



Vlada Republike Srbije



Pravna podrška pregovorima - Policy & Legal Advice Centre



# THE EXTENSION: ACHIEVEMENTS AND RESULTS IN THE DECEMBER 2022 - FEBRUARY 2024 PERIOD

**POLICY AND LEGAL ADVICE  
CENTRE (PLAC III) PROJECT**

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## INTRODUCTION

An EU-funded project implemented in Serbia, the Policy and Legal Advice Centre (PLAC III) takes up, by its nature, a particular place in the 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 assisting 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 the EU projects with the longest “tradition” in Serbia.

Implemented in close cooperation with the beneficiary institutions – the Ministry of European Integration and line ministries, the project supports Serbia on its path to the EU through diligent work on the main task, which is the harmonisation of the 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 the Serbian administration to be acquainted with a large as possible spectre of the best EU practices, the project engages experts from all over the European Union and the Candidate countries.

This brochure presents an overview of the results achieved by the PLAC III project in the period between December 2022 and February 2024. During the 15-month period, the project was extended at the request of the main beneficiary institution. The large number of activities implemented during that time represents in the best way the strategic importance of the project and the very good level of cooperation with beneficiary institutions, i.e. the national administration of the Republic of Serbia. Throughout the whole implementation cycle, the project team invested maximum effort to attain the main project objective – assisting the process of harmonisation of the national legislation and the process of accession negotiations.



## 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 the Eastern Bridge Group and GIZ. 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's 30-month duration (July 2021) was suspended in the spring of 2020 due to Covid-19 for more than two months and then extended twice – firstly to February 2023 and after that to April 2024. The total implementation period thus sums to 60 months.

## BENEFICIARIES

**The main beneficiary** is the Ministry of European Integration. The immediate project beneficiaries are line ministries and institutions involved in legal harmonisation in specific areas under different negotiating chapters.

**PLAC III covered 14 negotiation chapters as the project's priority areas:**

Chapter 1: Free movement of goods; 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 11: Agriculture and rural development; 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 32: Financial control; Chapter 33: Financial and budgetary provisions.

Additionally, the horizontal issues of fulfilling the political criteria during the EU accession process, such as reporting models for Negotiation Chapters 23 and 24 as well as basic freedoms (free movement of people) were addressed.

## PLAC III IMPLEMENTATION

The total budget of the project is EUR 5.432.000.

The Project's work plan envisages the engagement of project experts in various areas under the negotiating chapters mentioned above. In the reporting period, 4,620 expert working days have been 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 working days to a particular chapter corresponds to the project priorities which were agreed upon in consultations with the beneficiary institution. The project team management demonstrated flexibility in the course of implementation, adapting to beneficiary needs.



## Overview of NKEs WDs per chapter/sector - present

CHAPTER/SEKTOR	WD		TOTAL	%
	SNKE	JNKE		
Chapter 1	85		85	1,8
Chapter 3	288	52	340	7,4
Chapter 8	191	76	357	5,8
Chapter 9	235		235	5,1
Chapter 10	89		89	1,9
Chapter 11	101	15	116	2,5
Chapter 12	485	434	919	19,9
Chapter 13	44		44	1,0
Chapter 15	505	85	9	12,8
Chapter 16	55		55	1,23
Chapter 27	790	315	1.105	23,9
Chapter 28	129	74	203	4,4
Chapter 32	40	26	66	1,4
Chapter 33	45		45	1,0
Assistance to MEI	182		182	3,9
Communication and visibility		176	176	3,8
Institutional & Capacity Building		103	103	2,2
<b>Total allocated</b>	<b>3.264</b>	<b>1.356</b>	<b>4.620</b>	<b>100.0</b>
Unallocated	0	0	0	0
<b>Total available</b>	<b>3.264</b>	<b>1.356</b>	<b>4.620</b>	<b>100.0</b>

The Project's work plan envisages the realisation of planned results through 136 activities. In the December 2022 – February 2024 period, a total of 46 activities were finalised:

CHAPTER	NUMBER OF ACTIVITIES FINALISED IN THE PERIOD XII/2022 – II/2024	NUMBER OF WORKING DAYS IN THE PERIOD XII/2022 – II/2024
Chapter 1	3	85
Chapter 3	3	65
Chapter 8	2	70
Chapter 11	4	116
Chapter 12	9	255
Chapter 13	1	24
Chapter 15	6	279
Chapter 16	1	20
Chapter 27	12	385
Chapter 32	2	66
Horizontal(HR)	3	70
<b>Total</b>	<b>46</b>	<b>1.435</b>



# OVERVIEW OF PROJECT ACTIVITIES

## **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 the National Programme for 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.

## 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 the priority areas for the harmonisation of the relevant national legislation with Union acquis and prepares, with the help of the PLAC team, the Terms of Reference. 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 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 usually shared with representatives of the beneficiary institution during a workshop or training sessions.

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 lifting of travel restrictions related to the Covid-19 pandemic has enabled a return to live meetings between project experts and beneficiary institutions, as well as training sessions and workshops.

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

Bulgaria, Greece, Croatia, Estonia, France, Germany, Italy, Latvia, Lithuania, Romania, Montenegro, the Netherlands, Northern Macedonia, Serbia and Slovenia.



# ACHIEVEMENTS AND RESULTS

in the period December 2022 – February 2024

During 15 months of the implementation, the Policy and Legal Advice Centre (PLAC III) project has finalised 46 activities in areas related to 10 negotiating chapters (1, 3, 8, 11, 12, 13, 15, 16, 27 and 32); three activities were implemented as horizontal, covering issues related to several negotiating chapters in the EU accession process. Beneficiary institutions were line ministries, government agencies and regulatory bodies. One study trip and two retreats were organised, as well as 31 public events with more than 900 participants.



Activities finalised in negotiation chapters **10**



Project experts engaged **58**



**102** EU legal acts transposed/harmonised



**198** Legal documents (laws, bylaws and strategic documents) drafted



Working days spent **1,435**



**31** Public events held (workshops and retreats)



Total number of participants **905**



# RESULTS

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

In the period December 2022 – February 2024, a total of 198 legal acts and strategic documents was 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 recognition of professional qualifications, agriculture and food safety to environmental protection.



# CHAPTER 1

## FREE MOVEMENT OF GOODS

The principle of the free movement of goods implies that products must be traded freely from one part of the Union to another. In a number of sectors, this general principle is complemented by a harmonised regulatory framework, by following the “old approach” (imposing precise product specifications) or the “new approach” (imposing general product requirements). The harmonised European product legislation, which needs to be transposed, represents the largest part of the *acquis* under this chapter. In addition, sufficient administrative capacity is essential to notify restrictions on trade and to apply horizontal and procedural measures in areas such as standardisation, conformity assessment, accreditation, metrology and market surveillance. The support of the PLAC III project has focused on the assessment of quality infrastructure systems in Serbia and on preparation of harmonised legislation on plant nutrition.



# 1. ASSISTANCE IN THE PREPARATION OF A DETAILED ASSESSMENT OF QUALITY INFRASTRUCTURE SYSTEMS IN SERBIA FOR ELECTRICAL EQUIPMENT PRODUCT GROUPS

The New and Global Approach product legislation covers, among other products, low voltage equipment (such as low voltage electronic equipment, elevators, cable cars, etc.) and electromagnetic compatibility. The PLAC III project provided support to the Ministry of Economy, as the beneficiary institution, in preparation of detailed institutional and implementation gap assessments of quality infrastructure systems in Serbia, related to low-voltage equipment and electromagnetic compatibility, as a step towards negotiations on the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA). The assessment included the current legislation – the Rulebook on Electromagnetic Compatibilities and the Rulebook on Low Voltage Equipment, as well as the Law on Technical Requirements for Products and Conformity Assessment, which all were analysed against the provisions of the Union acquis. The assessment has established shortcomings in the market surveillance and conformity assessment, while accreditation and standardisation appear to function as required. The metrology shows a shortage of calibration services. Once the shortcomings are resolved, there will be no obstacles for starting negotiations for entering into ACAA.

**Beneficiary institution:** Ministry of Economy

**Number of experts engaged:** 1

**Number of working days:** 33

## **Outputs:**

- The institutional and implementation gap assessment report on the status of quality infrastructure systems in Serbia in relation to the Low Voltage Directive 2014/35/EU and the Electromagnetic Compatibility Directive 2014/30/EU;
- Gap assessment of the Rulebook on Electromagnetic Compatibility regarding the transposition of the Low Voltage Directive;
- Gap assessment of the Rulebook on LVEE regarding the transposition of Electromagnetic Compatibility Directive;
- Assessment of the Law on technical requirements for products and conformity assessment;
- A workshop was held.

**Harmonisation with Union acquis:** Low Voltage Equipment Directive 2014/35/EU; Electromagnetic Compatibility Directive 2014/30/EU.

## **Recommendations**

The overall conclusion is that Serbia is ready for ACAA. The main challenges are of an administrative nature – the update of both software and hardware systems seem essential to the entire National Quality Infrastructure, in order to allow adequate functioning under ACAA not only to the Ministry of Economy but to other Ministries also.



## 2. ASSISTANCE IN THE PREPARATION OF A DETAILED ASSESSMENT OF QUALITY INFRASTRUCTURE SYSTEMS IN SERBIA FOR MACHINERY PRODUCT GROUPS

The overall assessment of the level of preparedness of the Serbian quality infrastructure system in the area of machinery products was necessary in order to start negotiations to conclude an Agreement on Conformity Assessment and the Acceptance of Industrial Products (ACAA) between Serbia and the EU. The PLAC III project provided assistance to the line ministry in producing an assessment of the Rulebook on the safety of machinery and its governing Law on Technical Requirements for Products and Conformity Assessment against the requirements of Directive 2006/42/EC on machinery. The assignment included assessing the administrative capacities of institutions in charge of the enforcement of the Machine Directive as well as designated bodies and the market circumstances. Shortcomings were found in market surveillance and conformity assessment.

**Beneficiary institution:** Ministry of Economy

**Number of experts engaged:** 1

**Number of working days:** 17

### **Outputs:**

- An institutional and implementation gap assessment report on the status of quality infrastructure systems in Serbia in relation to Directive 2006/42/EC on machinery;
- Assessment of the Rulebook on the safety of machinery;
- Assessment of the Law on technical requirements for products and conformity assessment;
- A workshop was held.

**Harmonisation with Union acquis:** Directive 2006/42/EC on machinery, and amending Directive 95/16/EC.

### **Recommendations**

National Quality Infrastructure institutions are largely prepared for their tasks. However, to speed up preparations for ACAA, the beneficiary should consider dropping the Rulebook on safety of machinery from the list of technical regulations for ACAA, as by the time the agreement becomes reality, the Machinery Directive will be replaced by Regulation 2023/1230/EU on machinery - from 20 January 2027.

### 3. ASSISTANCE IN THE PREPARATION OF THE LEGISLATION OF FERTILISER PRODUCTS ALIGNED WITH NEW UNION ACQUIS

The PLAC III project has provided support to the Ministry of Agriculture, Forestry and Water Management in harmonising national legislation with the new EU Fertilising Products Regulation, adopted in 2019. The adoption of the Regulation was part of the EU's Circular Economy Action. The Regulation introduces the improvement of market surveillance and raising the quality of conformity assessment. Its provisions apply to the marketing of fertilising products with the CE mark, the application of which started on 16 July 2022 and refers to the free movement of goods on the internal market of the Union. The Regulation introduces harmonised limits for toxic pollutants such as cadmium, mercury or arsenic and pathogenic organisms. A manufacturer can mark a fertilising product with the CE mark only if it complies with the new Regulation and has passed, among other things, the appropriate conformity assessment procedure. The project support included legal gap analysis of the Law on Plant Nutrition and Soil Improvers against the provisions of the new Regulation. The new Law on Fertiliser Products was drafted and accompanied by the Draft Rulebook on conditions for classification and determination of quality, tolerances for nutrients and contaminants and labelling of fertilising products.

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

**Number of experts engaged:** 1

**Number of working days:** 35

#### **Outputs:**

- Draft Law on Fertilising Products;
- Draft Rulebook on conditions for classification and determination of quality, tolerances for nutrients and contaminants and labelling of fertilising products;
- The legal assessment and gap analysis report regarding the implementation of the Regulation (EU) 2019/1009;
- Table of Concordance;
- A workshop was held.

**Harmonisation with Union acquis:** Regulation (EU) 2019/1009 laying down rules on the making available of fertilising products on the EU market.

#### **Recommendations**

The new Draft Law and Draft Rulebook need further assessment with stakeholders. Both draft pieces of legislation are partially aligned with the Fertiliser Product Regulation in the areas of terminology, classification of products, quality requirements, contaminants, labelling and allowed tolerances. Conformity assessment is not harmonised, but manufacturers in Serbia can already use this procedure with the involvement of EU-approved conformity assessment bodies. The strengthening of the administrative and technical capacity of the competent authorities should be taken into consideration.



## CHAPTER 3

# RIGHT OF THE ESTABLISHMENT AND FREEDOM TO PROVIDE SERVICES

In the EU, national 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 the mutual recognition of qualifications. Postal services are gradually being opened up for competition. In the reporting period, the PLAC III project has provided assistance to beneficiary institutions in relation to the mutual recognition of professional qualifications and postal services.



# 1. ASSISTANCE IN THE DRAFTING OF ACQUIS-COMPLIANT LEGISLATION ON POSTAL SERVICES

The PLAC III project has continued to provide support to the Ministry of Information and Telecommunications in harmonising the legislation on postal services with the relevant Union acquis. Within the previous support, the Postal Services Strategy was drafted. The Law on Postal Services has yet to be fully aligned with the provisions of the so-called Third Postal Directive 2008/06/EC. In addition, Serbia should further align its legislation with Regulation (EU) 2018/644 on cross-border parcel delivery services. As a result of the project support, the Draft Law on amendments to the Law on Postal Services was prepared; drafted amendments regulate cross-border package delivery services as well as “non-postal legislation” (consumer rights, state aid, customs regulations, transport of postal items with dangerous goods, etc.) that have a direct impact on the functioning of the postal services market. Amendments should enable supporting the activities envisaged by the Green Agenda for the Western Balkans (extension of delivery deadlines, introduction of delivery machines, etc.).

**Beneficiary institution: Ministry of Information and Telecommunications**

**Number of experts engaged: 1**

**Number of working days: 25**

## **Outputs:**

- Draft amendments to the Law on Postal Services prepared;
- Table of Concordance for Directive 97/67/EC (as amended by the Third Postal Directive);
- Table of Concordance for Regulation (EU) 2018/644;
- A workshop for the line ministry and RATEL representatives was held.

