

Serbia on the Road to EU Accession: Securing ambition for Chapter 27

CSOs' assessment on the Progress of Serbia in Chapter
27: Environment and Climate Change

Reported period: September 2014 – December 2015

EU accession negotiation: How far did Serbia get?

Serbia officially opened the accession negotiation with the EU in January 2014. It took nearly two years to actually open the first chapters in the process. This has finally happened in December 2015, when the EU approved opening of the two chapters: Chapter 32 on financial controls and Chapter 35 on relations with Kosovo*¹.

Two open Chapters are undoubtedly important and politically challenging. However, it must not be forgotten that Chapter 27, dealing with environment and climate change, is one of the most challenging negotiation chapters. It stands for one third of the total EU legislation that needs to be transposed and implemented. It is also one of the chapters that will require the most investment: According to the National Environmental Approximation Strategy for Republic of Serbia (NEAS), it will require more than 10 billion euros to meet all the necessary requirements in this field. This is a conservative assessment made in 2011 and it does not take into account any recent policy developments in the EU. Ever since the EU started tracking Serbia's progress to the EU, this Chapter has been marked very poorly. Since the accession talks are picking up speed, there should be no more excuses justifying the marginalisation of this important topic.

In September 2015, the Serbian government adopted a planning document *Transposition and Implementation of Environmental and Climate Change Acquis - Chapter 27: Status and Plans*, setting out the aim of the Republic of Serbia is to achieve full internal alignment of the Serbian national legislation with the EU acquis by the end of 2018. This means that the work needs to start immediately, with no further ado. However, the speed of transposition must not be to the detriment of a transparent and inclusive policy-making process. It must also ensure that adequate implementation will follow, as otherwise the work will be in vain.

Who prepared this report and why?

The report in front of you is a joint contribution of civil society organisations to the discussion on environmental and climate change concerns that await our society as a whole. This report was jointly prepared by seven civil society organisations from Serbia: Belgrade Open School, Centre for Ecology and Sustainable Development (CEKOR), GM Optimist, NGO Fraktal, Environment Improvement Centre, Young Researchers of Serbia, WWF office in Belgrade and Climate Action Network Europe, one of the largest European NGO coalitions working on climate and energy. Listed CSOs are gathered in a group called Coalition 27, founded in June 2014. This report has been prepared with valuable support of the Heinrich Boell Foundation - office for Serbia, Montenegro and Kosovo and in cooperation with Health and Environment Alliance (HEAL) which provided comments and opinion regarding the air quality.

We have laid out the main developments in environmental and climate policy in Serbia, analysed challenges and provided recommendations on how to move forward. We hereby express our readiness to be actively involved in the negotiation process and offer our expertise and capacities in order to ensure the best possible outcomes benefiting all the citizens of Serbia.

¹ This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence. The decision of the authors is to continue using the name Kosovo without asterisk, which does not reflect the official policy of the Coalition members' attitude towards the status of Kosovo.

The methodology

The report is following the thematic framework of the European Commission 2015 Progress Report on Serbia². When it was appropriate draft legislation has been taken into account. This deviation from the common methodology of Progress report occurred due the fact that environmental policy making process is particularly characterised by the shrinking space for public debate and delay in adoption of legal acts. Insight in policy development process enables better understanding of the state of the art in environmental policy in Serbia.

A deviation from the methodology exists in certain thematic areas, as the organisations did not feel qualified enough to make assessments for the following topics: chemicals management, noise, risk management and civil protection. We hope to strengthen our capacities to deal with these policy areas in the future and have more organisations joining us in this endeavour.

² It is important to note that as of 2015, the European Commission follows a new methodological approach in assessing the country's progress. Clear descriptions of progress as well as more specific recommendations are seen as a positive step forward.

General remarks: Environment is not a priority of the Serbian Government

OVERVIEW

Environmental protection and climate action are not a priority of the Serbian Government. Limited advance has been made towards the approximation of EU environmental and climate Acquis. Negotiations within Chapter 27 were the priority of the Ministry of Agriculture and Environmental Protection in 2015, while legislative activities had been slowed down, which is characterized by the lack of adequate public debate and insufficient horizontal coordination among governmental bodies. This proves the conclusion that capacities of public administration are limited, as emphasized by the European Commission in previous Progress Reports.

Many of our conclusions and assessments correspond to the ones from the 2015 Progress Report on Serbia, published by the European Commission (EC). That report particularly refers to horizontal legislation, where the general impression is that no progress whatsoever has been made over the past year. The participation of civil society and public consultation in decision-making processes must be elevated to a much higher level. That is the mutual standpoint of the EC Report and our analysis.

As regard air quality in Serbia, our sources (“Kvalitet vazduha u Republici Srbiji 2014. godine”³) show that three of Serbia’s eight urban agglomerations fall into air quality category III, exceeding the margin of tolerance of several pollutants. The Serbia 2015 report states that seven out of eight agglomerations exceed that margin. Again, mutual standpoints of our report and the one of the EU are that public participation in this area has been far from satisfactory. Air quality protection strategy has not been developed yet. On the other hand, draft National emission reduction plan for the power sector has been developed without an opportunity for the public to take part in the process so far. Also, one of the most important recommendations of both sides is that air quality plan for Belgrade must be adopted as soon as possible.

In the area of waste management progress has been made in collection and disposal of hazardous waste. Several projects launched by the Ministry of Agriculture and Environmental Protection confirm the above-stated. Even considering that, project implementation in compliance with EU directives and requirements must be improved.

The EU report states that no progress in water quality has been made. However, three relevant documents have been drafted: Water Management Strategy of the Republic of Serbia, National Danube River Basin Management plan and Law on amendments of Law on waters.

Our main conclusion in the area of nature protection is that the reporting period is marked with a further marginalisation of decisions and measures in nature protection and prioritisation of building and construction projects. Little has been done in Natura 2000 implementation process. The positive point is that the Law on national parks has been adopted after many consultations and some controversies. The real challenge will be the implementation of that law.

Industrial pollution is among the biggest environmental problems in Serbia. In March 2015, the Serbian Parliament adopted amendments to the IPPC Law which allow for the prolongation of the deadline for permits. The deadline is now 2020 for existing installations and it is not welcomed. The new IPPC Law does not provide solutions for discrepancies between requirement of IPPC Directive and related Serbian

³ <http://www.sepa.gov.rs/download/VAZDUH2014.pdf>

non-environmental legislation. Legislation dealing with the prevention of accidents resulting in environmental pollution must be one of the future priorities.

Most activities over the past year have been noted in the area of climate change. Serbia submitted its INDC to the Paris conference in June 2015. Development of legal framework for ETS was launched. A working group with representatives of industry, local authorities and civil society was established in 2015. Pre-draft Law on GHG Emission Reduction System was presented in April 2015. Works on comprehensive countrywide climate policy and strategy is slowly moving forward.

As regards to finance, the financing system has not been established yet. The Fund for environmental protection was abolished in September 2012. *Establishment of an effective and permanent financing system for environment and climate action* is emphasized in the Progress Report as a priority of Serbia. The proposed Draft law on environmental protection will not contribute to implementation of the general EU principles related to environment, particularly the polluter pays principle. Inefficient financing framework, with more than 40 million EUR unspent earmarked funds on local level in 2014, diminish the importance of the *Polluter pays* principle. Due to the non-transparent financial monitoring it is not possible to estimate the unspent funds at national level. The increase of environmental fees income is identified from 2010 to 2014, as well as the amount of unspent money from earmarked local funds. It is identified that 5.3 billion of RSD (approximately 44 million EUR), unspent on local level in 2014, is transferred to 2015. The lack of budgetary control, absence of horizontal cooperation between governmental institutions and undeveloped environmental financing system leads toward ineffective environmental policy performance. At the same time, budgetary centralisation shrinks the space and capacities of local authorities to implement local policies. Deepening the gap between central and local level of governance jeopardises opportunities for implementation of the subsidiarity principle in Serbia. It also encourages mismanagement of environmental public funds and a disrespect for legal obligations.

In the period from 2002 to 2014 financial allocations for the environment were symbolic, 0,4 % of national GDP. Having that in mind, the estimation of financial allocation of 144 million EUR, from EU funds, for environmental project related to waste and water management until 2020⁴ should be interpreted with caution due to the obvious absence of managerial and administrative capacities.

Public participation and legislative activities

RATIONALE

Although it has been proclaimed as a key policy issue on the Serbian pathway towards full EU membership, there is no evidence of significant changes in environmental decision making process. Poor legislative activity was spotted with urgent procedures, limited or no public discussions. Despite some positive indications CSOs and the academic community are put aside and public participation is sporadic and not conducted according to Rule of Procedures of the Government of Serbia. Lack of horizontal coordination among governmental institutions seriously jeopardise quality of legislative processes. National Council on Climate Change, established in November 2014⁵, held only two sessions during almost a year of its existence. This Council does not include representatives of civil society organisations nor were any representatives of CSOs (according to our best knowledge) invited to participate in

⁴ Transposition and Implementation of Environmental and Climate Change Aquis - Chapter 27: Status and Plans, pg. 19.

