment for carrying out quality control checks. It is recommended that newly produced Rulebooks, Methodology and Guidance documents are implemented by SRBATOM in a timely fashion, which could lead to an improvement of the shortfalls mentioned above.

Harmonisation with Union acquis: Council Directive 2013/59/Euratom.

2. ASSISTANCE IN THE FURTHER ALIGNING OF THE RADIATION AND NUCLEAR SAFETY STRATEGY

Apart from further harmonisation with Directive 2013/59/Euratom, Serbia needs to further adapt its national legislation, enabling regulatory control in the field of radiation protection and nuclear safety. That means the transposition into national legislation of two EU directives regulating the nuclear safety of nuclear installations – Council Directive 2009/71/Euratom, establishing a Community framework for the nuclear safety of nuclear installations and Council Directive 2014/87/Euratom that further regulates the area. In 2017 the Law on the Ratification of the Convention on Nuclear Safety came into force. The Serbian Radiation and Nuclear Safety and Security Directorate has prepared the first draft of the Radiation and Nuclear Safety Strategy in accordance with the Law. The Strategy is a comprehensive document encompassing valuable historical and current information including collated operational experience on the performance of practices using radiation sources and nuclear material in Serbia. PLAC III has provided assistance to SRBATOM in reviewing the draft Strategy and upgrading it in accordance with the relevant Union acquis and the Convention on Nuclear Safety.

Beneficiary institution: Serbian Radiation and Nuclear Safety and Security Directorate (SRBATOM)

Number of experts engaged: 1

Number of working days: 10

Outputs:

- Draft amendments and revisions to the Radiation and Nuclear Safety Strategy; the amendments are in accordance with relevant requirements of Directive 2013/59, Directive 2009/71 and Directive 2014/87.

Recommendations

Identification of possible interfaces with the strategies about radioactive waste management, existing exposures and security was made with the view to explore the possibility of avoiding having four different documents.

Harmonisation with Union acquis: Direktiva Saveta 2013/59/Euratom; Direktiva Saveta 2009/71/Euratom o uspostavljanju okvira Zajednice za nuklearnu sigurnost nuklearnih postrojenja; Direktiva Saveta 2014/87/Euratom.

3. REVIEW OF A DRAFT RADIOACTIVE WASTE MANAGEMENT STRATEGY

Very important parts in harmonisation of national legislation in Chapter 15 are related to the requirements for the establishment of a radioactive waste management framework including national inventory for radioactive waste in the country as well as strengthening the regulatory framework to ensure that there is capacity to implement this area of the Union acquis. The Law on the Ratification of the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management came into force in 2017. PLAC III has provided assistance to the competent authority (SRBATOM) in reviewing and improving the first draft of the

Radioactive Waste Management Strategy prepared by SRBATOM by transposing relevant articles of Directive 2013/59 and Directive 2011/70. The Strategy refers to spent fuel and radioactive waste; it covers a 6-year period (2022 - 2028) and provides projections until 2042.

Beneficiary institution: Serbian Radiation and Nuclear Safety and Security Directorate (SRBATOM)

Number of experts engaged: 1

Number of working days: 10

Outputs:

- The draft National Spent Fuel and Radioactive Waste Management Strategy for the period 2022 – 2028, including projections until 2042.

Harmonisation with Union acquis: Council Directive 2013/59/Euratom; Council Directive 2011/70/Euratom establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste.

4. ASSISTANCE IN THE TRANSPOSITION OF UNION ACQUIS ON ENERGY LABELLING

The Ministry of Mining and Energy has already transposed and implemented EU Directive 2010/30/EU on the indication by labelling and standard product information of the consumption of energy and other resources by energy related products through the Law on Efficient Use of Energy, the Decree on the types of energy-related product requiring labelling of energy consumption and other essential resources and bylaws on labelling of energy-related products. The PLAC project has already assisted the Ministry in the period 2014-2018 in drafting secondary regulation which was adopted by the end of 2018. Since the relevant EU acquis is constantly evolving, new harmonisation is necessary. The PLAC III project has provided support to the line Ministry in the transposition of 6 delegated regulations, supplementing Regulation (EU) 2017/1369 with regard to energy labelling and in preparing an accompanying dictionary of specific terms and definitions.

Beneficiary institution: Ministry of Mining and Energy

Number of experts engaged: 1

Number of working days: 45

Outputs:

- Six Rulebooks were drafted on the following: the energy labelling of electronic displays; the energy labelling of household washing machines and household washer – dryers; the energy labelling of electric light sources; the energy labelling of household refrigerating appliances; the energy labelling of household dishwasher appliances; the energy labelling of refrigerating appliances with direct sales function;
- A dictionary containing the technical terms and definitions for targeted users.

Recommendations

By the adoption of the secondary legislation that implements the rules of labelling Serbia will achieve progress in energy efficiency. It is recommended to speed up the process of adoption of the framework ecodesign directive 2009/125/EC, ecodesign requirements for the product which are already subject to energy labelling requirements and a set of rulebooks to transpose selected ecodesign implementing measures.

Harmonisation with Union acquis: Delegated regulations, supplementing Regulation (EU) 2017/1369 with regard to energy labelling: Regulations 2019/2013, 2019/2014, 2019/2015, 2019/2016, 2019/2017 and 2019/2018.

5. ASSISTANCE IN UPDATING THE ACTION PLAN FOR THE ESTABLISHMENT AND MAINTENANCE OF EMERGENCY STOCKS OF CRUDE OIL AND OIL PRODUCTS

The Republic of Serbia has committed itself to implement Council Directive 2009/119/EC, imposing an obligation on the Member States to maintain minimum stocks of crude oil and/or petroleum products by no later than 1 January 2023. Serbia has transposed most relevant provisions of the Directive through the Commodity Reserves Law adopted in December 2013 by the Serbian National Assembly. In 2014 and 2015, most of the work to establish the full legal framework was completed. The issue of emergency oil stocks is considered a key benchmark for opening EU negotiations on Energy Chapter and one of the main milestones in meeting this benchmark is the presentation of a detailed Action Plan for the alignment of national legislation with the acquis related to emergency 90-day stocks of crude oil and/or petroleum products under the Directive. The first and second versions of the Action Plan for the Establishment and Maintenance of Emergency Stocks of Crude Oil and Oil Products were drafted in 2015 with PLAC I assistance, and 2017 with PLAC II assistance. The third version was developed in May 2018. Since the Directive was amended as regards the methods for calculating stockholding obligations and the last version of the Action Plan was developed almost three years ago and the quantity of stocks established by end-December 2020 is lower than planned by the Action Plan (May 2018), the third version of the Action Plan required an update. The PLAC III project has provided assistance in drafting the fourth version of the Action Plan, which was a base for amending a Long-term plan and adopting a new Mid-term plan. The Action Plan provides an appropriate framework for Serbia's preparations to gradually align with EU acquis and strengthen the necessary administrative capacity.