**Harmonisation with Union acquis:** Directive 2008/6/EC (Third Postal Directive); Regulation (EU) 2018/644 on cross-border parcel delivery services.

## **Recommendations**

It is recommended that the Ministry of Information and Telecommunications is to proceed as soon as possible with an analysis of the impact of market liberalization on the public operator and the market in general. This analysis can be done in three segments: market research, analysis of the public operator's profitability, and the assessment of the level of an unfair financial burden for the public operator (universal services provider). In line with market trends (a decline in letter mail and an increase in parcels), the aforementioned study should provide a clear picture of the impact of liberalization.

## 2. ASSISTANCE IN THE PREPARATION OF TECHNICAL ADJUSTMENTS REGARDING HEALTH WORKERS FROM SERBIA AND ESPECIALLY FOR MEDICAL DOCTORS WITH CERTAIN SPECIALISATIONS AND SUB-SPECIALISATIONS

Directive 2005/36/EC on the recognition of professional qualifications sets up a system for the mutual recognition of professional qualifications in the EU, the European Economic Area and Switzerland. The Directive provides automatic recognition for professions whose minimum training conditions are harmonised to a certain extent at an EU level including doctors, dentists and pharmacists. The National Law on Regulated Professions and Recognition of Professional Qualifications, from 2019, is harmonised with the Directive and two relevant EU legislative acts. To make progress in negotiations in Chapter 3, Serbia must provide an appropriate justification for the adjustment of lists of Annex V of the Directive in relation to health workers. The justification was drafted for Serbia's request for Serbian professional qualifications to be listed in Annex V.1 of the Directive for medical doctors and 36 medical specialties, as well as for the general medicine specialty. Justifications were drafted also for the request that dentists and specialised dentists are listed in Annex V.3 and pharmacists in Annex V.6 of the Directive. Listing of Serbian qualifications in Annex V of the Directive will enable the automatic recognition of Serbian doctors of medicine, specialized doctors, dentists, specialised dentists and pharmacists in the EU and mutual recognition of EU professional qualifications. This will enable the mobility of health workers and a free provision of services.

**Beneficiary institution:** Ministry of Health

**Number of experts engaged:** 1

**Number of working days:** 20

### **Outputs:**

- Justification for a request for adjustments of lists in Annex V.1 of Directive 2005/36/EC regarding doctors of medicine;
- Justification for a request for adjustments of lists in Annex V.3 and V.6 of the Directive regarding other health professionals.

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

### **Recommendations**

The Ministry of Health is encouraged to adopt transparent specialty training and quality insurance, as well as quality enhancement of the outcomes of specialty medical training. The Schools of Medicine of Serbian Universities and the Health Ministry should continuously follow European standards for postgraduate medical training and regularly adopt EU training requirements.



### 3. SUPPORT IN THE HARMONISATION OF NATIONAL QUALIFICATION STANDARDS REGARDING THE MUTUAL RECOGNITION OF QUALIFICATIONS FOR GENERAL CARE NURSES

According to the European Commission's report, the Serbian Law on Regulated Professions and the Recognition of Professional Qualifications, adopted in September 2019, is assessed as "largely aligned with the Union acquis"; nevertheless, "further alignment is needed on the relevant sectoral legislation." In 2020, the PLAC III project provided an analysis of curricula for the general care nurses and the draft curricula in compliance with Article 31 and Annex V of the Directive, which regulate the minimum training requirement and programme. However, the analysis indicated that the description of the competences required for general care nurses under the applicable qualification standard based on the Law on the National Framework of Qualifications NFQ fails to comply with the minimum requirements of the Directive. The PLAC III project has provided assistance to the line ministry in assessing the current legislation and revising the description of the competencies required for general care nurses according to the qualification standard and preparing the necessary legal documents and acts in order to achieve full compliance with the requirements of Article 31 and Annex V of the Directive. Article 31.3 stipulates that a common minimum training requirements curriculum must be met in order for the qualification to be automatically recognised in an EU Member State. Training must comprise of at least three years of study, which may be expressed with the equivalent ECTS credits, and shall consist of at least 4,600 hours of theoretical and clinical training.

**Korisničke institucije:** Ministry of Education

**Number of experts engaged** 1

**Number of working days:** 20

#### **Outputs:**

- Legal gap analysis;
- Draft initiative with the elaboration justifying the developing and adopting of the qualifications standard for GCNs fully in compliance with the requirements of Article 31 and Annex V, point 5.2.1 of Directive (EU) 2005/36.

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

#### **Recommendations**

Harmonisation of study programs in the field of nursing in Serbia in full compliance with the requirements of EU Directive 2005/36 according to the new qualification standard for general care nurses (hours, competences, skills and knowledge, duration of studies) is recommended. An internship in duration of 26 weeks should be introduced in the practical part of the nursing studies. It is also recommended to create a professional document on nursing competences for all levels with implementation in the clinical settings.

## CHAPTER 8

### COMPETITION POLICY

EU rules protect free competition. They include antitrust rules against restrictive agreements between companies and abuse of dominant positions, as well as rules on concentrations between companies that 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 competition distortion. 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. In the reporting period, PLAC III assistance has been focused on the drafting of national legal instruments that correspond to the new Union *acquis* in the field of competition.



# 1. 1. ASSISTANCE IN DRAFTING NATIONAL LEGAL INSTRUMENTS WHICH CORRESPOND TO THE NEW UNION ACQUIS IN THE FIELD OF COMPETITION (1. NEW VERTICAL BLOCK EXEMPTION REGULATION)

According to the country progress report of the European Commission, the Serbian legislative framework in the field of competition (antitrust and mergers) is broadly aligned with the relevant Union acquis and the related provisions of the Stabilisation and Association Agreement that is in force. Still, the Commission noted that “the legislative framework has yet to be fully brought in line with EU guidelines and communications in this area.” Most recently, Commission Regulation (EU) 2022/720 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices (the new Vertical Block Exemption Regulation - VBER) and Guidelines on Vertical Restraints (2022/C 248/01) have been adopted and entered into effect as of 1 June 2022, which is new Union acquis. To reflect these changes at the national level, the project has provided in-person assistance to the Commission for Protection of Competition in the process of transposing the new Vertical Block Exemption Regulation and 2022 Guidelines on Vertical Restraints. As a result, a draft Regulation and Guidelines were prepared, as well as accompanying documents.

**Beneficiary institution:** Commission for Protection of Competition

**Number of experts engaged:** 1

**Number of working days:** 30

## **Outputs:**

- Draft Regulation on categories of vertical agreements exempted from the prohibition of restrictive agreements;
- Draft Guidelines on the assessment of vertical agreements exempted from the prohibition of restrictive agreements;
- Table of Concordance;
- Draft Explanatory note;
- An internal training session for members of the Commission was held.

**Harmonisation with Union acquis:** Articles 101 and 102 of the Treaty on the Functioning of the European Union; Commission Regulation (EU) 2022/720 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices; Guidelines on Vertical Restraints (2022/C 248/01).

## **Recommendations**

Nacrt Smernica treba da stupi na snagu u isto vreme kada i nova uredba. Ne očekuje se da će primena odredaba novih zakona, nakon preuzimanja u pravni okvir Srbije, biti problematična jer Komisija za zaštitu konkurencije ima ljudske i tehničke resurse da ih efikasno primeni.

## 2. ASSISTANCE IN DRAFTING NATIONAL LEGAL INSTRUMENTS WHICH CORRESPOND TO THE NEW UNION ACQUIS IN THE FIELD OF COMPETITION (NEW HORIZONTAL BLOCK EXEMPTION REGULATIONS)

The new Union acquis in the field of competition, in force as of July 2023, includes two regulations on block exemption and accompanying guidelines: revised Commission Regulation (EU) 1217/2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to certain categories of research and development agreements (the Horizontal Block Exemption Regulation - HBER on R&D agreements) and revised Commission Regulation (EU) 1218/2010 of 14 December 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to certain categories of specialisation agreements (HBER on specialisation agreements). Along with the new 2023 Guidelines for the assessment of horizontal cooperation agreements, two revised Regulations had to be introduced into the Serbian legal system. In cooperation with the Commission for Protection of Competition, PLAC III project experts produced drafts of two new Regulations (HBER on research and development applicable to the Serbian market and HBER on specialisation agreements, i.e. between undertakings operating on the same level of production and distribution), as well as three draft Guidelines on the assessment of specialisation agreements, research and development agreements and other main horizontal cooperation agreements.

**Beneficiary institution:** Commission for Protection of Competition

**Number of experts engaged:** 2

**Number of working days:** 40

### **Outputs:**

- Draft Horizontal Block Exemption Regulation on research and development;
- Draft Horizontal Block Exemption Regulation on specialised agreements;
- Draft Guidelines on the assessment on specialisation agreements;
- An internal training for members of the Commission was held.

**Harmonisation with Union acquis:** Articles 101 and 102 of the Treaty on the Functioning of the European Union; Commission Regulation (EU) 2023/1066; Commission Regulation (EU) 2023/1067; Revised Horizontal Guidelines.

### **Recommendations**

The draft Guidelines should enter into force at the same time as the new Regulations. The implementation of the provisions of new pieces of legislation, once transposed into Serbian's legal framework, is not expected to be problematic as the beneficiary institution has human and technical resources to implement them effectively.



## CHAPTER 11

# AGRICULTURE AND RURAL DEVELOPMENT

This chapter covers a large number of binding rules, many of which are directly applicable. The proper application of these rules and their effective enforcement and control by an efficient public administration are essential for the functioning of the common agricultural policy (CAP).

Running CAP requires setting up management and quality systems such as a paying agency and an integrated administration and control system (IACS), as well as the capacity to implement rural development measures. Member States must be able to apply EU legislation on direct farm support schemes and implement common market organisations for various agricultural products. The project activities in this chapter focused on the updating of the Action Plan for the transposition, implementation and enforcement of the relevant acquis, as well as on preparations for conversion of FADN to FSDN and upgrading the legislation necessary for the implementation of IPARD III measures.

# 1. ASSISTANCE IN REVISING THE ACTION PLAN FOR THE TRANSPOSITION, IMPLEMENTATION AND ENFORCEMENT OF THE RELEVANT ACQUIS

The Serbian government has submitted the first version of the Action Plan for the transposition, implementation and enforcement of Union acquis in Chapter 11 in 2018; the Plan was unofficially revised in 2018. Taking into account the new Union acquis within the Common Agricultural Policy (CAP) for the period 2023-2027, as well as the progress in the harmonisation process achieved by 2023, it was necessary to upgrade the Plan. PLAC III experts worked with the line ministry representatives and its Directorate for Agrarian Payments in analysing measures and activities envisaged in the current Plan against the requirements set in the new CAP legal framework. Apart from these institutions, the government's Audit Office of EU funds was also involved, as it is to become the post-accession certification body. The activity was finalised during the two-day retreat that gathered members of the PLAC III project team, several administrations of the line ministry and Project experts. The Action Plan for the 2024 – 2028 period was prepared as a strategy for alignment with Union acquis in Chapter 11.

**Beneficiary institution:** Ministry for Agriculture, Forestry and Water Management

**Number of experts engaged:** 3

**Number of working days:** 56

## **Outputs:**

- Legal/policy and institutional gap analysis between the activities/measures envisaged in the current Action Plan for Chapter 11 and the requirements under the new EU legislation under CAP for 2023-2027;
- A revised Action Plan for the transposition, implementation and enforcement of the acquis in agriculture and rural development, with annexes;
- A two-day retreat with representatives of the line ministry was held.

## **Recommendations**

In line with EU policy development, the Ministry of Agriculture, Forestry and Water Management should work towards the establishment of an agriculture policy unit which is to be responsible for the consistency, coherence and internal coordination in agricultural policy elaboration and implementation. Such an approach would facilitate the smooth transition to an EU-like policy implementation, based on National Strategic Plans.



## 2. ASSISTANCE IN DRAFTING THE NATIONAL STRATEGY AND BY-LAWS FOR THE IMPLEMENTATION OF THE SCHOOL FRUIT AND VEGETABLE SCHEME

The *acquis* on agriculture and rural development covers a large number of binding rules, many of which are directly applicable. Upon Serbia's accession to the EU, the application and enforcement of the *acquis* on agriculture and rural development will need to be ensured. This will in particular require that Serbia ensures the implementation of the common market organisation for various agricultural products. Regulation (EU) 1308/2013, establishing the common organisation of the markets in agricultural products, governs aid schemes intended to improve the distribution of agricultural products and improve children's eating habits. With the PLAC III project's support, a draft national strategy (Programme) for the implementation of an aid scheme for the supply of schools with fruits, vegetables and fresh products from the banana sector and the draft by-law (Rulebook on the implementation of a school scheme) were prepared. The draft Programme refers to children and youth in kindergartens, primary and secondary schools.

**Beneficiary institution:** Ministry for Agriculture, Forestry and Water Management

**Number of experts engaged:** 1

**Number of working days:** 25

### **Outputs:**

- A legal and institutional gap assessment report with recommendations;
- Draft Programme on support measures for improving the eating habits of children and young people in the fruit and vegetables sector and processed fruits and vegetables for the period 2024/2025, until 2029/2030;
- Draft Rulebook on the implementation of the Programme;
- A workshop for representatives of the line ministry was held.

**Harmonisation with Union acquis:** Regulation 1308/2013 establishing a common organisation of the markets in agricultural products; Regulation 1370/2013 determining measures on fixing certain aids and refunds related to the common organisation of the markets in agricultural products; Implementing Regulation 2017/39; Commission Delegated Regulation 2017/40.

### **Recommendations**

The Ministry of Agriculture, Forestry and Water Management is advised to plan and implement a targeted public awareness communication strategy to improve the eating habits of children and young people. Before the adoption of the Programme and Rulebook, it is recommended that the Ministry adopt regulations that would regulate marketing standards for fruits and vegetables and the Trader Database that will list the traders engaged.

### 3. ASSISTANCE IN UPGRADING THE PROVISIONS OF DRAFT RULEBOOKS FOR IPARD III PROGRAMME MEASURES

The IPARD III Programme of the Republic of Serbia for the period 2021-2027 was adopted by the Decision of the European Commission from March 2022. The financial contribution of the European Union for the adopted IPARD III Programme is EUR 288 million. Through the Programme implementation, the Republic of Serbia will increase the competitiveness of the agri-food sector, improve sustainable management of natural resources, climate change mitigation and resilience and increase the attractiveness of rural areas. Investments supported by the IPARD III Programme of the Republic of Serbia relate to the procurement of equipment and machinery, and the construction and reconstruction of facilities, which will significantly contribute to achieving European standards in the field of food safety and hygiene, animal welfare and environmental protection, as well as empowering agricultural producers and processors for better placement on the EU market. The PLAC III project has provided support to the line ministry in the fine-tuning of the already existing draft rulebooks for the implementation of Measures 1, 3 and 7, in order for the appropriate request to the European Commission to be submitted.