⁵ <http://www.eko.minpolj.gov.rs/osnovan-nacionalni-savet-za-klimatske-promene/>

working sessions. The National Council on Climate Change was informed of the development of Serbian INDC on June 30th 2015.

Within the period from April 2014 to October 2015 urgent legislative procedure was conducted in the Serbian Parliament for 151 out of 259 legal acts.

When it comes to environmental policy making, the key characteristic is the procrastination of the procedure in adopting and amending key environmental legislative acts (Law on Environmental Protection, Waste Management Law and Law on Nature Protection). Public consultation held in July 2015 was not conducted according to Rule of Procedures of the Government of Serbia. Ignoring the fact that public consultations were held in July, during the summer break, and that three comprehensive legal acts were the subject of the public consultations at the same time, we need to emphasize the lack of horizontal coordination between public institutions. According to official information⁶, Ministry of Agriculture and Environmental Protection requested an official opinion from the Ministry of Finance on the Draft Law on Environmental Protection a month after public consultations had officially been closed. The Ministry of Finance provided its comments one month after. According to those comments, proposed establishment of the Green Fund is not acceptable. Delays in providing comments on draft laws developed by Ministry of Agriculture and Environmental Protection are identified for several ministries. Having in mind worrisome environmental condition in Serbia this issue should be taken into account seriously since it proves the conclusion that environment is not the priority of Serbian Government. According to the Rule of Procedures of the Government of Serbia it had been the responsibility of the Ministry of Agriculture and Environmental Protection to conduct consultations with relevant public institutions before the consultations with the public were open and to disclose the results of these consultations to the public (Article 40-41 of the Rule of Procedure). Finally, it is the obligation of the responsible institution to announce any public consultation through E-governance portal (<http://www.euprava.gov.rs/eParticipacija>) and to publish the report on the conducted public consultations (Article 41 of the Rule of Procedure).

Since the Ministry of Agriculture and Environmental Protection was not able to facilitate public consultations according to binding rules it has directly contravened the Guidelines for Inclusion of Civil Society Organizations in the Regulation Adoption Process (Official Gazette RS 90/2014).

When it comes to documents which do not require official public consultations, but are relevant to environmental policy and adoption of EU environmental standards, the same pattern of limited public participation is identified. INDC was developed without broad public participation. Public was informed about intended contribution to GHG emission reduction on April 20th 2015. Coalition 27 has already expressed its concerns regarding the development of Post-Screening Document and lack of adequate public participation⁷.

DEVELOPMENTS

Positive examples worth to be mentioned. Ministry established working groups for development of Law on Environmental Liability and Law on Emission Trading System. Pre-draft versions were announced to the public. Civil society is also involved in the process of establishment of Natura 2000 in Serbia. The Ministry has ensured participation of civil organizations in the national advisory board for Natura

⁶ Ministry of Finance Official Notes no. 011-00-909/2015

⁷ Comment on Post-screening Document Draft – Environment and Climate Change is attached to this report.

2000. Extensive legal incentives in the water sector during 2015 have also shown willingness of responsible authorities to enable public participation although the process could be much more efficient and transparent.

Parliamentary Committee for Environmental Protection became an important platform for discussion and communication between MPs, the Ministry and civil society. However, limited impact of Parliament and insufficient utilization of its monitoring functions diminish the positive influence of discussions within the Parliamentary Committee.

RECOMMENDATIONS

- From our point of view the first step in solving the problem of administrative burden and lack of public consultation should be proper implementation of the Rule of Procedures of the Government of Serbia and more openness and trust towards civil society. It is important to mention that CSOs, for many years, were the advocates and leaders of EU integration process in Serbia. Ignoring CSOs will not support further effort in aligning with EU acquis.
- In 2014, the Serbian government adopted Guidelines for Inclusion of Civil Society Organizations in the Regulation Adoption Process (Official Gazette RS 90/2014). The objectives of the Guidelines are further improvement of CSO participation in the processes of preparation, adoption and monitoring of the implementation of legislation regulating the issues and presenting positions of public interest.
Respect of its own official recommendations would significantly improve legislative process in Serbia.
- Furthering monitoring of legislative activities in Serbia, by the EU institutions, better communication with environmental CSOs as well as publishing of the opinions given by the European Commission to the drafted Serbian legislation will contribute to the quality of legislative process.
- Independence and greater influence of Parliamentary Committee for Environmental Protection should be ensured. The practice of public hearings within the Committee, which provide opportunities for all interest parties for constructive dialogue with MPs before certain legal act enter the legislative procedure within the Parliament, should be encouraged.

1. Horizontal Legislation

RATIONALE

There has been no progress in transposing horizontal legislation while poor implementation is identified, particularly with regard to EIA and SEIA procedures. Implementation of environmental impact assessment (EIA) and strategic environmental impact assessment (SEA) indicate low capacities of responsible public institutions, lack of proper public participation and great influence of the investors.

Local authorities are still struggling with low capacity, low quality of EIA studies and heavy pressure from the investors and politicians. There is no improvement regarding the consultation with the public. Energy Community has identified the problems with EIA procedures in Serbia⁸. *Ensuring that the provisions of the Environmental Impact Assessment Directive are applied in practice, with particular regard to the provisions on public participation and access to justice*, is set as one of the priorities for

⁸ Energy Community Secretariat, Annual Implementation Report, September 1st 2015, pg. 194.

Serbia. Procedural shortages are identified in conducting EIA procedures. Significant legal cases of violating the environmental impact assessment procedures speak in favour of the previously-stated. In Administrative Court judgment no. I-1 Y 11152/13 the official decree on approval of the environmental impact assessment study for two hydro plants on Lim River in Prijepolje Municipality was annulated in May 2015. Violation of the Law on Environmental Impact Assessment, with regard to right of participation, was identified. At the same time the Court identified the violation of the provision of the ESPOO Convention, since no public consultation on the transboundary effects of the project had been conducted, although the project is predicted to be carried out on the border between two countries, Serbia and Montenegro. The same issue is identified with regard to the environmental impact assessment procedure for the construction on new block of lignite power plant in Kostolac Municipality, close to the Serbian-Romanian border, since transboundary public consultation has never been conducted for the EIA study in 2013. Lack of capacities of environmental CSOs and low interest of the legal professionals for environmental jurisprudence is the main reason that such cases are still rare in front of the Serbian courts.

It is identified that local and national authorities omit to conduct SEA for environmental plans and programmes. It is reported that National Emission Reduction Plan for Power Sector was developed but, according to the official information, strategic impact assessment has not been conducted. SEA Directive (2001/42/EC) defines environmental assessment as an important tool for integrating environmental considerations into the preparation and adoption of certain plans and programmes which are likely to have significant effects on the environment. It is clearly stated in SEA Directive (Article 4, General Obligation) that environmental assessment shall be carried out during the preparation of a plan or programme and before its adoption or submission to the legislative procedure. According to EC Progress Report 2015 work on a national emission reduction plan for the power sector was completed. Article 6 defines that draft plan or programme and the environmental assessment report shall be made available to the authorities and the public.

Problems with regard to free access to documents are identified. ECO Register of the Environmental Protection Agency is not being updated properly (eg. when searching for National Environmental Approximation Strategy incorrect information about current Ministry displays <http://www.ekoregistar.sepa.gov.rs/nacionalna-strategija-za-aproksimaciju-u-oblasti-zivotne-sredine-za-republiku-srbiju>). In several cases in 2015 Ministry of Agriculture and Environmental Protection omitted to deliver information of public importance upon the request, according to terms defined by the Law on Free Access to Information of Public Importance. It happened regardless the fact that NPAA witnesses the Directive (2003/4/EC) on public access to environmental information is almost completely transposed by the Law on Ratification of the Aarhus Convention, Law on Ratification of PRTR Protocol, Law on Personal Data Protection and Law on Access to Information of Public Importance. Incompatibilities between the Law on Access to Information of Public Importance and the Law on Environmental Protection are identified by the UNECE in Third Environmental Performance Review for Serbia (2015). Law on Environmental Protection provides less favourable terms of access to environmental information than does the Law on Free Access to Information of Public Importance.

DEVELOPMENTS

However, some improvements are identified in prepared draft laws with regards to transposition of horizontal legislation. Also, the quality of the Annual report on the state of environment has slightly improved.