Beneficiary institution: Ministry of Mining and Energy

Number of experts engaged: 1

Number of working days: 40

Outputs:

- An action plan on the establishment and maintenance of emergency oil stocks for the period June 2021 - December 2026;
- A long term Action plan on the establishment and maintenance of emergency oil stocks for the period 2021 – 2030;
- A mid-term Action plan on the establishment and maintenance of emergency oil stocks for the period July 2021 - June 2024.

Recommendations

The general impression is that work on emergency oil stockholding has gained momentum in Serbia. Having that in mind, it is important to maintain this momentum and to this end, a regular review of Serbia's progress in relation to the plans (drafted within the scope of the project) is recommended, ideally on a half-yearly basis.

Harmonisation with Union acquis: Council Directive 2009/119/EC imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products.

CHAPTER 16 (TAXATION)

EU rules on taxation cover value-added tax and excise duties as well as aspects of corporate taxation. They also deal with cooperation between tax administrations, including the exchange of information to prevent tax evasion. The PLAC III project has provided assistance to the line Ministry of Finance in alignment with the acquis in the field of direct taxation and the establishment of the Central Liaison Office to handle the administrative cooperation with EU Member States' competent authorities.

1. ASSISTANCE IN THE PROCESS OF ALIGNMENT WITH UNION ACQUIS IN THE FIELD OF DIRECT TAXATION

The Screening report for Chapter 16 stated that Serbia will need to ensure alignment upon EU accession with the Merger Directive on the common system of taxation applicable to mergers, divisions, partial divisions, transfers of assets and exchanges of shares concerning companies of different Member States as well as to the transfer of the registered office, of a Societas Europaea (SE) or European Cooperative Society (SCE), between Member States. For this purpose, Serbia will have to: 1) Extend the deferral tax regime to a transfer of assets where the shares issued in consideration by the receiving company are acquired by the transferring company, 2) Cover the case of exchange of shares, since the deferral of taxation is also linked with other rules concerning the valuation of shares exchanged, 3) Cover triangular cases, where the merger, division or transfer of assets include a permanent establishment situated in a Member State different from that of the transferring company, 4) Establish rules on the transfer of the seat of a SE or and SCE if the company leaves Serbia or moves to another country. Even without taxation in these cases, the rules concerning the valuation of the assets are relevant for future taxation, 5) Provide for the exemption of capital gains deriving from the cancellation of the holding that the receiving company may have in the transferring company that is dissolved in case of a merger or a division. The PLAC III project has provided assistance to the Ministry of Finance in the process of harmonisation with EU regulations, in particular to comply with the Merger Directive, through improvement of the capacities of the existing staff.

Beneficiary institution: Ministry of Finance

Number of experts engaged: 1

Number of working days: 15

Outputs:

- A legal gap analysis assessing the state of compliance of the existing Serbian legislative system - Law on Profit Tax with Union acquis performed; a report drafted;
- A Table of Concordance regarding the Law on Profit Tax and Merger Directive;
- A Transfer of knowledge on requirements and implementation of the Merger Directive enabled during consultative meetings between a PLAC expert and Ministry of Finance staff.

Harmonisation with Union acquis: Council Directive 2009/133/EC on the common system of taxation applicable to mergers, divisions, partial divisions, transfers of assets and exchanges of shares concerning companies of different Member States and to the transfer of the registered office of an SE or SCE between Member States.

2. ASSISTANCE IN THE ESTABLISHMENT OF A CENTRAL LIAISON OFFICE TO HANDLE THE EXCHANGE OF INFORMATION WITH THE EU AND OECD WITHIN THEIR ADMINISTRATIVE COOPERATION

The tax cooperation in the EU requires an effective exchange of information and mutual assistance between the Member States' tax authorities, especially for intra-community transactions in VAT, excise duties and direct taxation. Administrative structures such as the Central Liaison Office (CLO) and the Excise Liaison Office must be created to process the information, enable cooperation and channel assistance requests. From the date of accession, Serbia needs to fulfil all requirements of the Administrative Cooperation Directives (DAC 1-6), the VAT Regulation and three Excise Regulations, in particular concerning the exchange of information on request, spontaneous and mandatory automatic exchange of information with all the Member States and other forms of administrative cooperation as foreseen by the legislation. Serbia will also have to adopt necessary legislative and administrative measures and establish the appropriate infrastructure to be ready to apply the Recovery directive. PLAC III has provided support to the Tax Administration in transferring know-how in the field of information exchange. An analysis of the existing legal framework was done, with recommendations for the establishment of CLO. The experience of Austria as an EU Member State in the implementation of Union acquis was shared.

Beneficiary institution: Ministry of Finance – Tax Administration

Number of experts engaged: 1

Number of working days: 20

Outputs:

- A legal gap analysis of national legislation with that of the Union in the field of taxation with proposals for a full legislative harmonisation;
- A draft action plan for establishing a Central Liaison Office;
- An action plan - table overview;
- A manual on the Exchange of Information between Tax Administrations updated;
- A workshop for representatives of the Tax Administration was held.

Recommendations

Major investments in the IT process will be necessary. Major projects that might take years have to be implemented to reach the EU level. Training of auditors has to be established. There are many tasks for which additional staffs are needed (IT, legal department).

Harmonisation with Union acquis: Administrative Cooperation Directives (DAC 1-6):2011/16 EU, 2014/107 EU, 2015/2376 EU, 2016/881 EU, 2016/2258 EU, 2018/822 EU; VAT Regulation 904/2010 on administrative cooperation and combating fraud in the field of VAT; Excise Regulations 389/2012, 612/2013 and 389/2012; Recovery directive (Council Directive 2010/24/EU on mutual assistance for the recovery claims related to taxes, duties and other measures).

CHAPTER 27

ENVIRONMENT AND CLIMATE CHANGE

The EU promotes strong climate action, sustainable development and the protection of the environment. EU law contains provisions addressing climate change, water and air quality, waste management, nature protection, industrial pollution, chemicals, noise and civil protection. Environmental protection is recognised as one of the most challenging and complex acquis when it comes to the harmonisation of national legislation with EU standards and norms. PLAC III has provided extensive assistance to the line Ministry of Environmental Protection in several subareas – alignment with the acquis in the waste management and in climate change as well as transposition of the INSPIRE Directive into national legislation.