**Beneficiary institution:** Ministry for Agriculture, Forestry and Water Management

**Number of experts engaged:** 1

**Number of working days:** 15

#### **Outputs:**

- Draft Rulebook for Measure 1 - Investments in physical assets of agricultural holdings with related annexes for the implementation of Measure 1 with the fine-tuned provisions;
- Draft Rulebook for Measure 3 - Investments in physical assets concerning processing and marketing of agricultural and fishery products with related annexes for the implementation of Measure 3 with the fine-tuned provisions;
- Draft Rulebook for Measure 7 - Farm diversification and business development with related annexes for the implementation of Measure 7 with the fine-tuned provisions.

**Harmonisation with Union acquis:** Odluka Evropske komisije br. C (2002) 1537

#### **Recommendations**

The drafts of new Rulebooks are fully in line with the relevant EU rules and capable of being enforced in the Serbian legal system. The beneficiary institution has the human and technical resources to implement them effectively, once they are adopted and transposed into the legal framework of Serbia.



## 4. ASSISTANCE ON THE POLICY AND INSTITUTIONAL SET-UP RELEVANT TO THE CONVERSION OF THE FARM ACCOUNTANCY DATA NETWORK (FADN) TO A FARM SUSTAINABLE DATA NETWORK (FSDN)

In 2021, in the “Farm to Fork” strategy, the European Commission announced its intention to convert the existing Farm Accountancy Data Network (FADN) into a Farm Sustainable Data Network (FSDN), with a view to collect farm-level data addressing the EU Green deal targets and other sustainability indicators. To that aim, a new EU regulation was adopted in November 2023. In Serbia, data collectors i.e. the extension officers from Agricultural Extension Services, are collecting data from agricultural holdings and submitting them to the FADN database. Some 200 data collectors from all parts of Serbia collected data from 1,735 agricultural holdings for accounting year 2022. In order to assess the level of changes that the new EU legislation requires, the PLAC III project has provided support to the line ministry in preparing a proposal of actions and measures required for the conversion of FADN into an FSDN. As a result, a legal and institutional gap assessment was prepared, as well as a draft proposal of legal and policy actions and measures required for the conversion.

**Beneficiary institution:** Ministry for Agriculture, Forestry and Water Management

**Number of experts engaged:** 1

**Number of working days:** 20

### **Outputs:**

- Legal/policy and institutional gap analysis report drafted;
- Proposal of modifications/legal interventions/actions/measures required for the conversion of the FADN into an FSDN in accordance with new Union acquis;
- A workshop for representatives of the line ministry was held.

**Harmonisation with Union acquis:** Regulation (EU) 2023/2674 amending Council Regulation (EC) No 1217/2009 as regards conversion of the Farm Accountancy Data Network into Farm Sustainability Data Network.

### **Recommendations**

The existing legal framework defines the delegated activities and tasks of the institutions involved in the implementation of an FADN system in Serbia. The transition from FADN to the FSDN will require significant adaptation or change to the data collection system and organisation. This will include strengthening the administrative capacity (e.g. skills and human resources) and relationships with data collectors and providers, as well as adapting IT systems.

## 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 the 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, allocating around one fifth of all expert working days to it. Assistance in the reporting period included updating the Strategy for the transposition, implementation and enforcement of Union acquis in Chapter 12, as well as the harmonisation of legislation regulating official controls of food, plant health and surplus food.



# 1. ASSISTANCE IN UPDATING THE DRAFT STRATEGY FOR THE TRANSPOSITION, IMPLEMENTATION AND ENFORCEMENT OF UNION ACQUIS

Among all EU accession chapters, Chapter 12 is one of the most demanding and includes a large list of legislative acts for transposition and implementation. In March 2022, the Republic of Serbia prepared and submitted to the European Commission for comments the second draft Strategy for Chapter 12 with an Action Plan, including a contingency plan for classical swine fever (CSF). According to the comments of the European Commission, the documents were assessed as satisfactory, but it was necessary to update the Strategy in view of the recent changes in EU legislation, i.e. the Commission's new updated List of Union legislation in Chapter 12. In close cooperation with the line ministry representatives, a team of project experts worked on each part of the Strategy, the Action Plan and CSF plan during several missions. The results of legal and institutional gap analysis as well as proposed actions/measures were incorporated into the final drafts of the documents. The updated (new) Strategy, the Action Plan and CSF plan were discussed and finalised at a three-day retreat that gathered the beneficiary institution representatives, project team experts and PLAC III project team members.

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

**Number of experts engaged:** 3

**Number of working days:** 60

## **Outputs:**

- Updated Strategy for Chapter 12;
- Updated Action plan for Chapter 12;
- Updated Contingency plan for crisis management in case of an outbreak of classical swine fever in domestic pigs and wild boars, with annexes for the implementation;
- A three-day retreat was held.

## **Recommendations**

It is recommended that a lack of human resources in the veterinary area should be addressed urgently, as an adequate number of staff is needed to fulfil EU accession obligations. Another urgent issue is the adoption of several framework laws, which is necessary for further transposition of secondary legislation.

## 2. ASSISTANCE IN THE PREPARATION OF A NEW DRAFT LAW ON PLANT PROTECTION PRODUCTS

Plant protection products are a part of the Negotiation Chapter 12 that Serbia has not opened yet and within which, according to the European Commission report, substantial progress is needed to be made. To achieve a greater degree of compliance of the national legislation with the relevant Union acquis (Regulation (EC) 1107/2009 concerning the placing of plant protection products in the market), the National Plan for Adoption of the Acquis envisaged the adoption of the new Law on Plant Protection Products and the law on the sustainable use of pesticides. This will provide clearer regulatory framework and grounds for a greater protection of human and animal health, the environment enabling the production and placing on the market of safe food. With the support of the PLAC III project, a legal gap analysis report establishing the shortcomings of national legislation against Union acquis and a draft new Law on Plant Protection products, aligned with the new Union acquis, were prepared. The new Draft law will help the Negotiating Group for Chapter 12 to report on progress in the transposition of Union acquis. It is prepared in such a way that the national adoption process can start immediately.

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

**Number of experts engaged:** 1

**Number of working days:** 30

### **Outputs:**

- Draft new Law on Plant Protection Products;
- Legal gap analysis;
- Tables of Concordances on Regulation (EU) 1107/2009 on existing Law on plant protection products and on a new draft Law on plant protection products;
- A workshop for the line ministry representatives was held.

**Harmonisation with Union acquis:** Regulation (EC) 1107/2009 concerning the placing of plant protection products in the market.

### **Recommendations**

Strengthening of the Plant Protection Department of the line ministry with the new staff is crucial for the proper implementation of the legislation. The additional challenge is the digitalization of service operations in terms of adequate informatics support for work processes, which is practically non-existent now.



### 3. ASSISTANCE IN THE TRANSPOSITION OF UNION ACQUIS PROVISIONS ON THE SUSTAINABLE USE OF PESTICIDES

In the process of drafting the new Law on Plant Protection Products, the project experts and the beneficiary institution agreed that provisions on the sustainable use of pesticides should be incorporated in this Law, rather than regulated in a separate law. As the relevant Directive 2009/128/EC establishing a framework for Community Action to achieve the sustainable use of pesticides was amended in 2019, it was necessary for these changes to be reflected in the Serbian legislative framework. The Law on Plant Protection Products, which also covers the sustainable use of pesticides in Serbia, was analysed against the provisions of the EU Directive. The provisions drafted include, among other, National Action Plans; training, requirements for sales of pesticides; information and awareness raising; inspection of equipment in use; specific measures to protect the aquatic environment and drinking water, reporting, etc. These provisions, aligned with Union *acquis*, are incorporated into the Draft Law on Plant Protection Products.

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

**Number of experts engaged:** 1

**Number of working days:** 30

#### **Outputs:**

- Draft new Law on Sustainable Use of Pesticides;
- Legal gap analysis;
- Table of Concordance for Directive 2009/128/EC on the existing Law; Table of Concordance for Directive 2009/128/EC with provisions proposed in the new draft Law;
- A workshop for the line ministry representatives was held.

**Harmonisation with Union acquis:** Directive 2009/128/EC establishing a framework for Community Action to achieve the sustainable use of pesticides; Regulation (EC) 1107/2009 concerning the placing of plant protection products in the market.

#### **Recommendations**

It is recommended to adapt the pesticide department with the line ministry and strengthen the number of its staff and structure for future implementation and monitoring of future obligations according to the new paragraph on the sustainable use of pesticides. It is also recommended to set up and connect a clear organisational structure and responsibility for the official control and activity in the area of sustainable use of pesticides.

## 4. ASSISTANCE IN ALIGNING FOOD CONTACT MATERIAL LEGISLATION WITH UNION ACQUIS ON OFFICIAL CONTROLS

As part of the preparations for the opening of Negotiating Chapter 12, the PLAC III project has provided support to the Ministries of Health and Agriculture in harmonising national legislation on official food controls with the improved Union acquis that includes provisions on recycled plastic materials and articles intended to come into contact with food. The new legislation foresees, among other, official controls of recycling facilities. The relevant acquis also includes some provisions of Directive 1999/2/EC on the approximation of the laws of the Member States concerning foods and food ingredients treated with ionizing radiation. The Rulebook on Food Contact Material and Articles that Comes in Contact with Food (FCM), drafted with the previous support of the Project, had to be reorganised and amended in order to reflect the latest changes of the relevant acquis; by the request of the beneficiary institution, the amendments to the Law on Products of General Use in the context of the use of recycled plastic such as FCM were also drafted, as well as a Rulebook on recycling plastic food contact materials and articles with annexes. Finally, a Guideline on the procedure official controls for materials and articles that come into contact with food in compliance with the relevant EU FCM requirements and a checklist for official controls on the production of FCM were drafted.

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

**Number of experts engaged:** 1

**Number of working days:** 35

### Outputs:

- Amendments to the Law on products for general use;
- Reorganisation of the Rulebook on materials and articles in contact with food, including products intended for infants and children under the age of three to facilitate feeding and sucking, soothing and sleeping, as well as packaging for food and items of general use;
- Amendment to the Rulebook on FCM - Part 5 - Requirements for materials that come into contact with drinking water and Annex 25 - groups of materials that come into contact with drinking water;
- Rulebook on recycling plastic food contact materials and articles with annexes;
- Guideline on the procedure official controls for materials and articles that come into contact with food in compliance with the relevant EU FCM requirements;
- Table of Concordance of the Commission Regulation (EU) 2022/1616 on recycled plastic materials and articles intended to come into contact with foods;
- Checklists for official controls on the production of food contact materials and articles in compliance with the relevant EU FCM requirements;
- A workshop was held.

**Harmonisation with Union acquis:** Commission Regulation (EU) 2022/1616 on recycled plastic materials and articles intended to come into contact with foods; Framework Regulation (EC) No 1935/2004; Regulation (EC) No 2023/2006 on good manufacturing practices for materials and articles intended to come into contact with food.

### Recommendations

It is recommended to adopt all the drafted documents and to organise trainings for the inspectors responsible for the control of food contact materials. It is also recommended to implement the proposed procedure and checklist of official FCM controls.



## 5. ASSISTANCE IN DRAFTING GUIDANCE ON THE INSPECTION CONTROL OF FOOD BUSINESS OPERATORS IN COMPLIANCE WITH UNION ACQUIS

The PLAC III project supported the national administration responsible for food safety in the development of draft guidance on official controls of food business operators based on risk assessment. According to the European Commission, Serbia should improve the risk-based approach to official controls, in particular its risk-based approach for imported foods. Regulation (EC) 178/2002 and Union agri-food chain legislation (the “EU Food Law”) is based on the principle that operators at all stages of production, processing and distribution are responsible for ensuring compliance with the requirements relevant to their activities established by Union agri-food chain legislation. Regulation 2017/625 on official controls represents a harmonised framework for the performance of official controls and activities along the entire agri-food chain. In close cooperation with two Ministries’ representatives, the project expert drafted Guidance for the Inspection Control for Food Business in compliance with Union acquis. The objective of the Guidance is to ensure a uniform approach in the application of the principles of risk analysis in the performance of official controls of food establishments that includes production, circulation, storage and handling of food at the point of sale and food consumption, as well as checking shipments in international trade. An additional document was drafted – a Proposal with recommendations for the procedure with perishable goods during inspection at border crossings - to assist the inspection body and custom services.

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

**Number of experts engaged:** 1

**Number of working days:** 20

### **Outputs:**

- Guidance on the inspection control of food business operators in compliance with EU legislation with a special focus on the organisation and planning of official controls based on risk analysis for phytosanitary inspection
- Proposal with recommendations for the procedure with perishable goods during inspection at border crossings;
- A workshop was held.

**Harmonisation with Union acquis:** Regulation (EU) 2017/625 on official controls; Regulation (EC) 178/2002.

### **Recommendations**

It is necessary to fully harmonise the Law on Food Safety and implementing by-laws with Regulation 2017/625 on official controls and Regulation (EC) 178/2002 to enable a proper and uniform application of official controls in accordance with a risk-based approach.

## 6. ASSISTANCE IN DEFINING THE POLICY PROPOSAL FOR FOOD DONATION AND REDISTRIBUTION OF SURPLUS FOOD

Preventing and reducing food waste is one of the important measures of the EU's "Farm to Fork" strategy, which aims to create sustainable food systems. The European Union has pledged to halve per capita food waste at the retail and consumer levels by 2030, which now amounts to 173 kilograms per capita per year. For that reason, the revised Waste Framework Directive was adopted in May 2018, requiring Member States to reduce food waste at each stage of the food supply chain. Moreover, it lays down obligations for Member States to prepare food waste prevention programmes as well as the redistribution of food surplus for human consumption. In Serbia, according to estimates, about 247 thousand tons of food is thrown away annually, which is about 30-40 kg per inhabitant. In order to have a policy proposal in this area, the PLAC III project provided expert support to the beneficiary institutions in the preparation of a legal gap analysis of the existing framework in Serbia against relevant Union *acquis*, as well as in drafting recommendations of how to set up institutional and legal frameworks. Food waste prevention and donation policies in Italy, France and Croatia have been shown as good EU practices.