It is important to mention that Draft Law amending the Law on Environmental Protection (which was the subject of public consultation in July 2015) offers the solution for above mentioned incompatibilities between Law on Environmental Protection and Law on Free Access to Information of Public Importance. By the second version of Draft Law on Environmental Protection (published for the purpose of public hearing in the National Parliament) definitions of the public authority and environmental information are aligned with the provision of the Aarhus Convention. The incompatibilities between Law on Access to Information of Public Importance and Law on Environmental Protection, in relation to the obligation of the authorities to act in accordance with set deadlines, will be solved since the priority of the Law on Access to Information of Public Importance is approved. The transposition of the Environmental Liability Directive has begun. Working group, consisting of representatives of Ministry and governmental agencies and bodies, Chamber of Commerce, representative of insurance company and civil society organisation, has been established. The first pre-draft version of the Law on Environmental Liability has been developed and discussed with the private sector and interested public. Public discussions regarding the Environmental Liability Directive transposition, currently in its early stage, could serve as a role model for improvement of legislative processes.

RECOMMENDATIONS

- Respect for legally binding rules for implementation of EIA procedures, and implementation of the principles of Aarhus Convention, are the key elements for an effective horizontal sector.
- Unfair political pressure investor influence must be tackled so as the professional and experienced public officials can perform their work more objectively.
- Principles of sustainable development must be respected as a framework for projects with obvious adverse effects on the environment. Nature protection, particularly in natural protected areas must prevail towards particular economic interests.
- Interests and specificities of local communities must be taken into account in project development, particularly in water management, waste and renewable energy.

2. Air Quality

OVERVIEW

Monitoring system data availability is reducing year after year. This is putting in doubt the achievements in better air quality. Some progress was made in drafting document with the aim to improve air quality, but no progress was made when it comes to the adoption or implementation of the documents.

RATIONALE

There have been improvements since 2014 in **air quality** in 2 out of 8 agglomerations in Serbia. The annual update of air quality⁹ showed that three of Serbia's eight urban agglomerations fall into air quality category III, exceeding the margin of tolerance of several pollutants. Improvements have been noted since 2014 in air quality in two agglomerations: Belgrade (from category III (over-polluted) to category II (moderately polluted)), and Kosjerić (from category II (moderately polluted) to category I (clean to slightly polluted)). However, there has been reduction in operational air quality monitoring

⁹ "Kvalitet vazduha u Republici Srbiji 2014. Godine" <http://www.sepa.gov.rs/download/VAZDUH2014.pdf>

carried out in 2014 in comparison to previous years. Majority of the monitoring system missing in the analysis are from agglomeration Belgrade.

Draft **Air quality plans** for Belgrade entered public consultations.

Public participation in the process lasted 2 weeks. That period is completely inadequate to allow proper assessment of a 170-page document that represents the action plan for better air quality. Such a process hampers the comprehensive participation of the public in environmental decision-making. Moreover, to date, draft air quality plan for Belgrade has not been adopted. It cannot be determined with certainty what the barriers in the adaptation of the plan are.

Due to the obligations under the Energy Community Treaty Serbia has started work on a National Emission Reduction Plan (**NERP**) for its power sector, in order to achieve nationwide emission reduction. It is reported that NERP is submitted to Energy Community Secretariat.

Full functioning Air quality monitoring systems need to assure the full functioning in order to provide unbiased data for air quality in the country.

Speeding up, ensuring transparency and public participation in the process of adopting Air quality plans for Belgrade and other cities urgently need.

RECOMMENDATIONS

- Air quality monitoring systems need to be improved, particularly in agglomerations such as Belgrade.
- Transparent public participation needs to become a priority.

3. Waste management

OVERVIEW

The current situation of waste management is not satisfactory. Formal commitments are either partially fulfilled or unfulfilled completely – which is blocking the progress in this area.

New legislation is still in the provisional phase; adopted legislation is faced with significant barriers on the implementation level. The two key documents intended to replace the old ones are still in preparation phase. The new Waste Management Strategy is under development as well as amendment to the Law on Waste Management. Drafting of the new Waste Management Strategy is taking place without proper public debate over the results, strengths and weaknesses of the previous Strategy (2010-2019). Although the Draft Law on Amendments to the Law on Waste Management was subject to public hearing back in October 2013 and according to the Action Plan for meeting the recommendations of the European Commission in February 2014 the adoption of this law was planned for the first quarter of the same year, the current stage of the development is unknown.

Full compliance with the Waste Framework Directive has not been achieved and the implementation of other adopted legislation facing significant barriers in implementation.

Following the adoption of the current Law on Waste Management (Official Gazette no. 36/09, 88/10) and the Law on Packaging and Packaging Waste (Official Gazette no. 36/09), by-laws that closely regulate this area were also adopted and are still valid.

The conclusion that stems from the deep analysis of the local waste management plans of many different local municipalities is that they copied each other at the local level and misfit local specificities. Consequently, their implementation is questionable. Also, there are significant differences in data that local municipal utilities submit to Environmental Protection Agency and the data in Local waste management plans that are produced for the same municipality. Overall the quality of the data submitted by public communal utilities is very low, which therefore threatens the national statistics and future documents. For that reason, one must determine the amount of municipal, commercial and industrial waste and then determine the amounts of waste that are non-hazardous, inert and hazardous.

Reported data by local municipal utilities on the composition and quantity of municipal waste, as well as the types of waste collected separately, is still unreliable. Despite numerous trainings, manuals and instructions given by Environmental Protection Agency (EPA) for the methodology of collecting and reporting data, local utilities for waste collection did not show any improvement.

The major problem is that the waste is not being collected from the entire territory of the municipality. There is also no adequate separation of waste so that municipal waste can easily contain other types of waste (including hazardous waste) which prevents exact and precise determination of the types and amount of waste.

It was identified on several hotspots that animal and slaughterhouse waste is being disposed on public dumpsite (Municipality of Sjenica, Municipality of Priboj, and Municipality of Prijepolje). Those dumpsites are located on the bank of the rivers.

It is worth noting that the technical equipment of public utility companies (PUCs), especially in undeveloped municipalities, is inadequate or outdated and hampers the job of collecting waste and the remedy of "illegal dumps" is usually also within the competence of the PUCs. According to the data of the Environmental Protection Agency there are more than 3,000 illegal landfills in Serbia.

The amount of waste disposed of in landfills is not being reduced. The share of organic components in municipal waste is around 50%, while the separation of recyclable waste and recycling are below satisfactory levels. Although recycling is defined by law, in practice it does not work. Despite good but sporadic examples of collecting PET packaging and paper, there are no instruments for system support recycling industry. Overall awareness of recycling and waste as a raw material is at very low levels. All this results in the fact that there are still large amounts of waste disposed in landfills and dumps. Local governments have limited human and financial capacities and have not been able to establish an integrated system for managing waste. For example, on the territory of the municipality of Kraljevo (the largest local self-governance unit in Serbia calculated in km²) municipal waste is collected by only 10 trucks with average age of more than twentieth years old. Rare municipalities with established system for primary selection of waste faced financial difficulties and the sustainability of the projects are challenged (eg. Municipality of Bajina Bašta)

In the jurisdiction of the local government is site selection and construction of regional sanitary landfills. Limitations are numerous and the biggest among them is lack of funds. However, with a different approach and application for local governments in various funds and with the logistical support of the state, the job could be made easier. The current Waste Management Strategy (Official Gazette No. 29/10) stipulates that Serbia's territory is covered by a network of 26 regional sanitary landfills. Some

of those landfills were put in operation or the projects are launched (Subotica, Indija, Nova Varos, Zrenjanin, etc.). The project that implements inter-municipal agreement on Regional waste management center in Subotica is launched in November 2015. It is worth to mention that Inter-municipal Agreement has been signed in 2007. Kikinda landfill is problematic due to the unprofitability caused by insufficient quantities of waste (waste from all municipalities planned for waste disposal is simply not being transported there).

Landfills for the disposal of communal waste in Serbia often do not meet the minimum requirements established by EU Directive on the landfill (1999/31/EC). Actually there are about 120 dump sites under responsibility of local authorities where local public utilities dispose communal waste. Within Draft Law on Waste Management Ministry introduces new term “unsanitary landfill” which is a term without any linkage with EU waste management legislation. Due to the absence of the primary selection and a large fraction of organic components in the composition of municipal solid waste, landfills are the sources of emission of greenhouse gases, namely methane. This gas is highly reactive and causes explosions and fires in the landfills. Disposal of highly flammable materials such as tires and plastic materials on the dump sites causes fire also (City of Kragujevac in May 2015).

Ecological problems of the existing landfills is the main issue in some municipalities (eg. in the municipality of Smederevo the landfill is located on the former riverbed. In Priboj, the landfill is on the regional road Bistrica - Priboj and fires can almost always be noted. In Raska and Novi Pazar the depots are located on the river Raska where waste enters the Ibar River, and then flows into the Zapadna and Velika Morava rivers. This problem is also present on the bank of Drina River. Many landfills had been closed and never repaired (eg. closed landfill in Belgrade on Ada Huja), while on many locations the exploitation period is long surpassed.