1. ASSISTANCE IN TRANPOSITION OF UNION ACQUIS ON PACKAGING AND PACKAGING WASTE

PLAC III has provided support to the Ministry of Environmental Protection in full alignment of national legislation with the Union acquis in the field of packaging and packaging waste management, bearing in mind that relevant EU legislation has been improved in accordance with Union plans for the transition to a circular economy. The main piece of EU legislation - Directive 94/62/EC on packaging and packaging waste has been partially transposed into Serbian legislation through the Law on Waste Management and related bylaws. Having in mind that the Directive has been amended in 2018, it is necessary to transpose the new Directive 2018/852 and also with Directive 2015/720 regulating the use of lightweight plastic bags. Finally, Serbia should take into account the newest Directive 2019/904 on reducing the impact of certain plastic products on the environment which prohibits the use of 10 single-use plastic products. PLAC III assistance resulted in drafts of the amendments to the Law on packaging waste which will enable harmonisation with Union acquis.

Beneficiary institution: Ministry of Environmental Protection

Number of experts engaged: 2

Number of working days: 40

Outputs:

- A report on the review of the institutional and legal framework in the RS in waste sector related to packaging and packaging waste management;
- Table of Concordance for Directive 94/62/EC on packaging and packaging waste, as amended;
- Table of Concordance for Directive 2019/904/EU on the reduction of the impact of certain plastic products on the environment;
- Proposal to amend the Law on packaging and packaging waste;
- Explanatory note to the amendments to the Law on packaging and packaging waste;
- Recommendations to achieve the new objectives set up by the amendments to Directive 94/62/EC on packaging waste;
- Report on the achievement of the packaging waste targets in Serbia;
- A workshop for the representatives of the Ministry of Environmental Protection, the Serbian Environmental Protection Agency, the Serbian Chamber of Commerce, as well as economic operators was held.

Recommendations

The EU legal framework is partially transposed into national legislation. It is therefore necessary for the Serbian Government to step up harmonisation with Union acquis by taking the proposed measures elaborated within the implementation period of this project, given that the EU policy is constantly changing and as this process is postponed, the differences will deepen.

Harmonisation with Union acquis: Directive 94/62/EC on packaging and packaging waste; Directive 2018/852; Directive 2015/720; Directive 2019/904 on reducing the impact of certain plastic products on the environment.

2. HARMONISATION OF LEGISLATION ON WASTE MANAGEMENT - BATTERIES AND ACCUMULATORS AND WASTE BATTERIES AND ACCUMULATORS

The Republic of Serbia is in the process of fully aligning its environmental legislation with the Union acquis in the area of waste management. Having in mind that relevant acquis is constantly evolving in the EU in accordance with the Action Plan for the Circular Economy, there is a need to transpose new legislation into the national legislative framework. Directive 2006/66/EC on batteries, accumulators and waste batteries and accumulators has been partially transposed through the Law on Waste Management and the Rulebook on Manners and Procedures of Used Batteries and Accumulators Management. The Directive was amended in 2018. PLAC III has provided assistance to the Ministry of Environmental Protection in transposition of newest EU legislation related to batteries and accumulators and waste batteries and accumulators.

Beneficiary institution: Ministry of Environmental Protection

Number of experts engaged: 2

Number of working days: 35

Outputs:

- Institutional and legal framework report in the Republic of Serbia related to waste management sector with a focus on batteries and accumulators and waste batteries and accumulators;
- Table of Concordance for Directive 2006/66/EC on batteries and accumulators and waste batteries and accumulators;
- Draft proposal for amending the Rulebook on manners and procedures of used batteries and accumulators' management;
- Draft proposal for amending the Law on waste management
- A workshop for the representatives of the Ministry of Environmental Protection, the Provincial Secretariat for Urbanism and Environmental Protection, the Serbian Chamber of Commerce, NALED and waste management operators was held.

Recommendations

A separate collection of waste batteries and accumulators should be secured, as well as their safe and proper interim storage in civic amenity sites or other regional hazardous storage facilities. Collection should be organised at municipal collection centres or amenity sites. Public should be informed about the potential effects on waste batteries and accumulators on the environment and public health.

Harmonisation with Union acquis: Directive 2006/66/EC on batteries and accumulators and waste batteries and accumulators; Directive 2018/849; Directive 2018/851 amending Directive on waste.

3. TRANSPOSITION OF WASTE MANAGEMENT ACQUIS – WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT

The amount of waste electrical and electronic equipment (widely known as WEEE or e-waste) generated every year in the EU is increasing rapidly. EU rules on WEEE aim to contribute to sustainable production and consumption. They address environmental and other issues caused by the growing number of discarded electronics and are upgraded frequently. In Serbia, relevant acquis in the field – the latest, consolidated version of Directive 2012/19/EU on waste electrical and electronic equipment and RoHS Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment – have been partially transposed through Rulebook no. 99/10. However, only those articles that are the same as in the previous versions of two Directives from 2002 have been transposed into the Rulebook. PLAC III has provided support to the Ministry of Environmental Protection to transpose the Union acquis on e-waste. Project experts drafted new laws that will regulate e-waste and the use of certain hazardous substances to be compliant with two directives.

Beneficiary institution: Ministry of Environmental Protection

Number of experts engaged: 2

Number of working days: 35

Outputs:

- Draft proposal for amending the Law on waste management;
- Draft Law on waste electrical and electronic equipment;
- Draft Law on RoHs;
- Legal gap analysis report;
- Institutional and legal framework report;
- Table of Concordance for WEEE;
- Table of Concordance for RoHs;
- A workshop with the representatives of the Ministry, the Provincial Secretariat for Environmental Protection and the waste management operators was held.

Recommendations

Creation and maintenance of a national registration body for the producers and/or importers of waste electrical and electronic equipment is recommended, as well as the creation of a framework for a collective take-back system. Improving is recommended for the current financial management system of this type of waste, as well as for a control and enforcement system for the implementation of the legislation and for the existing data collection system.

Harmonisation with Union acquis: Directive 2012/19/EU on waste electrical and electronic equipment (WEEE Directive); Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive).