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

**Number of experts engaged:** 1

**Number of working days:** 30

### **Outputs:**

- Report on the legal gap assessment of the legislation of Republic of Serbia with the Union *acquis* in the area of food waste prevention and food donation;
- Report on the assessment of best practices of legal and fiscal framework for food waste prevention and food donation in three Member States;
- Policy proposal with legal, institutional and policy measures identified to fully implement the Union *acquis* on food waste prevention and food donation;
- A workshop was held.

**Harmonisation with Union *acquis*:** Regulation (EC) 852/2004 on the hygiene of foodstuffs; Regulation (EC) 853/2004 on specific hygiene requirements for food of animal origin; Waste Framework Directive 2008/98/EC; EU Food Donation Guidance (Commission notice – EU guidelines on food donation).

### **Recommendations**

The Republic of Serbia needs to take steps to transform into a circular food chain, in particular, by starting to implement food waste prevention measures. The Project outputs give a good basis for conducting all the necessary steps to develop national food waste prevention strategies, legislation, guidelines and other policy instruments. The recommendation is to further strengthen capacities to fully implement EU *acquis* in this area.



# 7. ASSISTANCE IN UPGRADING THE LAW ON ANIMAL HEALTH

Serbia is intensively preparing for the opening of Negotiating Chapter 12. Two benchmarks were set for the opening of this chapter: that Serbia adopts the framework legislation compliant with Union *acquis*, enables full transposition of the *acquis* and makes provisions for a clear assignment of responsibilities, in particular for control bodies (Opening benchmark 1) and a comprehensive national strategy, including an action plan with concrete timelines, which will serve as a basis for transposition, implementation and enforcement of the Union *acquis*, including plans for the development of the relevant administrative capacities and an estimation of the financial resources required (Opening benchmark 2). As a part of the Opening benchmark 1, the adoption of the new Law on Animal Health is of particular importance. The Ministry of Agriculture, Forestry and Water Management has already prepared the draft Law on Animal Health, aligned with relevant Union *acquis*. Regulation (EU) 2016/429 (the “EU Animal Health Regulation”) has been in force since 21 April 2021. The EU Animal Health Regulation regulates animal diseases that can be passed on from animal to animal or from animals to humans. It provides principles and rules for the prevention and control of diseases in animals kept by humans, wild animals and certain animal products. Overall, the Regulation is the single comprehensive legal instrument that supports the EU livestock sector in its quest towards competitiveness and a safe and smooth EU market of animals and of their products, leading to growth and jobs in this important sector. The PLAC III project has provided assistance in the final drafting and fine-tuning of the existing draft of the Law on Animal Health in order to provide better clarity of provisions for the authorities competent for the *acquis*-compliant enforcement while respecting the methodological rules for drafting national legislation.

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

**Number of experts engaged:** 1

**Number of working days:** 15

### **Outputs:**

- Draft Law on Animal Health with fine-tuned provisions in compliance with the relevant *acquis* with explanatory notes adjusted to the applicable methodological rules for drafting national legislation;
- Updated Table of Concordance for the EU Animal Health Regulation.

**Harmonisation with Union *acquis*:** Regulation (EU) 2016/429 on transmissible animal diseases.

### **Recommendations**

It has to be taken into account that early involvement of the legal service in development of legal texts and adaptation of the legal framework to the Union *acquis* is critical to facilitate understanding and effective implementation of the provisions of EU Animal Health Law by all actors. In addition, it is highly recommended, and additional effort should be made, to enable the methodological adjustments of the national *nomotechnics* to enable more effective compliance with the EU requirements as soon as possible.

## 8. ASSISTANCE IN UPGRADING THE DRAFT LAW ON OFFICIAL CONTROLS PROVISIONS IN ACCORDANCE WITH UNION ACQUIS

The Country Progress Report of the European Commission for Serbia for 2022 states that Serbia is moderately prepared in the area of food safety, veterinary and phytosanitary policy and that it should, among others, improve the risk-based approach to official controls. The Law on Official Controls, which is aimed at alignment with the EU official control legislation, is of particular importance and is part of the Opening benchmark 1 set for the start of negotiations in Negotiating Chapter 12. EU official control rules are a key element of the governance of the agri-food chain in Europe, recognised worldwide as an example of best practice. Regulation (EU) 2017/625 on official controls and other official activities performed to ensure the application of food and feed law, rules on animal health and welfare, plant health and plant protection products (“Official Controls Regulation”) represents a harmonised framework for the performance of such official controls and activities along the entire agri-food chain. In particular, the Official Controls Regulation prescribes that competent authorities should perform official controls regularly, on a risk basis and with appropriate frequency, in all the sectors and in relation to all operators, activities, animals and goods governed by Union agrifood chain legislation. The Ministry of Agriculture, Forestry and Water Management undertook various activities in order to prepare the draft Law on Official Controls. The PLAC III project has provided assistance to the line ministry in fine-tuning the draft Law, since the EU Official Controls Regulation is horizontal legislation interlinked with other *acquis* in Chapter 12 and it is constantly updated.

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

**Number of experts engaged:** 1

**Number of working days:** 15

### **Outputs:**

- Draft Law on Official Controls with fine-tuned provisions in compliance with the relevant *acquis*;
- Table of Concordance for EU Official Controls Regulation updated.

**Harmonisation with Union *acquis*:** Regulation (EU) 2017/625 on official controls.

### **Recommendations**

Given the fact that EU rules Regulations are directly applicable in the Member States without need of their transposition, the competent authority in Serbia should strive to shorten the time lapse between changes at the EU level and their taking over implementation in Serbia as much as possible. Therefore, to implement the provisions of the new EU Law of Official Controls the supplementary (delegated and implementing) Regulations of the EC to the Official Control Regulation must be transposed into national legislation by appropriate by-laws (rulebooks). To that end, it is essential to establish list of Rulebooks necessary to be drafted based on delegated and implementing acts of the EU Official Control Regulation and it shall be progressively implemented so that, at the time of accession, the official control system of the Republic of Serbia operates in accordance with established EU standards.



# 9. FINE-TUNING OF THE DRAFT NATIONAL STRATEGY FOR THE STRAY DOG POPULATION

In 2011, the European Parliament adopted a Declaration on dog population management in the EU that calls the Member States to adopt comprehensive dog population management strategies with measures such as dog control and anti-cruelty laws, support for veterinary procedures and the promotion of responsible pet ownership. Stray dog management is relevant to the overall EU system of animal health and welfare. Serbian's Law on Animal Welfare and secondary legislation are well developed and aligned with the *acquis*, but stray dog management is not covered. The draft of the National Strategy for stray dog population management was prepared with the support of the EU-funded project "Reinforcement of animal health and welfare." The PLAC III project has provided assistance in the fine-tuning of the existing draft to adjust it to the methodological requirements of the Law on the Planning System of the Republic of Serbia while safeguarding consistency with Union *acquis*.

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

**Number of experts engaged:** 1

**Number of working days:** 15

**Outputs:**

- Draft Programme for Stray Dog Population management with relevant Annexes.

**Harmonisation with Union *acquis*:** EP Declaration on dog population management in the EU.

**Recommendations:**

It is not expected that the application of the new Union *acquis*, after its transposition into the legal framework through measures envisaged in the Programme, will be particularly problematic.

## CHAPTER 13

### FISHERIES

The *acquis* on fisheries consists of regulations which require no transposition into national legislation. However, it requires the introduction of measures to prepare the administration and the operators for participation in the common fisheries policy, which covers market policy, resource and fleet management, as well as inspection and control, structural actions and state aid control. In some cases, the existing fisheries agreements and conventions with third countries or international organisations need to be adapted. In the reporting period, the PLAC III project has provided assistance to the national administration in preparation of a new draft Law on the structural support and market organisations in fisheries.



# 1. ASSISTANCE IN PREPARATION OF A NEW DRAFT LAW ON THE STRUCTURAL SUPPORT AND MARKET ORGANISATIONS IN FISHERIES

The Ministry of Agriculture, Forestry and Water Management prepared the first draft of the Law on Structural Support and Market Regulation in Fisheries. The new law aims to create conditions for the activation of selected market regulation measures as well as creating conditions for their gradual harmonisation with key EU legislation that regulates structural and market policy. Specifically, the new law aims to provide a basis for the implementation of relevant Union *acquis* consisting of four regulations. The PLAC III project supported the line ministry in assessing the compliance of the draft of the new law with the relevant Union *acquis* and drafting a proposal for a revised draft law, after identifying legal gaps. The revised document envisages, as a general goal of the structural policy in fisheries and aquaculture, the contribution to the sustainable use of the fish stock and the preservation of biological diversity. It also foresees market control of fishery products. The outputs of the assignment will enable Serbia to advance much faster in implementing the relevant action required to ensure full compliance with relevant *acquis*. In addition, project activities have contributed to raising awareness and enhancing partnership principles in the fisheries sector between government administration and other relevant stakeholders.

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

**Number of experts engaged:** 1

**Number of working days:** 24

## **Outputs:**

- Legal gap assessment of the current draft Law on the Structural Support and Market Organisation;
- A revised draft Law on Structural Support and Market Organisation;
- Tables of Concordance on provisions of the following Regulations: Regulation 2021/1139, Regulation 1379/2013, Regulation 1005/2008 and Regulation 1380/2013;
- Two workshops were held.

**Harmonisation with Union *acquis*:** Regulation 2021/1139 establishing the European Maritime, Fisheries and Aquaculture Fund; Regulation 1379/2013 on the common organisation of markets in fishery and aquaculture products; Regulation 1005/2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing; Regulation 1380/2013 on the Common Fisheries Policy.

## **Recommendations**

It is crucial to advance in addressing insufficient administrative capacities in order to ensure not only appropriate management and control systems for the implementation of the structural policy, but also control and an enforcement system as one of the pillars of the fishery policy. Implementation of structural measures in fisheries and aquaculture requires the establishing of the Management and Control System among different institutions.

## 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. The PLAC III project has provided in this period assistance in the harmonisation of the national legislation with Union acquis in various sectors of the chapter, from the energy efficiency of buildings and energy audit to the opening of the electricity market and risk-preparedness in the electricity sector.



# 1. ASSISTANCE IN DRAFTING ACQUIS-COMPLIANT LEGISLATION ON RISK-PREPAREDNESS IN THE ELECTRICITY SECTOR

In order to fulfil the obligations undertaken by the Treaty establishing Energy Community (from 2006) and in line with the National Programme for the Adoption of Acquis, the Republic of Serbia must bring into force the laws, regulations and administrative provisions necessary to comply with the new EU Regulation 941/2019 on risk-preparedness in the electricity sector. The Directive addresses a specific issue of electricity crisis prevention and management. It also establishes common provisions for risk assessment, risk preparedness plans, managing electricity crises, evaluation and monitoring. The PLAC III project provided support to the line ministry in aligning the Law on Energy with the provisions of the new Directive. A legal gap assessment report, draft amendments to the Law on Energy and a draft of the Serbian Government's decree on preparedness for risks in the electricity sector were prepared as outputs of the project activity.

**Beneficiary institution:** Ministry of Mining and Energy

**Number of experts engaged:** 1

**Number of working days:** 30

## **Outputs:**

- A legal gap analysis of the Regulation (EU) 941/2019;
- Table of Concordance regards to the provisions of Regulation (EU) 941/2019;
- Draft of amendments to the Energy Law;
- Draft of the government decree on preparedness for risks in the electricity sector;
- Updated Table of Concordance regards to the provisions of the drafted amendments of the Energy Law and the government decree;
- A workshop was held.

**Harmonisation with Union acquis:** Regulation (EU) 941/2019 on risk-preparedness in the electricity sector.

## **Recommendations**

The amendments to the Law on Energy regarding the transposition of EU Regulation on risk-preparedness in the electricity sector should enter into force at the same time as other amendments transposing other directives and regulations in the electricity sector, as required by the Energy Community acts. It is recommended that one civil servant, probably newly employed in the line ministry, be fully dedicated to the duties for the risk-preparedness in the power sector.

## 2. ASSISTANCE IN DRAFTING ACQUIS-COMPLIANT LEGISLATION ON COMMON RULES FOR THE INTERNAL MARKET FOR ELECTRICITY

The PLAC III project has provided support to the line ministry in the transposition of the new Directive 2019/944 on common rules for the internal market for electricity, adopted in June 2019, within the package of legislative changes called “Clean energy for all Europeans.” The directive establishes common rules for the production, transmission, distribution, energy storage and supply of electricity, together with provisions related to consumer protection. At the centre of the EU vision of the energy union are the citizens, that is, the consumers/end customers who take responsibility for energy transition and actively participate in the energy market. The amendments to the Law on Energy were drafted, introducing the concepts, rights and obligations of the active customer, the citizen energy community (as a voluntary association for the purpose of energy exchange or joint participation in the market), aggregation (unification of consumption and/or production) and aggregator. In addition, amendments were also drafted to the Government Decree on the conditions of delivery and supply of electricity, thus enabling the transposition of EU Directive provisions, but also helping the Republic of Serbia to fulfil its obligations undertaken by signing the Treaty establishing the Energy Community.

**Beneficiary institution:** Ministry of Mining and Energy

**Number of experts engaged:** 1

**Number of working days:** 50

### **Outputs:**

- A legal and institutional gap analysis;
- Table of Concordance on Directive (EU) 944/2019;
- Amendments to the Energy Law;
- Amendments to the Government Decree on the conditions of delivery and supply of electricity;
- Updated Table of Concordance on Directive (EU) 944/2019 regarding the provision of amendments to the Energy Law and the Government Decree.

**Harmonisation with Union acquis:** Directive 2019/944 on common rules for the internal market for electricity.

### **Recommendations**

The changes in EU legislation should be perceived and analysed when they are in the stage of first discussions, not when they are already adopted. This gives sufficient time for developing its own national way on how to transpose a particular piece of Union acquis into the national framework, as well as to prepare and conduct pilot research projects, etc. It is recommended that a separate law on the electricity market is drafted, having in mind the specificity of the sector.