RATIONALE

Developments

The goal of the Republic of Serbia is to align with EU environmental standards. It means that Serbia needs to follow and to cope with EU environmental objectives set up in legislative acts and strategic documents. The development of waste management systems must be directed towards implementation of the EU waste management objectives meaning:

- to reduce the amount of waste generated;
- to maximise recycling and re-use;
- To limit incineration to non-recyclable materials;
- To phase out landfilling to non-recyclable and non-recoverable waste;
- To ensure full implementation of the waste policy targets.

Since there is no adequate system of waste collection and disposal established it should be done in accordance with the sustainable development principles, transparency and accountability in project management. Future projects, have to be developed and implemented in cost efficient, transparent and accountable manner. The interest of the local communities, particularly those directly affected by the projects, must be taken into account and sufficient time for public awareness and consultation should be obtained. Interests of the local stakeholders, i.e. citizens and communities, have not been taken into consideration in project development so far and EIA procedures were conducted *pro forma* only.

Notable progress would be achieved through primary separation and the increased share of the recycling industry in this business. The energy would be spared, as well as raw materials and that would extend the exploitation period of the landfill.

Much attention has recently been given to PCB, or otherwise known as "the silent killer", that many regard as the most dangerous waste. Due to its structure, resistance and modes of transmission, PCB (polychlorinated biphenyls) remains in soil and water for a long time and has both long-term and extremely negative consequences on human health, since it is toxic and carcinogenic. An encouraging fact is that the Ministry of Agriculture and Environment has initiated several projects in the past year aimed at removing PCB waste from the environment in EPS, Prva Iskra Baric, Minel, foundry Topola etc. The quantities of residual PCB wastes are measured in hundreds and thousands of tons and according to the current EU directives in the years to come all PCB waste must be neutralized and PCB oils must be replaced by other types of oil.

Challenges

1. Strengthening of the institutional framework, local authorities and cooperation between all levels of the government.
2. Completion of drafting or revision of local waste management plans, redefining the transfer stations and the strengthening of recycling (primary separation, recycling centers etc).
4. Improve cooperation between municipalities in finding proper solution for solving the problem of waste disposal.
5. Improve the work of the inspection services
6. Removing "illegal dumps", especially from the protected water zones (eg. Knic and Uzice), protected areas, populated areas, near agricultural areas and riverbanks and others.
7. "Convincing" the population to collect waste, even though there has never been an organized waste collection in the city.
8. Education of the society, with emphasis on the younger population.

RECOMMENDATIONS

- The penal policy on waste disposal should be strengthened and properly imposed. This includes individual disposal of waste (eg. Croatia), debris, dead animals etc. for the civilian sector; for responsible public officials and public utilities, companies and business entities.
- Where appropriate, utilize unspent earmarked local funds for remediation of dumpsites. Municipalities with identified unspent funds, which cannot be proved by objective reasons, should not be supported by national and international financial support.
- Create more employment in the recycling industry and improving the system of referring to specific waste streams - recycling area (glass, tires, batteries and accumulators).

- Develop the system of treatment of animal waste.

4. Water Quality

OVERVIEW

Water management is still recognized as one of the most challenging aspects in the whole process of accession. First of all, improvement of the water quality is dependent on large infrastructural investments (sewage systems) which largely exceed capacities of national economy. The other very important reason is the sole nature of water management, namely its overreaching scope which cannot be easily put in a single, rigidly defined sector. It seems that the first reason is, although present and relevant, often overestimated by the representatives of the Government and used as an alibi for slow progress in water management sector. Statements that not much can be done with water quality without large financial support are often heard. This is partly true but the problem is that the other challenging aspect mentioned above is largely underestimated or just formally considered.

Large infrastructural investments will for sure need decades to be implemented, but in order to implement them a comprehensive, coherent, integral, participative and multidisciplinary system for water management has to be established. This system is not that much dependent on budget but more on organizational capacities. Some progress is evident in terms of strategic and legal documents. Government has shown strong incentive for development of new strategic document but the old practice of centralistic approach is still present. Much more could and should be done in terms of integration of different aspects of water management, cooperation with other sectors relevant for water management (i.e. forestry, nature conservation, energy), building capacities and enabling participation of all relevant stakeholders. It is unacceptable that such a challenging and complex issue as water management, is so underrepresented in public, media and political programs. The Government and the ministry responsible for water management have to seriously increase their efforts to bring the topic of water, as one of the most important natural resources, in focus of the society.

RATIONALE

Strategic and legal documents subdivide the water management sector in Serbia in three main sections: water utilization, water protection and protection from waters (flood prevention).

Water utilization besides water supply for individuals and industry includes also use of water for irrigation (agricultural production), energy production, navigation, aquaculture and sport and recreation.

According to the newly drafted strategic documents status of water supply in Serbia differs significantly among the regions. In general water supply is on a satisfactory level (over 80% of the population has organized water supply). Recognized problems are high losses of water in distribution networks, low quality of distributed water (mainly in Vojvodina), overexploitation of ground waters and weak protection of water catchments. Unfavorable situation with water quality in Vojvodina is long lasting problem and no significant improvements have been made in past years. Many large aggregations like the City of Zrenjanin don't have regular supply with drinkable water. There are many reasons behind, but weak or even absence of control of polluters is for sure one of the main among them. Recent events in Novi Sad, in July 2015, where polluted waters (intensively red colored) were spilled directly into the Danube clearly depicts the situation with control of pollution of waters in Serbia. Although the case raised big public concerns, polluters have not been identified and it ended only as political fuss with

unidentified responsibilities. Lack of the control of water quality in rural areas, which use local supply systems pose a huge health and safety risk, as considered by experts from the Public health institute. Additional problem is lack of comprehensive monitoring and control system for use of ground waters. Governmental bodies admitted in the recently developed documents that they don't actually have record of all ground water wells which are used. At the same time they missed to propose sound system for overcoming this situation.

Water prices are still unacceptably low in Serbia, far lower than an economic price. Such artificial price development, driven only by political means not by actual market conditions, leads to irrational use and deterioration of all water resources and continual disintegration of water management sector. Shortage of water management funds, as a consequence of low water price, has effects on all aspects of water management (water protection, as well as on flood management and regulation of water bodies).

Improving irrigation systems in Serbia is one of the topics which have been often mentioned in the past year. It was recognized as one of the necessary prerequisite for development of agriculture. It is obvious that irrigation systems are underdeveloped but intensive campaign on rapid enlargement of such systems while neglecting potential environmental impacts raises many concerns.

Hasty and reckless mini-hydropower development (MHE), is an issue already recognized by many environmental organization and local communities. Unfortunately, the sector for water management keeps a very passive position against these developments and allows it to be driven and prioritized by the energy sector. One of the examples for neglecting of high potential risk of purely planned MHE is the reluctance for adoption of the Rulebook for defining minimum environmental flow. This Rulebook is defined by the article no. 81 of the Law on waters (2010) but there are still no signs of its adoption or even draft proposals. Due to that environmental flow is defined analogically, by use of old and incomplete hydrological data and without any consideration of ecological aspects.

It is emphasized by Progress Report 2015 (pg. 42) that any further development of hydropower should be in line with EU environmental legislation.

Tourism and recreation developments are not seriously considered as potential threats for water protection. But safe solutions are available. Despite very bad examples of tourism developments in terms of water management like Kopaonik and Stara Planina (ski resorts developed in high elevations, almost on top of the mountains) responsible institutions in water management sector are still reluctant to more intensively take part in planning of these areas and to try to prevent solutions which are of high environmental risks.

Wastewaters treatment is without any doubt the biggest challenge in water management sector in Serbia. The level of processed wastewaters is very low (below 10%). Funds needed for improvement of water sewage systems make the biggest portion of the estimated amount of money needed for approximation in the whole water management sector. These amounts are huge challenge even for much larger economies but very slow development of waste water treatment facilities in Serbia should not be assigned only to financial constraints. Namely, lack of systemic approach and prioritization has resulted in unacceptable long projects implementations. For example, plans for the Belgrade sewage system (interceptor+ wastewater treatment facility) appeared for the first time in 1980's. Nowadays, only 50% of the interceptor has been built, although its funding was supported by international funds (Government of Japan). Again, the whole process of development is strongly affected by political disputes and lack of continual policy. Another issue which depicts institutional causes off weak wastewaters treatment is low functionality and poor maintenance of existing sewage systems. Most of them do not work in full capacity or do not work at all.

Extraction of river sediments has for a long time been one of the serious challenges for water protection. It has mainly been considered as a tool for water regulation and flood prevention and environmental impacts has never been comprehensively considered. Such practice has resulted in sincere deterioration of riverine habitats, especially on river Drina and Morava (Južna, Zapadna and Velika). Current situation of these rivers shows that hardly any regulation and control has been implemented in use of river sediments.