4. ASSISTANCE TO TRANPOSE THE UNION ACQUIS IN THE WASTE SECTOR RELATED TO END-OF-LIFE VEHICLES

The Union acquis in environmental protection is constantly being improved, which obliges candidate countries including Serbia to follow the changes and introduce them in their national legislation frameworks. PLAC III has provided support to the Ministry of Environmental Protection in transposing Union acquis in the field of end-of-life vehicles, which are declared as hazardous waste and are one of the causes of environmental pollution. The main document is Directive 2000/53/EC on end-of-life vehicles (ELV), the latest consolidated version of which was adopted in March 2020. The acquis also includes Directive 2018/851 as well as the secondary legislation (three European Commission decisions regulating in detail rules for monitoring the reuse/recovery and reuse/recycling targets and standards for the destruction of end-of-life vehicles). In Serbia, the area is regulated by the Law on Waste Management, the Rulebook on the manner and procedure of ELV management and the Decree on products which become special waste streams upon their use. As the legal gap analysis showed, the ELV directive has been partly transposed and the project experts have drafted amendments to the legal acts as well as a governmental order in order to enable a full transposition of Union acquis. They also drafted recommendations for introducing extended producer responsibility schemes and for economic incentives for ELV waste operators.

Beneficiary institution: Ministry of Environmental Protection

Number of experts engaged: 2

Number of working days: 40

Outputs:

- A legal gap analysis report;
- An institutional and legal framework report;
- A draft proposal for a Governmental Order and draft proposal for some legal acts related to the management of end-of-life vehicles;
- A draft proposal for the amendments to legal acts related to management of the end-of-life vehicles;
- A Table of Concordance for the Directive 2000/53/EC on end-of-life vehicles (consolidated version) and secondary legislation;
- A workshop for the representatives of the Ministry of Environmental Protection and economic operators was held.

Recommendations

Following the recommended actions (through amendments to laws) for administrative and institutional changes, for human resources, staff recruitment and training needs are proposed, and a few more actions should be considered: the project management institution should be enforced; cooperation mechanisms when competences are shared in the government should be improved; the reporting system in order to have reliable data on end-of-life vehicles should be improved.

Harmonisation with Union acquis: Directive 2000/53/EC on end-of-life vehicles (consolidated version); Commission Decision No 2005/293/EC: laying down detailed rules on the monitoring of the reuse/recovery and reuse/recycling targets set out in Directive 2000/53/EC; Commission Decision No 2003/138/EC: establishing component and material coding standards for vehicles pursuant to Directive 2000/53/EC; Commission Decision No 2002/151/EC: on minimum requirements for the certificate of destruction.

5. ASSISTANCE IN TRANPOSING THE UNION ACQUIS IN THE WASTE SECTOR RELATED TO THE MANAGEMENT OF WASTE TIRES AND WASTE OILS

PLAC III has provided support to the Ministry of Environmental Protection in transposing Union acquis relevant to waste oils and tires. In the EU, the management of this type of waste is governed by the consolidated version of Directive 2008/98/EC on waste, including the latest Directive 2018/851. The Directive stipulates separate collection of waste oils, treatment in accordance with waste hierarchy and prohibits mixing of waste oils of different characteristics with other kinds of waste. Union acquis include also Council Directive 99/31/EC on the landfills of waste that prohibits the disposal of whole and cut waste tires, while the End-of-life vehicles Directive stipulates that waste tires must be disposed of if they are not cut so that they can be recycled efficiently. Project support related to the transposition of the Union acquis, in particular the consolidated version of the Waste Directive as well as articles of the 2018 Directive related to the management of waste tires and waste oils. It also included the assessment of the current institutional framework to determine the division of competences. The experience of Romania as EU Member State in transposing the Union acquis was shared by project experts.

Beneficiary institution: Ministarstvo zaštite životne sredine

Number of experts engaged: 2

Number of working days: 55

Outputs:

- A legal gap analysis report establishing level of compliance of national laws with Union acquis;
- A Table of Concordance for Directive 2008/98/EC including the latest Directive (EU) 2018/851 (articles related to management of waste tyres and oils);
- An institutional and legal framework report;
- Proposals to amend the bylaw on waste oil management;
- Proposals to amend the bylaw on waste tyres management;
- Proposals to transpose Art.8 and 8a from Directive 2008/98/EC that refer to the establishment of Extended Producer Responsibility Scheme;
- A workshop for representatives of the Ministry of Environmental Protection, the Provincial Secretariat for Urban Planning and Environmental Protection, the Serbian Environmental Protection Agency (SEPA) and economic operators was held.

Recommendations

It is necessary for the Serbian government to step up its efforts to harmonise the legislation with Union acquis by taking the proposed measures elaborated within the implementation period of the PLAC III project. Given that the EU policy is constantly changing and as this process is postponed, the differences will deepen. Establishing cooperation mechanisms when competences are shared in the government should be considered as well as improvements of the reporting system in order to have reliable data on collection of this type of waste.

Harmonisation with Union acquis: Waste Framework Directive 2008/98/EC; Directive 2018/851; Directive 99/31/EC on the landfills of waste

6. TRANPOSITION OF UNION ACQUIS IN THE WASTE SECTOR RELATED TO ENVIRONMENTAL LIABILITY, IN PARTICULARLY FINANCIAL GUARANTEES, INSURANCE AND OTHER FINANCIAL INSTRUMENTS

The basic principle in environmental protection in the European Union is the “polluter pays” principle. Predictable financing based on this principle is needed to raise the level of investment in the sector. According to European Commission reports, further progress is needed in Serbia in transposing and implementing the Environmental Liability Directive (ELD) 2004/35, the Waste Framework Directive 2018/851 and the Regulation on shipments of waste 1013/2006/EC in the field of financial guarantees, insurance and other financial instruments needed for covering the costs of waste management and transboundary movement of waste. Transposition of these EU legal acts was enabled with the assistance of the PLAC III project whose experts worked closely with the representatives of the Ministry of the Environmental Protection. Project support included a legal gap analysis of the relevant domestic legislation, a comparative analysis of the best European practices and the drafting of proposals for a further harmonisation of regulations with the relevant EU directives. According to the results of the analysis of the relevant legislation, the Serbian Law on Waste Management is to a high degree harmonised with EU legislation, except in the part of related to the closure of the facility, for which is necessary to introduce an amendment that a financial guarantee is obligatory for the issuance of a permit. A comparative analysis of examples of European practices has included the following EU Member States: Italy, Austria, Germany, Slovenia and Croatia.