### 3. ASSISTANCE IN DRAFTING ACQUIS-COMPLIANT LEGISLATION WITH REGARD TO THE ECO-DESIGN OF THE SPECIFIC PRODUCTS GROUP

Serbia has transposed Directive 2009/125/EC, establishing a framework for the setting of eco-design requirements for energy-related products (Directive on eco-design), through the Government's Decree on eco-design requirements in December 2021. There are around 30 delegated acts for different product groups, covered by the Directive on eco-design and EC implementing regulations, to be adopted by the line Ministry of Mining and Energy. The adoption of delegated acts, which are covered by the Directive on eco-design and the EC implementing measures, is underway. The PLAC projects assisted the Ministry from 2014 - 2020 in drafting secondary regulations. As a result, most of the 30 eco-design delegated acts have already been drafted and subjected to ongoing minor technical correction procedures in accordance with the requirements of the Serbian Secretariat for Legal Affairs. However, the line ministry has to prepare six remaining delegated acts which will enable the further aligning of the legislation with the Directive on eco-design for specific product groups. The PLAC III project has provided support in drafting six rulebooks for each product group and in updating two existing rulebooks. The adoption of these acts is needed in order to eliminate the barriers to the free movement of goods in accordance with the rules governing the internal market.

**Beneficiary institution:** Ministry of Mining and Energy

**Number of experts engaged:** 1

**Number of working days:** 42

#### **Outputs:**

- Rulebook on eco-design requirements for professional refrigerated storage cabinets, blast cabinets, condensing units and process chillers;
- Rulebook on eco-design requirements for external power supplies;
- Rulebook on eco-design requirements for servers and data storage products;
- Rulebook on eco-design requirements for computers and computer servers;
- Rulebook on eco-design requirements for electric motors and variable speed drives;
- Rulebook on eco-design requirements for glandless standalone, circulators and glandless circulators integrated in products;
- Rulebook on eco-design requirements for welding equipment;
- Rulebook on eco-design requirements for small, medium and large power transformers.

**Harmonisation with Union acquis:** Directive 2009/125/EC establishing a framework for the setting of eco-design requirements for energy-related products (Directive on eco-design).

#### **Recommendations**

After the adoption of rulebooks, it is advisable that the line ministry organises round tables and workshops aimed at familiarising the stakeholders and interested parties with the new rules. The administrative capacities of the Energy Department of the Ministry of Mining and Energy should be strengthened in order to be able to efficiently carry out the harmonisation of the remaining Union *acquis* and to follow up the implementation of harmonised legislation.

## 4. ASSISTANCE IN THE IMPLEMENTATION OF THE BUILDING RENOVATION STRATEGY, PART RELATED TO THE ENERGY EFFICIENCY OF BUILDINGS

In the EU, buildings account for 40 percent of consumed energy and generate (during construction, renovation, demolition) as much as 36 percent of greenhouse gas emissions – GHG. The EU’s goals by 2030 are to reduce GHG emissions by 55 percent compared to the 1990 levels. In the negotiations with the EU, Serbia has opened Cluster 4, which encompasses Chapter 15. In order to progress in the negotiations, Serbia must improve the harmonisation of laws with the Union acquis, as well as to create an Action Plan for the implementation of a long-term strategy to encourage investment in the reconstruction of the national building fund and implemented building renovation programmes. The Building Renovation Strategy was adopted and it sets targets for the period up to 2050, also highlighting the need to introduce zero energy consumption standards for all new public and commercial buildings. The PLAC III project provided support to the Ministry of Construction, Transport and Infrastructure in the preparation of the draft Action Plan for the implementation of the Strategy and the development of recommendations for technical measures to improve the energy efficiency of buildings and reach the level of zero energy consumption (nearly zero energy buildings - NZEB). A set of accompanying documents transposing the provisions of relevant Union acquis – analyses and proposals of measures needed for transition to NZEB standards – was also drafted by project experts.

**Beneficiary institution:** Ministry of Construction, Transport and Infrastructure

**Number of experts engaged:** 2

**Number of working days:** 50

### Outputs:

- Draft Action Plan for the implementation of the Building Renovation Strategy;
- Action Plan governing the reporting on the measures and activities selected in accordance with the Scenario of the Building Renovation Strategy to achieve Integrated National Energy and Climate Plan goals;
- Analysis of best practices in EU Member States for the cost-effective implementation of technical and reporting requirements of the Energy Performance of Buildings Directive;
- Analysis of best practices of the implementation of a cost-effective approach for financing the improvement of the energy performance of buildings and the transition to the NZEB standard in accordance with the Directive;
- Proposal of the measures for improvement of the energy performance of buildings and transition to the NZEB adjusted to the Scenario of the Building Renovation Strategy (BRS) with reporting requirements to be integrated into the Action Plan;
- Proposal of the appropriate financial measures for each of the technical measures adjusted to the Scenario of the BRS integrated in the Action Plan, defined in compliance with the Directive;
- Two workshops were held for the representatives of the line ministry and stakeholders.

**Harmonisation with Union acquis:** Energy Performance of Buildings Directive 2010/31/EU (EPBD) - recast.

### Recommendations

For the successful implementation measures from the draft Action Plan, it is very important to amend the existing by-laws and to adopt new ones in the field of the energy efficiency of buildings within the stipulated deadlines, as indicated in the Plan. The introduction of a unique way of reporting on the process of building renovation by all partners and institutions involved is recommended, as well as the implementation of significant marketing activities, organisation of training for engineers and employees of local self-government units and formation of One-Stop shops that will support citizens.



## 5. ASSISTANCE IN ORDER TO ENHANCE HARMONISATION WITH UNION ACQUIS ON THE ENERGY EFFICIENCY OF BUILDINGS

The Union *acquis* that regulates the area of the energy performance of buildings includes the recast of the Energy Performance of Buildings Directive 2010/31/EU (EPBD). As steps for the transposition of the amended EPBD Directive, the National Programme for the Adoption of Acquis envisages amendments to the Law on Planning and Construction as well as the adoption of amendments to the bylaws by the end of 2024. PLAC III project has provided support to the line ministry in conducting a legal gap analysis of the existing national legislation and drafting amendments to the legislation. The drafted legislation enabled the transposition of Articles 2, 6-18, 20, 21 and 27 of the recast of the Energy Performance of Buildings Directive, governing minimum energy performance requirements, optimization of energy uses of technical building systems, NZEB and inspection heating systems. The amended legislation should enable an easier implementation of specific goals set in the Building Renovation Strategy in order to achieve improvement in energy efficiency, energy savings and the reduction of CO2 emissions of the National Building Stock in Serbia.

**Beneficiary institution:** Ministry of Construction, Transport and Infrastructure

**Number of experts engaged:** 3

**Number of working days:** 60

### Outputs:

- Draft Law amending the Law on Planning and Construction drafted fully in compliance with Directive (EU) 2010/31/EU (recast), Articles 2, 6-18, 20, 21 and 27;
- Draft Rulebook amending the Rulebook on Energy Efficiency of Buildings drafted fully in compliance with Directive (EU) 2010/31/EU (recast), Articles 2, 6-18, 20 and 21;
- Draft Rulebook amending the Rulebook on the Conditions, Content and Manner of Issuing Certificates on the Energy Properties of Buildings drafted fully in compliance with Directive (EU) 2010/31/EU (recast), Articles 2, 6-18, 20 and 21;
- Legal gap analysis with regard to EPBD 2010/31/EU (recast) requirements in Articles 2, 6-18, 20, 21 and 27;
- Table of Concordance with regard to EPBD 2010/31/EU (recast) requirements in Articles 2, 6-18, 20, 21 and 27;
- Report of the best practices analysis in the four EU Member States (Croatia, Austria, the Netherlands and Portugal) for the transposition and implementation of the Directive 2010/31/EU (recast);
- A workshop was held.

**Harmonisation with Union acquis:** Energy Performance of Buildings Directive 2010/31/EU (EPBD) – recast.

### Recommendations

It is necessary to improve the Central Energy Register of Passports for Buildings which must be supplemented with data on all types of energy consumed in the building, the energy class indicator by primary energy, and CO2 emission as well as with data on indicators after the renovation of the building. Also, it is necessary to envisage an Action Plan for the Building Renovation Strategy and to define the mechanism for monitoring the implementation of energy efficiency measures.

## 6. ASSISTANCE IN DRAFTING A BY-LAW ON CONDUCTING ENERGY AUDITS FOR THE PURPOSE OF THE CERTIFICATION OF THE ENERGY PERFORMANCE OF BUILDINGS

After drafting amendments to the legislative framework regulating the energy efficiency of buildings (energy performance of buildings), the PLAC III project has also supported the Ministry of Construction, Transport and Infrastructure in preparing a by-law governing the procedure for carrying out an energy audit for the purposes of certification of the energy performance of buildings. In consultations with the line ministry, it has been concluded that the by-law should be an appropriate measure for a full and effective implementation of Energy Performance of Buildings Directive requirements. Project experts have drafted a proposal for the Rulebook on the method of conducting an energy inspection for the purpose of the certification of energy characteristics of buildings. The draft Rulebook applies to new buildings, and existing buildings on which reconstruction, adaptation or energy rehabilitation works are being carried out, as well as existing buildings on which works are being carried out and for which there is an obligation of certification. The annexes to the draft Rulebook include the Methodology of conducting energy audits in order to certify the energy performance of buildings, the preparation of questionnaires and survey forms before performing the energy audit, energy-saving measures in the process of the energy audit of the building, as well as the preparation of a report on the energy audit of the building.

**Beneficiary institution:** Ministry of Construction, Transport and Infrastructure

**Number of experts engaged:** 2

**Number of working days:** 47

### **Outputs:**

- Draft Rulebook on the method of conducting an energy inspection for the purpose of the certification of the energy characteristics of buildings;
- Methodology of conducting energy audits in order to certify the energy performance of buildings;
- Two workshops for representatives of the line ministry were held.

**Harmonisation with Union acquis:** Energy Performance of Buildings Directive 2010/31/EU (EBPD) – recast.

### **Recommendations**

For the successful and complete implementation of the measures from the draft of the Rulebook on the method of conducting energy inspection for the purpose of certification of the energy characteristics of buildings and its annexes, it will be necessary to develop the following: 1) a detailed methodology of performing a technical systems audit concerning the most important technical systems used in different types of buildings; 2) a methodology of control measurements taking into consideration the procedure of measuring, collecting and processing necessary data; 3) modeling of energy bills and 4) financial parameters calculations. Implementation of a new, more complex methodology of calculation further implies a necessity for the development of national software.



## CHAPTER 16

### TAXATION

The *acquis* on taxation extensively covers the area of indirect taxation, namely, value-added tax (VAT) and excise duties. It lays down the scope, definitions and principles of VAT. Excise duties on tobacco products, alcoholic beverages and energy products are also subject to EU legislation. As concerns direct taxation, the *acquis* covers some aspects of taxing income from the savings of individuals and corporate taxes. Furthermore, the Member States are committed to comply with the principles of the Code of Conduct for Business Taxation, aimed at the elimination of harmful tax measures. Administrative co-operation and mutual assistance between the Member States is aimed at ensuring a smooth functioning of the internal market as concerns taxation and provides tools to prevent intra-Community tax evasion and tax avoidance. Member States must ensure that the necessary implementing and enforcement capacities, including links to the relevant EU computerised taxation systems, are in place. The project has provided assistance to the national administration in assessing the steps necessary for alignment with new Union *acquis* on preventing fraud and/or misuse of tax advantages through shell companies.

# 1. ASSISTANCE IN CONDUCTING A LEGAL GAP ANALYSIS OF THE LEGISLATIVE FRAMEWORK ON PREVENTION OF MISUSE OF TAX ADVANTAGES THROUGH SHELL COMPANIES

EU member states are faced with the appearance of entities that operate as shell entities, and therefore, distinguishing between business entities with real commercial operations and legal entities with no minimal substance and economic activity for purposes of fair enforcement of tax law becomes a challenge. In January 2023, the European Parliament adopted a proposal of the European Commission for a new directive on preventing shell companies from misusing their structure for tax purposes. The proposal, which should amend Directive 2011/16/EU on administrative cooperation in the field of taxation, is now in procedure. It introduces a 'filtering' system for EU company entities, which will have to pass a series of gateways related to income, staffing and premises, in order to ensure there is sufficient 'substance' to the entity. PLAC III provided support to the Tax Administration of Serbia by conducting the assessment of legal gaps in relation to EU rules, and providing recommendations for improving the legal framework as well as establishing appropriate criteria and tools for the early detection of shell entities based on the best practices of EU member states.

**Beneficiary institution:** Ministry of Finance - Tax Administration

**Number of experts engaged:** 1

**Number of working days:** 20

## **Outputs:**

- A legal gap analysis report with a detailed review of best practices;
- Recommendations for improving the Serbian legislative framework for combating base erosion and profit shifting through misuse of shell companies;
- Guidelines on Risk Ranking indicators for "unshelling";
- A workshop for representatives of Tax Administration was held.

**Harmonisation with Union acquis:** Directive 2011/16/EU on administrative cooperation in the field of taxation; Proposal for a Council Directive laying down rules to prevent the misuse of shell entities for tax purposes.

## **Recommendations**

Even though it is not yet a member of the European Union, the Republic of Serbia should in the coming period harmonise its legislation with European standards in the area of prevention of abuse of shell companies for tax purposes. The Law on tax procedure and tax administration contains no definition of shell, or offshore companies. In addition, the concept of minimum economic substance should be defined, which in the mentioned Law is connected with the concept of facticity.



## 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, protection from 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 sub-areas – waste management, nature protection, reduction of harmful emissions and water quality.

# 1. ASSISTANCE IN DRAFTING ACQUIS-COMPLIANT LEGISLATION ON CO2 PERFORMANCE STANDARDS FOR NEW LIGHT VEHICLES AND PASSENGER CARS

In December 2021, Serbia opened Cluster 4 in negotiations with the EU, which, according to the new EU enlargement methodology, includes Negotiating Chapter 27. The 2022 country progress report of the European Commission states that Serbia needs to make significant efforts to further align its legislation with the climate change acquis in Chapter 27, and in particular to start working to transpose Regulation (EU) 2019/631 on CO2 emission performance standards for new passenger cars and for new light commercial vehicles. The Regulation provides a clear pathway for CO2 emissions reductions from the road transport sector. The relevant acquis also include Regulation (EU) 2019/1242 that sets CO2 emission performance standards for heavy-duty vehicles. In Serbia, the Law on Climate Change, adopted in 2021, provides no legal basis for transposing the new regulation. Therefore, PLAC III project experts provided support to the Road Traffic Safety Agency in the analysis of existing legislation and recommendations for transposition with Union acquis. Amendments to the Law on Climate Change, enabling the introduction of the obligation to report CO2 emissions of motor vehicles, were drafted, as well as two by-laws. The proposals of the Rulebook on determining CO2 emissions performance of new motor vehicles of M1 and N1 categories (new passenger and new light commercial vehicles) and the Rulebook that regulates the same matter for vehicles types M2, N2 and N3 (medium and heavy goods vehicles) were drafted. Rulebooks provide rules regarding the content of the reports and manner of submitting the relevant data.