Policy and practice of flood protection in Serbia mainly remains focused on technical, constructional measures for regulation of water bodies. Of course, those kinds of measures are necessary for efficient flood protection system but at the same time they are not sufficient and they have to be supported by strong integration with natural solutions for mitigation of high waters risks. After catastrophic floods in 2014 the Government has mobilized its resources for better planning and implementation of flood protection measures but, again, natural potentials and possible environmental impacts are mainly neglected.

At the end, climate change, as the main global challenge, remains mostly unrecognized in the current water management policy in Serbia. However, many studies have shown scenarios which deserve particular consideration but adequate reaction from policy developers is still missing. Having in mind current problems in Serbia like high losses in distribution of drinkable water, low prices of supplied water, irrational use, low percentage of treated wastewaters, passive approach in flood prevention and control with low integration of natural solutions, prompt and thoroughly planned actions for climate change mitigations are needed.

Developments

The past period (since 2014) in the water management sector is mostly characterized by strong incentive for development of strategic and legal acts. Three relevant documents have been drafted: Strategy of water management in the Republic of Serbia, National Danube River Basin Management plan and Law on amendments of Law on waters.

The Strategy of water management in the Republic of Serbia is long awaited strategic document for water management. Legal frame for the Strategy was established 5 years ago in the Law on waters. The document was drafted by the Institute for Development of Water Resources Jaroslav Černi. The whole process of developing was mainly non-transparent and no clear evidence of structured negotiation process is shown, especially in the early stages. The draft was submitted for formal public consultation (defined by the law) but that was a final draft with already defined concept which was almost impossible to influence at that stage. The developers only formally stated in the draft that “many experts and institutions had been consulted”. Obvious sign of low intensity of the consultation process is almost complete avoidance of sector for environment (as stated by the representative of the Ministry for agriculture and environmental protection on the public discussion). The Coalition members took part in the public discussion and have sent written comments. There is no response on the comments yet.

In general some improvements in the concept of water management are visible in the new Strategy. Main improvements are made in the direction of the harmonization of a national concept with EU practice in water management. The developers try to focus on integral management but it was mainly done only formally without concrete actions and proposals. Inter-sectoral cooperation is recognized as challenge but not really operationalized. Focus to “traditional” aspects of water management is still clearly visible and overarching issues have not been thoroughly considered. Overall assessment that the waters in Serbia are generally in good status raises some concerns. That good status is mainly explained by high natural potential for purification. Such statement doesn't provide incentive for active

management (water protection) and direct the management in more passive approach. Also, such consideration neglect specific ecological and regional features (i.e. overall status can be “good” but certain localities, water bodies, species or ecosystems can be strongly affected and endangered by low water quality). The Strategy is still in process of adoption and according to the plans it should be in power till the end of this year.

The National Danube River Basin Management Plan, has been obviously developed synchronously with the Strategy. The public discussion was held only a month after the discussion for Strategy. The consultation process was organized in a same manner as for the Strategy. Only final public consultations have been organized. The members of the Coalition have prepared and submitted comments. Overall comment is that the Plan is just a slightly modified Strategy. Objectives and measures are almost completely copied from the Strategy with only small changes related to time periods. The Plan has not defined responsible institutions or concrete measures. Coalition members propose redevelopment of the whole Plan since it misses many relevant parts and does not provide frame for concrete implementation. However, this is hard to be expected since the adoption is planned for this year.

The amendments on Law on Waters have also been prepared in the fall 2015 almost in the same time with the Strategy and the Plan. The amendments are mainly focused on harmonization with acquis. General impression is that the amendments significantly improve national legislation and bring it closer to WFD. However, frame for fully integral management with proper consideration of natural solution and ecosystem services is still missing. Draft Law on Water Management raises the question of integrated water management since it provides opportunity for establishment of private ownership over the water land.

Also, the amendments only vaguely tackle some burning challenges like mini-hydro power developments and river sediment extractions. It was planned the amendments be adopted by the end of 2015 but it was not a case. Ministry for agriculture and environmental protection has announced second round of amendments to be developed in 2017.

Challenges

It is obvious that the water management sector is in unfavourable situation with many operational challenges. At the same time its capacities are continually weakening as it is also recognized in the recently developed strategic document. Improvements are prevented by very restrictive and rigid Government policy in regards to public sector. Much more support should be given to one of the most challenging sector in the whole process of accession.

Integration of other sectors and structured and well organized cooperation of all relevant stakeholder is an unavoidable prerequisite for sound water management. Some improvements have been made in that sense in Serbia but it is still far from sufficient. Particularly challenging is the integration of other sectors and establishment of integral water management systems. The water management is divided in couple of ministries and obviously their joint work is not on a satisfactory level. There is still overlapping of responsibilities or even conflicts in management principles. Probably most challenging is the integration with spatial planning and energy sector.

The Law on waters from 2010 has established National council for waters and National conference for waters. Both of these bodies are almost invisible in current water management practice and public. It is almost impossible to find any sign of their activities (reports, statements, decisions) in public media.

The concept of the Council and the Conference is needed for sound water management but it should be much more supported and facilitated.

RECOMMENDATIONS

Having in mind the aforementioned challenges in the water management sector in Serbia, the following general recommendations should be considered:

- *Capacity development and consolidation of public institutions for water management*- all relevant strategic documents (NEAS, Strategy for water management) underpin low capacities of public bodies (both on national and local level). The number and scope of the challenges demand a much more effective and organized public sector. A responsible institution should analyze existing capacities and develop a plan for their improvement as soon as possible.
- *Putting forward a “water issue”*- the topic of water management is underrepresented both in the public sphere and on political agenda. The relevance of water as a critical resource is somehow not publicly or officially recognized; more efforts should be made to address that. For efficient awareness raising, the public sector must develop ways to improve cooperation with non-governmental actors and local communities. These efforts are a prerequisite for achieving the first recommendation. Public and political acceptance of additional capacity building can be assured only by better recognition of the relevance of water issues.
- *Effective collaboration with other sectors*- water management issues are spread in many governmental sectors and therefore they are very challenging in terms of governance. It is obvious that inter-sectorial cooperation in the field of water management does not function properly. Better engagement of other sectors in policy development of the water management sector should be assured; as well the public institution should make more efforts to influence policies of other sectors in case they are affecting water management. The existing Council for waters represents a good opportunity for integration among sector, but its functioning has to be significantly improved.
- *Improvement of public participation in policy development in water management sector*- the recent process to develop the Strategy for water management shows a pattern of only formal public participation. The public sector, not just the responsible ministry but also other institutions engaged as developers, should enable more insight in the process of policy development, especially in the early stages. The National Conference for Waters could be a very efficient tool for fostering public consultations but, as in case of the Council, its functioning needs to be redesigned.

Beside above mentioned general and organizational recommendations, water management should focus more on the following, more specific issues:

- *Integration of natural solutions in water management and better consideration of ecological services*- this is particularly important for flood protection and water protection. The concept of water management is still mainly founded on intervention and constructional measures. An approach which accepts the natural values and natural potentials and which supports protection of natural ecosystems should be developed and promoted. For this purpose the water sector needs to improve cooperation with environmental sector.

- *More decisive approach in water price policy*- all analysis agree that the water price in Serbia is below any rational level but concrete actions are still missing or are very slow. These activities are of high importance for efficiency of all other aspects in water management, especially water protection.
- *Concrete planning and measurements to improve the monitoring of waters according to the WFD requirements*- both the Strategy for waters and the Plan for the Danube River Basin have recognized many weaknesses in monitoring, especially of biotic features, but they didn't provide any actions for overcoming that situation. Stronger cooperation with the environmental sector, both public and scientific institutions, is crucial for achieving of efficient monitoring.
- *Incentive for active management in water protection* (improvement of status of waters) - general and frivolous assessments that the status of Serbia is "satisfactory" have negatively affected integral and active management of waters. In the situation where almost all waste waters are untreated, official policy must not focus on passive management and natural potential for purification. Local and regional specifics should be considered and evaluated, and specific measures should be planned. Establishing a sound monitoring system is a prerequisite for this set of actions.
- *Integration of nature directives (Birds and Habitat Directive) in water management*- European ecological network Natura 2000 network is the main mechanism for conservation of species and habitats in EU. Many of the future Natura 2000 sites in Serbia will include different types of water habitats. Therefore, sound water management integrated with conservation objectives would be necessary to achieve favourable status of species and habitats in those areas. Nature directives could be also used as an efficient tool to support objectives defined in WFD and other national objectives for protection of waters. Responsible institutions in water management should mobilize their capacities and proactively participate in the development and management of future Natura 2000 network.
- *More decisive policy in regards to development of mini-hydro power plants* -the water management sector should be proactive and should try to define sensitive areas (water bodies) which should be preserved and criteria for selection of appropriate locations for MHE. Rulebook on environmental flow should be adopted as soon as possible.
- *Environmental impacts of certain water management measures should be considered more thoroughly*- this is especially the case for flood protection, regulation of water bodies and development of irrigation systems.
- *Water protection measures should be better implemented in spatial planning*- this is especially the case for tourism development and for regulation of settlement sprawl around rivers.
- *Extraction of river sediments should be more restrictive and better controlled*- new Law amendments have ensured some progress in this issue but additional actions, together with other sectors, are urgent. Annual plans for sediment extraction are very good idea but they have to be followed with strong organizational, logistic and expert support on all levels (national and local).