Beneficiary institution: Ministry of Environmental Protection

Number of experts engaged: 2

Number of working days: 40

Outputs:

- A comparative analysis from selected Member States related to the Regulation on financial guarantees, insurance and other financial instruments in the field of waste management operations and the transboundary movement of hazardous waste;
- A legal gap analysis report on the legal and institutional framework in RS related to financial guarantees and equivalent insurance in the field of waste management operations and transboundary movement of hazardous and other waste;
- A Table of Concordance on the relevant provisions of Waste Framework Directive 2008/98/EC related to financial responsibility;
- A Table of Concordance on the relevant provisions of Environmental Liability Directive 2004/25/EC related to financial responsibility;
- A Table of Concordance on the relevant provisions of the Regulation on shipments of waste 1013/2006/EC related to financial responsibility;
- A draft Regulation on financial guarantees and equivalent insurance which ensure waste management activities;
- A draft Regulation on financial guarantees or equivalent insurance which ensure a transboundary movement of hazardous waste and other waste;
- A workshop gathering representatives of the Ministry of Environmental Protection, the Provincial Secretariat for Urbanism and Environmental Protection, the City Administration of Belgrade, the City Administration of Novi Sad, operators and representatives of insurance companies was held.

Recommendations

A key recommendation is to strengthen the capacity of the Ministry of Environmental Protection related to the implementation of EU directives/regulations in the field of waste management, transboundary movement of waste and environmental liability. In addition, key findings refer to consider the establishment of a fund for compensation of environmental damage and a committee on environmental liability.

Harmonisation with Union acquis: Waste Framework Directive 2008/98/EC; Environmental Liability Directive 2004/25/EC; Regulation on shipments of waste 1013/2006/EC.

7. INSTITUTIONAL ASSESSMENT AND STAKEHOLDER MAPPING REGARDING THE NAGOYA PROTOCOL ON BIODIVERSITY

The Republic of Serbia ratified the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity in September 2018. The implementation of the Nagoya Protocol will be fully in place after the revision of the national legislation related to nature protection. PLAC III project experts prepared an analysis of the national legislation relevant for biodiversity preservation, in particular from the point of the need of introducing the “concept of access and benefit sharing.” The concept has been established by the Convention on Biological Diversity to which the EU and its Member States are parties, as well as the Republic of Serbia and it is practically represented in the EU on the new platform intended for sharing information in genetic resources. The analysis took into account the existing legal framework and institutional setup in the sectors of nature protection, agriculture, forestry, veterinary, plant protection, food and feed security, science and technology, health and intellectual property rights. As recommended by the project expert, the Law on Nature Protection of the Republic of Serbia represents a solid base to provide future legislative framework for the implementation of the EU Regulation on Nagoya Protocol, since it is already meant to be an umbrella law regarding the conservation of genetic resources.

Beneficiary institution: Ministry of Environmental Protection

Number of experts engaged: 1

Number of working days: 15

Outputs:

- A report on the legal gap assessment of relevant legislation and an institutional gap need assessment regarding the implementation of Regulation 511/2014 and Commission Implementing Regulation 2015/1866;
- A workshop for the representatives of the Ministry of Environmental Protection, Ministry of Education, Science and Technological Development, Ministry of Agriculture, Institute for Nature Conservation, educational institutions and other stakeholders was held.

Recommendations

Amendments to the Law on Nature Protection or the new Law on Nature Protection could be the best way forward in incorporating the provisions regarding the implementation of Union acquis related to the Nagoya Protocol. Strengthening the administrative capacities of future competent authorities by employing new experts and inspectors as well as by providing adequate training for the staff is recommended.

Harmonisation with Union acquis: Regulation (EU) 511/2014 on the Nagoya Protocol; Commission Implementing Regulation 2015/1866.

8. TRANPOSITION OF UNION ACQUIS RELATED TO CLIMATE CHANGE

In the process of the transposition of EU Climate Acquis as part of Chapter 27, the Ministry of Environmental Protection has prepared a Draft Law on climate change that aims to establish a system for the reduction of emissions of greenhouse gases (GHG) and adaptation to climate change, fulfilling obligations toward the UN Framework Convention on Climate Change and its Paris Agreement and alignment with EU Climate acquis. The Draft Law provides, inter alia, a strategic framework for mitigation and adaptation to the climate change and establishes a permitting system for operators of the stationary installations and aircraft operators as regards their greenhouse gases emissions, a monitoring, reporting and verification system for the GHG emissions from these installations and aircraft activities. The EU Climate acquis that were transposed into the draft Law were in the meantime amended in the period following the preparation of the draft Law. PLAC III provided assistance to the line Ministry in preparing draft amendments to the already existing draft Law on Climate Change and drafting amendments to draft secondary legislation made under the Law to further transpose the new EU climate acquis. Serbia will not introduce an emission trading scheme (as such) until much later in the accession process; for that reason, the project expert worked on the transposition of those elements of the EU legislation concerned with the monitoring, reporting, verification and accreditation processes associated with the EU emissions trading scheme (ETS).

Beneficiary institution: Ministry of Environmental Protection

Number of experts engaged: 1

Number of working days: 30

Outputs:

- A legal gap analysis report;
- A Table of Concordance for Directive 2018/410 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision 2015/1814;
- A Table of Concordance for Regulation 2018/2066 on the monitoring and reporting of greenhouse gas emissions;
- A Table of Concordance for Regulation 2018/2067 on the verification of data and on the accreditation of verifiers;
- A Table of Concordance for Regulation 2018/842 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement;
- Draft revisions to the draft Law on climate change;
- Draft revisions to the draft Rulebook on the monitoring and reporting of greenhouse gas emissions;
- Draft revisions to the draft Rulebook on the requirements to be met by verifiers, the verification procedure and the verification criteria and the content of the verification report;
- Draft revisions to the draft Regulation on activities and greenhouse gases emitted through performing these activities, where obtaining GHG emissions permits is required;
- Draft revisions to the draft Rulebook on greenhouse gas emission reporting.

Harmonisation with Union acquis: Directive (EU) 2018/410 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision (EU) 2015/1814; Regulation (EU) 2018/2066 on the monitoring and reporting of greenhouse gas emissions; Regulation (EU) 2018/2067 on the verification of data and on the accreditation of verifiers; Regulation (EU) 2018/842 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement.