**Beneficiary institution:** Road Traffic Safety Agency

**Number of experts engaged:** 1

**Number of working days:** 50

## **Outputs:**

- Draft Law amending the Climate Change Law with rationale;
- Draft Rulebook on the procedure for determining CO2 emission performance of new vehicles categories M1 and N1;
- Draft Rulebook on the procedure for determining CO2 emission performance of new vehicles categories M2, M3, N2 and N3;
- Legal and institutional gap analysis with best practices from selected EU countries and recommendations for fulfilling the gaps, establishing an institutional set-up and a system for monitoring and reporting average emissions;
- Table of Concordance of the latest consolidated version of Regulation (EU) 2019/631 and the legislation of the Republic of Serbia;
- Table of Concordance of Regulation (EU) 2019/1242 and the legislation of the Republic of Serbia;
- Updated Table of Concordance of the latest consolidated version of Regulation (EU) 2019/631, taking into account the provisions of the legislation drafted;
- Updated Table of Concordance of Regulation (EU) 2019/1242, taking into account the provisions of the legislation drafted;
- Serbian translation of the relevant Union acquis including expert revision;
- A workshop for the representatives of the Road Traffic Agency and stakeholders was held.

**Harmonisation with Union acquis:** Regulation (EU) 2019/631 on CO2 emission performance standards for new passenger cars and for new light commercial vehicles; Regulation (EU) 2019/1242 that sets CO2 emission performance standards for heavy-duty vehicles.

## **Recommendations**

The soonest possible production and implementation of an information system facilitating light duty vehicle and heavy duty vehicle data submission by vehicle manufacturers is of vital importance for effective reporting and monitoring.



## 2. ASSISTANCE IN TRANSPOSING UNION ACQUIS ON CONSTRUCTION AND DEMOLITION WASTE

The Law on Waste Management has transposed most of the EU Waste Framework Directive, although not its amendments (established by Directive 2018/851) related to construction and demolition waste. With that piece of legislation, the EU member states are required to take measures to prevent the creation of those two types of waste or to promote preparation for reuse activities. It is also required that they ensure the establishment of a system for sorting construction and demolition waste, and also that all activities related to construction must take into account the risks of exposure to asbestos, banned in the EU since 2005. At the beginning of 2022, Serbia adopted the National Waste Management Programme for a 10-year period, as well as the Action Plan for the Management of Construction and Demolition Waste in the City of Belgrade for the period until 2030. In order to implement these documents in practice, a legislative framework that transposed Union *acquis* was necessary. The PLAC III project has provided support in drafting the amendments to the Law on Waste Management as well as a proposal of two by-laws related to the management of non-hazardous construction and demolition waste and the same waste containing asbestos.

**Beneficiary institution:** Ministry of Environmental Protection

**Number of experts engaged:** 2

**Number of working days:** 45

### Outputs:

- Legal gap analysis report of Serbian legal framework regarding the implementation of Directive (EU) 2018/851 provisions on construction and demolition waste management, with proposals for amendments on the Law on Waste Management;
- Legal gap analysis report of Serbian legal framework on asbestos waste management regarding the implementation of EU legislation requirements;
- Proposal of a by-law (Decree) on the management of construction and demolition waste;
- Proposal of a by-law (Rulebook) on asbestos – containing waste management;
- Report on the Republic of Serbia's institutional setup, mapping all the stakeholders involved in construction and demolition waste, analysis of technological and chemical processes, legislation and policies governing the management of construction and demolition waste, including asbestos;
- A workshop was held.

**Harmonisation with Union acquis:** Directive (EU) 2018/851 of the European Parliament and of the Council amending Directive 2008/98/EC on waste.

### Recommendations

Presently, not all Serbian municipalities have established regional waste management centres, and their formation is time-consuming. Further support for this activity is necessary. Exploring the inclusion of construction and demolition waste in households waste collection centres is also suggested.

### 3. ASSISTANCE IN SETTING UP A UNIFIED SYSTEM FOR AUTHORISING AND OVERSEEING THE IMPLEMENTATION OF EPR OBLIGATIONS FOR SEVERAL WASTE STREAMS

In the common position for Negotiating Chapter 27, the European Union stated that Serbia must dedicate “appropriate funding to infrastructure investments in line with relevant EU legislation, including waste hierarchy.” In particular, “the EU encourages Serbia to pursue work for full alignment with Packaging and Packaging Waste, Waste Electric and Electronic Equipment, Restriction of Hazardous Substances, Batteries and End-of-Life Vehicles Directives, including the establishment and/or alignment with EU requirements of the extended producer responsibility system needed for the creation and management of individual and collective schemes.” The support of the project related to the analysis of the current situation in the sector and recommendations on how to establish a unique system for authorising and supervising the implementation of Extended Producer Responsibility (EPR) obligations for the following waste streams: packaging and packing waste, electrical and electronic waste, batteries and accumulators and waste batteries and accumulators as well as end-of-life vehicles. EPR is an environmental policy approach in which producer responsibility is extended to the post-consumer stage of a product’s life cycle. As indicated by the analysis of the best EPR practices in Member States, the Producer Responsibility Organisations (PROs) in charge of collective compliance schemes must be licensed, monitored, and controlled from a central level in order to have a unified approach and a consistent and effective performance.

**Beneficiary institution: Ministry of Environmental Protection**

**Number of experts engaged:** 2

**Number of working days:** 35

#### **Outputs:**

- Proposal for a by-law regarding the approval of the specific structure and the operating rules of the Commission for permitting the extended producer responsibility bodies and the authorisation procedure, annual approval and withdrawal of the right to operate of the organisations and producers that implement the extended producer obligations;
- Assessment of the best practices across EU Member States with operational recommendations on the institutional setup of the centralised body/authority in charge of authorising, licensing and overseeing the implementation of EPR obligations by PROs;
- An assessment report on the operation of PROs in the field of all waste streams in Serbia and recommendations on the steps and measures needed to improve the quality of information and data to comply with the reporting requirements of the relevant Union acquis;
- A workshop was held.

**Harmonisation with Union acquis:** Directive (EU) 2018/851 of the European Parliament and of the Council amending Directive 2008/98/EC on waste.

#### **Recommendations**

Since there have been legislative changes on the European level, i.e. a new regulation concerning batteries and waste batteries was adopted and advanced discussions are underway for regulations related to packaging and end-of-life vehicles, and there is a need of continuous amendments of deliverables and national legislative acts to keep up with the latest European changes.



## 4. ASSISTANCE FOR SETTING UP A SYSTEM ADMINISTRATOR OF THE DEPOSIT-RETURN SYSTEM FOR BEVERAGES AND A SUPERVISORY BODY TO MONITOR ITS IMPLEMENTATION

According to the European Commission report, Serbia has a good level of legislative alignment in the waste management sector. However, the EU invited Serbia to speed up the implementation of the acquis, in particular in regards to waste prevention, waste reduction, waste separation, separate collection and waste recycling and extended producer responsibility. To close the negotiations in Chapter 27, Serbia must prepare and present waste management plans – national and regional – that include information on all waste streams, including the solutions to manage them, the type and capacity of the waste management infrastructure, separate collection schemes and economic instruments such as pay-as-you-throw schemes and extended producer responsibility schemes. The PLAC III project has provided support to the line ministry in drafting a proposal on how to establish a system of administrators of the deposit-return system (DRS) for beverages, which is seen as an affordable implementation option that can stimulate the use and placing on the market of reusable packaging and increase packaging reuse, based on the EU Directive requirements, hence, reducing waste generation at source. They have also presented examples of how EU Member States have regulated the matter; usually, the DRS administrator is a non-profit body responsible for the operation of the return system, including meeting performance goals, managing finances, registering manufacturers and new products into the system, establishing contracts for service providers, etc.

**Beneficiary institution: Ministry of Environmental Protection**

**Number of experts engaged:**

2

**Number of working days:**

60

### **Outputs:**

- The draft legal act amending packaging and packing waste legislation regulating the DRS system and the beverage DRS system administrator;
- Implementation guidelines for new legislative acts modifying packaging and packing waste legislation, particularly in the context of the beverage Deposit Return Systems;
- Acquis - specific questionnaire aimed at DRS stakeholders;
- The best practices report of selected Member States on practical DRS system implementation, system administrator selection and duties/responsibilities, system monitoring, and the data needed for proper monitoring;
- List of stakeholders relevant to the implementation of DRS and the system administrator for beverages in Serbia;
- List of the beverage Deposit Return System infrastructure projects completed in the last five years, as well as ongoing and planned projects in Serbia;
- The Deposit Return System Infrastructure projects report;
- Report on the state of play of institutions, laws and key stakeholders relevant to the implementation of the beverage Deposit Return System in Serbia;
- Report on the state of play of data reporting on packaging and packing waste for the beverages produced in Serbia with recommendations on measures needed to improve the quality of data to comply with the PPW and SUP Directive reporting requirements;
- A workshop was held.

**Harmonisation with Union acquis:** Directive (EU) 2018/852 amending Directive 94/62/EC on packaging and packing waste; Directive 2019/904 on reducing the environmental impact of certain plastic products.

### **Recommendations**

To ensure a successful deployment of DRS in Serbia, it is recommended that staff capabilities and data management systems should be improved. Developing collaborations with EU nations that have developed DRS frameworks can provide vital insights and practical solutions, ensuring DRS' efficacy and sustainability.

## 5. ASSISTANCE IN TRANSPOSING UNION ACQUIS ON THE ESTABLISHMENT AND WORK OF NATIONAL REGISTERS FOR PRODUCERS AND IMPORTERS OF ELECTRICAL AND ELECTRONIC EQUIPMENT, BATTERIES AND ACCUMULATORS, AND VEHICLES

In the field of waste management, Serbia needs to improve the implementation of legislation, which, according to the European Commission report, is harmonised with the Union acquis. The 2020 data show that only 15.5 percent of waste in Serbia was recycled, of which less than 2 percent came from households. In order to harmonise the legislation related to electronic and electrical waste (EEE), as well as batteries and waste batteries and accumulators (WBA), the PLAC III project has provided support to the line ministry in the drafting of a legal act (by-law) related to the preparation of registers of producers and the importers of these products. Given the similar requirements in waste management, the support also included compliance with the Directive on end-of-life vehicles. The acquis obliges the Member States to draw up a register of producers to ensure that every producer of EEE, batteries and accumulators is registered, including producers who supply via remote communication. The registers facilitate the monitoring of compliance with the requirements of the directives by economic operators who place products on the market and the cooperation of the authorities in charge.

**Beneficiary institution:** Ministry of Environmental Protection

**Number of experts engaged:** 1

**Number of working days:** 20

### **Outputs:**

- Legal acts on establishing National Registers and transposing registration, information and reporting requirements of the WEEE, WBA and ELVs Directives, including the procedure on how to record and report data on batteries and battery waste (WBA), waste from electric and electronic equipment (WEEE), end-of-life vehicles (ELV), packaging and packing waste (PPW);
- Report on the best practices in at least two EU Member States with the appropriate recommendations on the steps and measures needed to implement a fully compliant registration and reporting system in accordance with the WEEE, WBA and ELVs Directives;
- A workshop for representatives of the line ministry and the stakeholders was held.

**Harmonisation with Union acquis:** Directive 2006/66/EC on batteries and accumulators and waste batteries and accumulators; Directive 2012/819/EU on waste from electric and electronic equipment; Directive 2000/53/EC on end-of-life vehicles.

### **Recommendations**

While substantial progress has been made towards harmonising Serbian waste management with EU standards, ongoing efforts are required to fully enforce and implement new EU rules.



## 6. ASSISTANCE IN THE HARMONISATION OF NATIONAL LEGISLATION ON MEDICAL AND PHARMACEUTICAL WASTE MANAGEMENT WITH UNION ACQUIS

Managing pharmaceutical and medical waste in Serbia is critical to the country's environmental and public health policy. This area requires specific attention due to the hazardous nature of such waste and its potential risks to public health and environment. At the beginning of 2022, Serbia adopted the national waste management programme for the 2022-2031 period. General provisions on medical waste are defined in the Law on Waste Management, where medical waste (together with pharmaceutical waste) is separated as a special type of waste. The provisions are implemented through two by-laws - the Rulebook on Waste Management and the Rulebook on the Manner and Procedures for Pharmaceutical Waste Management. The project has provided support to the line ministry in conducting a legal and institutional gap analysis of the provisions governing medical and pharmaceutical waste management against the requirements of the Waste Framework Directive, as well as in drafting amendments to the two existing by-laws. The Directive prohibits the mixing of hazardous medical and pharmaceutical waste (listed in Annex 3 of the Directive) with other waste streams, as well as the disposal of such waste in landfills if infectious. Project experts also created an extensive analysis on the current situation in Serbia concerning the reporting on and quality of data for medical and pharmaceutical waste streams, which showed that of the total of 6,969 registered health institutions, only 21% submitted data on the amount of infectious medical waste produced in 2021.

**Beneficiary institution:** Ministry of Environmental Protection

**Number of experts engaged:** 2

**Number of working days:** 45

### Outputs:

- Amendments to the Rulebook on Medical Waste Management;
- Amendments to the Rulebook on the Manner and Procedures for Pharmaceutical Waste Management;
- An analysis of the state of play on reporting and quality of data for medical and pharmaceutical waste streams with a proposal of measures for improving reporting and data quality to comply with the relevant acquis;
- A legal and institutional gap analysis report with the best practices on EPR and economic instruments in selected Member States explained, and proposals of solutions for closing the gaps identified regarding medical and pharmaceutical waste management with guidelines for implementing amendments to the Rulebooks;
- A workshop for representatives of the line ministry and the stakeholders was held.

**Harmonisation with Union acquis:** Waste Framework Directive 2008/98/EC as amended by Directive (EU) 2018/851.

### Recommendations

The report on the state of play on the reporting and quality of data for medical and pharmaceutical waste streams proposes recommendations on how responsibilities arising from the legislation in force are to be shared and carried out, considering the following fundamental principles: self-sufficiency, extended producer responsibility and the "polluter pays principle."