5. Nature Protection

OVERVIEW

In the nature protection sector reporting period is marked with a further marginalisation of decisions and measures in nature protection and prioritisation of building and construction projects.

There is a big political pressure on nature protection institutions (from state institutions to protected areas managers) which leads to limited communication and exchange of information (among institutions, between institutions and CSOs) and, as a consequence, poor implementation of legislation, lack of financial support from the state etc.

Additionally, as an effect of direct political pressure on experts' work in the institutions, it has been noticed that very active professionals, trained and skilled on implementation of Acquis, are leaving institutions. This very negative trend will slow down processes of EU integration in nature protection sector, and put under risk implementation of IPA projects.

At the same time, there is lack of capacities within Ministry of Agriculture and Environmental Protection for nature protection. There is a lack of personnel but also lack of knowledgeable and skilled staff to deal with EU integration issues among employees (most of the job is done by one person).

Financing nature protection is a problem. It is interlinked with the issue that initiated Fund for environmental protection is still not operational. Following new developments, and communication between Ministry of Agriculture and Environmental Protection and Ministry of Finances, the structure of new Fund will not be in favour for nature protection.

RATIONALE

Developments

There have not been significant developments in the nature protection sector.

Limited progress is done in increasing percentage of protected areas by establishing new areas. Implementation of CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) is progressing.

There is a progress in announcing and holding public consultation process for nature protection laws. Government has slightly improved practice of public participation. Some formal prerequisites like announcing and public presentations of new documents have been performed but it is still far away from efficient and fully transparent consultation process. Public Consultations for Law on Nature Protection and Law on National Parks were organized. Results of public consultations are published on the website of Ministry of agriculture and environmental protection. Still, there is a space for improvement especially in early involvement of civil society in the process and in facilitating dialogue (e.g. allowing free expression of opinions during public presentations).

Challenges

Officially it is assessed that Birds and Habitats Directives are almost fully transposed but amendments are needed, especially harmonization with legislation of other sectors. There is a need for better

definitions and improvement of certain terminology, to clarify roles and responsibilities etc. A commitment to implement nature protection legislation is missing.

Government is doing little on establishment of Natura 2000. All plans and actions for Natura 2000 are related to EU funds, which demonstrate lack of interest of the Government for this field. It is expected that IPA project which, will technically and practically support establishment of Natura 2000 in Serbia (EuropeAid/133834/C/SUP/RS), will boost the process.

The department for nature protection within the Ministry of Agriculture and Environmental Protection has established working group for Natura 2000 and invited representatives of civil sector to participate. But, there is no clearly defined what is the aim, scope and model of work for this working group. In January 2015, UNDP have initiated development of Directive Specific Implementation Plan for Birds and Habitats Directives. One consultative meeting was hold and structure of plan discussed. But there is no clear connection of this plan with other plans and programmers of the Ministry and other responsible institutions.

The document which illustrates the situation with Natura 2000 in Serbia is an “Assessment of State of Implementation and Identification of Steps towards Special Protection Areas and potential Sites of Community Importance Designation in Serbia” done under ECRAN (**Environment and Climate Regional Accession Network**). One of the recommendations in this document is: “A real challenge is the nonexistence of a roadmap to implement Natura 2000. It causes a lot of misunderstandings and unrealistic expectations (mainly the underestimation of the level of difficulty of the task). The MAEP should start with elaboration of the roadmap including negotiation with partners, and approve the roadmap officially as soon as possible”.

The Law on National Parks was adapted after very long process of consultations. Public debates were organized on the territory of all national parks and also in Belgrade, in October 2014. After that there was a long period of silence and the Law was adopted in September 2015 after passing number of consultations and amendments in the National Parliament. Implementation of new law will be real challenge for Serbian authorities, especially in national park Sar Planina which is located in Kosovo.

For example, in October 2015, two days after the Law on National Parks was adopted in the National Parliament of Serbia, the workers of Public Company “National Park Sar Planina” which is under jurisdiction of Serbian Government, were arrested by Kosovo Police, accused for illegal cutting of the forest. Additionally, in the same period Serbian Government has issued “warning note” to investors interested to invest in Brezovica ski resort which is located in Sar Planina.

Another example is Decision on changing spatial plan of Kopaonik National Park (Official Gazette RS no. 32/2015 and 81/2015). This Decision as a consequence has a change in national park territory and gives possibility to investors to build in previously protected zone. One of the main arguments for change of the Plan mentioned in the Decision is need for enabling investments in and around the territory of the park.

Draft Law on Nature Protection - consultation with public was done and report on consultations was published on the website of the Ministry. A Law on nature protection is still missing elements for full transposition of Birds and Habitats Directive. Financing nature protection will remain weak point of the Law.

Although drafted in the same period above mentioned laws were having different dynamics of adaptation and they are not fully synchronized.

Regulation on Appropriate Assessment - for almost two years there is information about draft of the Regulation, but no text is available for public and no consultations were held.

Further challenges in nature protection sector are:

- Lack of dialogue between institutions and civil society on species and habitats protection and exclusion of civil society from decision making. One of the recent examples is related to the protection of Turtle Dove (*The Turtle Dove Streptopelia turtur* is listed on Annex II/2 of the EU Birds Directive) and the Common Quail (*The Common Quail Coturnix coturnix* is listed on Annex II/2 of the EU Birds Directive as a species for which hunting is permitted. However, it has been identified as a bird species that has an unfavourable conservation status in Europe). As both species are under serious danger of overhunting in Serbia, for many years CSOs are being advocating change of national regulation and ban hunting of these species. After a series of attempts, coalition of 50 nature protection NGOs succeeded, during last meeting with authorities (Ministry of agriculture and environmental protection - Directorate of Forestry, in charge of hunting) to have at least two years ban on hunting Turtle Doves (25 of June 2015). Decision of Minister was to be published in Official Gazette. But, approximately 15 days later, during a session with Serbian Prime Minister in the National Parliament of the Republic of Serbia, one parliamentarian raised a question of hunting Turtle Doves. He said “that Serbia will lose a lot of money because there is a group of people protection African birds, and pushing away business with foreign hunters”. Serbian Prime Minister said that “he doesn’t care for some birds, and Serbia should look for economic interests”. After this intervention, Ministry of Agriculture and Environmental Protection did not ban hunting and did not respect agreement with CSOs.
- Strengthening cooperation with other sectors (hunting, fishery, agriculture). Nature protection sector should be more involved in law drafting of other sectors (for example, during drafting of the new Law on agricultural land).
- Very weak implementation and enforcement of legislation, especially on local level. Due to the weak cooperation and absence of interest of local institutions (police, inspection, court) there is almost impossible to take legal action against illegal hunting (especially in case of use of various means, devices or methods of large-scale and non-selective capture, killing and hunting). Society for the protection and study of birds (Serbian Bird Life), has reported number of cases to local police, there were few “investigations” on the field, but no further measures were taken.

RECOMMENDATIONS

Key recommendations are:

- Amend the Law on National Parks through more efficient protection goals, management systems etc. in Sar Planina National Park. Strengthening articles related to the decision on borders of national parks, rules and procedures to change borders etc.
- Fully implement the principles of sustainable development and protection of nature protected areas from emerged energy projects with possible negative environmental effects.
- Amend the Law on nature protection and bylaws in relation to ecological network Natura 2000;
- Involve representatives of civil society organizations in working groups for law drafting and policy development;

- Strengthen capacities on local and national level for the implementation of legislation;
- Develop a system for sustainable financing of nature protection, dedicate funds from state budget for designation of Natura 2000 sites;
- Build capacities of police, inspectors and judges on species protection related regulations.

6. Industrial Pollution

OVERVIEW

In Serbia, untreated industrial and municipal wastewater, agricultural drainage water, as well as pollution related to river shipping and thermal power plants (TPP's) are major sources of pollution.

Amount of hazardous waste being produced in Serbia, which coming from all plants including facilities that are required to obtain an integrated permit, is about 100,000 t / year¹⁰. In the Republic of Serbia there is no hazardous waste treatment facility.

So far in Serbia, out of 196 operators who are required to obtain integrated permit, only 17 have issued IPPC permit (7 from Vojvodina Province).