9. HARMONISATION OF NATIONAL LEGISLATION RELATED TO WASTE LANDFILLING AND CLOSING OF LANDFILL SITES

According to the European Commission's Country Report, Serbia needs to put the most effort into the waste management sector. The Directive on the landfill of waste (1999/31/EC) has been in the most part transposed into the national legislation through amendments to the Law on Waste Management, as well as through the Regulation on Waste Landfilling, while a full transposition into national legislation is expected by the end of the year. The provisions of the Waste Framework Directive 2008/98/EC have been transposed into domestic law, but most landfills do not yet meet the requirements prescribed by law. The majority of the existing landfill sites do not comply with the legal requirements. Also, Serbia has yet to transpose the new Directive 2018/850 which amends the Directive on the landfill of waste and sets new requirements. PLAC III has provided support to the Ministry of Environmental Protection to further harmonize the national legislation in the field of solid waste management, dealing with management of uncontrolled landfills and closure of such sites in accordance with the latest EU requirements. Transposition of EU acquis has been done through a drafted bylaw – the Proposal of the Rulebook on landfills and landfill closure. The case of the closure of a large landfill site in Malta was presented as the best EU practice in the field.

Beneficiary institution: Ministry of Environmental Protection

Number of experts engaged: 1

Number of working days: 20

Outputs:

- A gap analysis of regulative framework in the field of waste disposal management in Serbia and EU;
- A Rulebook on the methodology for designing the projects of remediation and rehabilitation of uncontrolled landfills drafted;
- A workshop for the representatives of the Ministry of Environmental Protection, Serbian Environment Protection Agency and stakeholders was held.

Recommendations

In order to ensure a smooth and timely implementation of the drafted Rulebook, it is recommended to increase a consultative and educative approach with the stakeholders on the local level, giving them the opportunity to express their views and concerns at the early stage of the process.

Harmonisation with Union acquis: Directive 1999/31/EC on the landfill of waste; Directive 2018/850 amending the Directive on the landfill of waste.

10. ASSISTANCE IN DRAFTING A REGULATION TO IMPLEMENT THE INSPIRE DIRECTIVE IN NATIONAL LAW

PLAC III has provided assistance to the Serbian Republic Geodetic Authority, as the institution competent for transposition and responsible for coordinating and monitoring the implementation of Directive 2007/2/EC of the European Parliament and of the Council establishing an Infrastructure for Spatial Information in the European Community (the INSPIRE Directive). INSPIRE is based on the infrastructures for spatial information established and operated by the Member States of the European Union. The Directive addresses 34 spatial data themes needed for the environmental applications. The project expert supported the Centre for Geospatial Information Management in setting up the legal framework of the National Geospatial Data Infrastructure, as well as in the preparation base for drafting a regulation to implement the Directive in national law according to the INSPIRE implementation rules on the interoperability of data sets and services, or more specifically, in the area of legislation of data specifications. In close cooperation with the Republic Geodetic Authority, a draft of Governmental Regulation as regards interoperability of spatial data sets and services was completed as well as complementary documents required for the enactment of the Governmental Regulation.

Beneficiary institution: Serbian Republic Geodetic Authority

Number of experts engaged: 1

Number of working days: 30

Outputs:

- A Table of Concordance of implementation rules on interoperability of data sets and services of the National Spatial Data Infrastructure;
- A draft Governmental Regulation on the interoperability of data sets and services of the National Spatial Data Infrastructure;
- A description of necessary terminological changes in the Serbian Law on the national spatial data infrastructure in order to better align with the meaning and spirit of the EU regulation;
- Documents necessary for the adoption of Governmental Regulation (Statement of compliance with the Government's strategic document; Statement of compliance with EU legislation; Justification for the adoption of the Regulation on interoperability of spatial datasets and services; Justified assessment for the proposal for a regulation on GPiS interoperability; Form of information on conducted consultations).

Recommendations

For a better understanding of INSPIRE data themes, a document in Serbian with a brief description of topics and the main applications of the data covered by the theme would be very useful for the development of the Serbian National Spatial Data Infrastructure.

Harmonisation with Union acquis: INSPIRE Directive 2007/2/EC; Commission Regulations No 1312/2014, No 1253/2013, No 102/2011 and No 1089/2010 amending Regulation 1089/2010 implementing the INSPIRE Directive.

CHAPTER 28 CONSUMER AND HEALTH PROTECTION

EU rules protect consumers' economic interests and in relation to product safety, dangerous imitations and liability for defective products. The EU also ensures high common standards for tobacco control, blood, tissues, cells and organs, patients' rights in cross-border healthcare, and serious cross-border health threats including communicable diseases, as well as medicines for human and veterinary use. PLAC III project's assistance was focused on the further harmonisation of the national legislation on consumer protection, in the tobacco control sector and in the prevention and reduction of health-related harm associated with drug dependence. Project assistance also included a transfer of knowledge and know-how, using examples of the best EU practices and it was directed towards the improvement of the administrative capacities.

1. ASSISTANCE IN THE IMPLEMENTATION OF THE CONSUMER PROTECTION REGULATION

Regulation 2017/2394 on cooperation between national authorities responsible for the enforcement of consumer protection laws, adopted in December 2018, enables better cooperation of national authorities expands the list of EU laws and introduces competencies related to investigative actions. The reasons for adopting the new regulation were the increase in online commerce and the problems of law enforcement on consumer protection that arose in cross-border cases. In order to respond properly to the obligations and requirements of the new Regulation, Serbia needs to bring its administrative capacities to a new level by improving the administration's knowledge of European practice particularly in the unfair contract terms field, online dispute resolutions and alternative dispute resolutions for consumers from the cooperation perspective of view. PLAC III has provided support to the line Ministry in improving the capacity for consumer protection and getting acquainted with the latest EU laws on the cooperation of national authorities responsible for the enforcement of consumer protection laws. The project expert conducted a review of the existing institutional set-up and produced an assessment of the necessary technical and human capacities for the future Single Liaison Office, whose establishment is required by the Regulation.

Beneficiary institution: Ministry of Trade, Tourism and Telecommunications

Number of experts engaged: 1

Number of working days: 15

Outputs:

- A review of the institutional set-up in the Republic of Serbia as regards to the implementation of the Consumer Protection Regulation;
- A workshop for the representatives of the Ministry of Trade and stakeholder organisations - the Department for Financial Consumer Protection of the National Bank of Serbia, the Digital Agenda and the Directorate of Civil Aviation of the Republic of Serbia was held.

Recommendations

The Consumer Protection Directorate of the line Ministry could be appointed as a single liaison office. Further strengthening of its capacity is recommended. The Authorities' administrative capacity for consumer protection (mainly inspectors in charge of administrative enforcement and especially market inspectors) shall need further strengthening.

Harmonisation with Union acquis: Regulation (EU) 2017/2394 of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws.