## 7. ORGANISATION OF AN EXCHANGE-PARTNERSHIP VISIT TO A MEMBER STATE FOR GAINING KNOWLEDGE ON THE PRACTICAL IMPLEMENTATION OF CERTAIN ARTICLES OF THE SEVESO-III DIRECTIVE

A study visit to Italy was carried out in the period from 16 to 20 October 2023, organised within the activities of the PLAC III project. The host of the visit was the Veneto Regional Agency for Prevention and Environmental Protection (ARPAV) in Padua and Mestre (Venice). The aim of the study visit was the exchange of information and good practices in the transposition and implementation of the Seveso-III Directive 2012/18/EU on the control of major accident hazards involving dangerous substances. The Directive provides the relevant framework on risk management measures to prevent major accidents and to limit their consequences. Ten participants from the Ministry of Environmental Protection participated in the study visit. The programme included meetings with representatives of ARPAV in Padua, Mestre (Venice) and the Regional Office in Venice, as well as a visit to the ENI Biorefinery Porto Margera and the “San Marco Gas” LPG storage Portogruaro. The topic of discussion during the meeting with the ARPAV representatives was the transposition and implementation of the Seveso Directive in Italy. The practical method of implementation of the Directive was shown during the visit to Seveso establishments, the ENI Biorefinery Porto Margera and the “San Marco Gas” LPG storage Portogruaro. In summary, it was determined that the implementation of the Seveso Directive requires knowledge and skills that must be constantly improved with new technologies/methods in order to increase the process of safety, i.e. industrial safety.

**Beneficiary institution:** Ministry of Environmental Protection

**Harmonisation with Union acquis:** Directive 2012/18/EU on the control of major accident hazards involving dangerous substances (Seveso-III directive).



## 8. ASSISTANCE IN THE ALIGNMENT OF THE LEGISLATION WITH THE EU WILDLIFE TRADE REGULATION

The country progress report of the European Commission for Serbia for 2022 states that alignment with the Union acquis in the field of nature protection is moderate. The institutional and human resource capacity remains weak at the national and local level, in particular regarding to the enforcement and wildlife trade. Wildlife trade in Serbia has been regulated by the framework Law on Environmental Protection, Law on Nature Protection and relevant bylaws and other sectoral laws. The national legislation has been aligned with the EU Wildlife Trade Regulation 338/97, except in the areas modified by EC implementing regulations. Namely, the amendments to the Wildlife Trade Regulation are frequent; hence, the national legislation has to be updated in order to fully align with all the amendments of the Regulation. An expert of the PLAC III project worked together with the line ministry on the legal gap and institutional analysis necessary for the implementation of the requirements of the EU Regulation, as well as on the drafting of amendments to two existing rulebooks in order to achieve full compliance with Regulation 338/97. In addition, although not required initially, the expert has drafted the amendments to the Law on Nature Protection that will provide a legal basis for the adoption of the amended rulebooks.

**Beneficiary institution:** Ministry of Environmental Protection

**Number of experts engaged:** 1

**Number of working days:** 30

### **Outputs:**

- Revised/amended Law on Nature Protection;
- Revised/amended Rulebook on Transboundary Movement and Trade of Wild Species; Revised/amended Rulebook on Conditions of Keeping, Method of Marking and Registration of Wild Animals in Captivity;
- Report on the legal gap assessment of the legislation in the area of Wildlife Trade with recommendations;
- Report on the institutional gap assessment with recommendations for the further upgrading of the institutional setup of the Republic of Serbia for the full implementation of the EU Wildlife Trade Regulation;
- Tables of Concordance on relevant EU legislation in the field of Wildlife Trade;
- A workshop for representatives of the line ministry and stakeholders was held.

**Harmonisation with Union acquis:** Regulation (EC) 338/97 on the protection of species of wild fauna and flora by regulating trade therein.

### **Recommendations**

The revised Rulebooks will be the main legal tool for all concerned public authorities in wildlife trade. The amendments to the existing Law on Nature Protection must be considered and applied when the new law is passed. Regarding the institutional capacities, the number of staff needs to be adapted to the significantly increased workload and permanent communication between all stakeholders involved must be secured.

## 9. ASSISTANCE IN DRAFTING COMPLIANT LEGISLATION TO ENABLE FULL IMPLEMENTATION OF THE UNION ACQUIS IN THE AREA OF INVASIVE ALIEN SPECIES

In the sub-area of Negotiating Chapter 27 - nature protection, the PLAC III project has provided support to the national administration of Serbia in the alignment of the legislation on invasive alien (non-native) species with the Union acquis. In the European Union, Regulation 1143/2014 on the prevention and management of the introduction and spread of invasive alien species sets out rules to prevent, minimise and mitigate the adverse impact on the biodiversity of the introduction and the spread within the Union, both intentional and unintentional, of invasive alien species. There are currently 88 species on the list of the Union whose introduction, keeping, transportation, exchange and release into nature is prohibited. The Regulation stipulates that Member States must have fully operational official controls necessary to prevent the deliberate introduction of invasive alien species. They are also obliged to prevent accidental entry, as well as to early notification, monitoring and reporting if it had occurred. The expert assistance provided by the PLAC III project to the Ministry of Environmental Protection includes the development of a detailed legal and institutional gap assessment with recommendations, preparation of amendments to the Law on Nature Protection governing invasive alien species and a draft by-law to fully align the national legislation with the relevant Union acquis.

**Beneficiary institution:** Ministry of Environmental Protection

**Number of experts engaged:** 1

**Number of working days:** 35

### **Outputs:**

- Amendments to the Law on Nature Protection drafted;
- Draft Rulebook on invasive alien species prepared;
- Report on the legal gap assessment on the legislation in relation to the Union acquis prepared;
- Report on the institutional gap assessment with recommendations prepared.

**Harmonisation with Union acquis:** Regulation 1143/2014 on the prevention and management of the introduction and spread of invasive alien species.

### **Recommendations**

To progress in the accession negotiations, Serbia must prove capacity and a track record of full implementation of EU obligations on invasive alien species before the date of the accession. Hence, national rules equivalent to the directly applicable EU rules must be in place in the pre-accession period. This is why the amendments of the Law on Nature Protection of invasive alien species and a new draft Rulebook should be adopted and implemented as soon as possible, well before the accession of Serbia into the EU. Adequate human resources, but also technical and IT capacities need to be ensured in the competent authorities, above all in the Ministry of Environmental Protection and the Institutes for National Conservation of Serbia and Vojvodina.



# 10. ASSISTANCE IN DRAFTING ACQUIS-COMPLIANT LEGISLATION FOR FURTHER TRANSPOSITION OF THE GROUNDWATER DIRECTIVE

According to the European Commission country report for 2022, Serbia needs to step up efforts to further align its legislation with the Union *acquis* in the area of water quality. PLAC III project has provided assistance to the Ministry of Environmental Protection – Department for Water Protection from Pollution, in order to further align Serbian legislation with the Union water protection *acquis*. A project expert produced a legal gap analysis report on the groundwater legislation in force, including the Decree on Limit Values of Polluting Substances in Surface Water, Groundwater and Sediment and Timelines for the Reaching of the Values with a recommendation of amendments needed to close the remaining gap in the transposition of Groundwater Directive 2006/118/EC. Following the legal gap analysis and taking into account that the law in force provides sufficient legal basis for adopting a new decree, per the beneficiary institution's request, the proposal of a new Decree was prepared instead of the amendments to the Decree in force. The text proposed in the draft of the new Decree provides a closer transposition of the Groundwater Directive, especially the provisions referring to threshold values and groundwater quality standards. In addition, the draft of a legal gap analysis report on the compliance of the Serbian legal framework with a Proposal of a new Directive on water policy (in procedure) regarding provisions relevant to groundwater, with a recommendation for their transposition, was prepared.

**Beneficiary institution:** Ministry of Environmental Protection

**Number of experts engaged:** 1

**Number of working days:** 25

## **Outputs:**

- Draft of the New Decree on Environmental Quality Standard, Threshold Values of Pollutant for Surface Water, Groundwater and Sediment, and Criteria for Assessment Sediment Quality, Manner and Conditions of their Application, and Deadlines for their Achievement;
- Draft of the legal gap analysis report of the Decree on Limit Values of Polluting Substances in Surface Water, Groundwater and Sediment and Timelines for the Reaching of the Values with the recommendations of amendments needed to close the remaining gap in the transposition of the Groundwater Directive;
- Draft of the legal gap analysis on the compliance of the Serbian water protection legal framework with the Proposal of the Directive (COM/2022/540 final) regarding provisions relevant to the groundwaters.

**Harmonisation with Union *acquis*:** Directive 2006/118/EC on the protection of groundwater against pollution and deterioration.

## **Recommendations**

It is recommended to adopt a single by-law that will transpose most of the Groundwater Directive provisions, especially those governing threshold values, groundwater quality standards and an assessment of groundwater quality status. Given the shared competences in the area of groundwater quality, consultations between the Ministry of Agriculture, Forestry and Water Management and the Ministry of Environmental Protection before the adoption of a new Decree are recommended.

# 11. ASSISTANCE IN ENHANCING FURTHER HARMONISATION WITH THE ENVIRONMENTAL QUALITY STANDARDS DIRECTIVE

The Water Framework Directive is partially transposed through the Serbian Law on Waters and by-laws. The Directive 2008/105/EC on environmental quality standards in the field of water policy (EQSD) is partially transposed into national legislation. The Law on Waters provides a legal framework and the basis for a further transposition of EQSD into secondary legislation. The majority of requirements of the Directive, in particular standards for priority and certain other pollutants in inland waters, are transposed in the Decree on limit values of priority and priority hazardous substances polluting surface water and deadlines for the reaching of values. Environmental quality standards for biota, provisions regarding long-term trend analyses, a watch list and some provisions on the content of the River Basin Management Plan regarding priority substances, are provided in the Law on Waters. However, their full transposition is expected through by-laws. The PLAC III project has provided assistance to the line ministry in conducting a legal gap analysis of the Decree on limiting values for priority and priority hazardous surface water pollutants and deadlines for the achievement thereof with the recommendations on the amendments needed in order to close the remaining gap in the transposition of EQSD. Based on the analysis, amendments to the Decree were drafted. Additionally, the legal gap analysis report of the Proposal of the new Directive (COM/2022/540 final) regarding provisions relevant to EQSD was prepared, with recommendations for further transposition.

**Beneficiary institution:** Ministry of Environmental Protection

**Number of experts engaged:** 1

**Number of working days:** 25

## **Outputs:**

- Legal gap analysis report of the Decree on Limiting Values of Polluting Substances in Surface Water, Groundwater and Sediment and Timelines for the Reaching of Values, with the recommendations of amendments needed to close the remaining gap in the transposition of the Environmental Quality Standards Directive;
- Proposal of amendments to the Decree drafted;
- Legal gap analysis report on the compliance of the Serbian water protection legal framework with the Proposal of the Directive (COM/2022/540 final) regarding provisions relevant to the Environmental Quality Standards Directive.

**Harmonisation with Union acquis:** Directive 2008/105/EC on environmental quality standards in the field of water policy.

## **Recommendations**

The text of the proposed regulation is legally compliant with the needs of the EQS Directive. However, further consultations are needed on the monitoring method and establishing a time frame for reaching the prescribed values and deadlines for its implementation. The chemical status of surface water will not be improved only by adopting and implementing this government regulation but with a systemic approach and support to the industry for complying with legislation in the water protection sector and solving the problem of emissions into wastewater.



## 12. ASSISTANCE IN THE IMPLEMENTATION OF MEASURES AND DRAFTING OF ACQUIS-COMPLIANT LEGISLATION WITH EU REGULATIONS FOR A TRANS-FRONTIER SHIPMENT OF WASTE

The trans-frontier shipment of waste in the EU is governed by Regulation (EC) 1013/2006 on shipments of waste. The Regulation applies to shipments of waste between the Member States, within the European Union or with transit through third countries, imported into the EU from third countries, exported from the EU to third countries and in transit through the EU. The Republic of Serbia is a Party to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. As a result, the majority of Regulation 1013/2006 has been implemented through the enforcement of the Basel Convention. Nevertheless, the Serbian legislation has yet to be aligned with the Commission Delegated Regulation (EU) 2020/2174 that amended annexes to Regulation 1013/2006 in the area governing the import and export of plastic waste. Also, the EU has a specific system of rules governing the supervision and control of shipments of waste within the EU and shipments to third countries, including non-OECD Decision countries, as well as specific rules on the export, import and intra-EU shipment of plastic waste as well as the specific “fast-track” procedure for the shipment of certain waste to pre-consented recovery facilities. In order to achieve further alignment with Union acquis in this area, the PLAC III project has provided assistance to the line ministry in conducting an analysis of legal gaps in the Serbian legislation, drafting a by-law implementing a regulation on waste shipment and a rulebook implementing “fast-track” procedures for shipment of certain waste to pre-consented recovery facilities.

**Beneficiary institution:** Ministry of Environmental Protection

**Number of experts engaged:** 1

**Number of working days:** 15

### **Outputs:**

- A legal gap analysis of Serbian legislation against Union acquis in the area of transboundary movement of wastes;
- A draft by-law proposing amendments to the Governmental Decree on the lists of waste for transboundary movement, the content and appearance of documents accompanying transboundary movement of waste with instruction for their completion;
- A Rulebook implementing “fast-track” procedures for shipment of certain waste to pre-consented recovery facilities.

**Harmonisation with Union acquis:** Regulation (EC) 1013/2006 on shipments of waste.

### **Recommendations**

It is important to assess if the number of personnel in the Ministry of Environmental Protection dedicated to the implementation of the trans-frontier shipment of waste is sufficient, considering the amount of notifications and procedures that must be handled to fulfill International Convention requirements and the EU Regulation on shipment of waste after the date of accession.

## CHAPTER 32

### FINANCIAL CONTROL

The *acquis* under this chapter relates to the adoption of internationally recognised frameworks and standards, as well as EU good practices, and on public internal financial control (PIFC) based upon the principle of decentralised managerial accountability. PIFC should apply across the entire public sector, and include the internal control of financial management of both national and EU funds. In particular, the *acquis* requires the existence of effective and transparent management systems, including accountability arrangements for the achievement of objectives, a functionally independent internal audit, and relevant organisational structures, including central co-ordination of PIFC development across the public sector. In addition, this chapter also covers the protection of the EU's financial interests against fraud in the management of EU funds and the protection of the euro against counterfeiting. In the reporting period, PLAC III project provided assistance in strengthening institutional capacities for the control and audit of EU funds.