As regards industrial pollution, there is a significant problem with "historical" pollution in Serbia. Hazardous and industrial waste is located in companies that have gone out of business or are undergoing bankruptcy and do not possess the resources necessary to solve this problem. On the large number of locations lay completely unattended huge quantities of waste that are posing a threat to the environment.

In 2015 national budget funding had been approved for two major historical waste takeover projects – “Prva Iskra” Barič and ECO-GAS Šabac. Around 120 million RSD have already been put in operation in order to dispose of around 750t of hazardous waste in Barič. The amount of waste currently stored in Šabac is around 92 t and some 10 million RSD of public money are intended to be spent in the course of the project.

Rough estimates show that there are currently more than 5.000 tonnes of hazardous waste lying unattended around Serbia and it is located in the companies going through the restructuring process.

RATIONALE

Developments

In the field of industrial pollution control and risk management, the main legislative arrangements are **Industrial Emissions Directive** (2010/75/EU) and **Seveso II Directive** (96/82/EC) on the Control of Major-Accident Hazards Involving Dangerous Substances.

“Directive on Large Combustion Plants” (2001/81/EC) and “Directive on IPPC” (2008/1/EC) have been given a high priority, as for their implementation extra resources are needed. These two Directives have now are merged together in the “Industrial Emissions Directive (2010/75/EU)

Only **some parts** of the IED (2010/75/EU) **are transposed** in Serbia, through transposition of the IPPC Directive 1996/61/EC within IPPC Law and its by-laws.

¹⁰ <http://www.ekapija.com/website/sr/page/314087>

In the post screening document for Chapter 27, it is stated that full transposition of the 2010/75/EU (IED) in the Republic of Serbia for the IPPC part will be achieved **by 2018** through amendments of the IPPC Law.

In **March 2015**, Serbian Parliament have adopted the proposed amendments to the IPPC Law, relating to prolongation of the deadline for permits, which is now until **2020** for existing installations. Also, for the new installations, the amendments provided that installation or combustion plant may operate without a permit with additional maximum **240 days** after allowed trial operation, if previous examinations and tests during trial operations of are in line with prescribed emission limit values.

It is obvious that this is completely opposite than recommended findings of the Report on the Institutional Framework Assessment IPPC/IED from October 2013 stating that: „As the current practice of trial periods is to be restricted, relevant data and reports for the application should be based on calculations and results from other installations. It is important that these data and the calculations are checked by specialists. As well as in the Ministry of Mining and Energy as in the Provincial Secretariat for Urban Planning, Construction and Environmental Protection (PSUPCEP), specialists on noise, soil, waste etc. are available. Therefore their tasks should be extended on checking data and reports¹¹. This is also possible breach with recent decision of the Ministerial Council of the Energy Community for implementation of the IED provisions in the case of new plants.

Chapter III (LCP) - Serbia has some legislative framework established for topic covered by the Chapter III of IED, as advanced transposition of previous directive LCP (2001/80/EC).

Serbian Regulation on **emission limit values** of pollutants into the air (“Official Gazette of RS”, No. 71/10 and 6/11-corr.) **partially** transposes provisions of LCP directive (2001/80/EC).

There is a two-step transposition plan for Chapter III of IED into national Legislation:

1. **in 2015** through **new Regulation** on emission limit values of pollutants into the air from combustion plants, and
2. **by July of 2017** through **amendments of the Regulation** on emission limit values of pollutants into the air from combustion plants.

IED provisions related on public access to information are planned for transposition for **2018**.

The “acquis communautaire on environment”, within the Energy Community Treaty, is including, among others:

(iii) Directive 2001/80/EC of the European Parliament and of the Council of 23 October 2001 on the limitation of emissions of certain pollutants into the air from **large combustion plants**, and (v) Chapter III, Annex V, and Article 72(3)-(4) of Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on **industrial emissions** (IPPC).

Directive 2001/80/EC on the limitation of emissions of certain pollutants into the air from large combustion plants is to be implemented **by 31 December 2017**, while in case of Chapter III, Annex V, and Article 72(3)-(4) of Directive 2010/75/EU on industrial emissions (integrated pollution prevention and control) timeframe is **from 1 January 2018 for new plants**. For **existing plants**, Serbia shall implement those provisions **by 1 January 2028** at the latest. Prior to that date, Serbia shall endeavour

¹¹ http://ippcserbia.org/dokumenta/127/IPPC%20Serbia_11012934.pdf

to implement the provisions of Chapter III and Annex V within the shortest possible timeframe, in particular in the case of retrofitting existing plants.

Regarding the **LCP Directive**, Serbia is to set a national emission reduction plan (NERP) and also to list plants that plan to use the option of limited operation (opt-out mechanism) by the end of 2015.

Challenges

There are numerous challenges in the area of industrial pollutions, but the biggest ones are definitely organized disposal of hazardous historical waste, as well implementation of legislation on prevention accident-caused pollutions of the environment.

Also, penal policy must be significantly improved, so that polluters are always held accountable of their actions, no matter what.

RECOMMENDATIONS

Enable an adequate timeframe and broad public participation in line with the Aarhus Convention (when all options are still open) in drafting and adoption of national emission reduction plan (NERP) for the energy sector network that includes thermal power plants.

SEVESO (II and III), Asbestos, VOCs paints, Mercury, Eco-label, Floods, EMAS are not included in this review.

7. Climate Change

OVERVIEW

The Serbian government has started recognizing climate change as an important issue after the unprecedented floods of 2014. In the reporting period, first steps were made towards building up national climate policy. The country has made its first pledge to tackle greenhouse gas (GHG) emissions by submitting an Intended Nationally Determined Contribution (INDC) to the United Nations Framework Convention on Climate Change (UNFCCC). Regrettably, the proposed INDC of -9.8% compared to 1990 levels entails a *de facto* increase of GHG emissions compared to 2013. In addition, and as visible from the draft BUR, the set of emissions data that stretches back to 1990 is not consistent, given the different geographical coverage of emissions data.

The Paris Agreement, as well as the development of the National Climate Change Strategy in the coming years, will offer important opportunities to correct Serbia's climate pledge by aligning it with EU climate targets until 2030, and with the long term goal towards 2050. The EU 2050 long term goal involves effective decarbonisation of the economy, whereas EU has committed to reduce its GHG emissions by 80-95% compared to 1990 levels. This needs to be reflected in the Serbian national strategies, to provide the right signal for further investments and planning of other economic sectors, particularly energy.

RATIONALE

Developments

In the reporting period important steps have been made towards development of Serbian climate policy.

National Council on Climate Change has been founded in November 2014. The Serbian government founded the National Council on Climate Change¹², with the aim to monitor the development and implementation of climate policy in Serbia. The body is in charge of proposing climate mitigation and adaptation measures, as well as ensuring that Serbia moves its climate policy forward, in line with the obligations of EU accession and the UNFCCC. The Council brings together representatives of relevant national bodies (ministries, agencies and offices) and the academia, but no CSO representatives have been involved so far. The Council had two sessions - the founding one on January 26 and the second one on June 30. According to the media briefings issues by the Ministry¹³, sessions debated the following issues: the general need to raise awareness on climate change in Serbia; the need for cross-sectorial coordination; and the necessary work in order to meet its obligations towards the UNFCCC – namely the intended nationally determined contribution (INDC), First Biannual Update Report (FBUR) and the Second National Communication (SNC). However, it appears that the INDC was only debated after it was adopted by the Government, highlighting that the real impact of the Council has so far been limited. The body in itself is a major step forward towards coordinating different sectors and stakeholders. It should be put into much better use in the nearest future while also better informing the public about its activities. This would easily be ensured by granting CSOs permanent access to the Council meetings.

Intended nationally determined contribution. On June 11 2015, Serbia forward its first climate pledge to the Paris Climate Summit. The pledge indicates that Serbia aims to reduce its GHG emissions by 9.8% compared to 1990, which stipulates an actual increase of 15%, given that emissions have already dropped by a quarter. A decision to go ahead with such an unambitious pledge is a clear sign that the Government does not have the will to truly tackle climate change and align its policy with the EU.

Moreover, the INDC document does not offer any concrete measures on how the target will be achieved. Instead, it leaves all major decisions to the National Climate Change Strategy which should be developed by 2018, according to the latest Transposition and Implementation Plan for Chapter 27¹⁴.