2. ASSISTANCE IN THE HARMONISATION OF SERBIAN TOBACCO CONTROL LEGISLATION WITH UNION ACQUIS

The Serbian Law on Tobacco is partially aligned with the latest directive on tobacco products, Directive 2014/40/EU on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco and related products, which has been applicable in the EU from May 2016 onwards and has introduced a number of new tobacco control measures. However, the Law on Tobacco is not aligned with the Commission Delegated Directive 2014/109/EU establishing a library of picture warnings to be used on tobacco products. The PLAC III project has provided assistance in order to streamline the transposition, implementation and enforcement of the tobacco control legislation. A comparative analysis of the Serbian Law on Tobacco with Union acquis was carried out, as well as an assessment of the existing institutional capacities and a proposal for the institutional set-up was drafted. A new Law on Tobacco was drafted and reporting guidelines were developed.

Beneficiary institutions: Ministry of Health; Ministry of Finance - Tobacco Administration

Number of experts engaged: 2

Number of working days: 60

Outputs:

- A review of the national legislation and the institutional set-up;
- A draft Law on tobacco and tobacco related products;
- Tables of Concordance for Directive 2014/40/EU, Directive 2011/64/EU, Directive 2003/33/EC and of the draft Law;
- Reporting Guidelines;
- A Compliance Report of Serbian legislation with the Union acquis;
- A proposal of the institutional set-up;
- A report on the harmonisation of tobacco control;
- A workshop for the representatives of the Ministry of Health, the Tobacco Administration of the Ministry of Finance, the Customs Administration and the Institute of Public Health "Milan Jovanović Batut" was held.

Recommendations

A successful enforcement of legislation will require investments in public health capacities, in particular in capacities needed for the implementation of the reporting system. With several inspectorates already in charge of tobacco control implementation, investments in regular and coordinated inspections, the use of progressive methods such as for example mystery shopping would be needed to improve the compliance with the existing and new legal provisions. For additional provisions in line with the Framework Convention on Tobacco Control (such as plain packaging, a total ban on smoking in all enclosed public spaces, earmarked taxes), the political will to prioritize public health would be needed.

Harmonisation with Union acquis: Directive 2014/40/EU on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco and related products; Commission Delegated Directive 2014/109/EU amending Annex II to Directive 2014/40/EU by establishing a library of picture warnings to be used on tobacco products.

3. ASSISTANCE IN DRAFTING AMENDMENTS TO THE GUIDELINES ON THE TREATMENT OF OPIATE ADDICTS USING SUBSTITUTION THERAPY

In the procedure of the alignment of the field of psychoactive controlled substances with EU regulations and the harmonisation of the legislative systems, a Draft Law amending the Law on Psychoactive Controlled Substances was adopted in Serbia in 2018. These amendments are in compliance with the EU regulations in this field but further alignment is needed in regard to the view of implementation. Guidelines for the Substitution therapy adopted in 2013 set up the procedure for the administration of substitution therapy (methadone and buprenorphine). Experience shows that methadone and buprenorphine are not dispensed according to a unique methodology. PLAC III has provided support to the Ministry of Health in establishing a unique methodology in the prevention and treatment of opiate addicts as well as in harmonizing national legislation with Union acquis. In cooperation with the line Ministry, project experts drafted amendments to the Rulebook on the treatment of opiate addicts with the administration of substitution therapy. In addition, project experts developed Quality Standards and Clinical Guidelines that will facilitate the transposition process and the effective implementation of evidence-based prevention, treatment rehabilitation and harm reduction practices in Serbia.

Beneficiary institution: Ministry of Health

Number of experts engaged: 2

Number of working days: 40

Outputs:

- Amendments to the draft Rulebook on the manner and conditions for the application of psychoactive controlled substances in authorised institutions for the treatment of substance use disorders with the basic provisions on harm reduction, providing the basis for quality standards for prevention, treatment rehabilitation and harm reduction;
- Proposed clinical guidelines for Serbia;
- A gap analysis;
- Table of Concordance for Council Recommendation 2003/488/EC;
- A work plan of the quality standards and clinical guidelines;
- The questionnaire utilised in the online survey;
- Proposed quality standards for Serbia;
- Findings on the quality standards survey;
- Recommendations for harm reduction, the legal basis and further harmonisation of the Serbian legislative framework based on the gap analysis;
- A legal basis for regulating the harm reduction issue vs. the Criminal Code;
- A workshop for the representatives of the Ministry of Health and health institutions specialized in drug addiction treatment.

Recommendations

Inter-sectoral collaboration will increase drug rehabilitation in Serbia, enable a more effective coordination and help service users to change services according to their needs over time. Public awareness campaigns are crucial to break the discriminatory attitudes of society. Training is required for all relevant stakeholders (treatment providers, pharmacists, general doctors) who should gain some kind of accreditation or authorisation from the Ministry of Health. Political commitment is an absolute necessity since without government support and funds none of the above is feasible.

Harmonisation with Union acquis: Council Recommendation 2003/488/EC

CHAPTER 33 FINANCIAL AND BUDGETARY PROVISIONS

This chapter covers the rules governing the funding of the EU budget (“own resources”). These resources mainly consist of: (1) contributions based on the gross national income of each Member State; (2) customs duties; and (3) a resource based on value-added tax. Member States must have the appropriate administrative capacity to adequately coordinate and ensure the correct calculation, collection, payment and control of own resources. The PLAC III project activities in this chapter focus on providing assistance to beneficiary institutions related to the collection of value-added tax and the procession of data from VAT tax returns and implementation.

1. ASSISTANCE IN STRENGTHENING THE CAPACITIES RELATED TO VAT COLLECTION AND CALCULATION

The Serbian Law on Tax Procedure and Tax Administration stipulates the jurisdiction of the Tax Administration for the calculation, collection and control of public revenues, including value added tax. PLAC III has provided support to the Tax Administration in order to strengthen the capacities and to ensure correct calculation, accounting, forecasting, collection, payment, control and reporting on the implementation of the EU's own resources policy and rules. An assessment of the existing system was performed and assistance was provided for the creation of an efficient control system in the area of VAT; transfer of knowledge has been done using the example of Slovenia as an EU Member State. A Guide on a method of collecting and processing data from VAT tax returns and implementation – a step-by-step method was drafted.

Beneficiary institution: Ministry of Finance – Tax Administration

Number of experts engaged: 1

Number of working days: 20

Outputs:

- A report on a review of the VAT system in Serbia;
- A draft Guide on a method of collecting and processing data from VAT tax returns and implementation – a step-by-step method;
- A report on themes addressed during the on-the-job trainings;
- A good practice guide to tackling intra-community VAT fraud;
- A survey on VAT administration;
- An inspection report;
- A workshop for the Tax Administration representatives was held.