# 1. ASSISTANCE TO STRENGTHEN THE INSTITUTIONAL STRUCTURE OF THE GOVERNMENTAL AUDIT OFFICE IN ORDER TO ENSURE AN EFFICIENT SYSTEM OF CONTROL AND AUDIT OF EU FUNDS

The Governmental Audit Office of EU Funds (Audit Authority) was established by the Governmental Decree on establishing the Authority. The Audit Authority is functionally independent of all actors in the management, control and supervision system that was established in the Republic of Serbia for the implementation of IPA funds. The auditors of the European Commission, in their Audit Reports, underlined that the Audit Authority should provide and maintain sufficient administrative capacities to ensure the effective protection of EU financial interests, as well as a more coordinated management of irregularities, prevention and detection of errors and fraud, both within EU funds and within national funds. A PLAC III project expert conducted the assessment of the compliance of the current Audit Manual against the requirements of the Financial Framework Partnership Agreement between the European Commission and Serbia under IPA II and proposed amendments to the text needed to close the gap identified and achieve full compliance with IPA III requirements. A report on the assessment of legal and administrative shortcomings in relation to the Agreement, as well as a comparative analysis of audit authorities of selected EU Member States was prepared. A proposal of a Decree on Determination of the Audit Authority relevant to the programmes funded under IPA III and the proposal of a Decree on the amendment of the Regulation of the establishment of the Audit Authority were drafted. Finally, a workload analysis of the Audit Authority administrative capacities needs was prepared.

**Beneficiary institution:** Governmental Audit Office of EU Funds

**Number of experts engaged:** 1

**Number of working days:** 40

## **Outputs:**

- Proposal of a Decree on the amendment of the Regulation on the establishment of the Office for the Audit of the EU Funds Management System;
- Proposal of a Decree on the Determination of the Audit Authority relevant to the programmes funded under IPA III;
- IPA III Audit Manual related to annual and operational programmes drafted;
- Legal and administrative capacity gap assessment for the implementation of the Union acquis relevant to the protection of the EU's financial interests by GAO;
- Comparative analysis of the Peer Audit Authorities in the Member States;
- A workload analysis of the GAO administrative capacity needs to carry out audit functions in compliance with post-accession requirements, with retention policy recommendations drafted;
- A workshop was held.

**Harmonisation with Union acquis:** Financial Framework Partnership Agreement between the European Commission and the Republic of Serbia on Specific Arrangements for Implementation of Union Financial Assistance to the Republic of Serbia under IPA III (FFPA).

## **Recommendations**

The IPA III Audit Manual, especially its annexes, requires further discussions inside the Governmental Audit Office as well as on-job trainings and meetings in order to develop the final version of the manual.

## 2. ASSISTANCE IN ORDER TO STRENGTHEN THE GOVERNMENTAL AUDIT OFFICE'S CAPACITIES TO PERFORM COMPLIANCE ASSESSMENTS OF MULTI-ANNUAL OPERATIONAL PROGRAMMES UNDER IPA III

The new Financial Framework Partnership Agreement between the European Commission and the Republic of Serbia on Specific Arrangements for Implementation of Union Financial Assistance to the Republic of Serbia under IPA III (FFPA) has been agreed upon. Development of the capacities to perform an effective and efficient audit of the EU funds control system has been recognised as one of the measures in the Public Financial Management Reform Programme 2021-2025. Another Programme measure envisages the establishment of a base for strengthening the institutional and administrative capacity of the Governmental Audit Office (Audit Authority) to enable an effective audit of the EU control system, which was in focus of the previous PLAC III project activity. Expert assistance under this activity includes developing a methodology (audit programme and checklists) for performing the compliance assessment of the multi-annual operational programmes under IPA III and in protection of the EU's financial interests in the management of EU funds. A project expert reviewed the existing audit tools and checklist related to the Audit Authority's competences to carry out audits in accordance with the IPA III agreement and the relevant Union acquis and drafted recommendations for achieving compliance. The Audit Programme for compliance assessments of the management and control system established for the implementation of the multi-annual Operational Programmes under IPA III was drafted. On-the-job trainings with the Governmental Audit Office staff (its Audit Team) regarding compliance assessment were held.

**Beneficiary institution:** Governmental Audit Office of EU Funds

**Number of experts engaged:** 1

**Number of working days:** 20

### **Outputs:**

- Audit Programme for compliance assessments of the management and control system established for the implementation of multi-annual OPs under IPA III;
- System Audit Checklist for performing compliance assessments of the management and control system established for the implementation of multi-annual OPs under IPA III;
- Comparison Key Requirements for the assessment of Management and Control Systems in the Member States 2021-2027 and components, principles and characteristics from Annex B of FFPA;
- On-the-job-trainings for the staff of the Governmental Audit Office were held.

**Harmonisation with Union acquis:** Financial Framework Partnership Agreement between the European Commission and the Republic of Serbia on Specific Arrangements for the Implementation of Union Financial Assistance to the Republic of Serbia under IPA III (FFPA).

### **Recommendations**

A workload analysis should be prepared with the inclusion of all audit engagements. The Governmental Audit Office resources should indicate the human resources in auditor days available to accomplish its objective for the forthcoming year.



## HORIZONTAL ACTIVITIES

PLAC III project's horizontal activities cover issues related to all negotiation chapters and the entire EU accession process. In the reporting period, the horizontal issues of fulfilling the political criteria during the EU accession process, like reporting models for Negotiation Chapters 23 and 24, as well as free movement of people were addressed.

# 1. ASSISTANCE IN ASSESSING THE LEVEL OF THE TRANSPOSITION AND ALIGNMENT OF THE LEGISLATION GOVERNING RESIDENCE AND WORK WITH THE RELEVANT UNION ACQUIS

The Serbia 2022 Country Progress Report of the European Commission states that “the procedures issuing work permits to EU citizens who are currently covered by rules for third country nationals need to be further simplified” and that Serbia should continue to enhance cooperation with EU Member States on the coordination of social security systems. The Law on Foreigners and the Law on Employment of Foreigners govern the conditions for the entry, movement, residence and return of foreigners, and the conditions and procedure for the employment of foreigners in the Republic of Serbia and other matters of importance for the employment and work of foreigners. The National Programme for the Adoption of the Acquis envisages the adoption of the Law amending the Law on Foreigners and the Law on Employment of Foreigners with the aim of aligning with Directive 2011/98/EU on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State and other relevant Union acquis. The inter-ministerial working group has prepared the draft amendments to these two laws. In particular, the draft amendments to the Law on the Employment of Foreigners aims at further simplifying the procedure by which a foreigner is granted employment in the Republic of Serbia by introducing a single permit for residence and work. Also, the draft envisages a complete digitization of the procedure for issuing a single permit, which will contribute to the development of a more favourable business environment and facilitate foreign investments. The PLAC III project provided assistance to the Ministry of European Integration in producing the tables of concordance assessing the impact on the level of compliance of the draft Laws with the relevant Union acquis consisting of six directives and one regulation.

**Beneficiary institution:** Ministry of European Integration

**Number of experts engaged:** 1

**Number of working days:** 10

## **Outputs:**

Tables of Concordance for: Directive 2003/86/EC, Directive 2003/109/EC, Directive 2004/81/EC, Directive 2008/115/EC, Directive 2011/98/EU, Directive (EU) 2016/801, Regulation (EC) No 810/2009.

**Harmonisation with Union acquis:** Directive 2011/98/EU on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State.

## **Recommendations**

An analysis of existing and amending legislation of the Republic of Serbia in the field of the work and residence of foreigners shows that a certain content of the highlighted directives is already partially included in the national legal framework. As a general remark, the absence of a distinction between foreigners who are citizens of the EU, EEA and Switzerland and foreigners who are citizens of third countries should be noted. In this regard, it is proposed that even before joining the EU, the national legislation of the Republic of Serbia should be aligned with Directive 2004/38/EC governing the right of Union citizens and their family members to move and reside freely within the territory of the Member States.



## 2. ASSISTANCE IN THE PREPARATION OF A DETAILED INSTITUTIONAL AND IMPLEMENTATION GAP ASSESSMENT OF THE CURRENT MONITORING AND REPORTING MODELS FOR CHAPTERS 23 AND 24

Negotiations regarding Chapters 23 (Judiciary and fundamental rights) and 24 (Justice, freedom and security) were opened in July 2016 on the basis of action plans adopted by the Government of the Republic of Serbia. The Action Plans were revised in July 2020. Negotiations regarding Chapters 23 and 24 of the Negotiation Cluster 1 – Fundamentals continued in accordance with the revised enlargement methodology. The revised methodology clustered Chapters 23 and 24 within a single thematic area (the rule of law and fundamental rights). Thus, the approach modified by the revised methodology requires the unification of an existing system of monitoring and reporting models into a single model for the rule of law chapters enabling closer, clearer and more precise monitoring and reporting on the progress achieved in each. Additionally, it is critical to develop a methodology for delivering a roadmap for the rule of law chapters, which will outline Serbia's general commitments with the measures, clear timeframes, and milestones envisaged to meet the interim benchmarks in order to progress to the closing phase of the negotiations. To that end, the PLAC III project provided assistance to the Ministry of European Integration, as the one in charge of coordinating the EU accession process, in developing a new unified monitoring and reporting model for the rule of law chapters as well as a new methodology for the preparation of the roadmap for the rule of law chapters in compliance with the revised enlargement methodology.

**Korisničke institucije:** Ministry of European Integration  
Ministry of Interior; Ministry of Justice

**Number of experts engaged:** 1

**Number of working days:** 40

### **Outputs:**

- Comparative analysis of the existing reporting methodologies based on Interim Benchmarks fulfilment for Chapters 23 and 24;
- The list of recommendations on how to improve both Chapter 23 and Chapter 24 reporting mechanisms on Interim Benchmarks but also on how to achieve uniformity;
- Draft Joint Interim Benchmarks based on Reporting Methodology for Chapters 23 and 24;
- Pilot Reports on the ten selected Interim Benchmarks in Chapters 23 and 24;
- Pilot reports on the ten selected Interim Benchmarks in Chapters 23 and 24 using the draft joint methodology in an EC-defined Excel table, accompanied by an additional statistical tool developed by experts.

### **Recommendations**

The main findings show that there is a large gap between the existing reporting practices that are, to a great extent, associated with the low quality of the indicators defined in the Action Plans for both chapters. In order to overcome this, it is recommended to bridge this gap by using the high-quality indicators adopted as a part of the recently adopted national policy documents, as well as the universally accepted indicators developed by the international organisations.

### 3. ASSISTANCE IN PREPARATION OF A DETAILED ASSESSMENT OF THE NATIONAL STRUCTURE AND PROCEDURES FOR COORDINATION AND CONDUCTING OF THE ACCESSION NEGOTIATIONS

The Government of the Republic of Serbia adopted the necessary acts establishing a national structure for the accession negotiations, including the Decision on Establishment of the Coordination Body for the Process of Accession of the Republic of Serbia to the European Union, in September 2013. After the revised enlargement methodology of the EU accession was adopted in March 2020, the national framework has been modified by the Government Decision from April 2021 with the aim to adjust the national negotiating structure to the principle of the stronger political steer and to the thematic division of the chapters into six clusters – thematic units. In accordance with the amended structure, the function of the chief negotiator and coordination of accession negotiations have been merged at the level of the Minister of European Integration with the Negotiation Support Team assisting the chief negotiator. The negotiating groups have been grouped into six negotiating thematic clusters with coordinators named for each cluster. The PLAC III project has assisted the Ministry of European Integration in the efforts to further improve and adapt the national negotiating structure to the upcoming stages of the accession negotiations. A project expert has conducted a detailed assessment of national negotiating structures and procedures with an analysis of the national structures for coordination and conducting negotiations. Based on the findings of the analysis, operative recommendations to improve the institutional negotiating framework and monitoring the timely implementation of commitments for the successful closing of the negotiations were drafted.

**Beneficiary institution:** Ministry of European Integration et al.

**Number of experts engaged:** 1

**Number of working days:** 25

#### **Outputs:**

- Assessment report with an analysis of the current national structure and procedures for coordination and conducting of the accession negotiations with operational recommendations aimed at improving their effectiveness and optimisation of the consultations with the civil society;
- An internal training session for the representatives of the Ministry of European Integration was held.

#### **Recommendations**

The easiest way to revive the entire coordination mechanism is to refresh and use the institutions, structures and practises that have already proved to work well, and to the largest extent possible. The institutional memory is mostly built and set on structures made in 2013, with its origins dating from 2008. A Government Negotiating Team (functions) needs to be re-established and reinforced. The position of the deputy chief negotiator should be introduced.



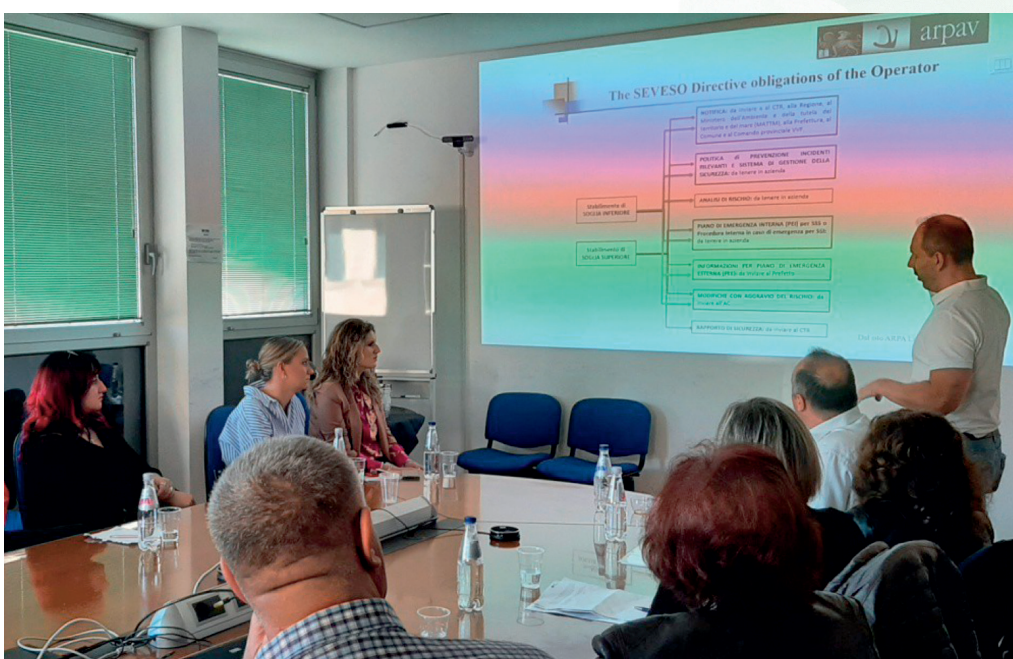
# PHOTO GALLERY











Photos: project archive





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