Finally, there was no public consultation process for this very important document, despite the guidelines¹⁵ prepared by the World Resource Institute (WRI) and the United Nations Development Programme (UNDP). The intended emissions reduction of -9,8% was announced to the interested public

¹² MAEP (2014) National Council on Climate Change founded: <http://www.eko.minpolj.gov.rs/osnovan-nacionalni-savet-za-klimatske-promene/>

¹³ MAEP Statements (2015): <http://www.mpzss.gov.rs/podizanje-javne-svesti-gradjana-jedan-od-prioriteta-u-borbi-protiv-klimatskih-promena/>; <http://www.mpzss.gov.rs/odrzana-druga-sednica-nacionalnog-saveta-za-klimatske-promene/>

¹⁴ Government of the Republic of Serbia (2015): Transposition and Implementation of Environmental and Climate Change Aquis - Chapter 27: Status and Plans. Available at: http://www.pregovarackagrupa27.gov.rs/?wpfb_dl=71

¹⁵ UNDP & WRI (2015): Designing and Preparing Intended Nationally Determined Contributions. Available at: http://mitigationpartnership.net/sites/default/files/indcs_may27_v2.pdf

at public hearing in Parliament in April 2015. Lack of public consultation stipulates the lack of ownership of this climate goal by the society at large.

First Biannual Update Report. In October, the First Biannual Update Report was presented and opened for comments for 20 days. Expert analysis of the document indicates that it was based on flawed and unofficial data, such as on the draft Energy Strategy¹⁶. This raises serious concerns about the projections of future emissions. Moreover, the document presents scenarios in which the country misses its obligations from the Energy Community regarding the share of renewable energy sources. This is unacceptable so the draft document needs to be revised.

National Climate Change Strategy with the Action Plan. Limited progress has been made with the tendering procedure for the *Development of Climate Change Strategy with its Action Plan*. After a long period of inactivity, a short list of candidates has been made. This is already behind the planned schedule but there is hope that the actual work on the Climate Strategy will start in 2016. The Strategy is expected to set out measures for Serbia to meet its first climate target. It will be essential to use this Strategy to raise the ambition of the current pledge. The actual, legally binding pledge must, as a bare minimum, be in line with the EU GHG emissions reduction target of at least 40% by 2030. 2050 goals should also be enshrined in the Strategy.

EU Emissions Trading Scheme (EU ETS). In September 2014, the Government of Serbia adopted Conclusion on the Establishment of Institutional Organisation for Implementation of the Monitoring, Reporting and Verification (MRV) system for the EU ETS. The responsible Ministry started the transposition of the Regulation on a mechanism for monitoring and reporting greenhouse gas emissions. The establishment of an MRV system is planned within IPA 2013 financial instrument but the process is delayed due to the lack of a Decentralised Implementation System that should be established within the Ministry of Finance. Pre-draft version of the Law on GHG Emission Reduction System¹⁷ is developed. Interested public, particularly industry, local authorities and CSOs were given the opportunity to be introduced with this document. Working group for the development of this legal act was established in April with presence of CSOs within working group. This approach, together with similar experience within Law on Environmental Liability development, represents rare but very positive example of inclusive decision making process. Having that in mind we hope this approach will be practiced more in the future.

Adaptation. There is a significant need for enhanced cooperation and coordination in order to strengthen the local level stakeholders to implement mitigation and adaptation measures. A very low level of participation in Covenant of Mayors/Mayors Adapt initiatives is recorded.

Post-screening document. In July 2015, MAEP published the draft of the Post-screening document, analyzing the administrative and financial needs of the Ministry required to carry out harmonization of national legislation with the EU. The document also laid out timing for transposition and implementation of climate acquis. The document was again developed in a non-transparent process, with extremely limited time given to civil society, local authorities and the private sector for comments (10 working days for 300 pages, with unclear and changing deadlines). The document was adopted by the Government in September and is now known under the title *Transposition and Implementation of Environmental and Climate Change Acquis - Chapter 27: Status and Plans*. Adopting this plan is surely

¹⁶ The draft Energy Strategy was still in the parliamentary procedure during reported period and it was adopted in December 2015.

¹⁷ This is unofficial translation. In Serbian pre-draft version it is *Zakon o sistemu smanjenja emisija gasova sa efektom staklene bašte*.

a step forward, but it remains difficult to assess its financial feasibility as the background data are missing. Administrative capacity will surely need to be expanded, given that the plan is to have most of the acquis transposed by 2018. In terms of the content, our biggest concern is the fact that climate plans do not reference the EU's 2030 or 2050 Climate and Energy Framework, which are inseparable parts of the EU climate policy.

Challenges

Limited Administrative Capacity. In the current Government, since April 2014, the Ministry of Agriculture and Environmental Protection is responsible for climate change policy, while Division for Sustainable Development and Climate Change in energy sector remained under the Ministry of Energy and Mining. The same administrative division existed within the former Ministry of Energy, Development and Environmental Protection, indicating that no integrated approach to climate change has been considered. Section (*Odsek* in Serbian) is an administrative subunit within the Sector for international cooperation and European integration. The position of the climate change unit illustrates that it is an issue of less importance. Moreover, the Climate Change Section at MAEP has only 5 staff members according to the NPAA¹⁸. However, it is valuable to mention that certain improvements in climate change policy agenda are the result of devoted work of the Section for climate change. Given the intense legislative and strategic activity planned for the next three years, it is evident that the Section will require significant administrative support.

Mainstreaming Climate Action into other policies. A considerable lack of climate policy mainstreaming is still evident in other sectors, whereas the draft of the *National Energy Strategy until 2025 with projections until 2030* demonstrates the most notorious example. The draft Strategy shows that the Government still plans to heavily rely on fossil fuels, notably coal, all the way through to 2050. The Strategy does not take into account the future price of carbon that Serbia will have to pay upon its accession to the EU. This demonstrates a complete lack of understanding of the significance of climate change and its future impacts on Serbian energy sector and economy as a whole. Despite the fact that several public events were organised in the second half of the year,¹⁹ public debate on climate policy development is in its earliest stage. A more open and trustful approach towards civil society is needed in order to boost dialogue on future climate policy and keeping the track with the EU.

Lack of Finance for Climate Action. The abolishment of the Fund for the Environment had adverse impacts on climate action too. Further inaction in the area of climate change is usually politically justified by its high costs, while in the same time the fossil fuel industry and mining are being heavily subsidised. The debate does not adequately consider the costs of inaction on climate change, leading to stronger and more frequent impacts that will cost the Serbian economy more.

RECOMMENDATIONS

Serbian climate policy should be formulated to be fully compatible with EU climate policy and UNFCCC obligations. This means that the EU 2030 Climate and Energy Framework, as well as EU 2050 Roadmap, must be the minimum requirement when formulating future National Climate Change Strategy. These EU goals need to be fully reflected in other sectors as well, so a thorough revision of the draft Energy Strategy is needed. Moreover, climate change mitigation and adaptation measures need

¹⁸ European Integration Office (2014): National Programme for the adoption of the EU Acquis (NPAA). Available at: http://www.seio.gov.rs/upload/documents/nacionalna_dokumenta/npaa/npaa_eng_2014_2018.pdf

¹⁹ It was initiated and supported by Embassy of the French Republic in Serbia.

to be the result of cross-sectorial cooperation between the competent ministries and partnerships with local government, business and civil society.

Coalition 27 hereby calls on the Serbian Government to swiftly undertake the following specific measures:

- Revise and increase the INDC by the end of 2018 at the latest, in order to align it with the EU 2030 goal and ensure that the country achieves true reduction of emissions, of at least 40% compared to 1990 levels;
- Make better use of National Climate Change Council and invite CSOs representatives to its meetings;
- Revise the draft BUR according to comments submitted by the civil society;
- Mandates MAEP to ensure wide participation of civil society and other interested stakeholders in the development of the National Climate Change Strategy from the very beginning of its preparation;
- Increase the number of civil servants within the ministries that deal with sectorial climate change impacts and focus on raising their capacities;
- Provide obligatory trainings for local municipalities to assess climate change exposure and vulnerabilities and produce action plans for mitigation and adaptation;
- Develop a financing mechanism to support strategic priority needs, inter alia, by shifting funds from polluting fossil fuel subsidies to climate action.

Conclusion: Still a lot of obstacles to cross

National Sustainable Development Strategy of the Republic of Serbia (2008), as a baseline for NEAS development defines the EU membership as a key national priority. Government of Serbia defined several priority areas during the negotiation process and environmental policy is among those priorities (prime minister's opening speech in the Parliament, in May 2014). National Environmental Approximation Strategy of the Republic of Serbia - NEAS (2011) emphasizes the complexity, administrative and financial challenges in the process of negotiation in Chapter 27. Thus, as demonstrated above, there has been little progress in approximation with EU legislation in the previous period.

Horizontal and cross-sectorial coordination of Government's activities is weak. Climate change policy is a typical example of the lack of policy makers' interest to develop long term strategies. Most of the activities are project based and externally funded. Such top-down approach leaves the impression that there is a form to be filled and little effort is made by the public authorities to engage the general public and civil society even when procedures imply bottom-up input.

As previously explained, within the Chapter 27 there are many different areas, some require specific attention and some other require a systemic change, but all of them require more public participation, awareness raising amongst both policy and decision makers and the general public, as well as a continuous investment in education and expertise.

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