Recommendations

The Tax Administration should liaise with the national authority responsible for reporting in the field of statistics, whose task is among others calculating VAT own resources and preparing a meeting with the national statistics body to define the spectre of data needed for a correct calculating of VAT own resources and the Weighted Average Rate. It is recommended that the beneficiary should ask for an extension of the assistance in order to strengthen the processes that should prevent or minimise the risk arising from tax frauds and tax evasions.

Harmonisation with Union acquis: Directive (2006/112/EC) on the common system of value added tax; Regulation (EEC, Euratom) No 1553/89 on the definitive uniform arrangements for the collection of own resources accruing from value added tax

REACHING THE WIDER PUBLIC

“WHAT EUROPEAN STANDARDS AND EU LEGISLATION BRING TO SERBIA IN THE FIELD OF DRUG POLICY?”

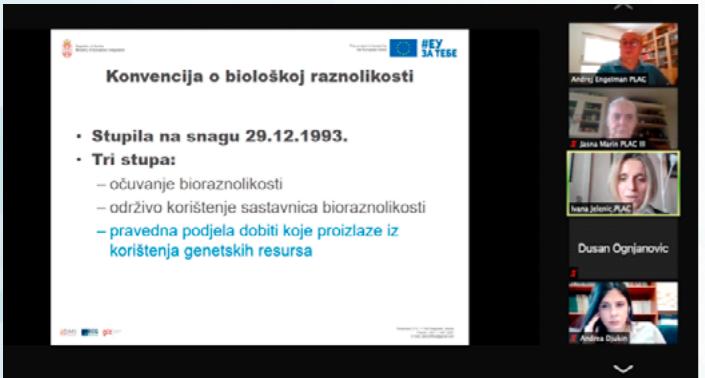
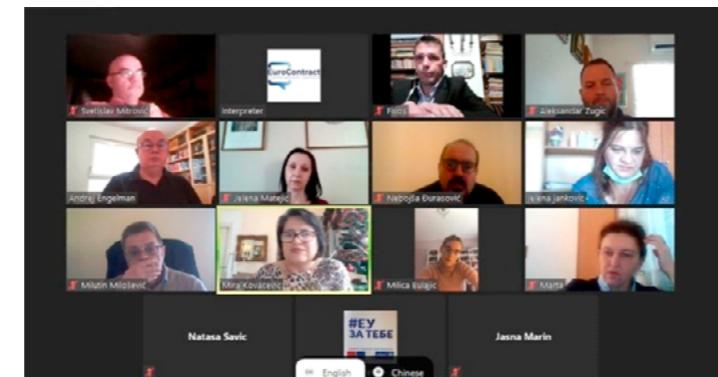
In the organisation of the Policy and Legal Advice Centre (PLAC III) project, another briefing for media and stakeholders in a series entitled “What European standards bring to Serbia” was held, this time focusing on public health, e.g. on the prevention and treatment of opiate addicts, as well as harm reduction. In this area, which is part of Negotiation Chapter 28, PLAC III has provided support to the Ministry of Health in establishing a unique methodology in the prevention and treatment of opiate addicts as well as in harmonizing national legislation with Union acquis. Due to respect of epidemiological measures, the briefing “What European standards and EU legislation bring to Serbia in the field of drug policy?” was held online on 15 December 2020. In the opening address, the Ministry of Health State Secretary, Professor Ferenc Vicko, said that the Ministry strives to implement a comprehensive drug policy by applying credible scientific approaches while ensuring a respect of human rights. PLAC III project expert Professor Fivos Papamalis presented the findings of the legal analysis of the harmonisation of Serbian legislation with Union acquis as well as of the analysis of practices applied in the field of drug addiction, with a special emphasis on harm reduction – damage associated with drug addiction (infectious and other diseases). The head of the Department for psychoactive controlled substances and precursors in the Ministry of Health, Dr. Jelena Janković, said that an addiction treatment programme is being implemented in Serbia and that 5,500 opiate addicts are currently registered. Dr Janković added that the Ministry would include recommendations made within the PLAC III project support. She pointed out that one of the priorities was to strengthen cooperation with civil society organisations in order to jointly direct harm reduction programmes on protecting the health of drug users as well as on reducing discrimination and stigma. Apart from journalists and Ministry of Health representatives, the briefing was also attended by representatives of civil society organisations.

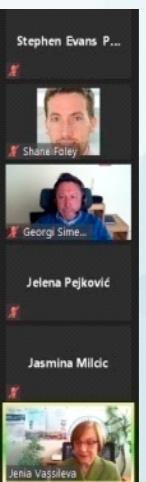
INTERNATIONAL CONFERENCE “JUSTIFICATION OF PRACTICES AND JUSTIFICATION OF NON-MEDICAL IMAGING EXPOSURE”

The international conference “Justification of practices and justification of medical and non-medical imaging exposure” gathering representatives of the European Commission, the International Atomic Energy Agency, the International Commission on Radiation Protection, European professional associations as well as numerous domestic and European experts was held in Belgrade on 21-22 April 2021. The online conference was organised by the PLAC III project and the Serbian Radiation and Nuclear Safety and Security Directorate (SRBATOM). The conference was opened by Jasminka Joksić, the advisor for European integration affairs in the Directorate, who stressed that the Directorate cooperated with the PLAC III project on seven activities with the aim to achieve harmonisation with the EU Directive on basic safety standards for protection against the dangers arising from exposure to ionising radiation (Directive 2013/59 Euratom). On the first day of the meeting, the participants were addressed by the representatives of the European Commission, IAEA and other international institutions. This was followed by the exchange of experiences of EU Member States and Serbia in the field of the justification of non-medical imaging exposure. The second day of the conference was dedicated to a discussion of the role of European professional organisations and exchange of experiences between Serbia and EU countries when it concerns the justification of medical imaging exposure to ionising radiation. PLAC III project expert Stephen Evans presented the results of a study conducted in EU Member States that showed that the relevant Directive has for the most part been successfully transposed into Member States' national legislations. The conference gathered 50 participants from European countries and Serbia.

PHOTO GALLERY

Due to the COVID-19 pandemic, the majority of workshops held in the reporting period were organised as online meetings.





Pravna podrška pregovorima - Policy & Legal Advice Centre

Resavska 27, 11 000 Belgrade
t: + 381 11 407 32 82
e: plac3office@gmail.com
w: <https://euinfo.rs/plac3>